

# **Consolidated Results for 1Q of FY March 2023 Consolidated Full Year Projections for FY March 2023**

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# Key points concerning earnings for 1Q of FY March 2023

**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.**

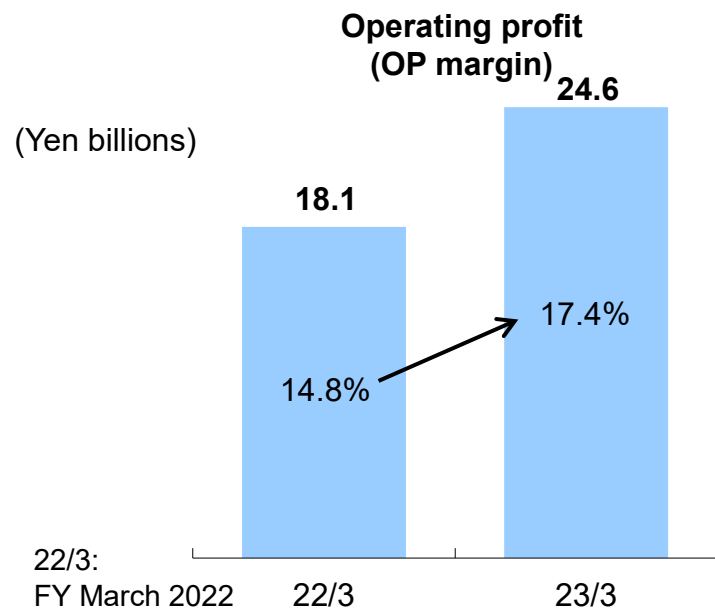
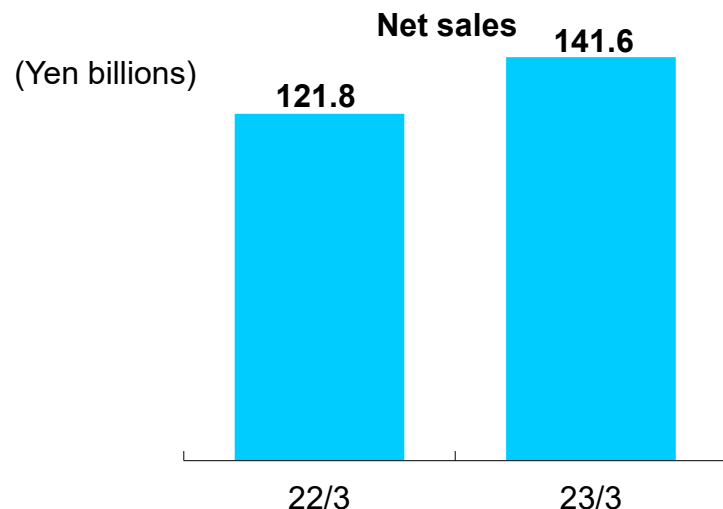
- **Net sales increased 21.5% year on year. Operating profit increased 42.4% year on year.**
  - **Rapid depreciation of the yen affected earnings.**
- In the automotive market, while supply chain constraints continued and automobile production volume remained at a level lower than the previous year, 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	510.5	90.4	21.5
Operating profit		31.3	44.6	13.3	42.4
Operating profit margin		7.5%	8.7%	+1.2 pt	-
Profit before tax		32.4	43.9	11.4	35.3
Net profit		27.0	31.4	4.5	16.5
Earnings per share (JPY)		71.12	82.87	-	-
Ex-rate	US\$ (JPY)	109.50	129.36	Depreciated by 18.1%	
	EURO (JPY)	131.90	137.95	Depreciated by 4.6%	
Ex-rate impact to net sales & operating profit		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.

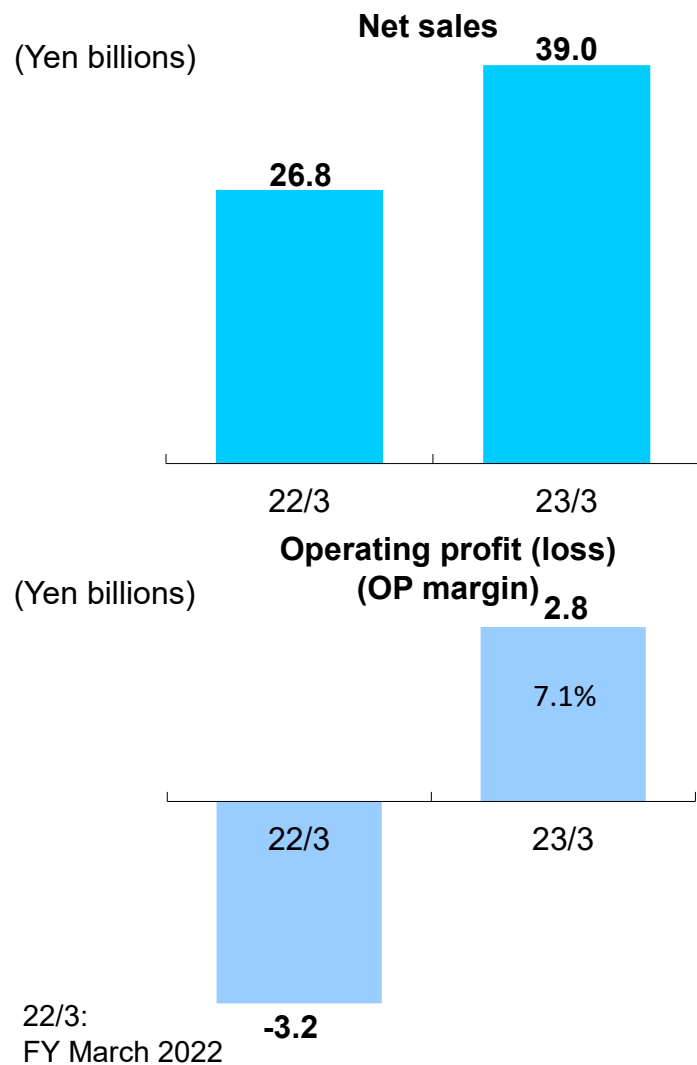
- **High-Frequency Components**

- ▮ 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



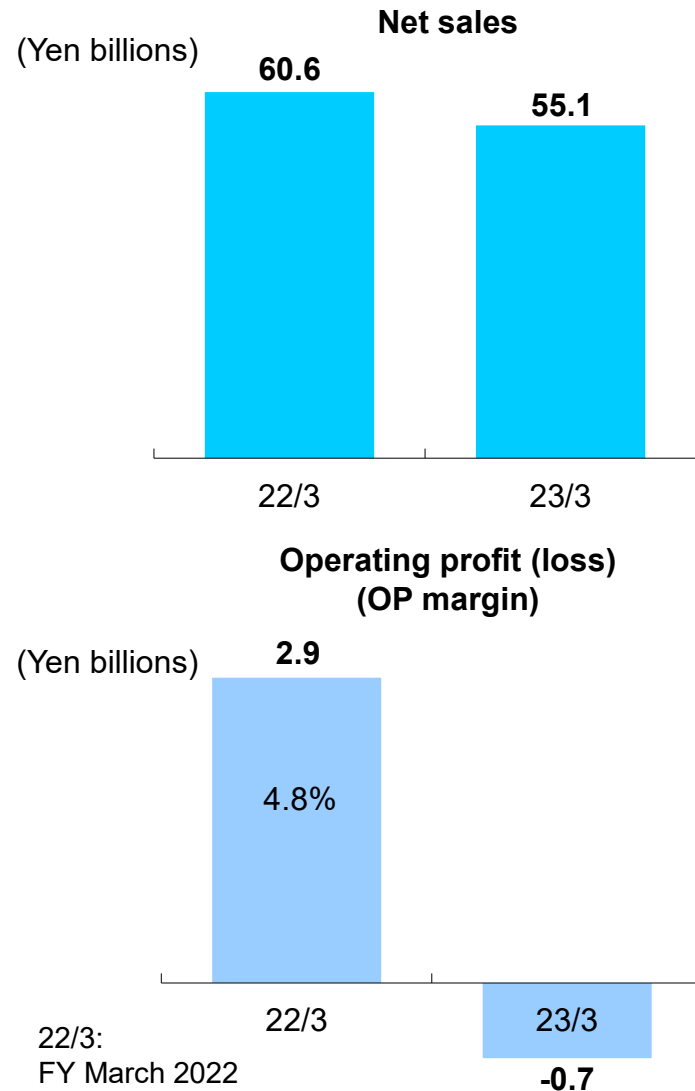
**Net sales** 39.0 billion yen (up 45.4% year on year)  
**Operating profit** 2.8 billion yen (up —% year on year)

## ● 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

Attracting Tomorrow



**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**

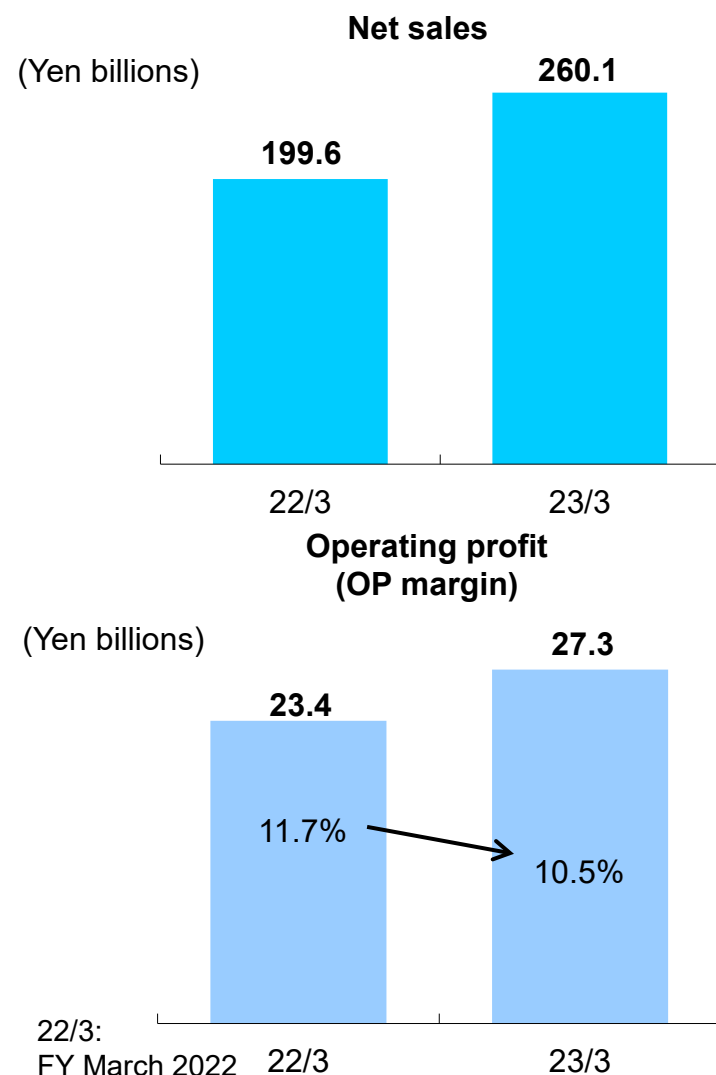
- Sales and profit of HDD Heads decreased year on year due to sluggish production volume of HDDs for PC and other applications..
- Sales and profit of HDD Suspension Application Products decreased year on year.

- **Magnets**

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

# 1Q results - Energy Application Products segment

Attracting Tomorrow



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



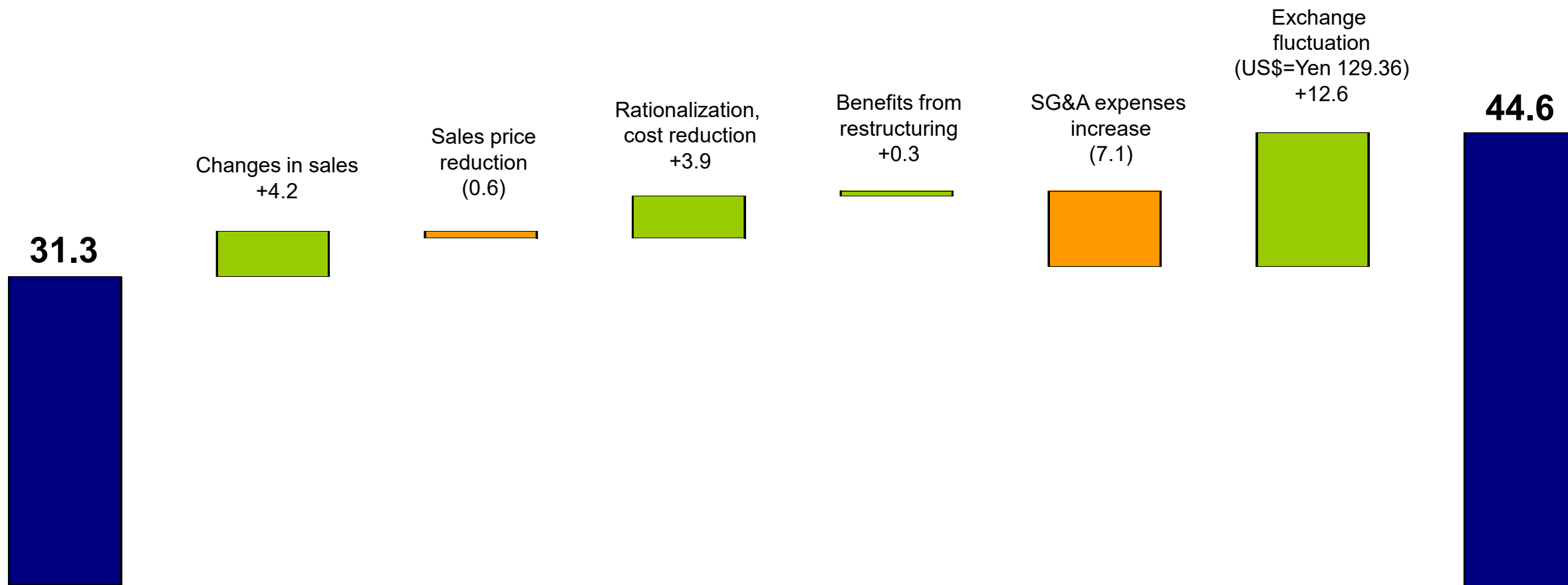
# Breakdown of operating profit changes

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	$\pm 0 \sim +3\%$
Sensor Application Products	39.0	$+3 \sim +6\%$
Magnetic Application Products	55.1	$+12 \sim +15\%$
Energy Application Products	260.1	$+13 \sim +16\%$
Other	14.6	—
<b>Total</b>	<b>510.5</b>	<b><math>+8 \sim +11\%</math></b>

Forex assumptions

US\$(JPY)  
EURO(JPY)

129.36  
137.95

120.00  
130.00

# FY March 2023 full year / dividend projections

Attracting Tomorrow



		FY March 2022 full year results (Yen billions)	FY March 2023 full year projections (announced on May 11, 2022)	YoY change	
				Yen billions	%
Net sales		1,902.1	2,200.0	297.9	15.7
Operating profit		166.8	185.0	18.2	10.9
Operating profit margin		8.8%	8.4%	-0.4 pt	-
Profit before tax		172.5	190.0	17.5	10.2
Net profit		131.3	145.0	13.7	10.4
Earnings per share (JPY)		346.44	382.54	-	-
Dividends (JPY)		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	120.00	-	
	EURO (JPY)	130.53	130.00	-	
Capital expenditure		291.3	300.0	8.7	3.0
Depreciation and amortization		177.0	200.0	23.0	13.0
Research and development		165.3	190.0	24.8	15.0

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