

**Consolidated Results for
1Q of FY March 2022
Consolidated Full Year Projections for
FY March 2022**

Tetsuji Yamanishi
Executive Vice President

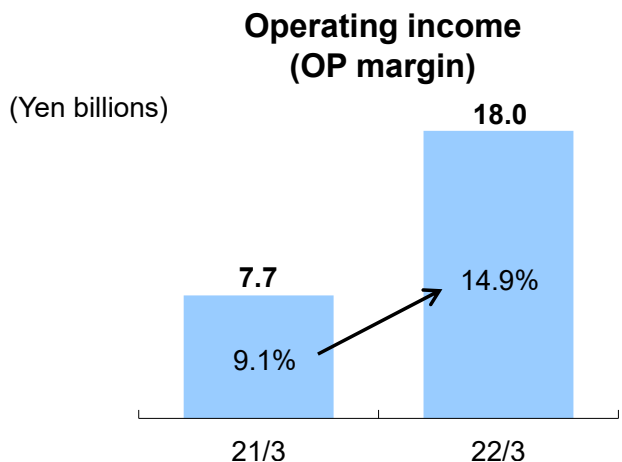
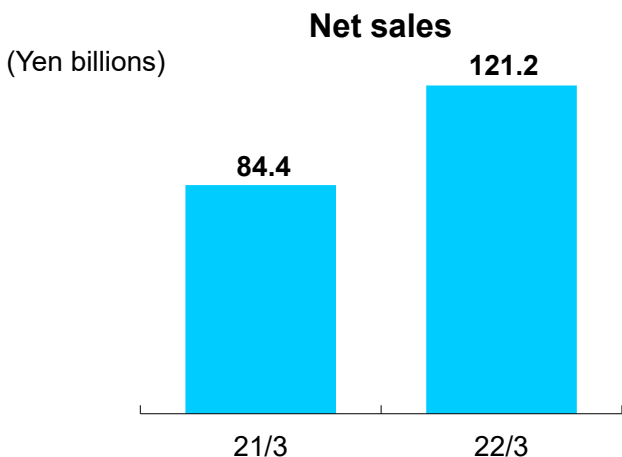
Demand for electronic components, which had stagnated amid the COVID-19 pandemic during fiscal 2021, continued to recover. Demand related to digital transformation (DX) and energy transformation (EX) remained strong.

- **Net sales increased 35.8% year on year. Operating income increased 67.4% year on year.**
 - In the automotive market, despite the effects of a semiconductor supply shortage, orders remained brisk on the back of an increase in the number of components installed per vehicle. Sales of Passive Components and Sensors increased.
 - As for sales to the ICT market, while production of smartphones was below the initial forecast due to the semiconductor supply shortage and the effects of the resurgence of COVID-19, demand for PCs and tablets remained at a high level. In addition, investment in data centers picked up and demand for servers increased. Sales of Rechargeable Batteries, Sensors, and HDD Heads increased.
 - As production activities recovered, capital expenditures remained on an upward trend. Sales of Power Supplies for industrial equipment and Passive Components increased.

Consolidated results for 1Q of FY March 2022

	(Yen billions)	FY March 2021 1Q results	FY March 2022 1Q results	Change	
				Yen billions	%
Net sales		309.4	420.1	110.7	35.8
Operating income		18.4	30.8	12.4	67.4
Operating income margin		5.9%	7.3%	+1.4 pt	-
Income before income taxes		20.7	32.2	11.5	55.6
Net income		13.2	26.7	13.5	102.3
Earning per share (JPY)		104.43	211.09	-	-
Ex-rate	US\$ (JPY)	107.61	109.50	Depreciated by 1.8%	
	EURO (JPY)	118.45	131.90	Depreciated by 11.4%	
Ex-rate impact to net sales & operating income		Net sales : Increased by about 21.4 billion Yen Operating income : Decreased by about 1.7 billion Yen			

1Q results - Passive Components segment



21/3: FY March 2021

Net sales 121.2 billion yen (up 43.6% year on year)
Operating income 18.0 billion yen (up 133.8% year on year)

- **Ceramic Capacitors**

- Sales and operating income increased year on year.
- Sales increased to the automotive market, while decreased to the ICT market.

- **Aluminum Electrolytic Capacitors and Film Capacitors**

- Sales and operating income increased year on year.
- Sales increased to the industrial equipment and the automotive markets.

- **Inductive Devices**

- Sales and operating income increased year on year.
- Sales increased to the automotive and the industrial equipment markets.

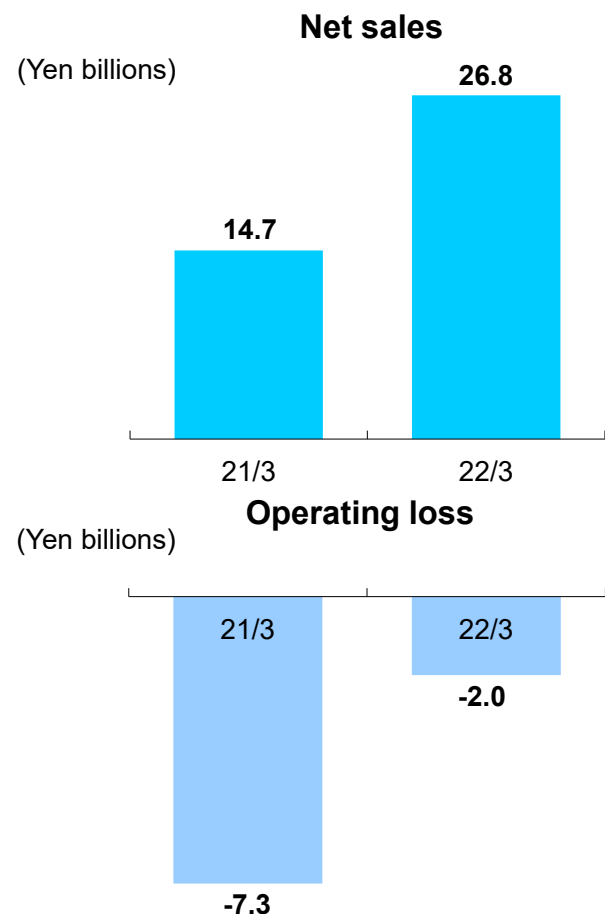
- **High-Frequency Components**

- Sales increased, while operating income decreased year on year.
- Sales increased to the ICT and the automotive markets.

- **Piezoelectric Material Products and Circuit Protection Components**

- Sales and operating income increased year on year.
- Sales increased to the industrial equipment and the automotive markets.

1Q results - Sensor Application Products segment



Net sales 26.8 billion yen (up 82.3% year on year)
Operating loss -2.0 billion yen (down —% year on year)

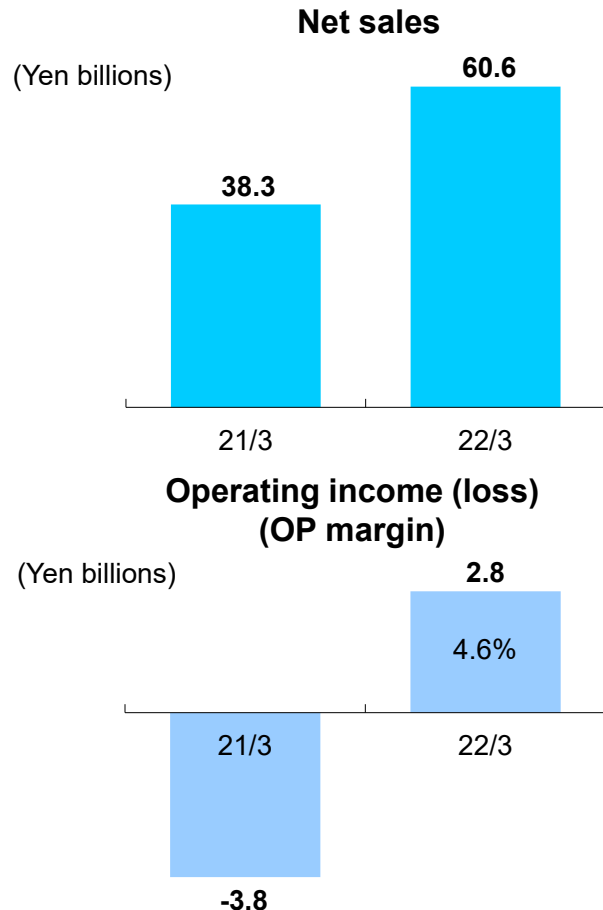
● Sensors

- Sales increased and operating loss decreased year on year.
- Earnings from TMR Sensors rose, driven by dramatic growth in sales to the ICT market due to increased adoption and other factors.
- In MEMS Sensors, sales of Motion Sensors and Microphones increased, owing to the expansion of the customer base and applications. Earnings also improved.
- Sales of conventional products (Temperature and Pressure Sensors, and Hall Sensors), which had declined significantly to the automotive market due to the effects of COVID-19 in the previous fiscal year, surged, with earnings also improving.

21/3: FY March 2021

1Q results - Magnetic Application Products segment

Attracting Tomorrow



21/3: FY March 2021

Net Sales 60.6 billion yen (up 58.2% year on year)
Operating income 2.8 billion yen (up —% year on year)

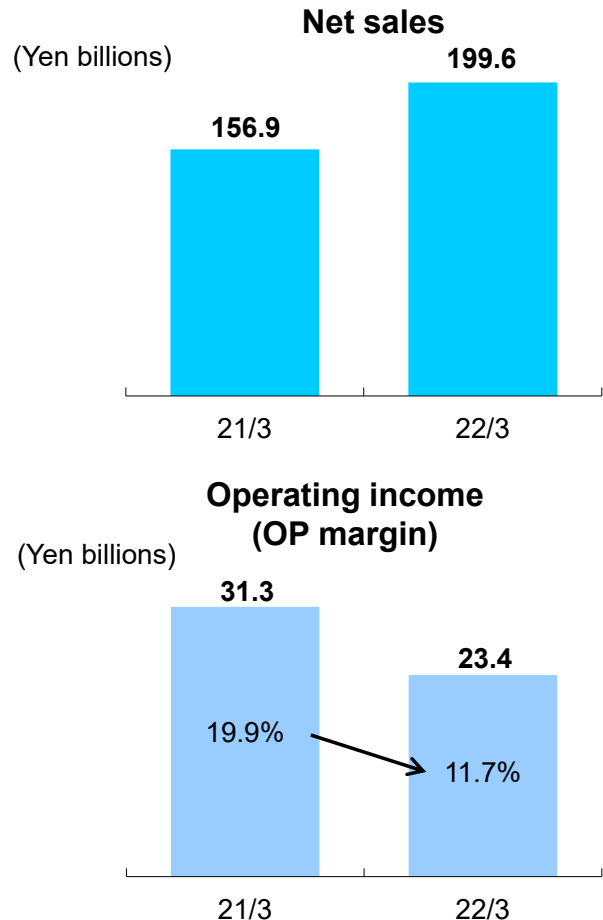
- **HDD Heads and HDD Suspension Assemblies**

- In line with the recovery of investment in data centers, demand for servers expanded. Sales of Nearline HDD Heads increased significantly. Earnings, which deteriorated due to the effects of lockdowns affecting a major customer in the previous year, improved substantially.

- **Magnets**

- Sales and operating income increased year on year.
- Sales increased to the automotive market.

1Q results - Energy Application Products segment



21/3: FY March 2021

Net Sales 199.6 billion yen (up 27.2% year on year)
Operating income 23.4 billion yen (down 25.2% year on year)

- **Energy Devices (Rechargeable Batteries)**

- Sales increased year on year. Operating income decreased due to upfront investments for power cell products and soaring raw material prices.
- Sales for mobile applications (smartphones, tablets, notebook PCs) remained strongly.
- Sales of mini cell products for small size equipment and power cell products for electric motorcycles and residential energy storage systems expanded.

- **Power Supplies**

- In line with the recovery of capital expenditures, sales and profit from Power Supplies for industrial equipment increased year on year.

Quarterly results by segment

Attracting Tomorrow



(Yen billions)		1Q of FY March 2021 (A)	4Q of FY March 2021 (B)	1Q of FY March 2022 (C)	YoY change (C)-(A)		QoQ change (C)-(B)	
					Yen billions	%	Yen billions	%
Net sales	Capacitors	33.3	44.3	47.1	13.8	41.4	2.8	6.3
	Inductive Devices	27.4	39.0	42.0	14.6	53.3	3.0	7.7
	Other Passive Components	23.6	30.6	32.0	8.4	35.6	1.4	4.6
	Passive Components	84.4	113.9	121.2	36.8	43.6	7.3	6.4
	Sensor Application Products	14.7	23.9	26.8	12.1	82.3	2.9	12.1
	Magnetic Application Products	38.3	54.6	60.6	22.3	58.2	6.0	11.0
	Energy Application Products	156.9	187.3	199.6	42.7	27.2	12.3	6.6
	Other	15.2	12.5	11.8	(3.4)	-22.4	(0.7)	-5.6
	Total	309.4	392.2	420.1	110.7	35.8	27.9	7.1
Operating income	Passive Components	7.7	9.5	18.0	10.3	133.8	8.5	89.5
	Sensor Application Products	(7.3)	(8.5)	(2.0)	5.3	-	6.5	-
	Magnetic Application Products	(3.8)	(4.1)	2.8	6.6	-	6.9	-
	Energy Application Products	31.3	25.0	23.4	(7.9)	-25.2	(1.6)	-6.4
	Other	(1.9)	(8.3)	(2.9)	(1.0)	-	5.4	-
	Sub total	26.0	13.6	39.2	13.2	50.8	25.6	188.2
	Corporate and eliminations	(7.6)	(9.5)	(8.4)	(0.8)	-	1.1	-
Total	18.4	4.1	30.8	12.4	67.4	26.7	651.2	
Operating income margin		5.9%	1.0%	7.3%	+1.4pt	-	+6.3 pt	-
Ex-rate	US\$ (JPY)	107.61	105.87	109.50				
	EURO (JPY)	118.45	127.75	131.90				

Breakdown of operating income changes

1Q of
FY March 2021
18.4 billion yen

Operating income +12.4 billion yen

1Q of
FY March 2022
30.8 billion yen

(Yen billions)



Projections for 2Q of FY March 2022

- Image of changes in sales

(Yen billions)

Segment	1Q of FY March 2022	2Q projections (QoQ change)	2Q projections excl. forex impact (QoQ change)
Passive Components	121.2	-1~-4%	±0~+3%
Sensor Application Products	26.8	+7~+10%	+11~+14%
Magnetic Application Products	60.6	-1~-4%	±0~+3%
Energy Application Products	199.6	+21~+24%	+28~+31%
Other	11.8	—	—
Total	420.1	+9~+12%	+14~+17%

Forex assumptions

US\$(JPY)	109.50	105.00	109.50
EURO(JPY)	131.90	124.00	131.90

FY March 2022 full year / dividend projections

		FY March 2021 full year results	FY March 2022 full year projections (announced on July 28, 2021)	YoY change	
				Yen billions	%
(Yen billions)					
Net sales		1,479.0	1,600.0	121.0	8.2
Operating income		111.5	150.0	38.5	34.5
Operating income margin		7.5%	9.4%	+1.9 pt	-
Income before income taxes		121.9	150.0	28.1	23.1
Net income		79.3	100.0	20.7	26.1
Earning per share (JPY)		628.08	791.61	-	-
Dividends (JPY)		Interim : 90 Year-end : 90 Annual: 180	Interim : 95 Year-end : 96* Annual : 191* *Prior to the stock split	-	-
Ex-rate	US\$ (JPY)	106.05	105.00	-	-
	EURO (JPY)	123.67	124.00	-	-
Capital expenditure		212.4	300.0	87.6	41.2
Depreciation and amortization		140.3	160.0	19.7	14.0
Research and development		127.0	140.0	13.0	10.2

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, or its group companies (TDK Group). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs, and evaluations of the TDK Group in light of the information currently available to it, and contain known and unknown risks, uncertainties, and other factors. The TDK Group therefore wishes to caution readers that, being subject to risks, uncertainties, and other factors, the TDK Group's actual results, performance, achievements, or financial position could be materially different from any future results, performance, achievements, or financial position expressed or implied by these forward-looking statements, and the TDK Group undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material except as provided for in laws and ordinances.

The electronics markets in which the TDK Group operates are highly susceptible to rapid changes, risks, uncertainties, and other factors that can have significant effects on the TDK Group including, but 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. Also, since the purpose of these materials is only to give readers a general outline of business performance, many numerical values are shown in units of a billion yen. Because original values, which are managed in units of a million yen, are rounded off, the totals, differences, etc. shown in these materials may appear inaccurate. If detailed figures are necessary, please refer to our financial statements and supplementary materials.



Text data including Q&A of performance briefing will be uploaded on following site.
https://www.tdk.com/en/ir/ir_events/conference/2022/1q_1.html