

Consolidated Full Year Projections for FY March 2022

Shigenao Ishiguro
President and CEO

Key points concerning revisions to FY March 2022 full year projections

● Market forecast (changes from initial forecasts)

- The global economic growth rate is expected to deteriorate slightly overall, as economic growth will likely slow in the U.S. and China, despite the improvement trend in the eurozone.
- Automobile production is forecast to remain at a similar level as the previous fiscal year, falling behind the initial projection, due to the shortage in supply of semiconductors and other components.
- Smartphone production is predicted to be slightly lower than the previous fiscal year's level, falling behind the initial projection due to the shortage in supply of semiconductors and other components and the negative effects of the resurgence of COVID-19.
- Production of HDDs, notebook PCs and tablets is anticipated to remain firm, exceeding the initial projection.

● Upward revision to full year projections (sales and income)

- Sales and income of full year projections were upgraded in light of operating results for the first half and the recent stronger booking momentum. While the forecast for automobile and smartphone production has been revised downward, orders and sales are anticipated to exceed the initial projection, on the back of an increase in the number of components installed per vehicle and the movement to secure stock of components.

● Revisions to interim dividend and year-end dividend projection

- In line with the revision of the full-year projections, the interim dividend and year-end dividend forecast have been increased by ¥5 per share and ¥12 per share, respectively, with a plan to pay out an annual dividend of ¥208 per share (conversion prior to the stock split).

Projections for 3Q of FY March 2022

- Image of changes in sales

(Yen billions)

Segment	2Q of FY March 2022	3Q projections (QoQ change)
Passive Components	127.3	-1%~-4%
Sensor Application Products	32.7	-2%~-5%
Magnetic Application Products	65.4	-3%~-6%
Energy Application Products	235.5	+3%~+6%
Other	13.2	—
Total	474.1	±0%

Forex assumptions

US\$(JPY)	110.07	109.00
EURO(JPY)	129.83	128.00

FY March 2022 full year / dividend projections

	(Yen billions)	FY March 2021 full year results	FY March 2022 full year projections (announced on Jul. 28, 2021)	FY March 2022 full year projections (announced on Nov. 1, 2021)	YoY change	
					Yen billions	%
Net sales		1,479.0	1,600.0	1,800.0	321.0	21.7
Operating income		111.5	150.0	157.0	45.5	40.8
Operating income margin		7.5%	9.4%	8.7%	+1.2 pt	-
Income before income taxes		121.9	150.0	162.0	40.1	32.9
Net income		79.3	100.0	110.0	30.7	38.6
Earning per share (JPY)		628.08	791.61	290.25	-	-
Dividends (JPY)		Interim : 90 Year-end : 90 Annual : 180	Interim : 95 Year-end : 96 (32) Annual : 191 <small>*(Post-stock split standard)</small>	Interim : 100 Year-end : 108 (36) Annual : 208 <small>*(Post-stock split standard)</small>	-	-
Ex-rate	US\$ (JPY)	106.05	105.00	109.00	-	-
	EURO (JPY)	123.67	124.00	128.00	-	-
Capital expenditure		212.4	300.0	300.0	87.6	41.3
Depreciation and amortization		140.3	160.0	160.0	19.7	14.1
Research and development		127.0	140.0	160.0	33.0	25.9

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/2022/2q_1.html