

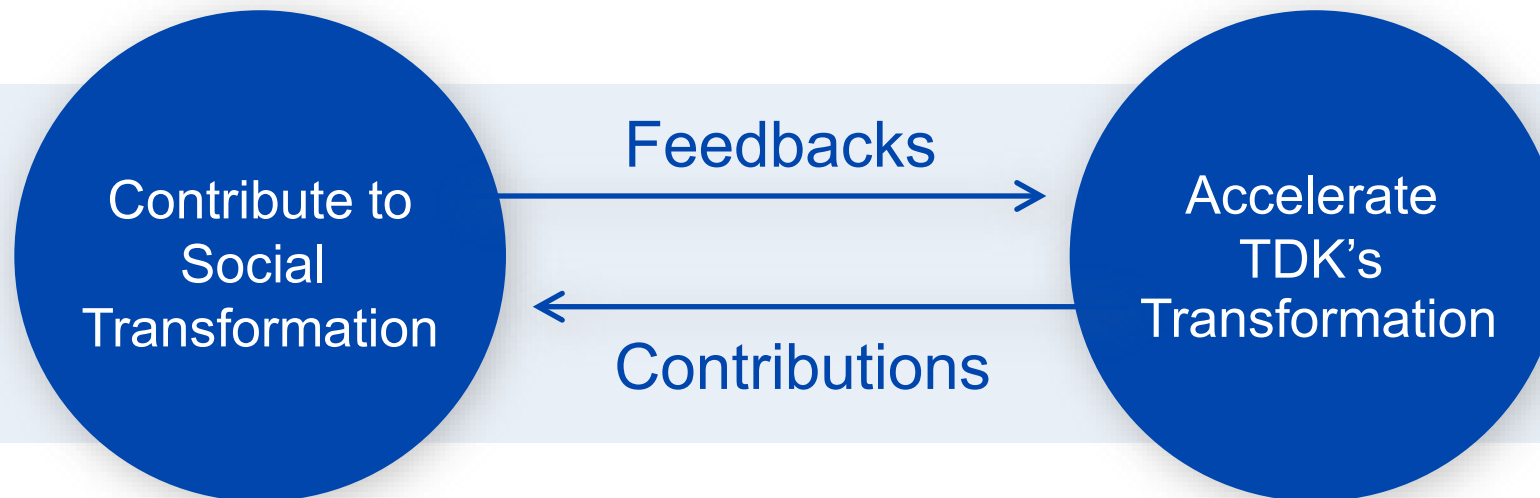
# **Pressing Issues to be Addressed by TDK Group**

Long-term vision

## TDK Transformation

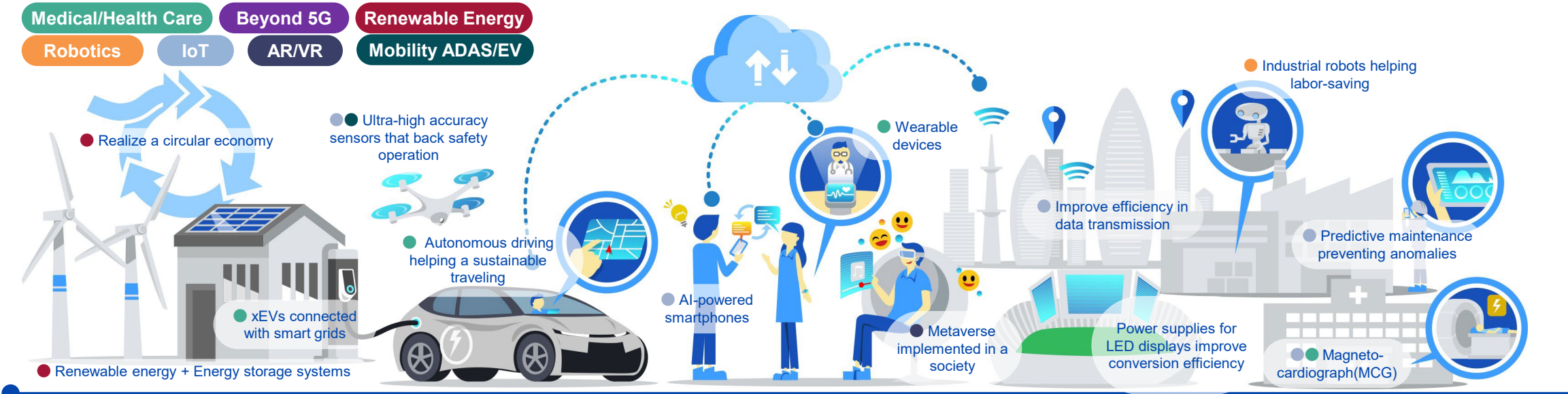
～Accelerating transformation for a sustainable future～

- Contribute to the transition towards a sustainable future by **accelerating the transformation of society and advancements in technology** enabled by electronic devices developed through leveraging cutting-edge innovation in **materials, processes, and software technology**.
- **Become the No.1 partner** growing alongside our worldwide customers by **pursuing continuous “transformation”**.



# Contribute to Social Transformation

Social Transformation  
Advancement of Technology  
TDK Transformation



**Green Transformation**  
Decarbonization, energy saving, Energy storage

**Digital Transformation**  
AI, automation & labor-saving

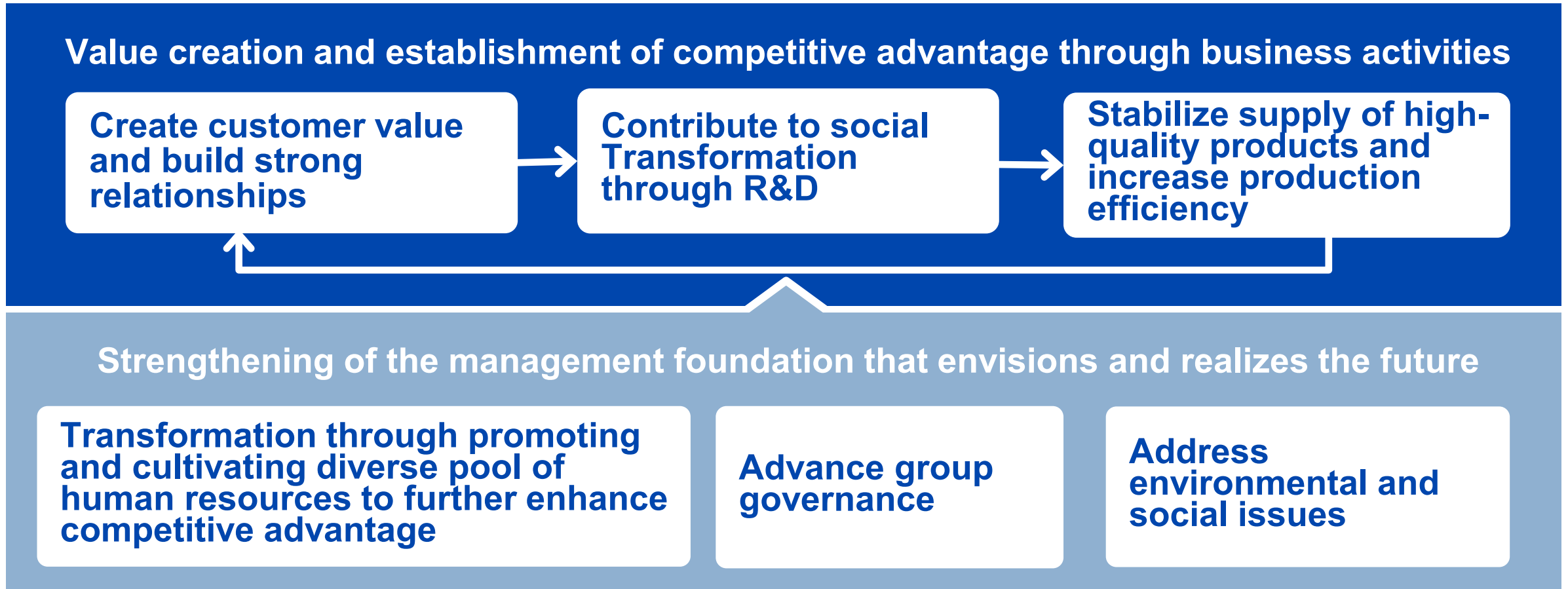
**Capability of Management Transformation**



# Defining Key Issues (Materiality)

- Verbalized sources of competitive advantage that have supported long-term growth, and set key issues towards to realize long-term vision and enhance enterprise value.

## Basic policy of Key Issues (Materiality)



# New Medium-Term Plan: Key Points

- To achieve what we want to be in the next decade, we are committed to strengthening management focusing on cash flows, enhancing business portfolio management, increasing pre-financial capital and engaging with investors.

$$\text{Enterprise value} = \frac{\text{Maximize FCF generation} \uparrow}{\text{Cost of capital (WACC)} \downarrow - \text{Expected growth rate} \uparrow}$$

## Key points

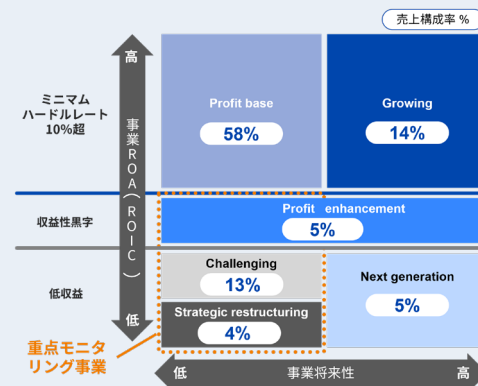
### Evolve the Ferrite Tree (Pre-financial capital)



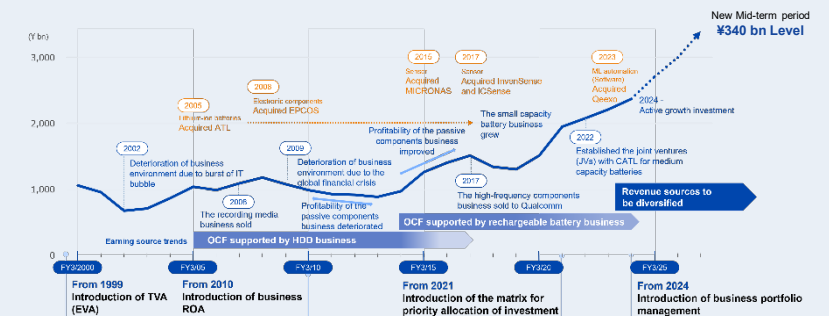
企業文化

材料 × プロセス技術 × ソフトウェア技術  
人的資本 組織力 顧客基盤

### Enhance business portfolio management (Emphasizing ROIC)



### Strengthen management focusing on cash flows



## Creation

### Attracting Tomorrow

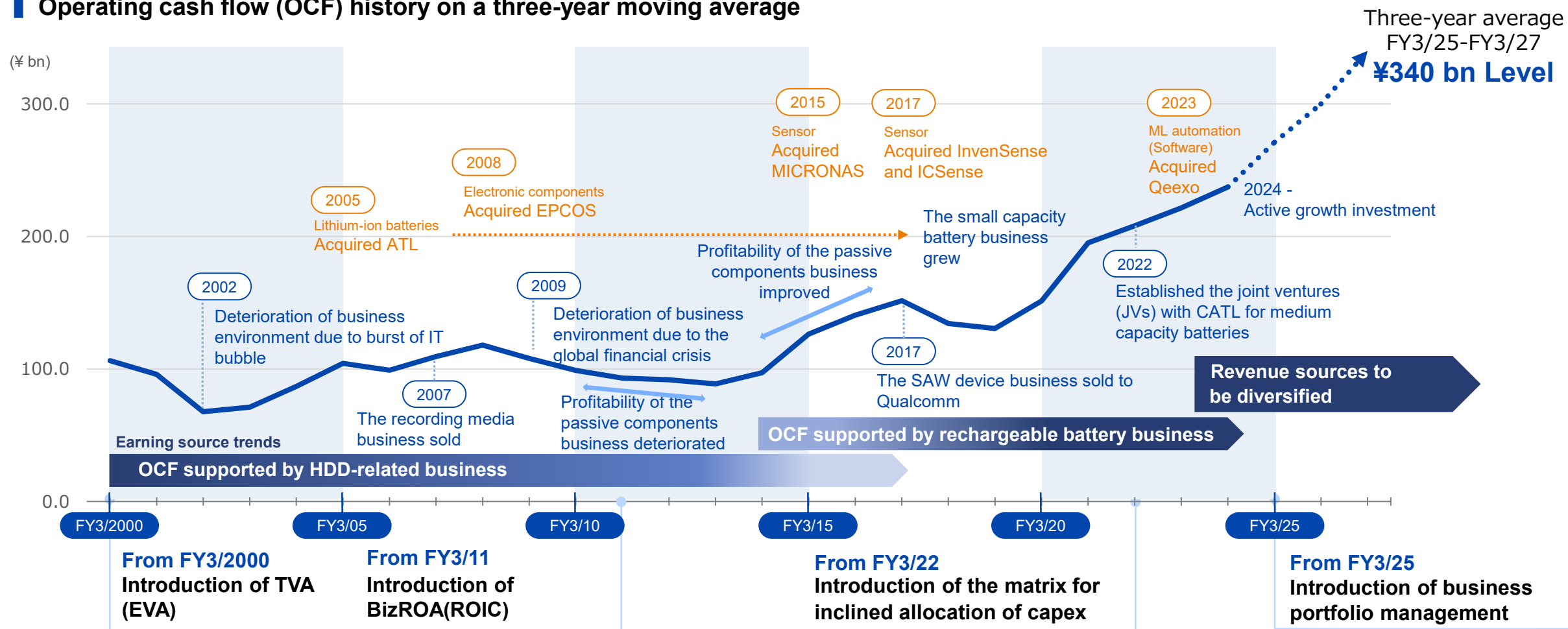




# Aiming for Operating Cash Flow Growth

- We will improve cash flows over the medium- to long-term by enhancing our earning capability through organic growth, M&A, and proactive business portfolio transformation.

## Operating cash flow (OCF) history on a three-year moving average



# Forecast of Consolidated Financial Results and Dividends for Fiscal Year Ending March 31, 2025

Attracting Tomorrow



- Despite the uncertain macroeconomic environment, we plan 0.1% increase in net sales and 4.1% increase in operating income through the implementation of various measures
- Dividend policy: Dividend payout ratio changed from 30% to 35%
- Considering shareholder return through a flexible share buyback based on strategic investments

(100 million yen)	Full-year financial results for FY2024 (IFRS)	Full-year financial results for FY2025 (IFRS) (announced in April 2024)	Year-on-year change	
			Change	Change (%)
Net sales	21,039	21,050	+11	+0.1
Operating income	1,729	1,800	+71	+4.1
Net profit	1,247	1,280	+33	+2.7
Earnings per share	328.70	337.38	—	—
Dividend per share *Today's proposal item	Interim : 58yen	Interim : 60yen	—	—
	Year-end : 58yen *	Year-end : 60yen		
	Annual : 116yen	Annual : 120yen		



# **Thank you for your continued support.**