



TDK Corporation  
January 31, 2022

Contact;

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IR&SR Group

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**Consolidated results (U.S. GAAP) for the 3rd quarter of FY March 2022**

**Summary (April 1, 2021 - December 31, 2021)**

Term Item	The 9-month-period of FY2021 (Apr. 1, 2020 - Dec. 31, 2020)		The 9-month-period of FY2022 (April 1, 2021 - December 31, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,086,797	100.0	1,393,855	100.0	12,120,478	307,058	28.3
Operating income	107,484	9.9	139,235	10.0	1,210,739	31,751	29.5
Income before income taxes	109,358	10.1	146,621	10.5	1,274,965	37,263	34.1
Net income attributable to TDK	73,076	6.7	117,306	8.4	1,020,052	44,230	60.5
Per common share :							
Net income attributable to TDK / Basic	Yen 192.83		Yen 309.53		U.S.\$ 2.69		
Net income attributable to TDK / Diluted	Yen 192.43		Yen 308.81		U.S.\$ 2.69		
Capital expenditures	154,433	-	210,802	-	1,833,061	56,369	36.5
Depreciation and amortization	100,960	9.3	123,308	8.8	1,072,243	22,348	22.1
Research and development	92,378	8.5	120,709	8.7	1,049,643	28,331	30.7
Result of financial income (loss)	4,186	-	4,048	-	35,200	(138)	-
Ratio of overseas production	86.2%	-	88.8%	-	-		
Number of employees	116,786	-	116,613	-	-		

**3rd quarter consolidated results  
(October 1, 2021 - December 31, 2021)**

Term Item	3Q of FY2021 (Oct. 1, 2020 - Dec. 31, 2020)		3Q of FY2022 (October 1, 2021 - December 31, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	395,686	100.0	499,670	100.0	4,344,957	103,984	26.3
Operating income	45,078	11.4	59,202	11.8	514,800	14,124	31.3
Income before income taxes	46,195	11.7	62,165	12.4	540,565	15,970	34.6
Net income attributable to TDK	30,851	7.8	49,078	9.8	426,765	18,227	59.1
Per common share :							
Net income attributable to TDK / Basic	Yen 81.41		Yen 129.50		U.S.\$ 1.13		
Net income attributable to TDK / Diluted	Yen 81.24		Yen 129.20		U.S.\$ 1.12		
Capital expenditures	57,304	-	76,815	-	667,957	19,511	34.0
Depreciation and amortization	36,233	9.2	41,752	8.4	363,061	5,519	15.2
Research and development	32,560	8.2	41,566	8.3	361,443	9,006	27.7
Result of financial income (loss)	1,293	-	1,485	-	12,913	192	-
Ratio of overseas production	86.6%	-	89.2%	-	-		

Notes:

1. U.S.\$1=Yen 115, for convenience only.
2. TDK split one share of its common stock into three shares on effective date of October 1, 2021. "Net income attributable to TDK" is calculated based on the assumption that the stock split was conducted on April 1, 2020.

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## **[Summary Information and Financial Statements]**

### **1. Summary Information Regarding Financial Results for the Third Quarter of Fiscal 2022**

#### **(1) Summary Information Regarding Consolidated Business Results**

Consolidated results for the first nine months of fiscal 2022, the period from April 1 to December 31, 2021, are as follows.

During the first nine months of fiscal 2022, as social and economic activities were gradually normalized around the world, production activities continued to rebound and corporate capital expenditure remained brisk. However, manufacturing industry was negatively affected by the resurgence of COVID-19 since the beginning of the third quarter. In addition, political conflicts such as the continuing tensions between the U.S. and China cast lingering uncertainties about the future outlook of the global economy.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, production volume was sluggish in the automotive market due to the supply chain constraints in components procurement. However, automotive-related demand remained strong in the third quarter on the back of an increase in the number of components installed per vehicle and inventory buildup by customers in line with the progress of conversion to electronic vehicles (EVs) and introduction of advanced driving assistance systems (ADAS). In the Information and Communications Technology (ICT) market, demand for notebook PCs and tablets remained strong. Smartphone production volume during the first nine months of fiscal 2022 remained lower than the same period of the previous fiscal year as the resurgence of COVID-19 negatively affected components procurement and demand. In addition, production of Hard Disk Drives (HDDs) for servers remained strong, reflecting a recovery in demand related to data centers.

In this business environment, the TDK's consolidated operating results for the first nine months of fiscal 2022 were as follows.

**Summary (April 1, 2021 - December 31, 2021)**

Term Item	The 9-month-period of FY2021 (Apr. 1, 2020 - Dec. 31, 2020)		The 9-month-period of FY2022 (April 1, 2021 - December 31, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,086,797	100.0	1,393,855	100.0	12,120,478	307,058	28.3
Operating income	107,484	9.9	139,235	10.0	1,210,739	31,751	29.5
Income before income taxes	109,358	10.1	146,621	10.5	1,274,965	37,263	34.1
Net income attributable to TDK	73,076	6.7	117,306	8.4	1,020,052	44,230	60.5
Per common share :							
Net income							
attributable to TDK / Basic	Yen 192.83		Yen 309.53		U.S.\$ 2.69		
Net income							
attributable to TDK / Diluted	Yen 192.43		Yen 308.81		U.S.\$ 2.69		

**Notes:**

1. U.S.\$1=Yen 115, for convenience only.
2. TDK split one share of its common stock into three shares on effective date of October 1, 2021. "Net income attributable to TDK" is calculated based on the assumption that the stock split was conducted on April 1, 2020.

Average yen exchange rates for the U.S. dollar and the euro during the first nine months of fiscal 2022 were ¥111.09 and ¥130.59, respectively, as the yen depreciated 4.7% against the U.S. dollar and 6.7% against the euro. As a result of these factors and fluctuations in foreign exchange rates, net sales increased by approximately ¥85.3 billion and operating income increased by approximately ¥3.5 billion.

## Sales by Product

Term  Product	The 9-month-period of FY2021 (April 1, 2020 - December 31, 2020)		The 9-month-period of FY2022 (April 1, 2021 - December 31, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	113,862	10.5	147,692	10.6	1,284,278	33,830	29.7
Inductive Devices	101,033	9.3	134,201	9.6	1,166,965	33,168	32.8
Other Passive Components	78,351	7.2	96,114	6.9	835,774	17,763	22.7
Passive Components	293,246	27.0	378,007	27.1	3,287,017	84,761	28.9
Sensor Application Products	57,491	5.3	95,654	6.9	831,774	38,163	66.4
Magnetic Application Products	144,650	13.3	190,009	13.6	1,652,252	45,359	31.4
Energy Application Products	552,889	50.9	691,260	49.6	6,010,957	138,371	25.0
Other	38,521	3.5	38,925	2.8	338,478	404	1.0
Total	1,086,797	100.0	1,393,855	100.0	12,120,478	307,058	28.3
Overseas sales	1,002,534	92.2	1,282,896	92.0	11,155,617	280,362	28.0

**Note:**

U.S.\$1=Yen 115, for convenience only.

### 1) Passive Components Segment

This segment is made up of (1) Capacitors, (2) Inductive Devices, and (3) Other Passive Components. Sales in the Passive Components segment were ¥378,007 million (U.S.\$ 3,287,017 thousand), up 28.9 % year on year from ¥293,246 million.

Capacitors is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Sales in the Capacitors were ¥147,692 million (U.S.\$ 1,284,278 thousand), up 29.7% year on year from ¥113,862 million. Sales of Ceramic Capacitors increased to the automotive and the industrial equipment markets, while decreased to the ICT market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors increased mainly to the industrial equipment market.

Sales of Inductive Devices increased by 32.8% year on year from ¥101,033 million to ¥134,201 million (U.S.\$ 1,166,965 thousand). Sales increased to the automotive and the industrial equipment markets.

Other Passive Components include High-Frequency Devices, Piezoelectric Material Products, and Circuit Protection Components. Sales of Other Passive Components increased by 22.7% year on year from ¥78,351 million to ¥96,114 million (U.S.\$835,774 thousand). Sales increased mainly to the industrial equipment market.

2) Sensor Application Products Segment

This segment is made up of Temperature and Pressure Sensors, Magnetic Sensors, and MEMS Sensors. Segment sales increased by 66.4% from ¥57,491 million to ¥95,654 million (U.S.\$ 831,774 thousand). Sales increased mainly to the ICT market.

3) Magnetic Application Products Segment

This segment is made up of HDD Heads, HDD Suspension Assemblies, and Magnets. Segment sales increased 31.4% year on year from ¥144,650 million to ¥190,009 million (U.S.\$ 1,652,252 thousand). Sales of HDD Heads and HDD Suspension Assemblies increased significantly to the ICT market. Sales of Magnets increased to the automotive market.

4) Energy Application Products Segment

This segment is made up of Energy Devices (Rechargeable Batteries) and Power Supplies. Segment sales increased by 25.0% from ¥552,889 million to ¥691,260 million (U.S.\$ 6,010,957 thousand). Sales of Energy Devices increased significantly mainly to the ICT market.

5) Other

Other includes Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, and Others. Segment sales increased by 1.0% from ¥38,521 million to ¥38,925 million (U.S.\$ 338,478 thousand). Sales of Mechatronics increased to the industrial equipment market. Sales of Camera Module Micro Actuators for smartphones decreased to the ICT market.

The main businesses making up the four reporting segments and Other, which includes products not included in these reporting segments, are as follows:

New Classification	Constituent Main Business
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils/Ferrite Cores/Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components
Sensor Application Products	Temperature and Pressure Sensors, Magnetic Sensors, MEMS Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Magnets
Energy Application Products	Energy Devices (Rechargeable Batteries), Power Supplies
Other	Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, Others

**[Sales by Region]**

Overseas sales increased by 28.0% year on year from ¥1,002,534 million to ¥1,282,896 million (U.S.\$ 11,155,617 thousand). Overseas sales accounted for 92.0% of consolidated net sales, a 0.2 percentage point decrease from 92.2% in the first nine months of fiscal 2021. Detailed information on sales by region can be found in the consolidated supplementary information on page 18.

**(2) Summary Information Regarding Consolidated Financial Position**

1) The following table summarizes TDK's consolidated balance sheet as of December 31, 2021.

Total assets	¥2,812,477 million	(17.1% increase)
Total TDK stockholders' equity	¥1,172,089 million	(16.8% increase)
Stockholders' equity ratio	41.7%	(0.1 point decrease)

As of December 31, 2021, total assets increased by ¥411,044 million compared with March 31, 2021. Net liquidity (cash and cash equivalent, short-term investments, marketable securities) increased by ¥10,385 million. Inventory, net property, plant and equipment, and net trade receivables increased by ¥123,273 million, ¥117,223 million, and ¥76,462 million, respectively.

Total liabilities increased by ¥242,004 million from March 31, 2021. Long-term debt (including current installments of long-term debt) and trade payables increased by ¥140,948 million and ¥72,983 million respectively. Issuance of bonds by ¥99,591 million in December 2021 is included in the increase of long-term debt.

Total TDK stockholders' equity, which is included in total equity, increased by ¥168,551 million from March 31, 2021. Retained earnings increased by ¥82,523 million and accumulated other comprehensive income (loss) increased by ¥75,332 million compared with March 31, 2021.



## 2) Cash Flows

(Yen millions)

	The 9-month-period of FY 2021	The 9-month-period of FY 2022	Change
Net cash provided by operating activities	162,873	77,552	(85,321)
Net cash used in investing activities	(164,887)	(198,322)	(33,435)
Net cash provided by financing activities	50,205	126,791	76,586
Effect of exchange rate changes on cash and cash equivalents	2,347	21,413	19,066
Net increase in cash and cash equivalents	50,538	27,434	(23,104)
Cash and cash equivalents at beginning of period	332,717	380,387	47,670
Cash and cash equivalents at end of period	383,255	407,821	24,566

Operating activities provided net cash of ¥77,552 million (U.S.\$674,365 thousand), a decrease of ¥85,321 million year on year. It mainly came from an increase in working capital.

Investing activities used net cash of ¥198,322 million (U.S.\$1,724,539 thousand), an increase of ¥33,435 million year on year. It mainly came from increase in capital expenditures.

Financing activities provided net cash of ¥126,791 million (U.S.\$1,102,530 thousand), an increase of ¥76,586 million year on year. It mainly came from an increase in debt, which is a result of issuance of corporate bonds.

### (3) Summary Information Regarding Consolidated Projections

(Fiscal 2022 Consolidated Projections)

The outlook for the global economy remains uncertain due to the impact of the resurgence of COVID-19 and concerns over political conflicts such as the tensions between the U.S. and China. On the other hand, social, economic and production activities continued to rebound, and demand for electronic components remained on a recovery trend. Under such circumstances, during the first nine months of fiscal 2022, production volume was sluggish in the automotive market due to the supply chain constraints in components procurement. However, sales of Passive Components and Sensors remained robust due to an increase in the number of components installed per vehicle and the movement to secure stock of components by customers. In the ICT market, sales of Rechargeable Batteries, Passive Components, and Sensors grew as demand for notebook PCs and tablets remained robust and fifth-generation mobile communication system (5G) related demand expanded. In addition, sales of HDD Heads for servers remained strong, reflecting a recovery in demand related to data centers.

As a result of reviewing TDK's full-year projections in light of the operating results for the first nine months of fiscal 2022, the new projections have been raised from those announced on November 1, 2021. TDK's projections for consolidated operating results for fiscal 2022 are as follows. Meanwhile, temporary expenses of approximately 9.0 billion yen, including structural reform expenses, are expected to be recorded in the fourth quarter as a result of implementing measures to enhance asset efficiency, including business site restructuring, looking ahead to expected changes in demand trends in the future. In addition, the risk of tax-related temporary expenses of approximately 17.0 billion yen is expected.

Term  Item	FY2022 (April 1, 2021 - March 31, 2022)	FY2022 (April 1, 2021 - March 31, 2022)	FY2022 (April 1, 2021 - March 31, 2022)	FY2021 (April 1, 2020 - March 31, 2021)	vs FY2021 Changes	
	Projection in January '22	Projection in November '21	Projection in July '21	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	1,850,000	1,800,000	1,600,000	1,479,008	370,992	25.1
Operating income	160,000	157,000	150,000	111,535	48,465	43.5
Income before income taxes	168,000	162,000	150,000	121,904	46,096	37.8
Net income attributable to TDK	113,000	110,000	100,000	79,340	33,660	42.4
Capital expenditures	300,000	300,000	300,000	212,355	87,645	41.3
Depreciation and amortization	160,000	160,000	160,000	140,285	19,715	14.1
Research and development	160,000	160,000	140,000	127,046	32,954	25.9

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥111 and ¥130 respectively will be assumed for fiscal 2022. Average yen exchange rates against the U.S. dollar and the euro of ¥110 and ¥130 respectively will be assumed for the fourth quarter.

### **Cautionary Statements with Respect to Forward-Looking Statements**

This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings, and evaluations about TDK Corporation and/or its group companies (“TDK”). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs, and evaluations of TDK in light of information currently available to it, and contain known and unknown risks, uncertainties and other factors.

TDK therefore wishes to caution readers that, being subject to risks, uncertainties and other factors, TDK’s actual results, performance, achievements or financial positions could be materially different from any future results, performance, achievements or financial positions expressed or implied by these forward-looking statements, and TDK undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material except as provided for in applicable laws and ordinances.

The electronics markets in which TDK operates are highly susceptible to rapid changes. Risks, uncertainties and other factors that can have significant effects on TDK include, but are not limited to, shifts in technology, fluctuations in demand, prices, interest and foreign exchange rates, and changes in economic environments, conditions of competition, laws, and regulations.

## 2. Other Information

### (1) Changes in Significant Subsidiaries

Nothing to report.

### (2) Simplified Accounting Treatment and Special Accounting Treatment

Nothing to report.

### (3) Accounting Policy Changes, Accounting Estimate Changes and Restatements

Nothing to report.

### (4) Fundamental Policy for Distribution of Earnings, and Fiscal 2021 Dividends

TDK recognizes that achieving increase in corporate value over the medium- and long-term ultimately translates into higher shareholder value. In line with this understanding, TDK's fundamental policy is to work to consistently increase dividends through growth in earnings per share. By actively investing for growth, mainly in the development of new products and technologies in key fields so as to respond precisely to rapid technological innovation in the electronics industry, TDK is aiming to increase a medium- and long-term corporate value. Accordingly, TDK actively reinvests its earning in business activities and determines its dividends taking into consideration comprehensive factors, including return on equity (ROE) and dividends on equity (DOE) on a consolidated basis, as well as changes in the business environment, among other factors.

Projected dividends per share for fiscal 2022 are as follows. TDK keeps dividend forecast unchanged. TDK split one share of its common stock into three shares with the effective date of October 1, 2021.

	(Yen)	
	FY2022	FY2021 Actual
Interim dividend	100.00	90.00
Year-end dividend (Prior to the stock split)	(Forecast) 36.00 (108.00)	90.00
Annual dividend (Prior to the stock split)	- (Forecast) (208.00)	180.00

### 3. Consolidated Financial Statements

#### (1) Balance Sheets

ASSETS									
Term Item	As of March 31, 2021		As of December 31, 2021			Change from March 31, 2021	As of September 30, 2021		Change from Sep 30, 2021
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	1,233,385	51.4	1,453,334	51.7	12,637,687	219,949	1,319,512	50.8	133,822
Cash and cash equivalents	380,387		407,821		3,546,270	27,434	358,347		49,474
Short-term investments	65,886		48,835		424,652	(17,051)	16,664		32,171
Marketable securities	56		58		504	2	57		1
Net trade receivables	429,454		505,916		4,399,270	76,462	499,211		6,705
Inventories	288,854		412,127		3,583,713	123,273	351,950		60,177
Other current assets	68,748		78,577		683,278	9,829	93,283		(14,706)
Noncurrent assets	1,168,048	48.6	1,359,143	48.3	11,818,635	191,095	1,278,302	49.2	80,841
Investments in securities	44,287		56,430		490,696	12,143	50,692		5,738
Net property, plant and equipment	784,371		901,594		7,839,948	117,223	853,415		48,179
Right-of-use assets of operating leases	42,325		43,068		374,504	743	43,323		(255)
Goodwill	165,096		170,690		1,484,261	5,594	166,655		4,035
Long-term advances to vendors	-		57,510		500,087	57,510	33,576		23,934
Other assets	131,969		129,851		1,129,139	(2,118)	130,641		(790)
<b>TOTAL</b>	<b>2,401,433</b>	<b>100.0</b>	<b>2,812,477</b>	<b>100.0</b>	<b>24,456,322</b>	<b>411,044</b>	<b>2,597,814</b>	<b>100.0</b>	<b>214,663</b>

LIABILITIES AND EQUITY									
Term Item	As of March 31, 2021		As of December 31, 2021			Change from March 31, 2021	As of September 30, 2021		Change from Sep 30, 2021
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	1,011,476	42.1	972,440	34.6	8,456,000	(39,036)	1,021,274	39.3	(48,834)
Short-term debt	192,938		204,458		1,777,896	11,520	253,017		(48,559)
Current installments of long-term debt	135,125		794		6,904	(134,331)	34,825		(34,031)
Current portion of operating lease obligations	8,444		8,439		73,382	(5)	8,325		114
Trade payables	324,373		397,356		3,455,270	72,983	376,533		20,823
Accrued expenses	324,753		323,357		2,811,800	(1,396)	321,935		1,422
Other current liabilities	25,843		38,036		330,748	12,193	26,639		11,397
Noncurrent liabilities	383,660	16.0	664,700	23.6	5,780,000	281,040	487,242	18.8	177,458
Long-term debt, excluding current installments	155,273		430,552		3,743,931	275,279	255,930		174,622
Long-term operating lease obligations	29,833		30,431		264,617	598	30,895		(464)
Retirement and severance benefits	116,745		113,190		984,261	(3,555)	114,078		(888)
Other noncurrent liabilities	81,809		90,527		787,191	8,718	86,339		4,188
<b>Total liabilities</b>	<b>1,395,136</b>	<b>58.1</b>	<b>1,637,140</b>	<b>58.2</b>	<b>14,236,000</b>	<b>242,004</b>	<b>1,508,516</b>	<b>58.1</b>	<b>128,624</b>
Common stock	32,641		32,641		283,835	-	32,641		-
Additional paid-in capital	-		-		-	-	6		(6)
Legal reserve	46,403		57,057		496,148	10,654	47,094		9,963
Retained earnings	1,024,019		1,106,542		9,622,104	82,523	1,080,187		26,355
Accumulated other comprehensive income (loss)	(82,733)		(7,401)		(64,357)	75,332	(56,588)		49,187
Treasury stock	(16,792)		(16,750)		(145,652)	42	(16,747)		(3)
<b>Total TDK stockholders' equity</b>	<b>1,003,538</b>	<b>41.8</b>	<b>1,172,089</b>	<b>41.7</b>	<b>10,192,078</b>	<b>168,551</b>	<b>1,086,593</b>	<b>41.8</b>	<b>85,496</b>
Noncontrolling interests	2,759	0.1	3,248	0.1	28,244	489	2,705	0.1	543
<b>Total equity</b>	<b>1,006,297</b>	<b>41.9</b>	<b>1,175,337</b>	<b>41.8</b>	<b>10,220,322</b>	<b>169,040</b>	<b>1,089,298</b>	<b>41.9</b>	<b>86,039</b>
<b>TOTAL</b>	<b>2,401,433</b>	<b>100.0</b>	<b>2,812,477</b>	<b>100.0</b>	<b>24,456,322</b>	<b>411,044</b>	<b>2,597,814</b>	<b>100.0</b>	<b>214,663</b>

**Note:**

U.S.\$1=Yen 115, for convenience only.

## (2) Statements of Income and Statements of Comprehensive Income

### [9-month-period results]

#### Statements of Income

Term Item	The 9-month-period of FY2021 (April 1, 2020 - December 31, 2020)		The 9-month-period of FY2022 (April 1, 2021 - December 31, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,086,797	100.0	1,393,855	100.0	12,120,478	307,058	28.3
Cost of sales	754,115	69.4	970,135	69.6	8,435,956	216,020	28.6
Gross profit	332,682	30.6	423,720	30.4	3,684,522	91,038	27.4
Selling, general and administrative expenses	227,468	20.9	284,485	20.4	2,473,783	57,017	25.1
Other operating expense (income)	(2,270)	-0.2	-	-	-	2,270	-
Operating income	107,484	9.9	139,235	10.0	1,210,739	31,751	29.5
Other income (deductions):							
Interest and dividend income	6,698		6,813		59,243	115	
Interest expense	(2,512)		(2,765)		(24,043)	(253)	
Foreign exchange gain (loss)	(1,818)		1,769		15,383	3,587	
Other-net	(494)		1,569		13,643	2,063	
Total other income (deductions)	1,874	0.2	7,386	0.5	64,226	5,512	294.1
Income before income taxes	109,358	10.1	146,621	10.5	1,274,965	37,263	34.1
Income taxes	36,135	3.4	28,908	2.1	251,374	(7,227)	-20.0
Net income	73,223	6.7	117,713	8.4	1,023,591	44,490	60.8
Less: Net income attributable to noncontrolling interests	147	0.0	407	0.0	3,539	260	176.9
Net income attributable to TDK	73,076	6.7	117,306	8.4	1,020,052	44,230	60.5

**Note:**

U.S.\$1=Yen 115, for convenience only.

#### Statements of Comprehensive Income

Term Item	The 9-month-period of FY2021 (April 1, 2020 - December 31, 2020)		The 9-month-period of FY2022 (April 1, 2021 - December 31, 2021)		Change
	(Yen millions)	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	73,223	117,713	1,023,591		44,490
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	5,465	72,175	627,609		66,710
Pension liability adjustments	4,978	3,278	28,504		(1,700)
Net unrealized gains (losses) on securities	112	57	496		(55)
Total other comprehensive income (loss)	10,555	75,510	656,609		64,955
Comprehensive income	83,778	193,223	1,680,200		109,445
Comprehensive income attributable to noncontrolling interests	181	585	5,087		404
Comprehensive income attributable to TDK	83,597	192,638	1,675,113		109,041

**Note:**

U.S.\$1=Yen 115, for convenience only.

**[3rd quarter results]**  
**Statements of Income**

Term Item	3Q of FY2021 (October 1, 2020 - December 31, 2020)		3Q of FY2022 (October 1, 2021 - December 31, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	395,686	100.0	499,670	100.0	4,344,957	103,984	26.3
Cost of sales	271,388	68.6	342,681	68.6	2,979,835	71,293	26.3
Gross profit	124,298	31.4	156,989	31.4	1,365,122	32,691	26.3
Selling, general and administrative expenses	81,634	20.6	97,787	19.6	850,322	16,153	19.8
Other operating expense (income)	(2,414)	-0.6	-	-	-	2,414	-
Operating income	45,078	11.4	59,202	11.8	514,800	14,124	31.3
Other income (deductions):							
Interest and dividend income	2,189		1,927		16,756	(262)	
Interest expense	(896)		(442)		(3,843)	454	
Foreign exchange gain (loss)	(278)		878		7,635	1,156	
Other-net	102		600		5,217	498	
Total other income (deductions)	1,117	0.3	2,963	0.6	25,765	1,846	165.3
Income before income taxes	46,195	11.7	62,165	12.4	540,565	15,970	34.6
Income taxes	15,330	3.9	12,762	2.5	110,974	(2,568)	-16.8
Net income	30,865	7.8	49,403	9.9	429,591	18,538	60.1
Less: Net income attributable to noncontrolling interests	14	0.0	325	0.1	2,826	311	-
Net income attributable to TDK	30,851	7.8	49,078	9.8	426,765	18,227	59.1

**Note:**

U.S.\$1=Yen 115, for convenience only.

**Statements of Comprehensive Income**

Term Item	3Q of FY2021 (October 1, 2020 - December 31, 2020)		3Q of FY2022 (October 1, 2021 - December 31, 2021)		Change
	(Yen millions)	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	30,865	49,403	429,591		18,538
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	6,638	48,152	418,713		41,514
Pension liability adjustments	1,610	1,090	9,478		(520)
Net unrealized gains (losses) on securities	53	59	513		6
Total other comprehensive income (loss)	8,301	49,301	428,704		41,000
Comprehensive income	39,166	98,704	858,295		59,538
Comprehensive income attributable to noncontrolling interests	53	439	3,817		386
Comprehensive income attributable to TDK	39,113	98,265	854,478		59,152

**Note:**

U.S.\$1=Yen 115, for convenience only.

### (3) Statements of Cash Flows

Item	Term	The 9-month-period of FY2022	
		The 9-month-period of FY2021	
		(April 1, 2020 - December 31, 2020)	(April 1, 2021 - December 31, 2021)
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	73,223	117,713	1,023,591
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	100,960	123,308	1,072,243
Gain on sale of business	(2,433)	-	-
Loss (gain) on securities, net	(2,035)	(279)	(2,426)
Deferred income taxes	11,463	2,381	20,704
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(84,983)	(55,060)	(478,783)
Decrease (increase) in inventories	(18,710)	(106,827)	(928,930)
Decrease (increase) in long-term advances to vendors	-	(55,762)	(484,887)
Increase (decrease) in trade payables	62,907	53,612	466,191
Increase (decrease) in accrued expenses	13,850	(6,294)	(54,730)
Decrease (increase) in other assets and liabilities, net	664	(4,776)	(41,530)
Other-net	7,967	9,536	82,922
Net cash provided by operating activities	162,873	77,552	674,365
Cash flows from investing activities:			
Capital expenditures	(154,433)	(210,802)	(1,833,061)
Proceeds from sales of tangible and intangible assets	2,040	1,843	16,026
Proceeds from sale and maturity of short-term investments	70,624	76,048	661,287
Payment for purchase of short-term investments	(91,789)	(58,106)	(505,270)
Proceeds from sale and maturity of securities	766	1,379	11,992
Payment for purchase of securities	(1,779)	(9,092)	(79,061)
Proceeds from sale of business, net of cash transferred	7,017	-	-
Proceeds from sale of investments in affiliates	2,502	-	-
Other-net	165	408	3,548
Net cash used in investing activities	(164,887)	(198,322)	(1,724,539)
Cash flows from financing activities:			
Proceeds from debt with maturities longer than three months	164,510	286,812	2,494,017
Repayment of debt with maturities longer than three months	(79,361)	(146,441)	(1,273,400)
Net increase (decrease) in debt with maturities of three months or less	(5,493)	11,015	95,783
Dividends paid	(22,714)	(23,964)	(208,383)
Acquisition of noncontrolling interests	(5,955)	(113)	(983)
Other-net	(782)	(518)	(4,504)
Net cash provided by financing activities	50,205	126,791	1,102,530
Effect of exchange rate changes on cash and cash equivalents	2,347	21,413	186,201
Net increase in cash and cash equivalents	50,538	27,434	238,557
Cash and cash equivalents at beginning of period	332,717	380,387	3,307,713
Cash and cash equivalents at end of period	383,255	407,821	3,546,270

**Note:**

U.S.\$1=Yen 115, for convenience only.



#### (4) Notes Concerning Going Concern Assumptions

Nothing to report.

#### (5) Segment Information

TDK has four reporting segments: Passive Components, Sensor Application Products, Magnetic Application Products and Energy Application Products, as well as Other, which includes products not included in these four reporting segments.

#### [9-month-period results]

##### Sales by industry segment

		The 9-month-period of FY2021 (April 1, 2020 - December 31, 2020)		The 9-month-period of FY2022 (April 1, 2021 - December 31, 2021)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	293,246	27.0	378,007	27.1	3,287,017	84,761	28.9
	Intersegment	2,691		3,251		28,270	560	20.8
	Total	295,937		381,258		3,315,287	85,321	28.8
Sensor Application Products	External customers	57,491	5.3	95,654	6.9	831,774	38,163	66.4
	Intersegment	181		377		3,278	196	108.3
	Total	57,672		96,031		835,052	38,359	66.5
Magnetic Application Products	External customers	144,650	13.3	190,009	13.6	1,652,252	45,359	31.4
	Intersegment	639		41		357	(598)	-93.6
	Total	145,289		190,050		1,652,609	44,761	30.8
Energy Application Products	External customers	552,889	50.9	691,260	49.6	6,010,957	138,371	25.0
	Intersegment	-		1		8	1	-
	Total	552,889		691,261		6,010,965	138,372	25.0
Other	External customers	38,521	3.5	38,925	2.8	338,478	404	1.0
	Intersegment	17,012		23,480		204,174	6,468	38.0
	Total	55,533		62,405		542,652	6,872	12.4
Intersegment eliminations		(20,523)		(27,150)		(236,087)	(6,627)	
Total		1,086,797	100.0	1,393,855	100.0	12,120,478	307,058	28.3

**Note:**

U.S.\$1=Yen 115, for convenience only.

##### Segment profit (loss) by industry segment

		The 9-month-period of FY2021 (April 1, 2020 - December 31, 2020)		The 9-month-period of FY2022 (April 1, 2021 - December 31, 2021)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		30,740	10.5	61,971	16.4	538,878	31,231	101.6
Sensor Application Products		(16,375)	-28.5	2,976	3.1	25,878	19,351	-
Magnetic Application Products		1,723	1.2	8,089	4.3	70,339	6,366	369.5
Energy Application Products		122,354	22.1	96,663	14.0	840,548	(25,691)	-21.0
Other		(7,742)	-20.1	(4,791)	-12.3	(41,661)	2,951	-
Sub total		130,700	12.0	164,908	11.8	1,433,982	34,208	26.2
Corporate and Eliminations		(23,216)		(25,673)		(223,243)	(2,457)	
Operating income		107,484	9.9	139,235	10.0	1,210,739	31,751	29.5

**Note:**

U.S.\$1=Yen 115, for convenience only.

**[3rd quarter results]**

**Sales by industry segment**

		3Q of FY2021 (October 1, 2020 - December 31, 2020)		3Q of FY2022 (October 1, 2021 - December 31, 2021)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	109,450	27.7	129,490	25.9	1,126,000	20,040	18.3
	Intersegment	863		1,225		10,652	362	41.9
	Total	110,313		130,715		1,136,652	20,402	18.5
Sensor Application Products	External customers	23,000	5.8	36,141	7.2	314,270	13,141	57.1
	Intersegment	27		123		1,070	96	355.6
	Total	23,027		36,264		315,339	13,237	57.5
Magnetic Application Products	External customers	55,949	14.1	64,023	12.8	556,722	8,074	14.4
	Intersegment	234		21		183	(213)	-91.0
	Total	56,183		64,044		556,904	7,861	14.0
Energy Application Products	External customers	195,372	49.4	256,145	51.3	2,227,348	60,773	31.1
	Intersegment	-		-		-	-	-
	Total	195,372		256,145		2,227,348	60,773	31.1
Other	External customers	11,915	3.0	13,871	2.8	120,617	1,956	16.4
	Intersegment	6,323		8,725		75,870	2,402	38.0
	Total	18,238		22,596		196,487	4,358	23.9
Intersegment eliminations		(7,447)		(10,094)		(87,774)	(2,647)	
Total		395,686	100.0	499,670	100.0	4,344,957	103,984	26.3

**Note:**

U.S.\$1=Yen 115, for convenience only.

**Segment profit (loss) by industry segment**

		3Q of FY2021 (October 1, 2020 - December 31, 2020)		3Q of FY2022 (October 1, 2021 - December 31, 2021)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		13,354	12.2	22,605	17.5	196,565	9,251	69.3
Sensor Application Products		(4,055)	-17.6	3,666	10.1	31,879	7,721	-
Magnetic Application Products		4,209	7.5	3,263	5.1	28,374	(946)	-22.5
Energy Application Products		42,784	21.9	38,986	15.2	339,009	(3,798)	-8.9
Other		(3,031)	-25.4	(685)	-4.9	(5,957)	2,346	-
Sub total		53,261	13.5	67,835	13.6	589,870	14,574	27.4
Corporate and Eliminations		(8,183)		(8,633)		(75,070)	(450)	
Operating income		45,078	11.4	59,202	11.8	514,800	14,124	31.3

**Note:**

U.S.\$1=Yen 115, for convenience only.

**(6) Notes Concerning Significant Changes in Stockholders' Equity**

Nothing to report.

## (7) Consolidated Supplementary Information

### 1) Exchange rates used for conversion

Item \ Term	As of December 31, 2020		As of December 31, 2021		As of March 31, 2021	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	103.50	126.95	115.02	130.51	110.71	129.80

### 2) Sales by region

#### [9-month-period results]

Region \ Term	The-9-month-period of FY2021 (April 1, 2020 - December 31, 2020)		The-9-month-period of FY2022 (April 1, 2021 - December 31, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	68,831	6.3	90,774	6.5	789,339	21,943	31.9
Europe	102,731	9.4	129,086	9.2	1,122,487	26,355	25.7
China	633,671	58.3	783,012	56.2	6,808,800	149,341	23.6
Asia and others	197,301	18.2	280,024	20.1	2,434,991	82,723	41.9
Overseas sales total	1,002,534	92.2	1,282,896	92.0	11,155,617	280,362	28.0
Japan	84,263	7.8	110,959	8.0	964,861	26,696	31.7
Net sales	1,086,797	100.0	1,393,855	100.0	12,120,478	307,058	28.3

#### [3rd quarter results]

Region \ Term	3Q of FY2021 (October 1, 2020 - December 31, 2020)		3Q of FY2022 (October 1, 2021 - December 31, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	26,141	6.6	34,067	6.8	296,235	7,926	30.3
Europe	38,162	9.7	41,786	8.4	363,357	3,624	9.5
China	227,570	57.5	283,665	56.8	2,466,652	56,095	24.6
Asia and others	72,057	18.2	100,545	20.1	874,304	28,488	39.5
Overseas sales total	363,930	92.0	460,063	92.1	4,000,548	96,133	26.4
Japan	31,756	8.0	39,607	7.9	344,409	7,851	24.7
Net sales	395,686	100.0	499,670	100.0	4,344,957	103,984	26.3

#### Notes:

1. U.S.\$1=Yen 115, for convenience only.
2. Overseas sales are based on the location of the customers.

### 3) Company group

As of December 31, 2021, TDK Corporation had 137 consolidated subsidiaries (12 in Japan and 125 overseas). TDK Corporation also had 5 affiliates (3 in Japan and 2 overseas), the financial statements for which are accounted for by the equity method.

4) Overview of sales by product

Term Product	1Q of FY2021 (April 1, 2020 - June 30, 2020)		2Q of FY2021 (July 1, 2020 - September 30, 2020)		3Q of FY2021 (October 1, 2020 - December 31, 2020)		4Q of FY2021 (January 1, 2021 - March 31, 2021)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	33,334	10.8	38,585	10.1	41,943	10.6	44,320	11.3
Inductive Devices	27,377	8.9	34,620	9.0	39,036	9.9	38,957	9.9
Other	23,646	7.6	26,234	6.9	28,471	7.2	30,603	7.8
Passive Components	84,357	27.3	99,439	26.0	109,450	27.7	113,880	29.0
Sensor Application Products	14,703	4.7	19,788	5.2	23,000	5.8	23,854	6.1
Magnetic Application Products	38,278	12.4	50,423	13.2	55,949	14.1	54,603	13.9
Energy Application Products	156,855	50.7	200,662	52.6	195,372	49.4	187,338	47.8
Other	15,200	4.9	11,406	3.0	11,915	3.0	12,536	3.2
Total	309,393	100.0	381,718	100.0	395,686	100.0	392,211	100.0

Term Product	1Q of FY2022 (April 1, 2021 - June 30, 2021)		2Q of FY2022 (July 1, 2021 - September 30, 2021)		3Q of FY2022 (October 1, 2021 - December 31, 2021)		(U.S.\$ thousands)
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	
Capacitors	47,123	11.2	49,800	10.5	50,769	10.2	441,469
Inductive Devices	42,028	10.0	45,222	9.5	46,951	9.4	408,270
Other	32,032	7.7	32,312	6.8	31,770	6.3	276,261
Passive Components	121,183	28.9	127,334	26.8	129,490	25.9	1,126,000
Sensor Application Products	26,828	6.4	32,685	6.9	36,141	7.2	314,270
Magnetic Application Products	60,623	14.4	65,363	13.8	64,023	12.8	556,722
Energy Application Products	199,592	47.5	235,523	49.7	256,145	51.3	2,227,348
Other	11,832	2.8	13,222	2.8	13,871	2.8	120,617
Total	420,058	100.0	474,127	100.0	499,670	100.0	4,344,957

Note:

U.S.\$1=Yen 115, for convenience only.