

# Consolidated Full Year Projections for FY March 2023

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(Note) The figures in the presentation material were revised on May 25, 2022 in accordance with the revision of the financial results.  
The revised figures are underlined.

# FY March 2023 full year / dividend projections

(Yen billions)		FY March 2022 full year results (U.S. GAAP)	FY March 2022 full year results (IFRS)	FY March 2023 full year projections (IFRS) (announced on May 11, 2022)	YoY change	
					Yen billions	%
Net sales		1,902.1	1,902.1	2,200.0	297.9	15.7
Operating profit		166.7	166.8	185.0	18.2	10.9
Operating profit margin		8.8%	8.8%	8.4%	-0.4 pt	-
Profit before tax		234.2	172.5	190.0	17.5	10.2
Net profit		183.6	131.3	145.0	13.7	10.4
Earnings per share (JPY)		484.53	346.44	382.56	-	-
Dividends (JPY)		Interim : 100 (33.3) Year-end : 45 Annual : - (78.3) *(post-stock split standard)	Interim : 100 (33.3) Year-end : 45 Annual : - (78.3) *(post-stock split standard)	Interim : 53 Year-end : 53 Annual : 106	-	-
Ex-rate	US\$ (JPY)	112.33	112.33	120.00	-	
	EURO (JPY)	130.53	130.53	130.00	-	
Capital expenditure		291.4	291.3	300.0	8.7	3.0
Depreciation and amortization		168.7	177.0	200.0	23.0	13.0
Research and development		163.8	165.3	190.0	24.8	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.

# Market forecast of FY March 2023

Production Trend (Unit: Mil. unit)	FY2022	FY2023 (YoY)
Automobile*	79	83 (+5%)
<i>therein</i> xEV	10.1	14.4 (+43%)
Smartphone	1,319	1,319 (±0%)
<i>therein</i> 5G Smartphone	586	663 (+13%)
HDD	250	231 (-8%)
<i>therein</i> Nearline	75	77 (+3%)
Notebook PC	258	240 (-7%)
Tablet	165	152 (-8%)

\*The number of Automobile includes commercial vehicles.

# Projections for FY March 2023

## - Image of changes in sales

Attracting Tomorrow



(Yen billions)

Segment	FY March 2022 full year results	FY March 2023 full year projections (YoY change)
Passive Components	505.2	+7~+10%
Sensor Application Products	130.8	+13~+16%
Magnetic Application Products	248.4	+15~+18%
Energy Application Products	965.3	+17~+20%
Other	52.4	—
<b>Total</b>	<b>1,902.1</b>	<b>2,200.0</b>

Forex assumptions

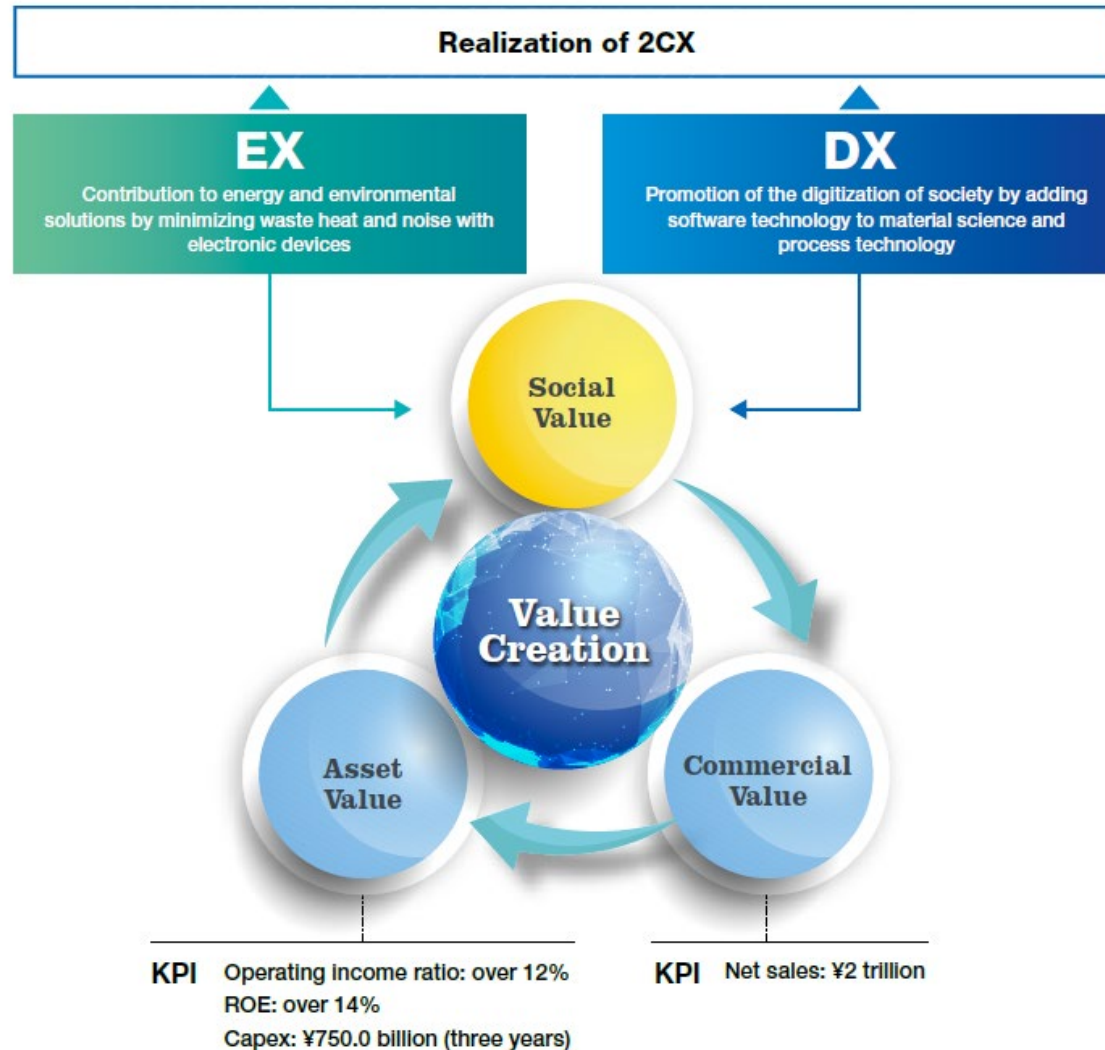
US\$(JPY)  
EURO(JPY)

112.33  
130.53

120.00  
130.00

# Progress of Medium-Term Plan

# Medium-Term Plan "Value Creation 2023"



## Management targets in medium term

	Fiscal 2021 result	Fiscal 2024 target	CAGR
Net sales	¥1,479.0 billion	¥2,000.0 billion	11%

## CAGR by segment

Passive Components	Sensor Application Products	Magnetic Application Products	Energy Application Products
7%	25%	12%	11%

## New medium-term capital allocation plan

Fiscal 2022 to fiscal 2024 three-year accumulated base (billions of yen)

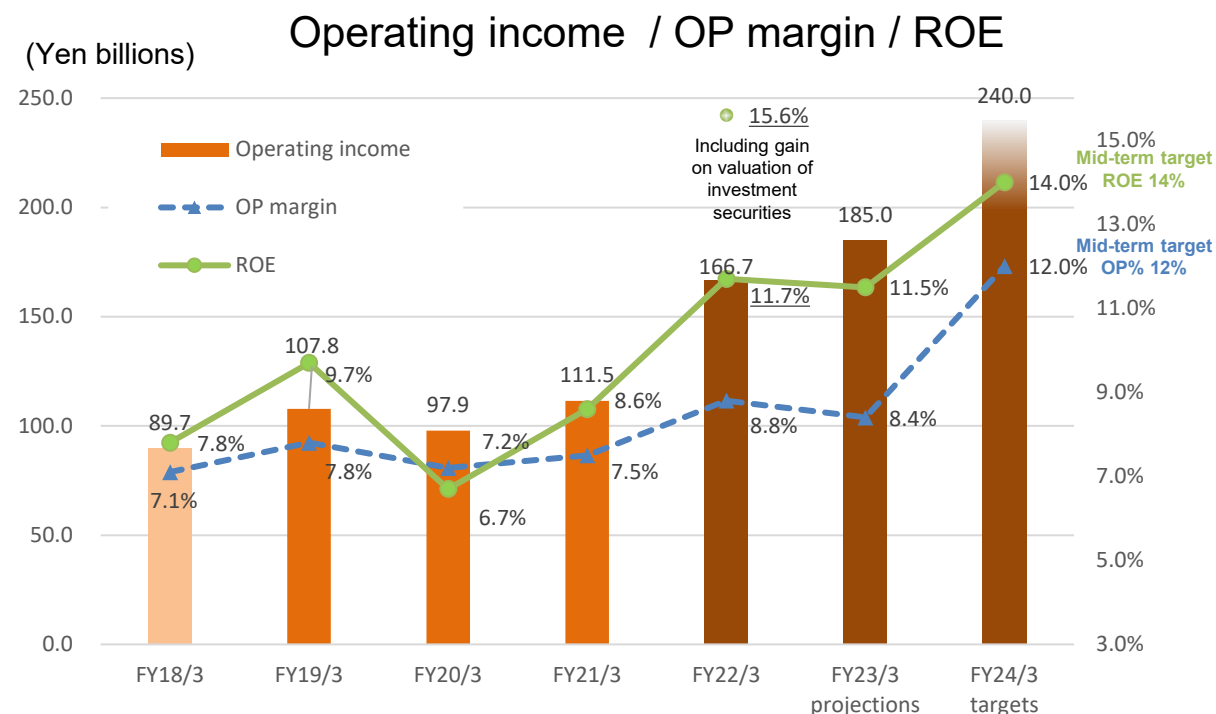
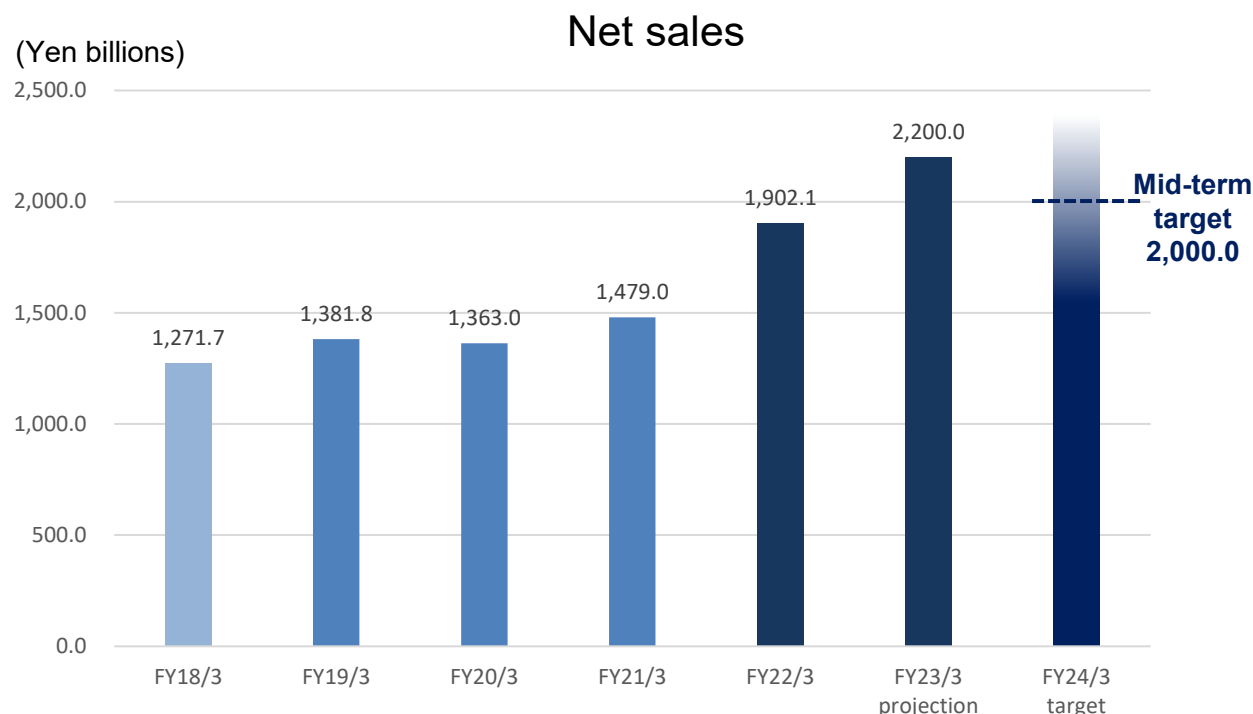
Cash In	Cash Out	
Operating cash flow 900.0	Strengthened financial position	◀ D/E ratio 40% range
	Shareholder returns	◀ Target dividend payout ratio of 30%
	Capex 750.0	◀ Energy 60%
	EBITDA ratio 65%	◀ Passive 20%
		◀ Magnetic 16%
		◀ Other 4%

Improvement of dividends steadily and sustainably based on medium-term profit growth

Priority allocation of investment to growth areas

- Rechargeable batteries
- xEV, ADAS, 5G
- HDD head, suspension/applied products

# Progress of Medium-Term Plan



## Progress of Growth Strategies

- △ Profitability of Passive Components improved significantly.
- △ Full-year profitability of the sensor business was achieved.
- △ Sales of power cell products expanded.
- △ Profit of the HDD head business recovered and MAMR products were launched in the market.
- △ Strategic capital allocation realignment was implemented based on portfolio management.
- △ Strategic investment was carried out in order to respond to material procurement risks.
- ▼ Impact on profit and loss and financial position due to soaring material prices and transportation costs.
- ▼ Delay in improvement in earnings of non-profitable businesses.

## Progress in measures to increase social value

**E**

Issued sustainability-linked bonds in December 2021.

- 1) Reduce CO<sub>2</sub> emissions per unit of sales by 30% from FY2014 levels in FY2025
- 2) Maintain “A/A-” rating in the final CDP climate change scores in CY2025
- 3) Achieve 50% of electricity from renewable sources in FY2025

**S**

Promoted Global HR Projects (succession plan, diversity, project to promote women’s advancement).

**G**

Introduced Global Common Regulations.  
Strengthened regional headquarters functions.

# Key points of future initiatives by segments

Segment	Mid-term Net sales CAGR	FY22/3 Actual	FY23/3 Forecast	Key points of future initiatives
<b>Passive Components</b>	7%	24%	+7~10%	<ul style="list-style-type: none"> <li>✓ Respond to changes in the structure of the automotive market and customer composition and expand sales and profit mainly related to EVs and ADAS fields which TDK has focused on, even amid sluggish automobile production</li> <li>✓ Promote adoption in a broader range of applications, including industrial equipment</li> <li>✓ Commence operations at the new MLCC plant by the end of 2024</li> </ul>
<b>Sensor Application Products</b>	25%	61%	+13~16%	<ul style="list-style-type: none"> <li>✓ Achieve profitability during FY2022/3 and realize medium-term earnings targets</li> <li>✓ Continue to promote strategy to expand customer base and applications</li> </ul>
<b>Magnetic Application Products</b>	12%	24%	+15~18%	<ul style="list-style-type: none"> <li>✓ Embark on full-fledged mass production of MAMR, a next-generation HDD head</li> <li>✓ Expand the suspension application products business</li> <li>✓ Improve productivity towards boosting profitability of the magnet business</li> </ul>
<b>Energy Application Products</b>	11%	30%	+17~20%	<ul style="list-style-type: none"> <li>✓ Realize growth with a balance between investment and profit through the JVs with CATL in the medium-sized cell market, which is the next growth market</li> <li>✓ Further expand the standard power supply business</li> </ul>



# New MLCC factory construction plan

- New building with the capability of integrated production from materials to finished products
- Compact, high-performance, highly reliable products for automotive applications
- A factory designed to save energy and be environmentally friendly (reduced CO<sub>2</sub> emissions)

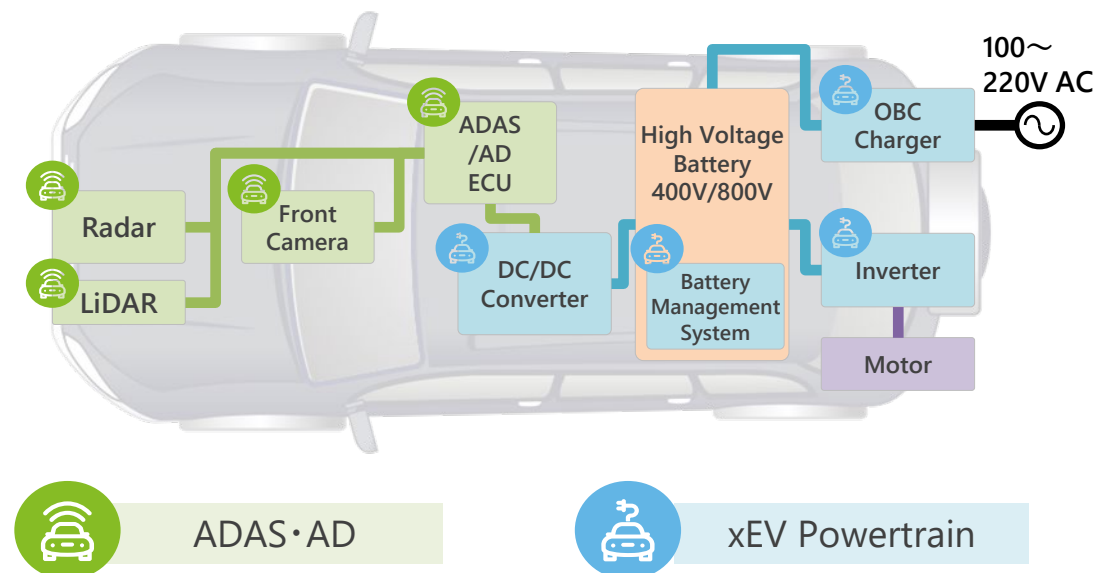
## Kitakami Factory in Iwate



## Outline

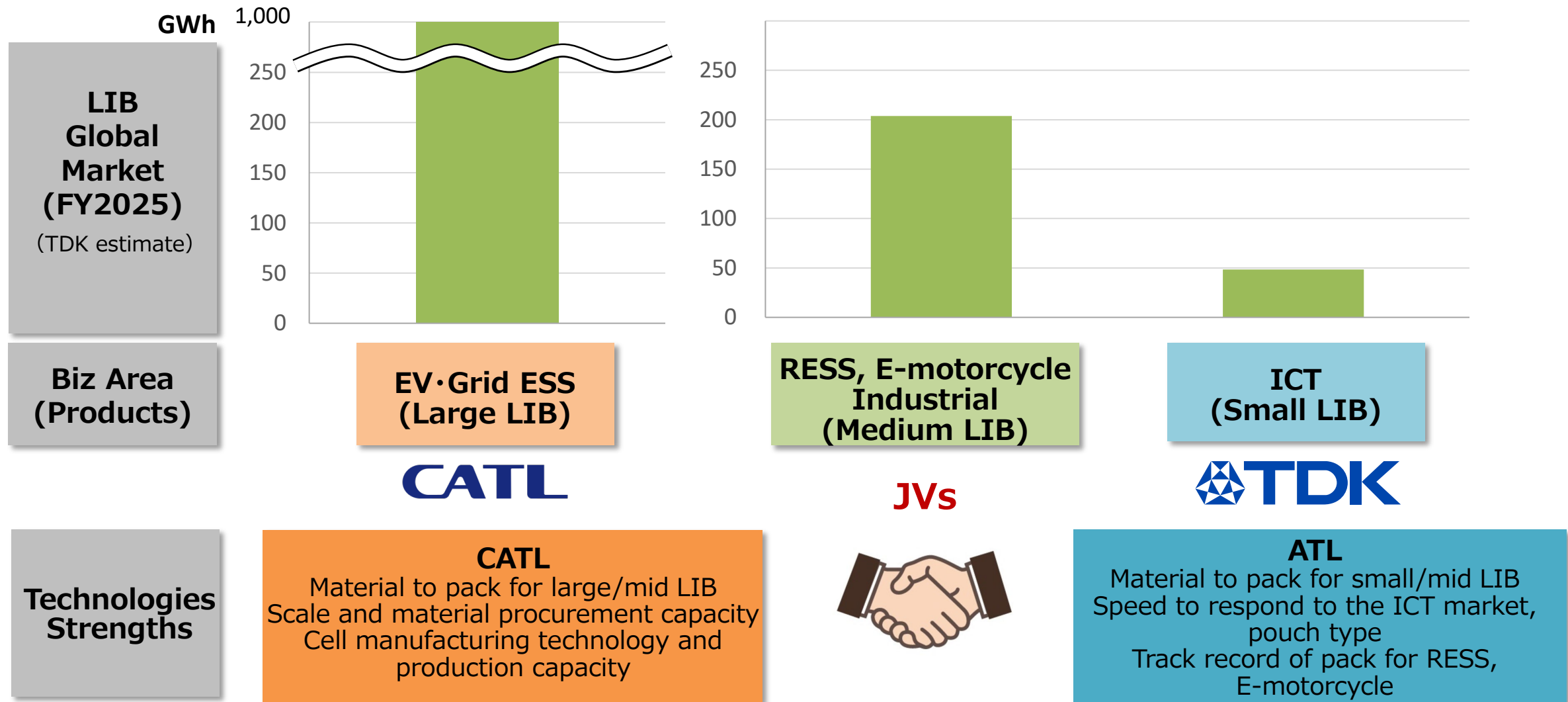
1. Construction site : 106-163, 2 Jiwari, Goto, Wagacho, Kitakami-shi, Iwate
2. Total floor area : Approx. 33,000 m<sup>2</sup>
3. Building structure : 4 stories
4. Construction start date : March 2023 (plan)
5. Completion date : June 2024 (plan)
6. Mass production start date : September 2024 (plan)

## Main Applications and Uses

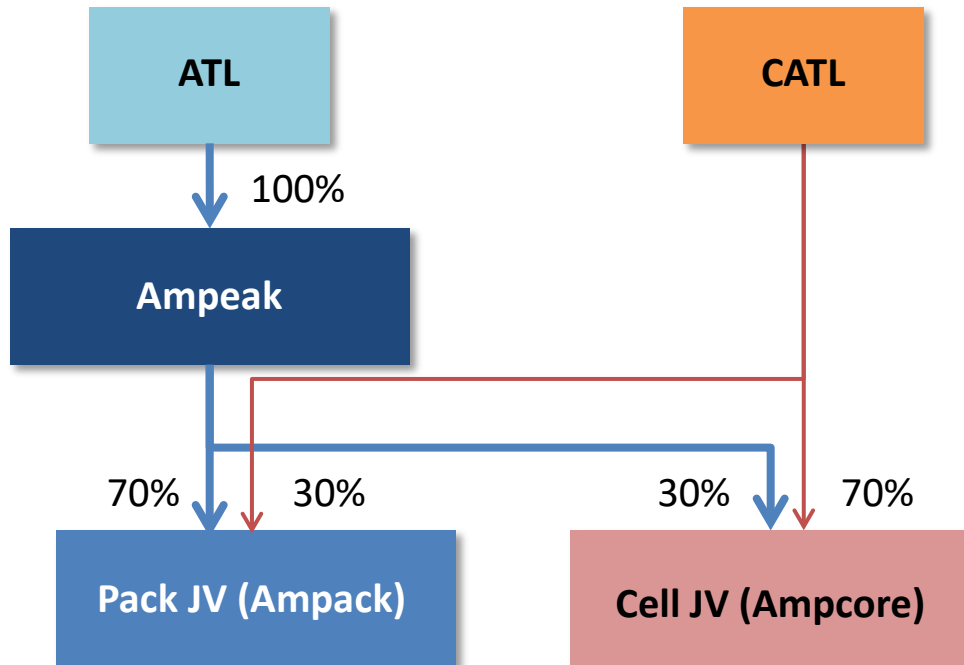


# Joint Ventures with CATL in Energy Application Products Business

# JVs with CATL



# Composition of the holding company and JVs

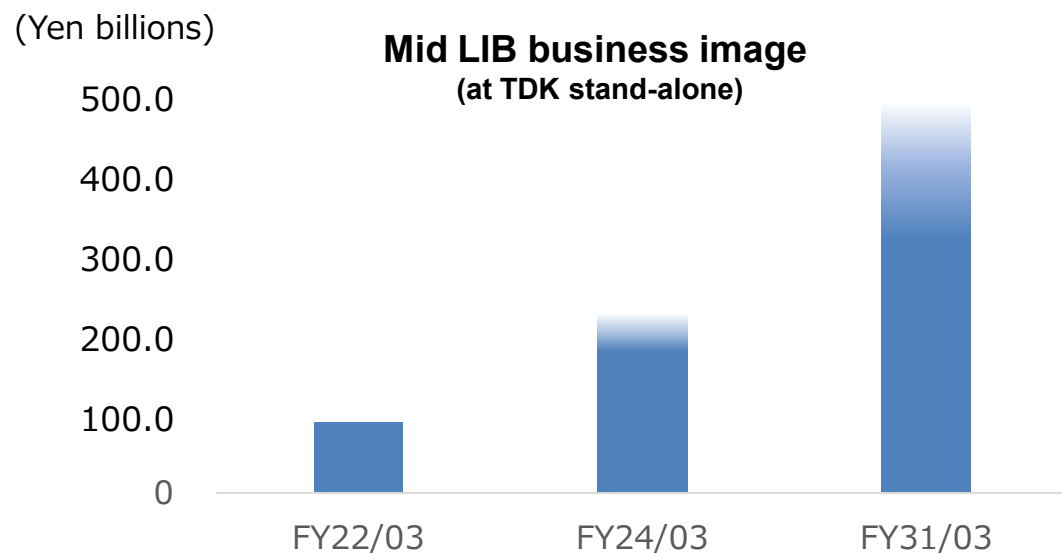
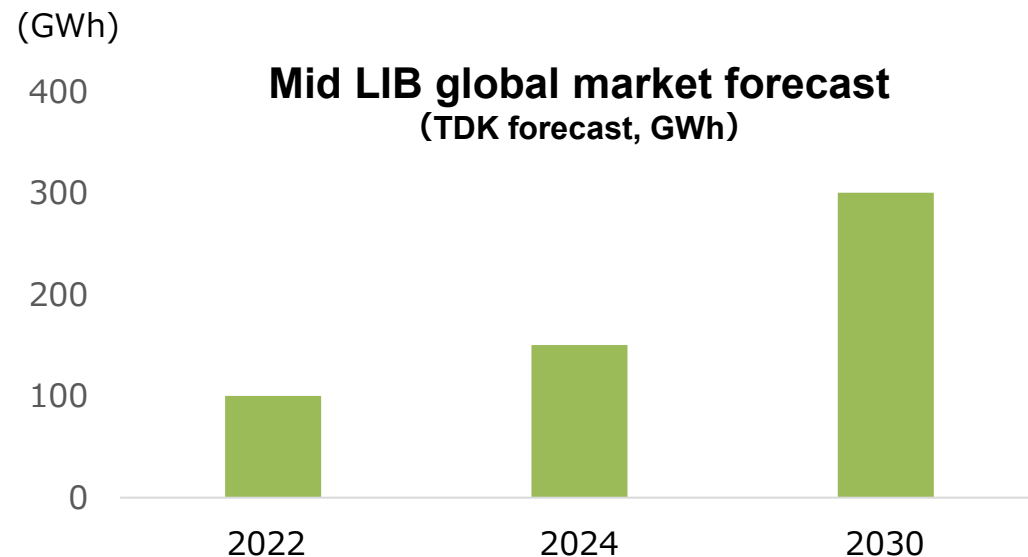


Name : Xiamen **Ampeak** Technology Limited  
 Location : Xiamen, Fujian Province, China  
 Capital : 2,201 million RMB  
 Business : Holding company for 2 joint ventures of CATL and ATL

Name : Xiamen **Ampack** Technology Limited  
 Location : Xiamen, Fujian Province, China  
 Capital : 1.0 billion RMB  
 Business : Development, manufacture and sale of rechargeable battery pack

Name : Xiamen **Ampcore** Technology Limited  
 Location : Xiamen, Fujian Province, China  
 Capital : 5.0 billion RMB  
 Business : Development, manufacture and sale of rechargeable battery cell

# Medium- to long-term directions



## ■ Synergies from JVs

- Product portfolio
- Technical resources
- Operation



- **Achieve global top share in the mid LIB market**
- **Increase competitive advantage through synergy effects of JVs**
- **Achieve an effective return on investment by sharing burden through JVs**

# Cautionary statements with respect to forward-looking statements

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Text data including Q&A of performance briefing will be uploaded on following site.  
[https://www.tdk.com/en/ir/ir\\_events/conference/2022/4q\\_1.html](https://www.tdk.com/en/ir/ir_events/conference/2022/4q_1.html)