

Attracting Tomorrow



**Performance Briefing  
1Q of Fiscal Year March 2023**

- **Consolidated Results for 1Q of FY March 2023**  
**Consolidated Full Year Projections for FY March 2023**  
Tetsuji Yamanishi, Executive Vice President

**Consolidated Results for  
1Q of FY March 2023  
Consolidated Full Year Projections for  
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**Tetsuji Yamanishi  
Executive Vice President**

**Despite a slowdown in demand for electronic components due to China's lockdowns and heightened geopolitical risks, net sales and operating profit remained firm on the back of an expansion of customer and application bases.**

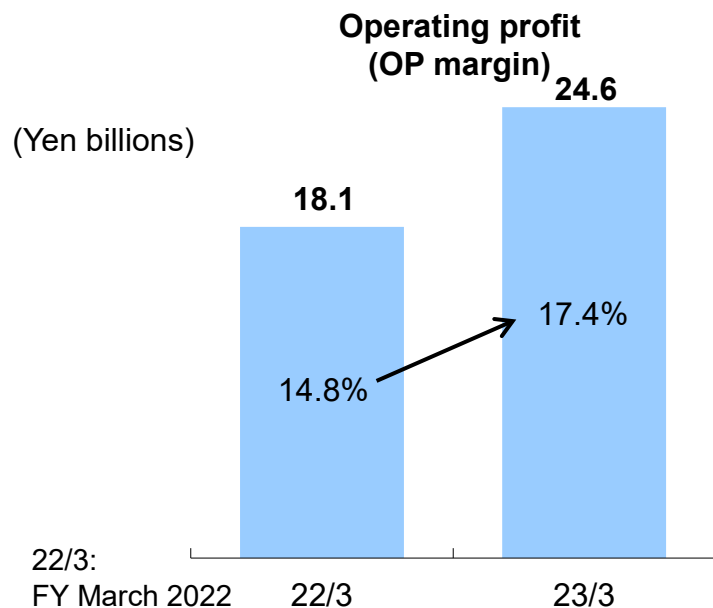
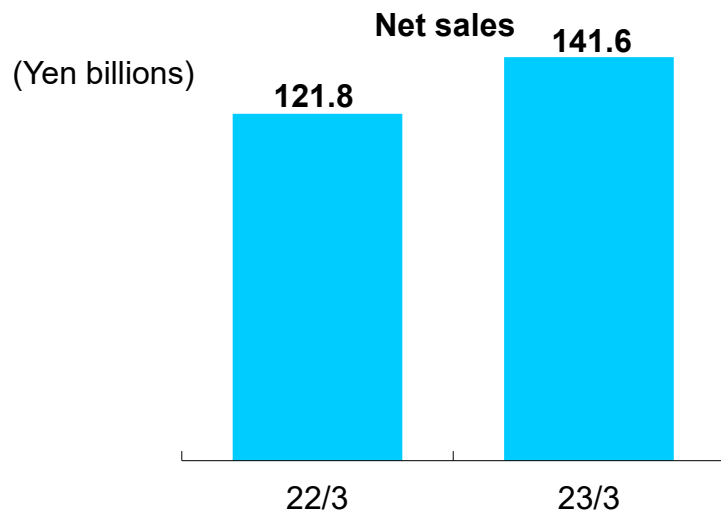
- **Net sales increased 21.5% year on year. Operating profit increased 42.4% year on year.**
- **Rapid depreciation of the yen affected earnings.**
  - In the automotive market, while supply chain constraints continued and automobile production volume remained at a level lower than the previous year, component demand remained brisk thanks to an increase in the xEV ratio. Sales of Passive Components and Sensors increased.
  - In the ICT market, demand related to PCs and tablets, which had been strong amid the COVID-19 pandemic, started to decline, and demand related to smartphones failed to rebound. As a result, component demand remained weak. In addition, HDD shipment volume decreased year on year due to the decline in demand related to PCs, despite strong demand related to servers for data centers.
  - Demand related to residential energy storage systems expanded due to concerns over energy supply and soaring energy prices reflecting heightened geopolitical risks. Sales of medium-sized rechargeable batteries increased.

# Consolidated results for 1Q of FY March 2023

	(Yen billions)	FY March 2022 1Q results	FY March 2023 1Q results	Change	
				Yen billions	%
Net sales		420.1	<b>510.5</b>	90.4	21.5
Operating profit		31.3	<b>44.6</b>	13.3	42.4
Operating profit margin		7.5%	<b>8.7%</b>	+1.2 pt	-
Profit before tax		32.4	<b>43.9</b>	11.4	35.3
Net profit		27.0	<b>31.4</b>	4.5	16.5
Earnings per share (JPY)		71.12	<b>82.87</b>	-	-
Ex-rate	US\$ (JPY)	109.50	<b>129.36</b>	Depreciated by 18.1%	
	EURO (JPY)	131.90	<b>137.95</b>	Depreciated by 4.6%	
<b>Ex-rate impact to net sales &amp; operating profit</b>		Net sales : Increased by about 63.7 billion Yen Operating profit : Increased by about 12.6 billion Yen			

(Note) TDK has voluntarily adopted International Financial Reporting Standards (IFRS) on its consolidated financial statements in the Securities Reports from fiscal 2022 in place of the U.S. GAAP. The figures for the previous fiscal year shown in this document are also presented in accordance with IFRS..

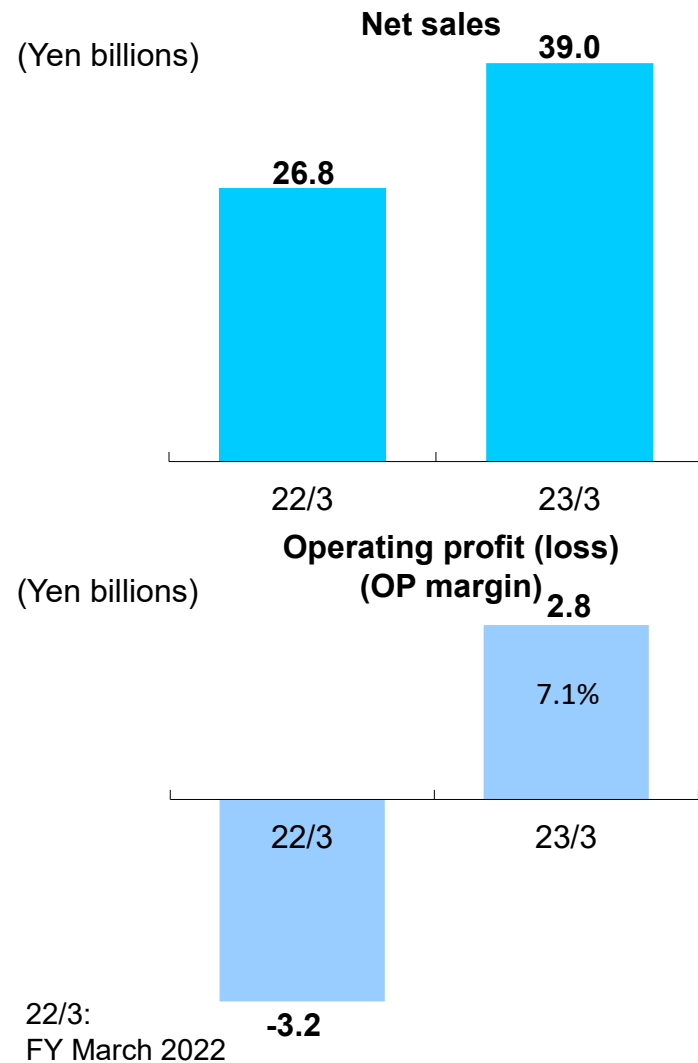
# 1Q results - Passive Components segment



**Net sales 141.6 billion yen (up 16.3% year on year)**  
**Operating profit 24.6 billion yen (up 36.1% year on year)**

- **Ceramic Capacitors**
  - Sales and profit increased year on year.
  - Sales increased to the automotive market and distributors.
- **Aluminum Electrolytic Capacitors and Film Capacitors**
  - Sales and profit increased year on year.
  - Sales increased to the industrial equipment and the automotive markets.
- **Inductive Devices**
  - Sales and profit increased year on year.
  - Sales increased to the automotive and the industrial equipment markets.
- **High-Frequency Components**
  - Sales increased and profit decreased year on year.
  - Sales increased to the automotive market.
- **Piezoelectric Material Products and Circuit Protection Components**
  - Sales and profit increased year on year.
  - Sales increased to the industrial equipment market.

# 1Q results - Sensor Application Products segment



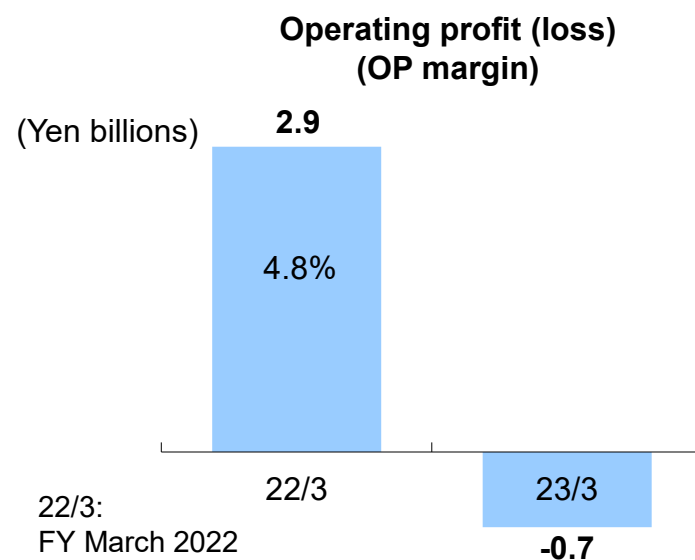
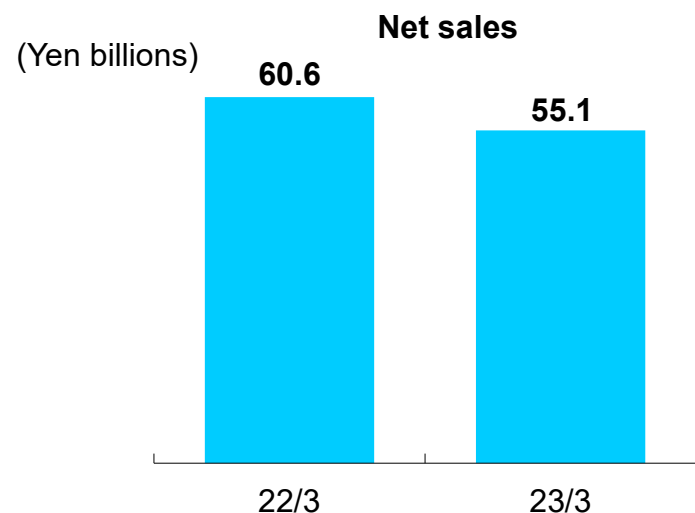
**Net sales 39.0 billion yen (up 45.4% year on year)**  
**Operating profit 2.8 billion yen (up —% year on year)**

- **Sensors**

- Sales surged year on year. The segment achieved profitability.
- Sales of Temperature and Pressure Sensors increased to the automotive market.
- In Magnetic Sensors, sales of Hall Sensors increased to the automotive market, and sales of TMR Sensors increased significantly year on year, thanks to such as their increased adoption by the ICT market.
- In MEMS Sensors, sales of Motion Sensors and Microphones increased significantly mainly to the ICT market, owing to the expansion of the customer base and applications. Earnings also improved greatly.

# 1Q results - Magnetic Application Products segment

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**Net Sales 55.1 billion yen (down 9.1% year on year)**  
**Operating loss -0.7 billion yen (down —% year on year)**

- **HDD Heads and HDD Suspension Assemblies**

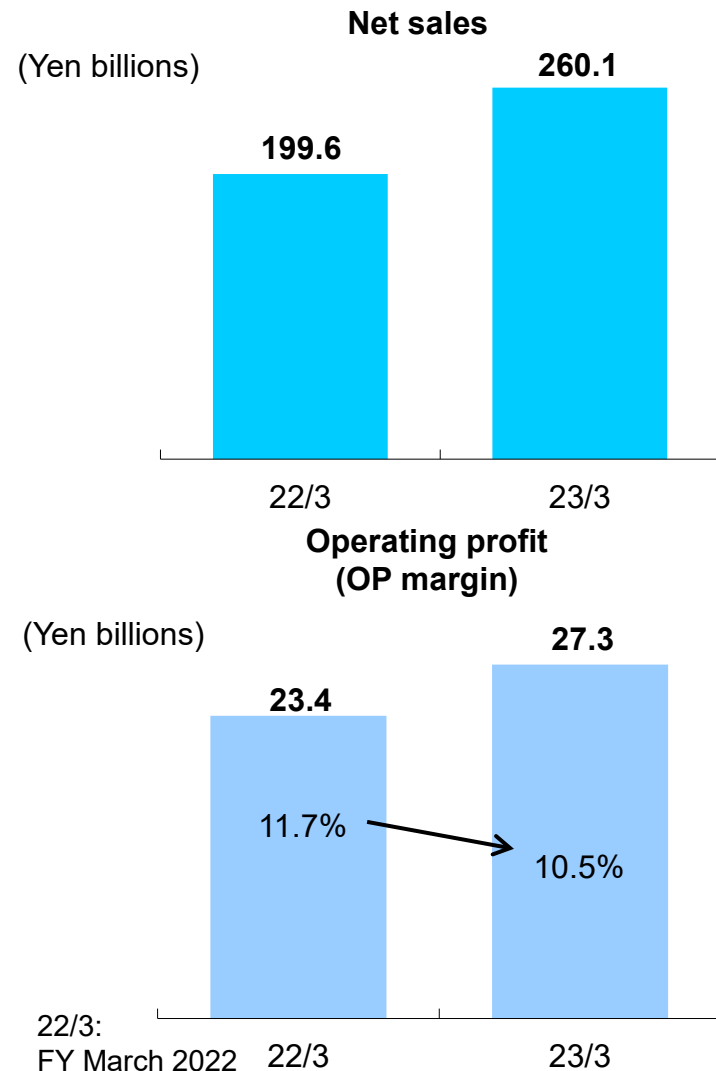
- ↪ Sales and profit of HDD Heads decreased year on year due to sluggish production volume of HDDs for PC and other applications..
- ↪ Sales and profit of HDD Suspension Application Products decreased year on year.

- **Magnets**

- ↪ Sales increased and operating loss decreased year on year.
- ↪ Sales increased to the automotive market.



# 1Q results - Energy Application Products segment



**Net Sales** 260.1 billion yen (up 30.3% year on year)  
**Operating profit** 27.3 billion yen (up 16.9% year on year)

- **Energy Devices (Rechargeable Batteries)**

- Sales and profit increased year on year.
- Sales volume for mobile applications (smartphones, tablets, notebook PCs) decreased, while sales increased due to surcharge and foreign exchange effects.
- Sales of power cell products for residential energy storage systems and other applications expanded.

- **Power Supplies**

- Sales and profit from Power Supplies for industrial equipment increased year on year due to strong corporate capital expenditures demand.

# Quarterly results by segment

(Yen billions)		1Q of FY March 2022 (A)	4Q of FY March 2022 (B)	1Q of FY March 2023 (C)	YoY change (C)-(A)		QoQ change (C)-(B)	
					Yen billions	%	Yen billions	%
Net sales	Capacitors	47.1	50.4	<b>57.6</b>	10.5	22.2	7.2	14.2
	Inductive Devices	42.1	45.8	<b>49.3</b>	7.3	17.2	3.5	7.7
	Other Passive Components	32.5	31.8	<b>34.7</b>	2.2	6.6	2.9	9.3
	<b>Passive Components</b>	<b>121.8</b>	<b>128.0</b>	<b>141.6</b>	19.9	16.3	13.6	10.6
	<b>Sensor Application Products</b>	<b>26.8</b>	<b>35.1</b>	<b>39.0</b>	12.2	45.4	3.9	11.1
	<b>Magnetic Application Products</b>	<b>60.6</b>	<b>58.4</b>	<b>55.1</b>	(5.5)	-9.1	(3.3)	-5.7
	<b>Energy Application Products</b>	<b>199.6</b>	<b>274.1</b>	<b>260.1</b>	60.5	30.3	(14.0)	-5.1
	<b>Other</b>	<b>11.3</b>	<b>12.6</b>	<b>14.6</b>	3.4	30.0	2.0	16.1
	<b>Total</b>	<b>420.1</b>	<b>508.3</b>	<b>510.5</b>	90.4	21.5	2.2	0.4
Operating profit	<b>Passive Components</b>	18.1	14.8	<b>24.6</b>	6.5	36.1	9.8	66.7
	<b>Sensor Application Products</b>	(3.2)	(1.2)	<b>2.8</b>	6.0	-	4.0	-
	<b>Magnetic Application Products</b>	2.9	(4.2)	<b>(0.7)</b>	(3.6)	-	3.5	-
	<b>Energy Application Products</b>	23.4	26.5	<b>27.3</b>	4.0	16.9	0.8	3.2
	<b>Other</b>	(1.0)	(0.1)	<b>0.4</b>	1.3	-	0.5	-
	<b>Sub total</b>	<b>40.2</b>	<b>35.7</b>	<b>54.4</b>	14.2	35.2	18.6	52.2
	Corporate and eliminations	(8.9)	(10.3)	<b>(9.8)</b>	(0.9)	-	0.5	-
	<b>Total</b>	<b>31.3</b>	<b>25.5</b>	<b>44.6</b>	13.3	42.4	19.1	75.2
Operating income margin		7.5%	5.0%	<b>8.7%</b>	+1.2pt	-	+3.7 pt	-
Ex-rate	US\$ (JPY)	109.50	116.14	<b>129.36</b>				
	EURO (JPY)	131.90	130.35	<b>137.95</b>				

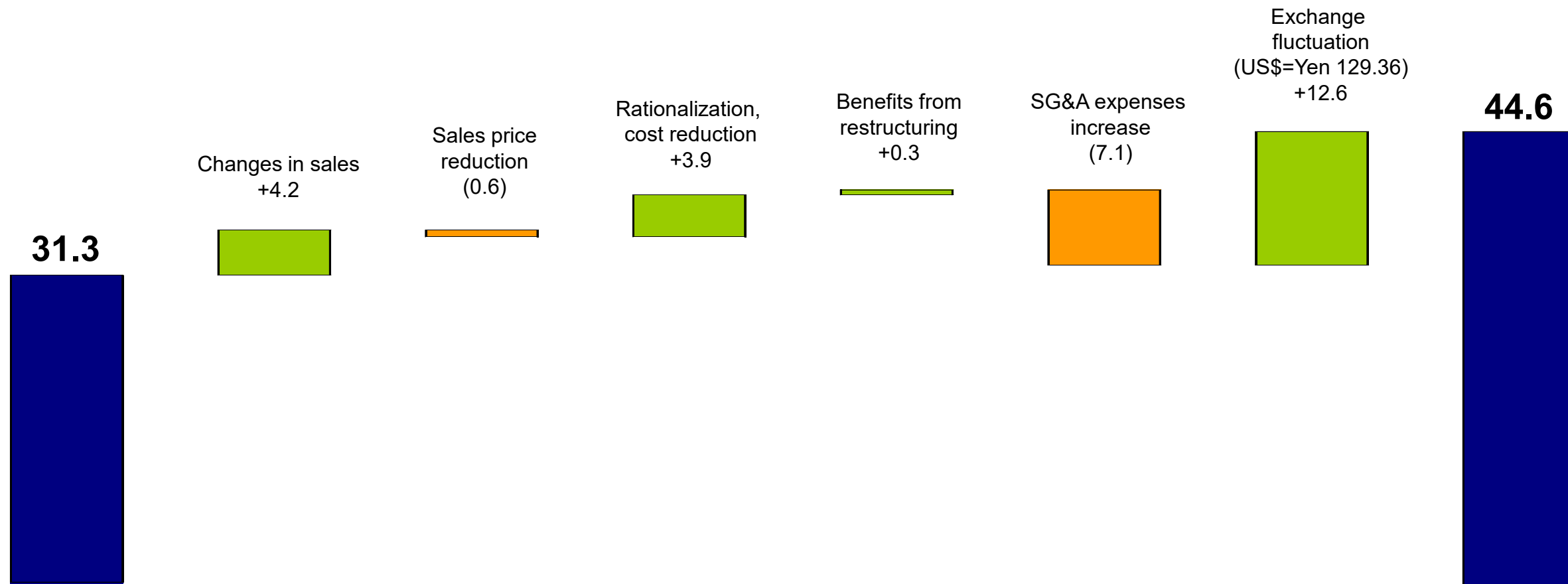
# Breakdown of operating profit changes

1Q of  
FY March 2022  
31.3 billion yen

**Operating profit +13.3 billion yen**

1Q of  
FY March 2023  
44.6 billion yen

(Yen billions)



# Projections for 2Q of FY March 2023

## - Image of changes in sales

(Yen billions)

Segment	1Q of FY March 2023	2Q projections (QoQ change)
Passive Components	141.6	±0~+3%
Sensor Application Products	39.0	+3~+6%
Magnetic Application Products	55.1	+12~+15%
Energy Application Products	260.1	+13~+16%
Other	14.6	—
<b>Total</b>	<b>510.5</b>	<b>+8~+11%</b>

Forex assumptions

US\$(JPY)  
EURO(JPY)

129.36  
137.95

120.00  
130.00

# FY March 2023 full year / dividend projections

	(Yen billions)	FY March 2022 full year results	FY March 2023 full year projections (announced on May 11, 2022)	YoY change	
				Yen billions	%
Net sales		1,902.1	<b>2,200.0</b>	297.9	15.7
Operating profit		166.8	<b>185.0</b>	18.2	10.9
Operating profit margin		8.8%	<b>8.4%</b>	-0.4 pt	-
Profit before tax		172.5	<b>190.0</b>	17.5	10.2
Net profit		131.3	<b>145.0</b>	13.7	10.4
Earnings per share (JPY)		346.44	<b>382.54</b>	-	-
Dividends (JPY)		Interim : 100 (33.3) Year-end : 45 Annual : - (78.3) <small>*(post-stock split standard)</small>	<b>Interim : 53 Year-end : 53 Annual : 106</b>	-	-
Ex-rate	US\$ (JPY)	112.33	<b>120.00</b>	-	
	EURO (JPY)	130.53	<b>130.00</b>	-	
Capital expenditure		291.3	<b>300.0</b>	8.7	3.0
Depreciation and amortization		177.0	<b>200.0</b>	23.0	13.0
Research and development		165.3	<b>190.0</b>	24.8	15.0

# Supplementary Data

# Quarterly sales and operating profit by segment

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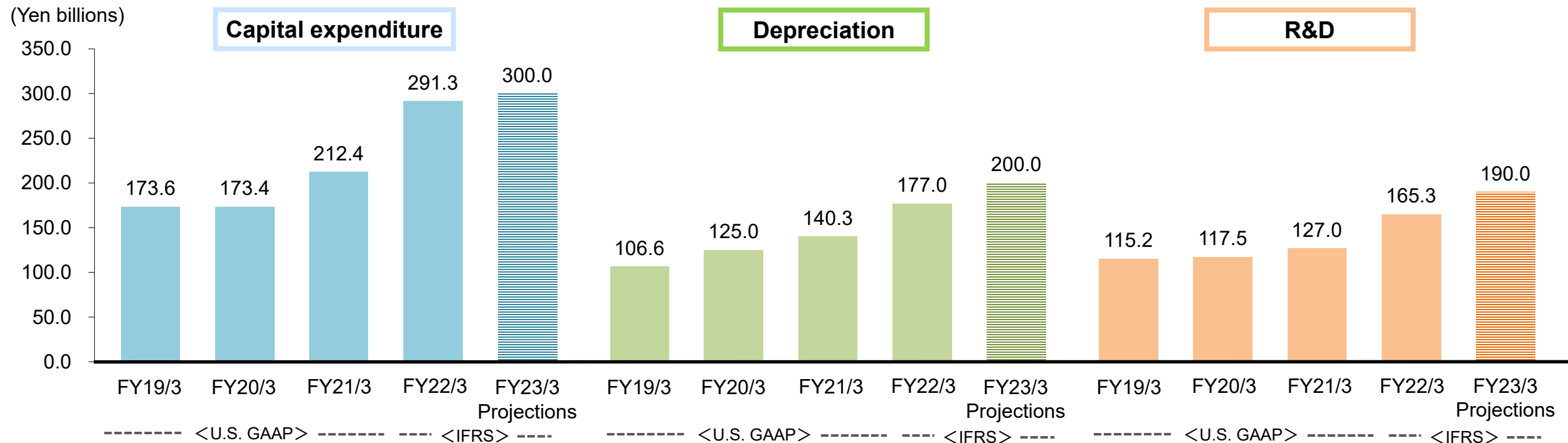


		FY March 2022					FY March 2023				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net sales	(Yen billions)										
	Capacitors	47.1	49.8	50.8	50.4	198.1	57.6				
	Inductive Devices	42.1	45.3	47.0	45.8	180.2	49.3				
	Other Passive Components	32.5	32.9	32.2	31.8	129.4	34.7				
	<b>Passive Components</b>	<b>121.8</b>	<b>128.0</b>	<b>130.0</b>	<b>128.0</b>	<b>507.8</b>	<b>141.6</b>				
	<b>Sensor Application Products</b>	<b>26.8</b>	<b>32.7</b>	<b>36.1</b>	<b>35.1</b>	<b>130.8</b>	<b>39.0</b>				
	<b>Magnetic Application Products</b>	<b>60.6</b>	<b>65.4</b>	<b>64.0</b>	<b>58.4</b>	<b>248.4</b>	<b>55.1</b>				
	<b>Energy Application Products</b>	<b>199.6</b>	<b>235.5</b>	<b>256.1</b>	<b>274.1</b>	<b>965.3</b>	<b>260.1</b>				
Other	11.3	12.5	13.3	12.6	49.7	14.6					
<b>Total</b>	<b>420.1</b>	<b>474.1</b>	<b>499.7</b>	<b>508.3</b>	<b>1,902.1</b>	<b>510.5</b>					
Operating profit	Passive Components	18.1	21.5	22.5	14.8	76.8	24.6				
	Sensor Application Products	(3.2)	1.0	3.1	(1.2)	(0.3)	2.8				
	Magnetic Application Products	2.9	2.3	3.6	(4.2)	4.5	(0.7)				
	Energy Application Products	23.4	34.3	39.0	26.5	123.2	27.3				
	Other	(1.0)	(0.3)	(0.1)	(0.1)	(1.4)	0.4				
	<b>Sub total</b>	<b>40.2</b>	<b>58.7</b>	<b>68.1</b>	<b>35.7</b>	<b>202.8</b>	<b>54.4</b>				
	Corporate and eliminations	(8.9)	(8.5)	(8.4)	(10.3)	(36.1)	(9.8)				
<b>Total</b>	<b>31.3</b>	<b>50.3</b>	<b>59.7</b>	<b>25.5</b>	<b>166.8</b>	<b>44.6</b>					
Ex-rate	US\$ (JPY)	109.50	110.07	113.67	116.14	112.33	129.36				
	EURO (JPY)	131.90	129.83	130.06	130.35	130.53	137.95				

(Note) In accordance with the reorganization for the three months ended June 30, 2022, certain products of Other are reclassified into Passive Components segment and Sensor Application Products segment. Thus, the previous fiscal year's figures are also reclassified to conform to the new segmentation.

# FY March 2023 projections and forex sensitivity

## Expenses



## Forex sensitivity (impact by 1 (one) yen change)

- **US\$ : Sales 11.0 billion yen, Operating profit 1.6 billion yen**
- **EURO : Sales 3.0 billion yen, Operating profit 0.6 billion yen**



# Financial position

(Yen billions)	March end, 2022	June end, 2022	Change
Total assets	3,041.7	3,287.7	246.0
Total liabilities	1,737.9	1,835.2	97.3
Total equity attributable to owners of parent	1,300.3	1,448.6	148.2
Ratio of equity attributable to owners of parent	42.8%	44.1%	1.3pt
Cash and cash equivalents	493.0	436.6	(56.4)
Interest-bearing debt (*1)	679.8	697.0	17.2
Net cash (*2)	(186.8)	(260.3)	(73.6)

(Yen billions)	1Q of FY March 2022	1Q of FY March 2023	Change
Capital expenditures	61.2	69.7	8.4
Depreciation and amortization	42.6	51.1	8.5

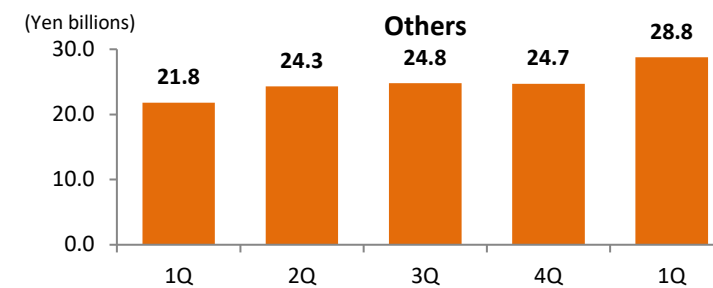
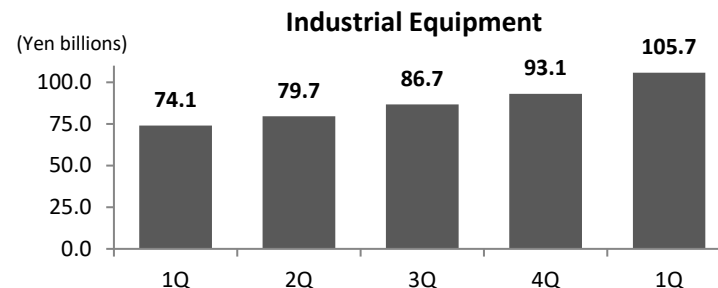
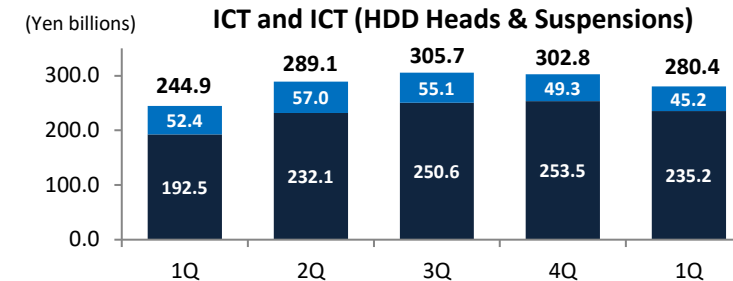
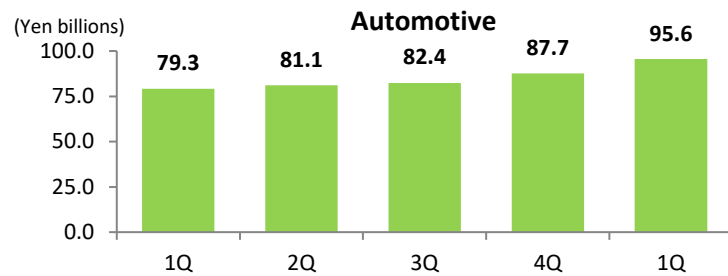
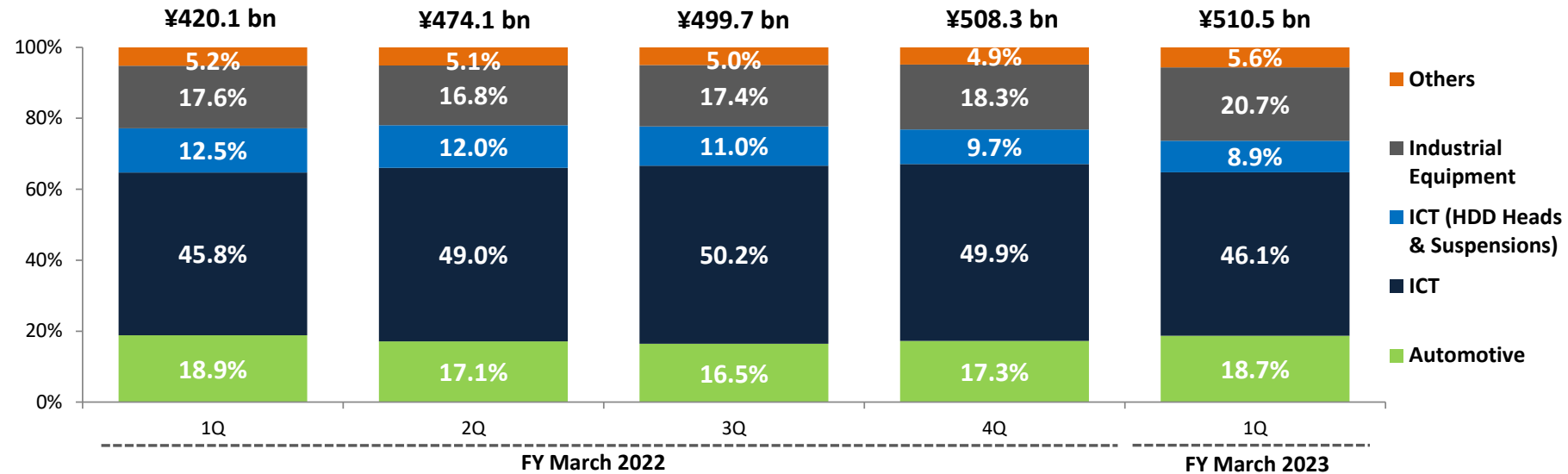
\*1: Borrowings + bonds + lease liabilities

\*2: Cash and cash equivalents - interest-bearing debt

# Cash flows

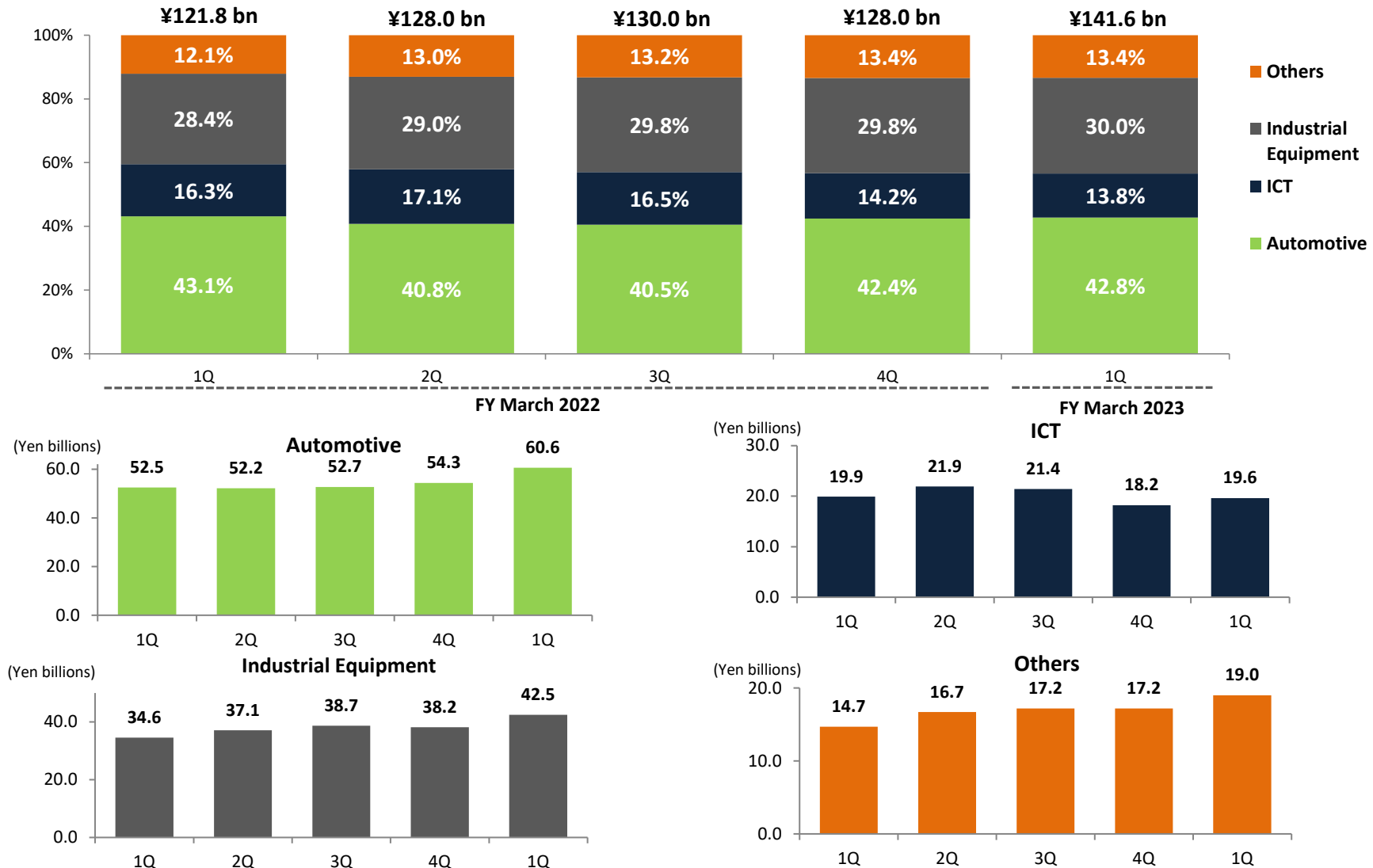
<b>(Yen billions)</b>	<b>FY March 2022 results through 1Q</b>	<b>FY March 2023 results through 1Q</b>	<b>YoY change</b>
<b>Operating cash flow</b>	<b>3.9</b>	<b>(8.1)</b>	<b>(12.0)</b>
<b>Investing cash flow</b>	<b>(28.6)</b>	<b>(29.2)</b>	<b>(0.7)</b>
<b>Free cash flow</b>	<b>(24.7)</b>	<b>(37.3)</b>	<b>(12.7)</b>
<b>Financing cash flow</b>	<b>7.2</b>	<b>(10.4)</b>	<b>(17.5)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>5.8</b>	<b>36.0</b>	<b>30.2</b>
<b>Cash and cash equivalents</b>	<b>368.7</b>	<b>427.6</b>	<b>58.9</b>

# Quarterly sales by markets (1Q of FY March 2022 – 1Q of FY March 2023)

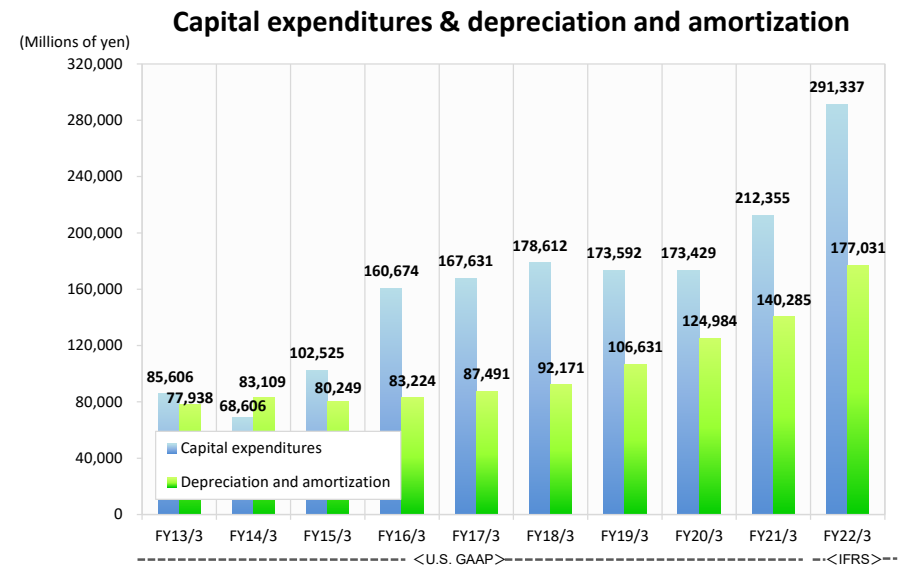
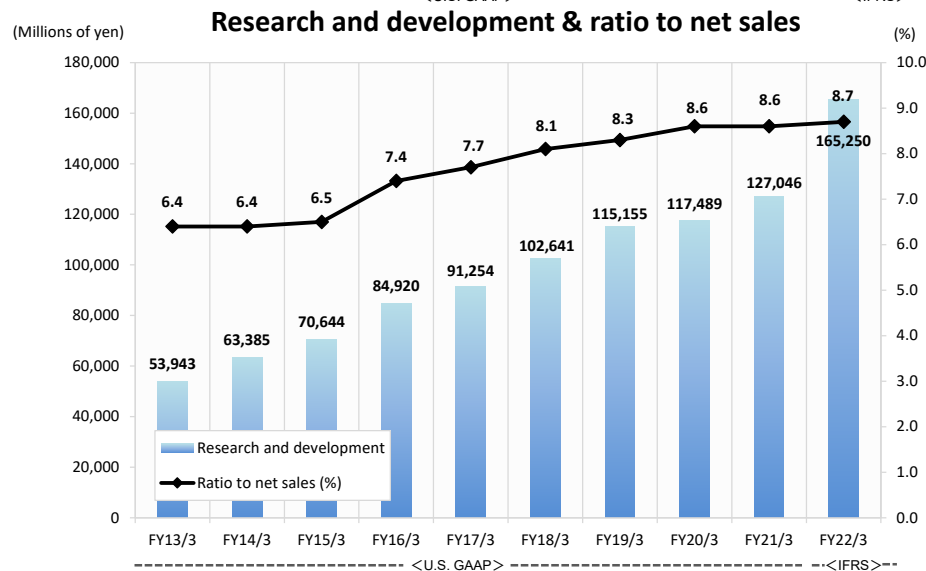
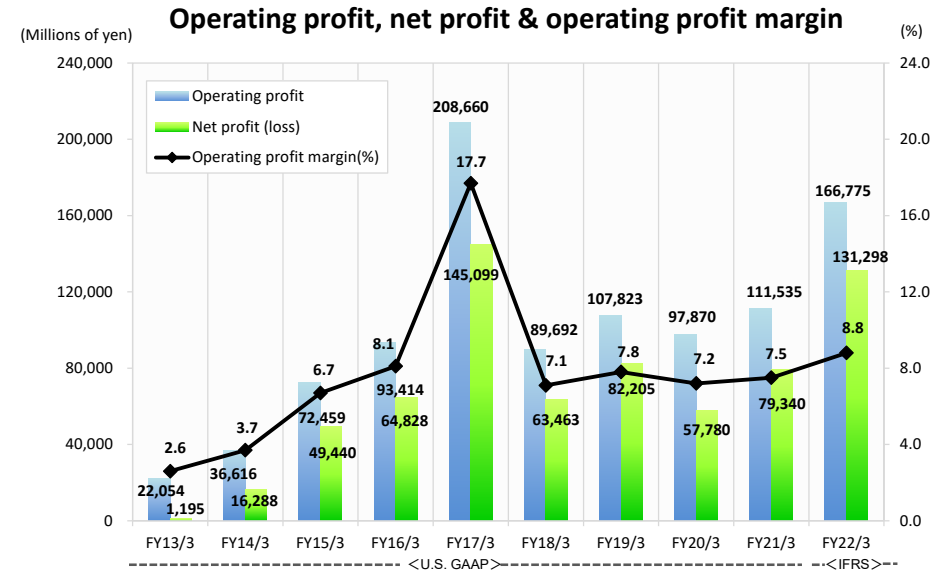
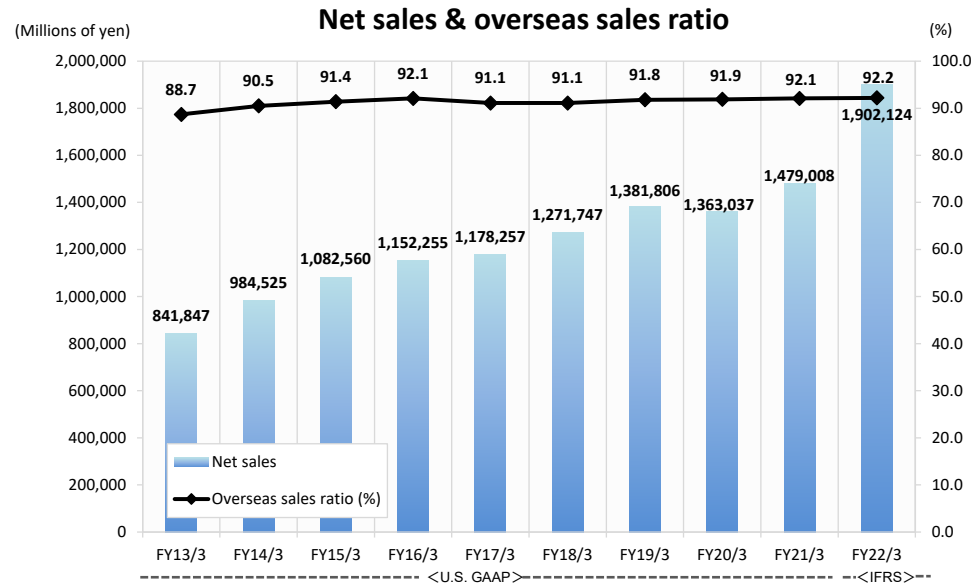


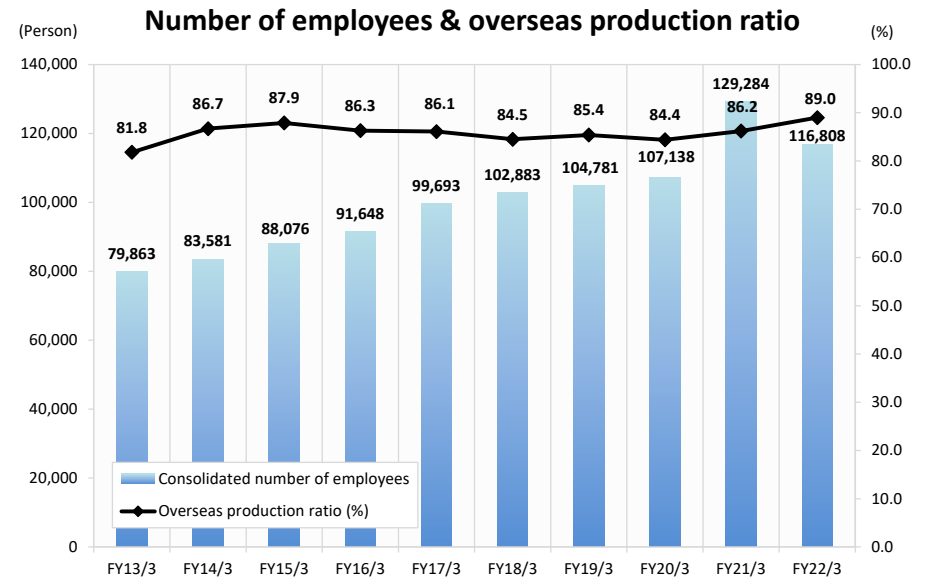
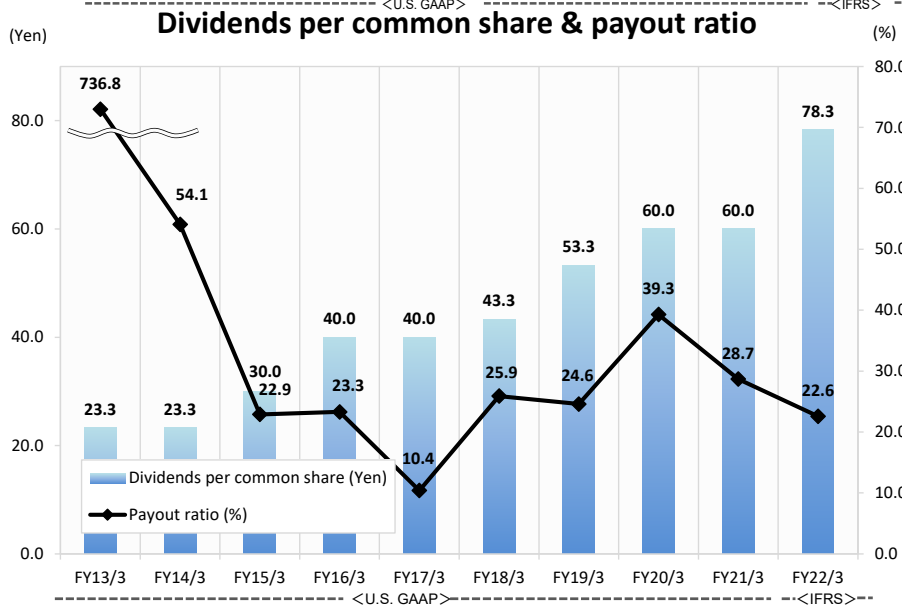
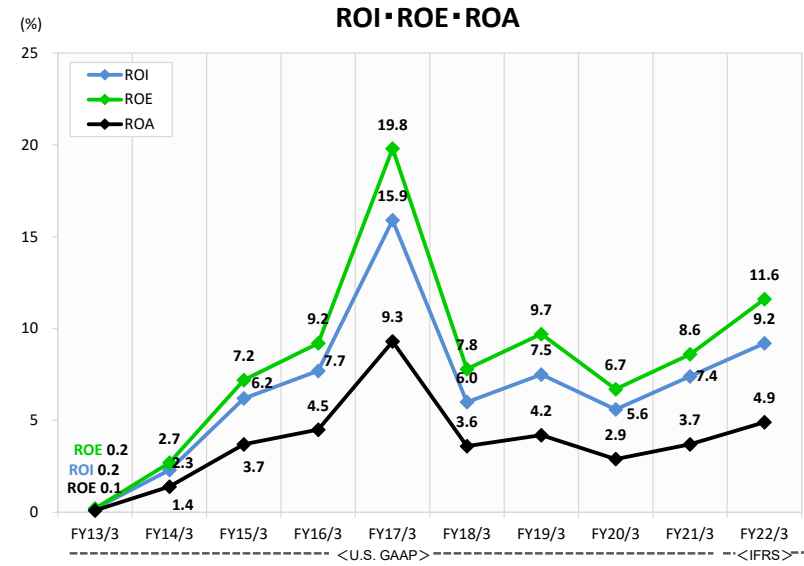
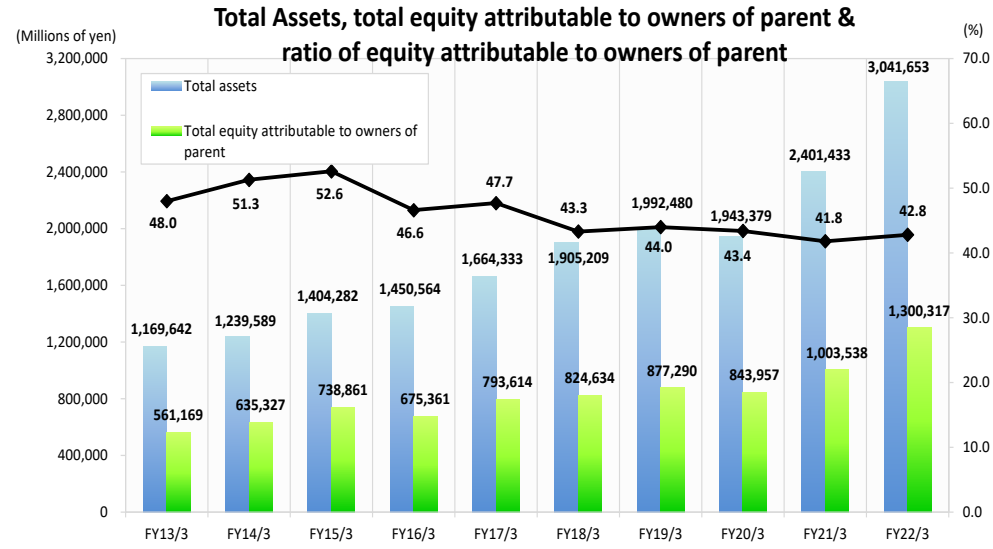
(Note) In accordance with the redefinition of markets in 1Q of FY2023, the prior year's sales are also reclassified to conform to the new segmentation.

# Passive Components business quarterly sales by markets (1Q of FY March 2022 – 1Q of FY March 2023)



(Note) In accordance with the redefinition of markets in 1Q of FY2023, the prior year's sales are also reclassified to conform to the new segmentation.





# 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/2023/1q\\_1.html](https://www.tdk.com/en/ir/ir_events/conference/2023/1q_1.html)