

## **Notice of Partial Revision of Consolidated Financial Results for the FY March 2022 (U.S. GAAP)**

May 25, 2022

TDK Corporation hereby announces that there are partial errors in Consolidated Financial Results for the FY March 2022 (U.S. GAAP) released on May 11, 2022, as follows.

### **1. Details and reason for the revision**

This is to correct the submitted consolidated results (U.S. GAAP) for FY March 2022 due to the discovery of an error regarding the recording of tax expenses.

The main corrections are the reduction of "Other noncurrent liabilities" as of the end of the current period in the consolidated balance sheets, the reduction of "Income taxes" as of the current period in the consolidated statements of income, and the related items.

As a result, "Total liabilities" and "Total equity" in the consolidated balance sheets as of March 31, 2022 decreased by 6,126 million yen and increased by 6,126 million yen, respectively, and "Net income attributable to TDK" in the consolidated statements of income increased by 6,126 million yen.

### **2. Contents of the revision**

Due to the large number of corrections, the full text with the corrections is attached and the revisions are presented with underline.

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(After Correction)



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May 11, 2022

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**Consolidated results (U.S. GAAP) for FY March 2022**

**Summary (April 1, 2021 - March 31, 2022)**

Term Item	FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,479,008	100.0	1,902,124	100.0	15,591,180	423,116	28.6
Operating income	111,535	7.5	166,665	8.8	1,366,107	55,130	49.4
Income before income taxes	121,904	8.2	234,185	12.3	1,919,550	112,281	92.1
Net income attributable to TDK	79,340	5.4	<u>183,632</u>	<u>9.7</u>	<u>1,505,181</u>	<u>104,292</u>	<u>131.4</u>
Per common share :							
Net income attributable to TDK / Basic	Yen 209.36		<u>Yen 484.53</u>		<u>U.S.\$ 3.97</u>		
Net income attributable to TDK / Diluted	Yen 208.93		<u>Yen 483.42</u>		<u>U.S.\$ 3.96</u>		
Capital expenditures	212,355	-	291,373	-	2,388,303	79,018	37.2
Depreciation and amortization	140,285	9.5	168,742	8.9	1,383,131	28,457	20.3
Research and development	127,046	8.6	163,787	8.6	1,342,516	36,741	28.9
Result of financial income (loss)	6,201	-	3,772	-	30,918	(2,429)	-
Ratio of overseas production	86.2%	-	89.0%	-	-		
Number of employees	129,284	-	116,808	-	-		

**Notes:**

1. U.S.\$1=Yen 122, 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. Business Results

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

Consolidated results for fiscal 2022, the year ended March 31, 2022, were as follows.

In fiscal 2022, while the global economy was affected by the resurgence of the COVID-19 pandemic and concerns over political conflicts such as the tensions between the U.S. and China, corporate capital expenditure remained brisk as social and economic activities were gradually normalized and production activities continued to rebound. Since the beginning of the fourth quarter, however, geopolitical risks rapidly increased as a result of Russia's invasion of Ukraine, causing heightened concerns over the supply of materials and energy and soaring prices. As a result, the outlook of the global economy remained unclear.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, production volume in the automotive market remained flat from the previous fiscal year due to the supply chain constraints in components procurement. However, automotive-related demand remained strong on the back of an increase in the number of components installed per vehicle and stockpiling by customers. In the Information and Communications Technology (ICT) market, demand for notebook PCs and tablets remained strong. On the other hand, smartphone production volume for fiscal 2022 fell below that of the previous fiscal year as the resurgence of COVID-19 and other factors negatively affected components procurement and demand. Production of Hard Disk Drives (HDDs) for servers remained strong, reflecting a recovery in demand related to data centers. In the industrial equipment market, thanks to strong capital expenditure, demand remained robust.

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

#### Summary (April 1, 2021 - March 31, 2022)

Term Item	FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,479,008	100.0	1,902,124	100.0	15,591,180	423,116	28.6
Operating income	111,535	7.5	166,665	8.8	1,366,107	55,130	49.4
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Net income attributable to TDK	79,340	5.4	<u>183,632</u>	<u>9.7</u>	<u>1,505,181</u>	<u>104,292</u>	<u>131.4</u>
Per common share :							
Net income							
attributable to TDK / Basic	Yen 209.36		<u>Yen 484.53</u>		<u>U.S.\$ 3.97</u>		
Net income							
attributable to TDK / Diluted	Yen 208.93		<u>Yen 483.42</u>		<u>U.S.\$ 3.96</u>		

#### Notes:

1. U.S.\$1=Yen 122, 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.

Income before income taxes for fiscal 2022 include gain on valuation of investment securities of ¥60.2 billion. Average yen exchange rates for the U.S. dollar and the euro during fiscal 2022 were ¥112.33 and ¥130.53, respectively, as the yen depreciated 5.9% against the U.S. dollar and 5.5% against the euro. As a result of these factors and fluctuations in foreign exchange rates, net sales increased by approximately ¥125.7 billion and operating income increased by approximately ¥6.9 billion.

## Sales by Product

Term Product	FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	158,182	10.7	198,110	10.4	1,623,852	39,928	25.2
Inductive Devices	139,990	9.4	179,944	9.5	1,474,951	39,954	28.5
Other Passive Components	108,954	7.4	127,144	6.7	1,042,164	18,190	16.7
Passive Components	407,126	27.5	505,198	26.6	4,140,967	98,072	24.1
Sensor Application Products	81,345	5.5	130,769	6.9	1,071,877	49,424	60.8
Magnetic Application Products	199,253	13.5	248,446	13.1	2,036,442	49,193	24.7
Energy Application Products	740,227	50.0	965,345	50.7	7,912,664	225,118	30.4
Other	51,057	3.5	52,366	2.7	429,230	1,309	2.6
Total	1,479,008	100.0	1,902,124	100.0	15,591,180	423,116	28.6
Overseas sales	1,361,803	92.1	1,753,086	92.2	14,369,557	391,283	28.7

**Note:**

1 U.S.\$1=Yen 122, 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 ¥505,198 million (U.S.\$ 4,140,967 thousand), up 24.1% year on year from ¥407,126 million.

Capacitors is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Sales in the Capacitors were ¥198,110 million (U.S.\$ 1,623,852 thousand), up 25.2% year on year from ¥158,182 million. Sales of Ceramic Capacitors increased to the automotive market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors increased to the industrial equipment market.

Sales of Inductive Devices increased by 28.5% year on year from ¥139,990 million to ¥179,944 million (U.S.\$ 1,474,951 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 16.7% year on year from ¥108,954 million to ¥127,144 million (U.S.\$ 1,042,164 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 60.8% year on year from ¥81,345 million to ¥130,769 million (U.S.\$ 1,071,877 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 by 24.7% year on year from ¥199,253 million to ¥248,446 million (U.S.\$ 2,036,442 thousand). Sales of HDD Heads and HDD Suspension Assemblies increased 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 30.4% from ¥740,227 million to ¥965,345 million (U.S.\$ 7,912,664 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 2.6% year on year from ¥51,057 million to ¥52,366 million (U.S.\$ 429,230 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:

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 28.7% year on year from ¥1,361,803 million to ¥1,753,086 million (U.S.\$ 14,369,557 thousand). Overseas sales accounted for 92.2% of consolidated net sales, a 0.1 percentage point increase from 92.1% one year earlier. Detailed information on sales by region can be found in the consolidated supplementary information on page 29.



**[Fiscal 2023 Consolidated Projections]**

In fiscal 2023, although concerns over the resurgence of COVID-19 remain, the economy is expected to remain on a recovery trend as the pace of economic normalization accelerates as a result of the progress in COVID-19 vaccine programs and the development of COVID-19 drugs. On the other hand, there have been growing concerns over economic downturn against the backdrop of heightened geopolitical risks resulting from Russia's invasion of Ukraine and the lockdown measures in some regions affected by the resurgence of COVID-19. In the electronics market, TDK foresees that the production volume of automobiles will exceed the level of fiscal 2022 as constraints on the supply of components gradually ease. TDK also predicts that the production volume of notebook PCs and tablets, whose production volume has remained at a high level on the back of growing demand, will fall below the level of fiscal 2022. As for smartphones, the production volume is expected to remain at the same level as in fiscal 2022, given the effects of heightened geopolitical risks and the resurgence of COVID-19 on demand. TDK also forecasts that the production volume of HDDs for servers used at data centers will remain at a similar level as in fiscal 2022.

Based on these assumptions, TDK has set the following projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2023. TDK has voluntarily applied the International Financial Reporting Standards ("IFRS") on its securities reports starting from fiscal 2022. Gain on valuation of investment securities of ¥60.2 billion recorded in fiscal 2022 is included in "Other income (deductions)" in the consolidated statements of income in consolidated financial statements based on the U.S. GAAP. However, in consolidated financial statements based on the IFRS, it will be reported under "Net change in fair value of equity instruments measured at fair value through other comprehensive income" in the consolidated statements of comprehensive income and not under "Other income (deductions)" in the consolidated statements of income.

<div>Term</div> <div>Item</div>	FY2023 (April 1, 2022 - March 31, 2023)	FY2022 (April 1, 2021 - March 31, 2022)	FY2022 (April 1, 2021 - March 31, 2022)	vs FY2022 Changes	
	Projection in May '22 (IFRS)	Actual (IFRS, estimates)	Actual (U.S. GAAP)		
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	2,200,000	1,902,124	1,902,124	297,876	15.7
Operating profit	185,000	166,775	166,665	18,225	10.9
Profit before tax	190,000	172,490	234,185	17,510	10.2
Net profit attributable to owners of parent	145,000	131,298	183,632	13,702	10.4
Capital expenditures	300,000	291,337	291,373	8,663	3.0
Depreciation and amortization	200,000	177,031	168,742	22,969	13.0
Research and development	190,000	165,250	163,787	24,750	15.0

(Note)

The consolidated forecasts for fiscal 2023 are calculated in accordance with IFRS. Account titles are presented in accordance with IFRS. The actual IFRS figures for fiscal 2022 used in the calculation of percentage change from the previous fiscal year are approximate estimates at this time.

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥120 and ¥130 respectively will be assumed for fiscal 2023.

### **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) Summary Information Regarding Consolidated Financial Position

1) The following table summarizes TDK's consolidated balance sheet as of March 31, 2022.

Total assets	¥3,086,924 million	( 28.5% increase)
Total TDK stockholders' equity	<u>¥1,346,683 million</u>	( <u>34.2% increase</u> )
Stockholders' equity ratio	<u>43.6%</u>	( <u>1.8 point increase</u> )

As of March 31, 2022 total assets increased by ¥685,491 million compared with March 31, 2021. Net liquidity (cash and cash equivalent, short-term investments, marketable securities) increased by ¥46,716 million. Net property, plant and equipment, inventories, and long-term advances to vendors increased by ¥170,205 million, ¥148,543 million, and ¥121,370 million respectively.

Total liabilities increased by ¥341,658 million from March 31, 2021. Long-term debt (including current installments of long-term debt) and trade payables increased by ¥175,236 million and ¥135,759 million respectively. Issuance of bonds by ¥99,606 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 ¥343,145 million from March 31, 2021. Accumulated other comprehensive income (loss) increased by ¥183,550 million, mainly from foreign currency translation adjustments. Retained earnings increased by ¥149,464 million.

## 2) Cash Flows

(Yen millions)

	FY 2021	FY 2022	Change
Net cash provided by operating activities	222,814	169,620	(53,194)
Net cash used in investing activities	(231,488)	(281,194)	(49,706)
Net cash provided by financing activities	29,193	122,758	93,565
Effect of exchange rate changes on cash and cash equivalents	27,151	47,768	20,617
Net increase in cash and cash equivalents	47,670	58,952	11,282
Cash and cash equivalents at beginning of period	332,717	380,387	47,670
Cash and cash equivalents at end of period	380,387	439,339	58,952

Operating activities provided net cash of ¥169,620 million (U.S.\$1,390,328 thousand), a decrease of ¥53,194 million year on year. It mainly came from increase in long-term advances to vendors.

Investing activities used net cash of ¥281,194 million (U.S.\$2,304,869 thousand), an increase of ¥49,706 million year on year. It mainly came from increase of capital expenditures.

Financing activities provided net cash of ¥122,758 million (U.S.\$1,006,213 thousand), an increase of ¥93,565 million year on year. It mainly came from increase in debt, which is a result of issuance of corporate bonds.

### 3) Trends in Cash Flow Indicators

	FY2019	FY2020	FY2021	FY2022
1) Stockholders' equity ratio (%)	44.0	43.4	41.8	<u>43.6</u>
2) Stockholders' equity ratio on a market value basis (%)	55.0	54.5	80.6	54.8
3) No. of years to redeem debt	3.71	1.91	2.17	3.76
4) Interest coverage ratio (times)	33.8	60.6	63.2	35.5

#### [Notes]

1) Stockholders' equity ratio = Total stockholders' equity/Total assets

2) Stockholders' equity ratio on a market value basis = Market capitalization (\*1)/Total assets

(\*1) Market capitalization = Closing price of TDK's common shares on the Tokyo Stock Exchange at fiscal year-end x Shares issued and outstanding at fiscal year-end after deducting treasury shares

3) No. of years to redeem debt = Interest-bearing liabilities (\*2)/Cash flows from operating activities (\*3)

(\*2) Interest-bearing liabilities: "Short-term debt," "current installments of long-term debt," and "long-term debt, excluding current installments" on the consolidated balance sheets.

(\*3) Cash flows from operating activities: "Net cash provided by operating activities" on the consolidated statements of cash flows.

4) Interest coverage ratio = Cash flows from operating activities/Interest payments (\*4)

(\*4) Interest payments: "Interest expense" on the consolidated statements of income

### (3) Fundamental Policy for Distribution of Earnings, and Fiscal 2022 and Fiscal 2023 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.

TDK plans to pay a year-end dividend of ¥45 per common share, subject to approval at the ordinary general meeting of shareholders scheduled for June 24, 2022. Combined with the interim dividend of ¥100 (conversion after the stock split: ¥33.33) per common share paid in December 2021, the planned dividend per common share applicable to the year will be ¥78.33 (conversion after the stock split). TDK split one share of its common stock into three shares with the effective date of October 1, 2021.

TDK plans to pay an interim dividend of ¥53 per common share and a year-end dividend of ¥53 per common share respectively in Fiscal 2023.

		(Yen)
	FY 2023 Forecast	FY 2022
Interim dividend (Conversion after the stock split)	53.00	(Actual) 100.00 (33.33)
Year-end dividend	53.00	(Forecast) (45.00)
Annual dividend (Conversion after the stock split)	106.00	- (Forecast) (78.33)

## **2. Management Policies**

### **(1) Fundamental Management Policy**

TDK was founded as a venture enterprise in 1935 for the purpose of industrializing a magnetic material called ferrite, which was invented at the Tokyo Institute of Technology. TDK's corporate motto is "Contribute to culture and industry through creativity," a message that embodies the company's founding spirit. Guided by this spirit, in the ensuing years TDK has sought to refine its materials and process technologies, as it develops new products that satisfy market needs. Concurrently, TDK has advanced globalization and diversification of its business operations while actively pursuing M&As, collaboration with external partners and other initiatives. As a result, TDK today is engaged in four main businesses: Passive Components, Sensor Application Products, Magnetic Application Products, and Energy Application Products.

Looking ahead, TDK would like to remain a dynamic company that continues to deliver even higher value to all stakeholders, including shareholders, customers, suppliers, employees and local communities, by bringing together the entire Group's strengths while taking full advantage of the strengths of each Group company, and constantly drawing on innovative thinking and a willingness to tackle new challenges.

### **(2) Targeted Management Indicators**

To realize this fundamental management policy, TDK conducts its business activities with reference to the following indicators.

#### **(Important Fundamental Management Indicator)**

##### **\* TVA (TDK Value Added)**

TVA measures the added value newly created by the company's business activities and is an important decision-making tool for management.

TVA is the TDK Group's proprietary value-added indicator that compares earnings after taxes but without deducting interest expenses with the minimum profit (cost of shareholders' equity) required for the business assets of each business.

#### **(Indicator for Managing Environmental Performance)**

##### **\* CO<sub>2</sub> Emissions Reductions**

As part of its environmental action plan to promote business activities in harmony with the natural environment, TDK has set a target for CO<sub>2</sub> emissions reductions.



### **(3) Medium- and Long-Term Management Strategy**

The business environment surrounding electronics is now on the threshold of a period of major upheaval. Transformation has begun in earnest, with an energy transformation (EX) driven by the shift from fossil fuels to renewable energy and a digital transformation (DX) driven by the permeation of digital technologies, such as the Internet of Things (IoT) and Artificial Intelligence (AI), to every aspect of society.

The TDK Group regards such changes in the social environment as opportunities for new social contributions and business growth, and has formulated and been implementing its Medium-Term Plan, “Value Creation 2023,” that will cover the three years from fiscal 2022 through fiscal 2024. Under “Value Creation 2023,” the pursuit of “Social Value,” which aims at contributing to the realization of a sustainable society by solving social issues, is set as an objective of all business activities. As a result, we will implement a cycle of increasing “Commercial Value” and “Asset Value” and further creating “Social Value.”

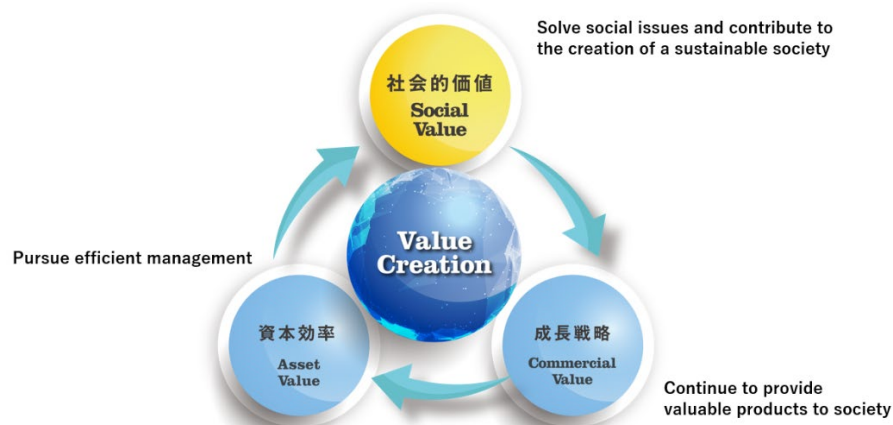
Specifically, in order to realize 2CX (Customer Experience and Consumer Experience) by providing solutions that satisfy customers and consumers and providing experiences that exceed expectations, we aim to become an invaluable presence by contributing to addressing two major social issues, namely, DX and EX. For example, in DX, the Group will contribute to the transformation of society through digital technologies by supplying products for high-speed communication networks, sensors, autonomous driving, and robots. In EX, the Group will contribute to the promotion of a decarbonized society by supplying products related to the energy storage, conversion, and control necessary for the creation of a highly energy-efficient society, as well as products related to electric vehicles and renewable energy.

Thus, we will endeavor to capture business opportunities by providing valuable products to society and at the same time establish management systems with a focus on speed. It is our aim to make even greater contributions to society by ensuring corporate transparency and becoming a trusted presence in society.

In order to achieve the Medium-Term Plan, the Group has identified the “TDK Group’s Materiality (Key Issues)” as priority management issues for the Group in light of macro trends such as the SDGs, politics and economics, technologies and markets. The “TDK Group’s Materiality (Key Issues)” has specified EX and DX as business areas for the Group to focus on toward the creation of social value and growth, and identified “Quality Management,” “HR Management,” “Supply Chain Management,” “Opportunity & Risk Management,” “Pursuing Both Delegation of Authority and Internal Controls,” and “Asset Efficiency Improvement” as materiality that should be addressed as the basis of value creation.

\*SDGs: International development targets included in the “2030 Agenda for Sustainable Development” adopted by the United Nations Summit held in September 2015

<TDK Group's Value Creation Cycle and Materiality (Key Issues)>



EX		DX	
Contribution to energy and environmental solutions by minimizing waste heat and noise with electronic devices		Promotion of the digitization of society by adding software technology to material science and process technology	
<ul style="list-style-type: none"> <li>•Effective use of energy and expanding use of renewable energy toward the realization of net zero CO<sub>2</sub> emissions in 2050</li> <li>•Provide products and solutions for creating clean energy to realize a zero-carbon society</li> <li>•Provide products and solutions for realizing an efficient energy society by storing, converting, and controlling energy</li> </ul>		<ul style="list-style-type: none"> <li>•Provide products and solutions to help build resilient communication network infrastructure</li> <li>•Provide products and solutions for supporting robotics and mobility to promote human capability enhancement and complementation</li> <li>•Promote digitalization at TDK</li> </ul>	
Quality Management	<ul style="list-style-type: none"> <li>•Pursue zero-defect product quality</li> <li>•Reduce quality costs</li> <li>•Maximize customer satisfaction with product and service quality</li> </ul>		
HR Management	<ul style="list-style-type: none"> <li>•Develop human resources to lead the TDK Group</li> <li>•Foster greater diversity and inclusion</li> <li>•Improve employee engagement and job satisfaction to attract and retain talented employees</li> </ul>		
Supply Chain Management	<ul style="list-style-type: none"> <li>•Enhance global procurement capabilities and mechanisms</li> <li>•Ensure responsible procurement</li> <li>•Ensure societal and environmental consideration in the supply chain</li> </ul>		
Opportunity & Risk Management	<ul style="list-style-type: none"> <li>•Identify and capture business opportunities effectively by strengthening marketing capability with full use of digital technology</li> <li>•Strengthen the Group's risk management capabilities</li> </ul>		
Pursuing Both Delegation of Authority and Internal Controls	<ul style="list-style-type: none"> <li>•Ensure speed and transparency in operations, based on the clearly defined roles, authorities and responsibilities of each organization</li> <li>•Make management systems of each group company more effective and efficient, aligned with the Group's unified policy</li> <li>•Implement appropriate post-merger integration (PMI) for acquired companies</li> </ul>		
Asset Efficiency Improvement	<ul style="list-style-type: none"> <li>•Rebuild business portfolio</li> <li>•Optimize facilities and manufacturing sites</li> </ul>		

#### **(4) Pressing Issues**

Despite the progress in global rollout of COVID-19 vaccine programs and the development of COVID-19 drugs, it is still unclear when the spread of the virus will be contained, and there remain concerns over the prolonged effects of the pandemic. In addition, heightened geopolitical risks and soaring energy and raw material prices have been affecting economic activities significantly. These effects can dramatically reshape not only economic trends but also the social and industrial landscape. The business environment surrounding the TDK Group could also be altered drastically. However, even amid these changes in the social and industrial landscape, the trends of EX and DX should continue to grow in the electronics market. These trends are expected to bring about the creation of new markets in the Group's business fields. Significant growth opportunities will be presented to the Group by trends that include the widespread adoption of renewable energy and electric vehicles in EX, and the growing use of 5G, the practical use of Advanced Driving Assistance Systems (ADAS) in automobiles, the growing use of IoT and wearable products, and cloud services in DX. It is imperative for TDK to steadily capture these growth opportunities without falling behind these major changes. To this end, TDK will actively conduct research and technological development focused on launching competitive new products in a timely manner and expanding production capacity in line with demand.

TDK also recognizes that addressing the following issues that are identified as materiality is a pressing issue for achieving growth: "Quality Management," "HR Management," "Supply Chain Management," "Opportunity & Risk Management," "Pursuing Both Delegation of Authority and Internal Controls," and "Asset Efficiency Improvement."

For example, in "Supply Chain Management," the Group has been implementing various measures including the steady procurement of raw materials and efforts to tackle human rights issues in supply chains. Furthermore, as part of "Asset Efficiency Improvement," the Group has been reviewing and restructuring its business portfolio. In addition, human resources are the basis of growth. With non-Japanese employees accounting for more than 90% of the Group's workforce, TDK believes that diverse and abundant human resources are a key source of its competitiveness. TDK has continuously engaged in a wide range initiatives of "HR Management" to attract and retain talented human resources.

### **3. Basic Rationale for Selection of Accounting Standards**

TDK started to prepare its consolidated financial statements using U.S. GAAP when it issued an American Depositary Receipt (“ADR”) in July 1974. In April 2009, TDK delisted its shares on the New York Stock Exchange but maintained its ADR program in the U.S., and continues to use U.S. GAAP when it prepares consolidated financial statements. This was done from the viewpoint of protecting shareholders or investors and enabling them to make comparisons with past disclosures of information.

Based on the resolution adopted at the Board of Directors meeting on February 22, 2022, TDK will voluntarily adopt International Financial Reporting Standards (“IFRS”) in order to enhance the international comparability of its financial information in the capital markets and to improve the efficiency and quality of group management. The voluntary adoption will take place from the consolidated financial statements of Annual Securities Report for the fiscal 2022. Accordingly, the Summary of Consolidated Financial Results for the fiscal 2022, is planned to be resubmitted on June 24, 2022.

## 4. Consolidated Financial Statements

### (1) Balance Sheets

ASSETS						
Term Item	As of March 31, 2021		As of March 31, 2022			Change
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)
Current assets	1,233,385	51.4	1,536,434	49.8	12,593,721	303,049
Cash and cash equivalents	380,387		439,339		3,601,139	58,952
Short-term investments	65,886		53,644		439,705	(12,242)
Marketable securities	56		62		508	6
Net trade receivables	429,454		524,589		4,299,910	95,135
Inventories	288,854		437,397		3,585,222	148,543
Other current assets	68,748		81,403		667,238	12,655
Noncurrent assets	1,168,048	48.6	1,550,490	50.2	12,708,934	382,442
Investments in securities	44,287		124,972		1,024,361	80,685
Net property, plant and equipment	784,371		954,576		7,824,393	170,205
Right-of-use assets of operating leases	42,325		44,560		365,246	2,235
Goodwill	165,096		180,941		1,483,123	15,845
Long-term advances to vendors	-		121,370		994,836	121,370
Other assets	131,969		124,071		1,016,975	(7,898)
<b>TOTAL</b>	<b>2,401,433</b>	<b>100.0</b>	<b>3,086,924</b>	<b>100.0</b>	<b>25,302,656</b>	<b>685,491</b>

LIABILITIES AND EQUITY						
Term Item	As of March 31, 2021		As of March 31, 2022			Change
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)
Current liabilities	1,011,476	42.1	1,036,484	33.6	8,495,770	25,008
Short-term debt	192,938		172,666		1,415,295	(20,272)
Current installments of long-term debt	135,125		3,893		31,910	(131,232)
Current portion of operating lease obligations	8,444		8,690		71,230	246
Trade payables	324,373		460,132		3,771,574	135,759
Accrued expenses	324,753		349,334		2,863,393	24,581
Other current liabilities	25,843		41,769		342,369	15,926
Noncurrent liabilities	383,660	16.0	<u>700,310</u>	<u>22.7</u>	<u>5,740,246</u>	<u>316,650</u>
Long-term debt,						
excluding current installments	155,273		461,741		3,784,762	306,468
Long-term operating lease obligations	29,833		31,389		257,287	1,556
Retirement and severance benefits	116,745		105,028		860,885	(11,717)
Other noncurrent liabilities	81,809		<u>102,152</u>		<u>837,312</u>	<u>20,343</u>
<b>Total liabilities</b>	<b>1,395,136</b>	<b>58.1</b>	<b><u>1,736,794</u></b>	<b><u>56.3</u></b>	<b><u>14,236,016</u></b>	<b><u>341,658</u></b>
Common stock	32,641		32,641		267,549	-
Additional paid-in capital	-		-		-	-
Legal reserve	46,403		56,440		462,623	10,037
Retained earnings	1,024,019		<u>1,173,483</u>		<u>9,618,714</u>	<u>149,464</u>
Accumulated						
other comprehensive income (loss)	(82,733)		100,817		826,369	183,550
Treasury stock	(16,792)		(16,698)		(136,869)	94
<b>Total TDK stockholders' equity</b>	<b>1,003,538</b>	<b>41.8</b>	<b><u>1,346,683</u></b>	<b><u>43.6</u></b>	<b><u>11,038,386</u></b>	<b><u>343,833</u></b>
Noncontrolling interests	2,759	0.1	3,447	0.1	28,254	688
<b>Total equity</b>	<b>1,006,297</b>	<b>41.9</b>	<b><u>1,350,130</u></b>	<b><u>43.7</u></b>	<b><u>11,066,640</u></b>	<b><u>343,833</u></b>
<b>TOTAL</b>	<b>2,401,433</b>	<b>100.0</b>	<b>3,086,924</b>	<b>100.0</b>	<b>25,302,656</b>	<b>685,491</b>

**Note:**

U.S.\$1=Yen 122, for convenience only.

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

Term Item	FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,479,008	100.0	1,902,124	100.0	15,591,180	423,116	28.6
Cost of sales	1,044,690	70.6	1,335,911	70.2	10,950,090	291,221	27.9
Gross profit	434,318	29.4	566,213	29.8	4,641,090	131,895	30.4
Selling, general and administrative expenses	317,302	21.5	396,248	20.8	3,247,934	78,946	24.9
Other operating expense	5,481	0.4	3,300	0.2	27,049	(2,181)	-39.8
Operating income	111,535	7.5	166,665	8.8	1,366,107	55,130	49.4
Other income (deductions):							
Interest and dividend income	9,727		8,548		70,066	(1,179)	
Interest expense	(3,526)		(4,776)		(39,148)	(1,250)	
Loss (gain) on securities, net	9,030		60,256		493,902	51,226	
Foreign exchange gain (loss)	(1,302)		1,890		15,492	3,192	
Other-net	(3,560)		1,602		13,131	5,162	
Total other income (deductions)	10,369	0.7	67,520	3.5	553,443	57,151	551.2
Income before income taxes	121,904	8.2	234,185	12.3	1,919,550	112,281	92.1
Income taxes	42,699	2.8	<u>50,048</u>	<u>2.6</u>	<u>410,230</u>	<u>7,349</u>	<u>17.2</u>
Net income	79,205	5.4	<u>184,137</u>	<u>9.7</u>	<u>1,509,320</u>	<u>104,932</u>	<u>132.5</u>
Less: Net loss attributable to noncontrolling interests	(135)	-0.0	505	<u>0.0</u>	4,139	640	-
Net income attributable to TDK	79,340	5.4	<u>183,632</u>	<u>9.7</u>	<u>1,505,181</u>	<u>104,292</u>	<u>131.4</u>

**Note:**

U.S.\$1=Yen 122, for convenience only.

**Statements of Comprehensive Income**

Term Item	FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)		Change
	(Yen millions)		(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	79,205		<u>184,137</u>	<u>1,509,320</u>	<u>104,932</u>
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	78,559		170,229	1,395,320	91,670
Pension liability adjustments	28,852		13,434	110,115	(15,418)
Net unrealized gains (losses) on securities	123		166	1,360	43
Total other comprehensive income (loss)	107,534		183,829	1,506,795	76,295
Comprehensive income	186,739		<u>367,966</u>	<u>3,016,115</u>	<u>181,227</u>
Comprehensive income attributable to noncontrolling interests	10		784	6,426	774
Comprehensive income attributable to TDK	186,729		<u>367,182</u>	<u>3,009,689</u>	<u>180,453</u>

**Note:**

U.S.\$1=Yen 122, for convenience only.

**(3) Statements of Stockholders' Equity**

(Yen millions)

<b>FY2021</b> <b>(April 1, 2020 - March 31, 2021)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2020	32,641	1,783	45,254	971,140	(190,055)	(16,806)	843,957
Equity transaction of consolidated subsidiaries and other		(4,357)			(67)	22	(4,402)
Cash dividends				(22,738)			(22,738)
Transferred to legal reserve			1,149	(1,149)			-
Transferred to additional paid-in capital from retained earnings		2,574		(2,574)			-
Comprehensive income							
Net income				79,340			79,340
Other comprehensive income (loss)					107,389		107,389
Total comprehensive income (loss)							186,729
Acquisition of treasury stock						(8)	(8)
Sale of treasury stock							-
Balance as of March 31, 2021	32,641	-	46,403	1,024,019	(82,733)	(16,792)	1,003,538

<b>FY2021</b> <b>(April 1, 2020 - March 31, 2021)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2020	4,607	848,564
Equity transaction of consolidated subsidiaries and other	(1,492)	(5,894)
Cash dividends	(366)	(23,104)
Transferred to legal reserve		-
Transferred to additional paid-in capital from retained earnings		-
Comprehensive income		
Net income	(135)	79,205
Other comprehensive income (loss)	145	107,534
Total comprehensive income (loss)	10	186,739
Acquisition of treasury stock		(8)
Sale of treasury stock		-
Balance as of March 31, 2021	2,759	1,006,297

(Yen millions)

<b>FY2022</b> <b>(April 1, 2021 - March 31, 2022)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2021	32,641	-	46,403	1,024,019	(82,733)	(16,792)	1,003,538
Equity transaction of consolidated subsidiaries and other		(129)				99	(30)
Cash dividends				(24,002)			(24,002)
Transferred to legal reserve			10,037	(10,037)			-
Transferred to additional paid-in capital from retained earnings		129		(129)			-
Comprehensive income							
Net income				183,632			183,632
Other comprehensive income (loss)					183,550		183,550
Total comprehensive income (loss)							367,182
Acquisition of treasury stock						(5)	(5)
Sale of treasury stock							-
Balance as of March 31, 2022	32,641	-	56,440	1,173,483	100,817	(16,698)	1,346,683

<b>FY2022</b> <b>(April 1, 2021 - March 31, 2022)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2021	2,759	1,006,297
Equity transaction of consolidated subsidiaries and other	181	151
Cash dividends	(277)	(24,279)
Transferred to legal reserve		-
Transferred to additional paid-in capital from retained earnings		-
Comprehensive income		
Net income	505	184,137
Other comprehensive income (loss)	279	183,829
Total comprehensive income (loss)	784	367,966
Acquisition of treasury stock		(5)
Sale of treasury stock		-
Balance as of March 31, 2022	3,447	1,350,130

**TDK Corporation (6762) Consolidated FY March 2022 (U.S. GAAP)**

(U.S.\$ thousands)

<b>FY2022 (April 1, 2021 - March 31, 2022)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2021	267,549	-	380,353	8,393,598	(678,139)	(137,640)	8,225,721
Equity transaction of consolidated subsidiaries and other		(1,057)			-	812	(245)
Cash dividends				(196,738)			(196,738)
Transferred to legal reserve			82,270	(82,270)			-
Transferred to additional paid-in capital from retained earnings		1,057		(1,057)			-
Comprehensive income							
Net income				<u>1,505,181</u>			<u>1,505,181</u>
Other comprehensive income (loss)					1,504,508		1,504,508
Total comprehensive income (loss)							<u>3,009,689</u>
Acquisition of treasury stock						(41)	(41)
Sale of treasury stock							-
Balance as of March 31, 2022	267,549	-	462,623	<u>9,618,714</u>	826,369	(136,869)	<u>11,038,386</u>

<b>FY2022 (April 1, 2021 - March 31, 2022)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2021	22,614	8,248,335
Equity transaction of consolidated subsidiaries and other	1,484	1,239
Cash dividends	(2,270)	(199,008)
Transferred to legal reserve		-
Transferred to additional paid-in capital from retained earnings		-
Comprehensive income		
Net income	4,139	<u>1,509,320</u>
Other comprehensive income (loss)	2,287	1,506,795
Total comprehensive income (loss)	<u>6,426</u>	<u>3,016,115</u>
Acquisition of treasury stock		(41)
Sale of treasury stock		-
Balance as of March 31, 2022	28,254	<u>11,066,640</u>

**Note:**

U.S.\$1=Yen 122, for convenience only.



**(4) Statements of Cash Flows**

Term  Item	FY2021 (April 1, 2020 - March 31, 2021)	FY2022 (April 1, 2021 - March 31, 2022)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	79,205	184,137	1,509,320
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	140,285	168,742	1,383,131
Deferred income taxes	6,222	11,484	94,131
Impairment of long-lived assets	7,914	3,300	27,049
Loss (gain) on securities, net	(9,030)	(60,257)	(493,910)
Gain on sale of business	(2,433)	-	-
Equity in earnings of affiliates, net of dividends received	(188)	(2,268)	(18,590)
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(96,966)	(38,477)	(315,385)
Decrease (increase) in inventories	(38,603)	(108,283)	(887,567)
Decrease (increase) in long-term advances to vendors	-	(112,222)	(919,852)
Increase (decrease) in trade payables	99,098	86,431	708,451
Increase (decrease) in accrued expenses	43,882	25,924	212,492
Decrease (increase) in other assets and liabilities, net	(16,056)	(1,170)	(9,590)
Other-net	9,484	12,279	100,648
Net cash provided by operating activities	222,814	169,620	1,390,328
Cash flows from investing activities:			
Capital expenditures	(212,355)	(291,373)	(2,388,303)
Proceeds from sales of tangible and intangible assets	3,586	3,368	27,606
Proceeds from sale and maturity of short-term investments	90,606	83,172	681,738
Payment for purchase of short-term investments	(120,427)	(66,745)	(547,090)
Proceeds from sale and maturity of securities	1,080	1,523	12,484
Payment for purchase of securities	(3,994)	(11,537)	(94,566)
Proceeds from sale of business, net of cash transferred	7,017	-	-
Proceeds from sale of investments in affiliates	2,502	-	-
Other-net	497	398	3,262
Net cash used in investing activities	(231,488)	(281,194)	(2,304,869)
Cash flows from financing activities:			
Proceeds from debt with maturities longer than three months	178,619	322,781	2,645,746
Repayment of debt with maturities longer than three months	(93,994)	(152,716)	(1,251,770)
Net increase (decrease) in debt with maturities of three months or less	(25,938)	(22,688)	(185,967)
Dividends paid	(22,738)	(23,987)	(196,616)
Acquisition of noncontrolling interests	(5,955)	(113)	(926)
Other-net	(801)	(519)	(4,254)
Net cash provided by financing activities	29,193	122,758	1,006,213
Effect of exchange rate changes on cash and cash equivalents	27,151	47,768	391,541
Net increase in cash and cash equivalents	47,670	58,952	483,213
Cash and cash equivalents at beginning of period	332,717	380,387	3,117,926
Cash and cash equivalents at end of period	380,387	439,339	3,601,139

**Note:**

U.S.\$1=Yen 122, for convenience only.

**(5) Note Relating to the Going Concern Assumption**

Nothing to report.

**(6) Summary of Significant Accounting Policies**

1) The consolidated financial statements are prepared in conformity with the U.S. GAAP.

Inventories are valued at the lower of cost or market as in the past, with cost mainly determined by the periodic average method.

2) As of March 31, 2022, TDK Corporation had 137 subsidiaries (12 in Japan and 125 overseas).

TDK Corporation also had 5 affiliates (3 in Japan and 2 overseas) whose financial statements are accounted for by the equity method.

3) The following items have been omitted from this earnings release because they are not deemed to be that necessary for disclosure.

Notes Concerning Consolidated Financial Statements

- Lease transactions
- Related-party transactions
- Tax-effect accounting
- Financial instruments
- Retirement benefits
- Stock options, etc.
- Business combinations, etc.
- Real estate for leasing
- Asset retirement obligations
- Hedge accounting
- Fair value of securities

**(7) 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.

**Sales by industry segment**

		FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	407,126	27.5	505,198	26.6	4,140,967	98,072	24.1
	Intersegment	3,547		4,426		36,279	879	24.8
	Total	410,673		509,624		4,177,246	98,951	24.1
Sensor Application Products	External customers	81,345	5.5	130,769	6.9	1,071,877	49,424	60.8
	Intersegment	223		503		4,123	280	125.6
	Total	81,568		131,272		1,076,000	49,704	60.9
Magnetic Application Products	External customers	199,253	13.5	248,446	13.1	2,036,443	49,193	24.7
	Intersegment	652		66		541	(586)	-89.9
	Total	199,905		248,512		2,036,984	48,607	24.3
Energy Application Products	External customers	740,227	50.0	965,345	50.7	7,912,664	225,118	30.4
	Intersegment	0		1		8	1	-
	Total	740,227		965,346		7,912,672	225,119	30.4
Other	External customers	51,057	3.5	52,366	2.7	429,229	1,309	2.6
	Intersegment	22,015		33,930		278,115	11,915	54.1
	Total	73,072		86,296		707,344	13,224	18.1
Intersegment eliminations		(26,437)		(38,926)		(319,066)	(12,489)	
Total		1,479,008	100.0	1,902,124	100.0	15,591,180	423,116	28.6

**Note:**

U.S.\$1=Yen 122, for convenience only.

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

		FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		40,201	9.9	77,655	15.4	636,516	37,454	93.2
Sensor Application Products		(24,872)	-30.6	2,710	2.1	22,213	27,582	-
Magnetic Application Products		(2,382)	-1.2	4,585	1.8	37,582	6,967	-
Energy Application Products		147,375	19.9	123,152	12.8	1,009,443	(24,223)	-16.4
Other		(16,058)	-31.5	(5,649)	-10.8	(46,303)	10,409	-
Sub total		144,264	9.8	202,453	10.6	1,659,451	58,189	40.3
Corporate and Eliminations		(32,729)		(35,788)		(293,344)	(3,059)	
Operating income		111,535	7.5	166,665	8.8	1,366,107	55,130	49.4

**Note:**

U.S.\$1=Yen 122, for convenience only.

## (8) Fair Value of Derivatives

(Yen millions)

	Contract Amount	Carrying Amount	Estimated Fair Value
<b>As of March 31, 2021</b>			
Forward foreign exchange contracts	336,943	774	774
<b>As of March 31, 2022</b>			
Forward foreign exchange contracts	298,924	(877)	(877)
Currency swap contracts	237	8	8

(U.S.\$ thousands)

(U.S.\$ thousands)	Contract Amount	Carrying Amount	Estimated Fair Value
<b>As of March 31, 2022</b>			
Forward foreign exchange contracts	2,450,197	(7,189)	(7,189)
Currency swap contracts	1,943	66	66

**Note:**

U.S.\$1=Yen 122, for convenience only.

## (9) Net Income per Share

Term Item	FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)	
	Basic	Diluted	Basic	Diluted
Net income attributable to TDK	(Yen millions) 79,340	79,340	(Yen millions) <u>183,632</u>	<u>183,632</u>
Weighted average common shares outstanding	Number of shares (Thousands) 378,967	378,967	Number of shares (Thousands) 378,991	378,991
Incremental shares arising from the exercise of stock options	-	782	-	860
Incremental shares arising from the share delivery based on Restricted Stock Units	-	1	-	11
Weighted average common shares outstanding - Total	378,967	379,750	378,991	379,862
Per common share :	(Yen)		(Yen)	
Net income attributable to TDK	209.36	208.93	<u>484.53</u>	<u>483.42</u>

Term Item	FY2022 (April 1, 2021 - March 31, 2022)	
	Basic	Diluted
Net income attributable to TDK	(U.S.\$ thousands) <u>1,505,181</u>	<u>1,505,181</u>
Weighted average common shares outstanding	Number of shares (Thousands) 378,991	378,991
Incremental shares arising from the exercise of stock options	-	860
Incremental shares arising from the share delivery based on Restricted Stock Units	-	11
Weighted average common shares outstanding - Total	378,991	379,862
Per common share :	(U.S.\$)	
Net income attributable to TDK	<u>3.97</u>	<u>3.96</u>

### Notes:

1. U.S.\$1=Yen 122, for convenience only.
2. The dilution of net income attributable to TDK was caused by presuming the exercise of stock options issued by a subsidiary of TDK Corporation.
3. TDK split one share of its common stock into three shares on effective date of October 1, 2021. "Weighted average common shares outstanding", "Incremental shares arising from the exercise of stock options", "Incremental shares arising from the share delivery based on Restricted Stock Units", and "Net income attributable to TDK" are calculated based on the assumption that the stock split was conducted on April 1, 2020.

**(10) Significant Subsequent Events**

In the Board of Directors held on April 27, 2022, TDK has resolved that Amperex Technology Limited (Hong Kong Special Administrative Region of China, hereinafter “ATL”) that engages in the business of rechargeable battery establishes Xiamen Ampeak Technology Limited as a holding company of the 2 joint venture companies that are planned to be established by ATL and Contemporary Amperex Technology Co., Limited (Fujian, China) that engages in the business of rechargeable battery for automobile and other applications. The subsidiary falls into the category of specific subsidiaries because the amount of its common stock is more than 10% of the amount of the common stock of TDK.

**(11) Consolidated Supplementary Information**

## 1) Exchange rates used for conversion

Term Item	As of March 31, 2021		As of March 31, 2022	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	110.71	129.80	122.39	136.70

## 2) Sales by region

Term Region	FY2021 (April 1, 2020 - March 31, 2021)		FY2022 (April 1, 2021 - March 31, 2022)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	96,666	6.5	129,857	6.8	1,064,402	33,191	34.3
Europe	148,443	10.1	175,580	9.3	1,439,180	27,137	18.3
China	840,129	56.8	1,059,718	55.7	8,686,213	219,589	26.1
Asia and others	276,565	18.7	387,931	20.4	3,179,762	111,366	40.3
Overseas sales total	1,361,803	92.1	1,753,086	92.2	14,369,557	391,283	28.7
Japan	117,205	7.9	149,038	7.8	1,221,623	31,833	27.2
Net sales	1,479,008	100.0	1,902,124	100.0	15,591,180	423,116	28.6

**Notes:**

1. U.S.\$1=Yen 122, for convenience only.
2. Overseas sales are based on the location of the customers.

## 3) 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	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)		4Q of FY2022 (January 1, 2022 - March 31, 2022)		
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	47,123	11.2	49,800	10.5	50,769	10.2	50,418	9.9	413,262
Inductive Devices	42,028	10.0	45,222	9.5	46,951	9.4	45,743	9.0	374,943
Other	32,032	7.7	32,312	6.8	31,770	6.3	31,030	6.1	254,344
Passive Components	121,183	28.9	127,334	26.8	129,490	25.9	127,191	25.0	1,042,549
Sensor Application Products	26,828	6.4	32,685	6.9	36,141	7.2	35,115	6.9	287,828
Magnetic Application Products	60,623	14.4	65,363	13.8	64,023	12.8	58,437	11.5	478,992
Energy Application Products	199,592	47.5	235,523	49.7	256,145	51.3	274,085	53.9	2,246,598
Other	11,832	2.8	13,222	2.8	13,871	2.8	13,441	2.7	110,172
Total	420,058	100.0	474,127	100.0	499,670	100.0	508,269	100.0	4,166,139

**Note:**

1. U.S.\$1=Yen 122, for convenience only.