

Consolidated Results for First Half of FY March 2023

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Despite a drop in demand mainly in the ICT market, due partly to geopolitical risks and economic slowdown concerns, both net sales and operating profit reached record highs on the back of EX-related demand, among other factors.*

- **Net sales increased 25.5% year on year. Operating profit increased 47.4% year on year.**
- **Sharp depreciation of the yen significantly affected earnings.**
 - Automobile production remained on a moderate recovery trend, despite the negative impact of the shortage of component supply. Component demand remained brisk thanks to the spread of xEVs and ADAS. Sales of Passive Components and Sensors contributed to earnings.
 - In the ICT market, sales of HDD Heads decreased due to a substantial decline in demand related to PCs and tablets on top of slowing demand related to data centers. Despite sluggish demand related to smartphones on the whole, sales of Rechargeable Batteries and Sensors for new models contributed to earnings.
 - Demand related to residential energy storage systems expanded due to soaring energy prices. Sales of medium-sized rechargeable batteries increased.
 - Sales of Power Supplies for industrial equipment and Passive Components for renewable energy and energy-saving equipment applications expanded.

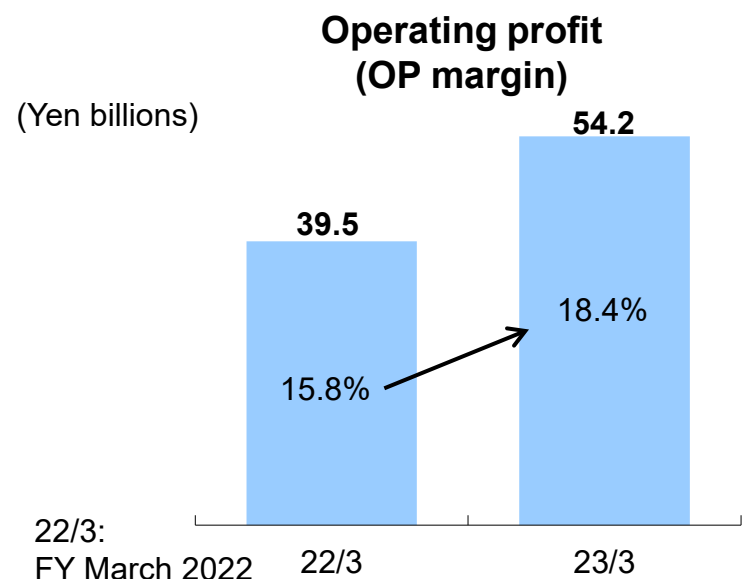
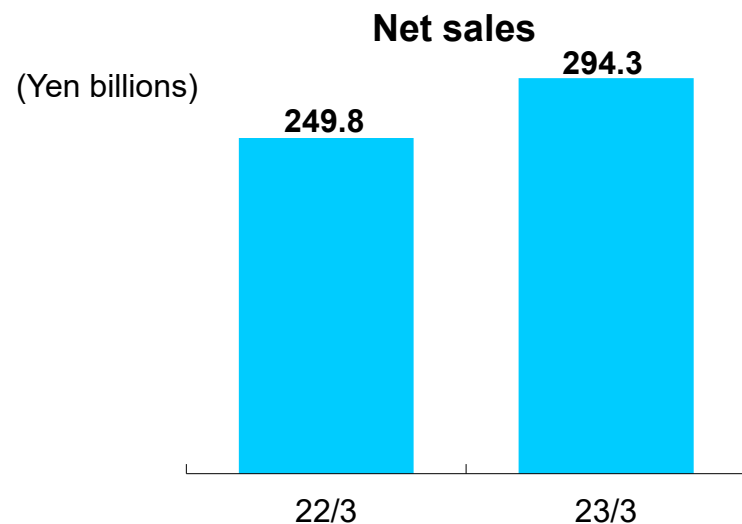
*Operating profit is compared on the basis excluding a gain on sale of business recorded in FY March 2017.

Consolidated results for first half of FY March 2023

(Yen billions)	FY March 2022 Results through 2Q (2021.4.1-2021.9.30)	FY March 2023 Results through 2Q (2022.4.1-2022.9.30)	Change	
			Yen billions	%
Net sales	894.2	1,122.0	227.8	25.5
Operating profit	81.6	120.3	38.7	47.4
Operating profit margin	9.1%	10.7%	+1.6%	-
Profit before tax	84.8	119.9	35.0	41.3
Net profit	68.9	87.0	18.1	26.3
Earnings per share (JPY)	181.71	229.39	-	-
Ex-rate	US\$ (JPY)	109.79	133.80	Depreciated by 21.9%
	EURO (JPY)	130.86	138.67	Depreciated by 6.0%
Ex-rate impact to net sales & operating profit	Net sales : Increased by about 164.1 billion Yen Operating profit : Increased by about 36.9 billion Yen			

(Note) TDK has voluntarily adopted International Financial Reporting Standards (IFRS) on its consolidated financial statements in the Securities Reports from FY March 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..

First half results - Passive Components segment



Net sales 294.3 billion yen (up 17.8% year on year)
Operating profit 54.2 billion yen (up 37.0% year on year)

- **Ceramic Capacitors**

- Sales and profit increased year on year.
- Sales increased to the automotive market, especially for xEVs.

- **Aluminum Electrolytic Capacitors and Film Capacitors**

- Sales and profit increased year on year.
- Sales to the industrial equipment market for renewable energy applications as well as sales to the automotive market increased.

- **Inductive Devices**

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

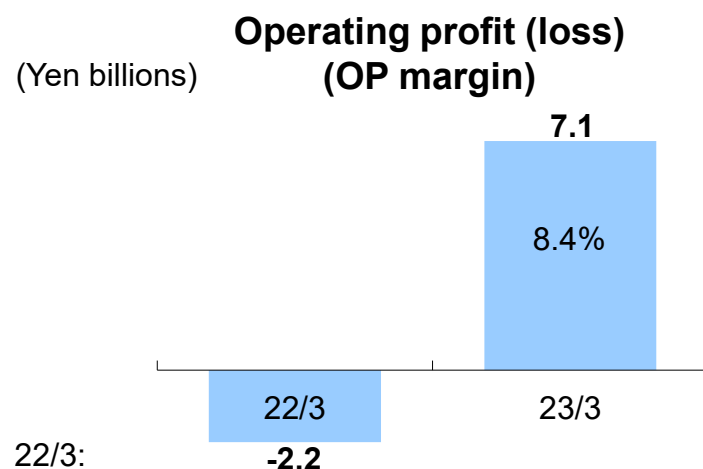
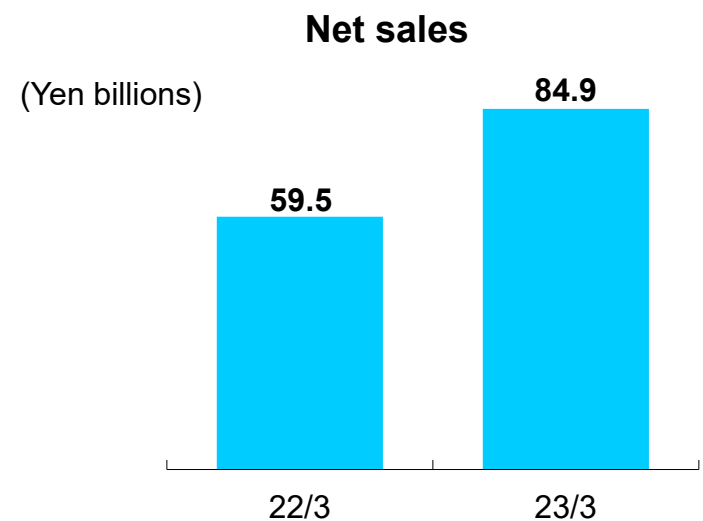
- **High-Frequency Components**

- Sales increased and profit decreased year on year.
- Sales increased to the industrial equipment and the automotive markets.

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

- Sales and profit increased year on year.
- Sales increased mainly to the industrial equipment and the automotive markets.

First half results - Sensor Application Products segment



22/3:
FY March 2022

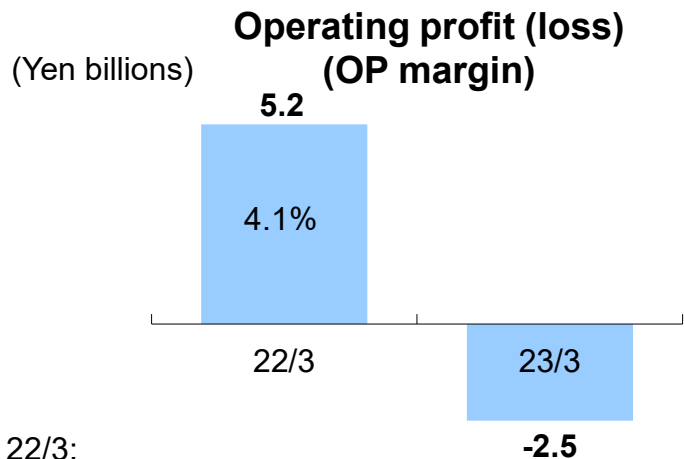
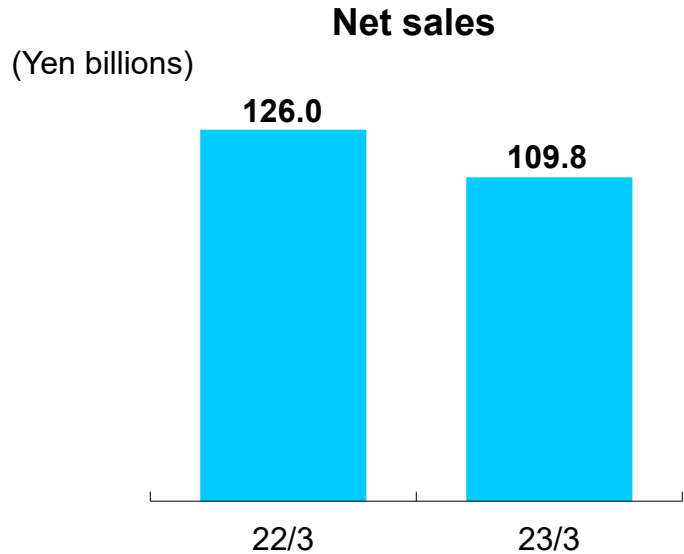
Net sales 84.9 billion yen (up 42.7% year on year)
Operating profit 7.1 billion yen (up —% year on year)

- **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 as well as to the ICT 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 to the ICT market, etc., owing to the expansion of the customer base and applications. Earnings also improved greatly.

First half results - Magnetic Application Products segment

Attracting Tomorrow



22/3:
FY March 2022

Net Sales 109.8 billion yen (down 12.8% year on year)
Operating loss -2.5 billion yen (down —% year on year)

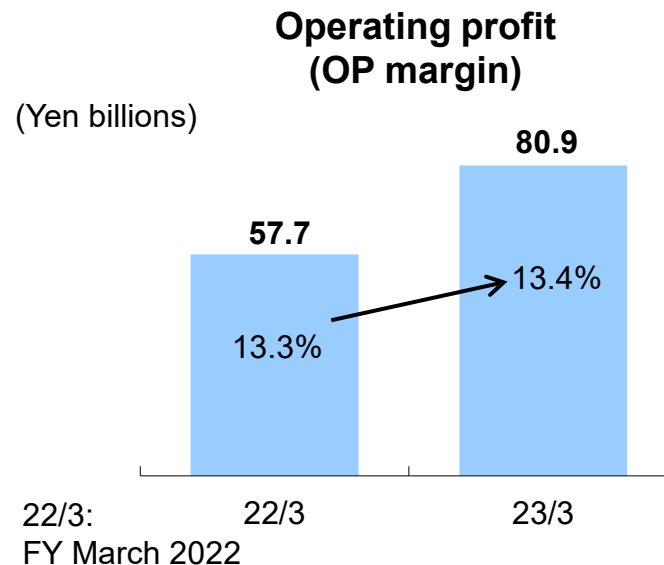
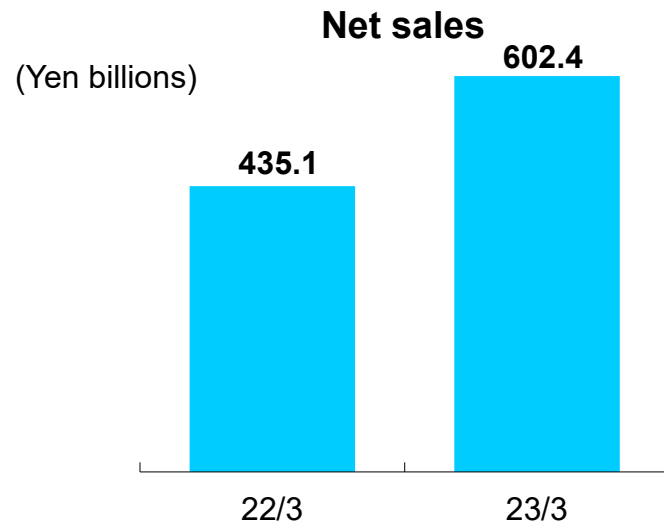
- **HDD Heads and HDD Suspension Assemblies**

- Sales and profit of HDD Heads and HDD Suspension Assemblies decreased year on year due to sluggish production volume of HDDs for PC applications and data centers.

- **Magnets**

- Operating loss increased year on year.

First half results - Energy Application Products segment



Net Sales 602.4 billion yen (up 38.5% year on year)
Operating profit 80.9 billion yen (up 40.1% year on year)

- **Energy Devices (Rechargeable Batteries)**

- Sales and profit increased year on year.
- Production volume for mobile applications (smartphones, tablets, notebook PCs) remained sluggish, while sales of small-sized rechargeable batteries for new models expanded.
- Sales of medium-sized rechargeable batteries 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.

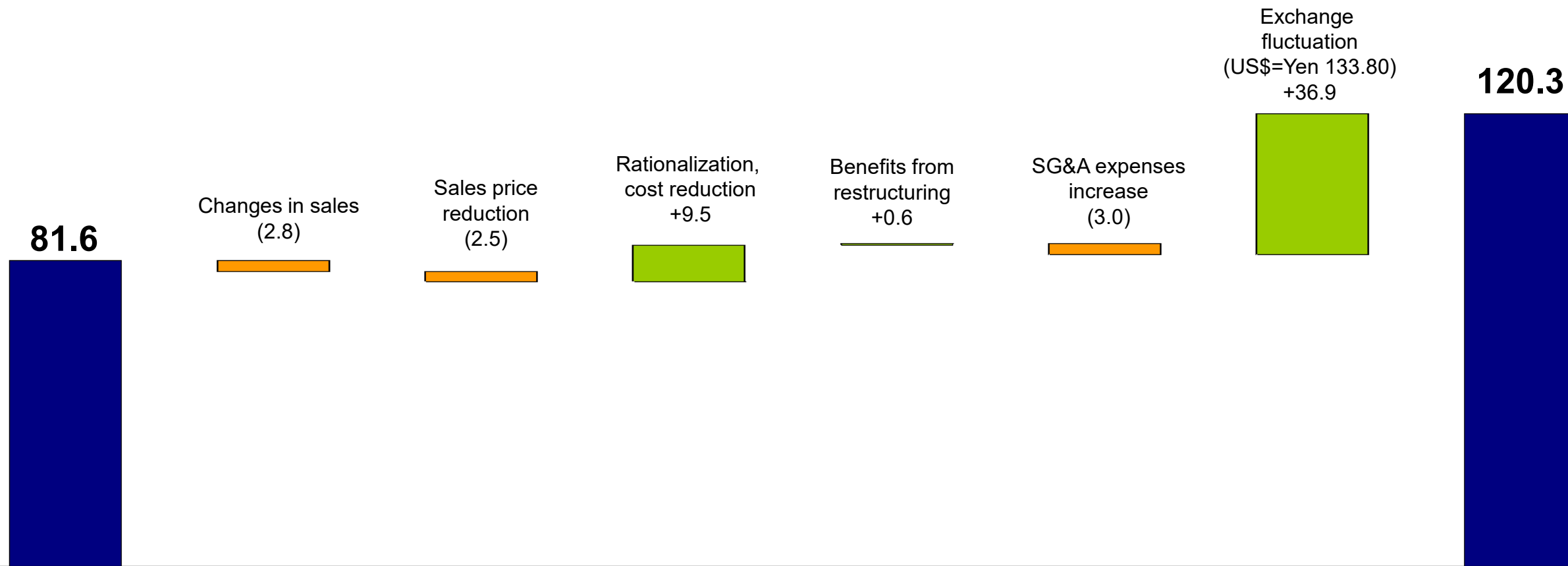
Breakdown of operating profit changes

First half of
FY March 2022
81.6 billion yen

Operating profit +38.7 billion yen

First half of
FY March 2023
120.3 billion yen

(Yen billions)



Consolidated results for 2Q of FY March 2023

(Yen billions)		FY March 2022 2Q results	FY March 2023 2Q results	Change	
				Yen billions	%
Net sales		474.1	611.5	137.4	29.0
Operating profit		50.3	75.7	25.4	50.5
Operating profit margin		10.6%	12.4%	+1.8 pt	-
Profit before tax		52.4	76.0	23.6	45.0
Net profit		41.9	55.5	13.6	32.5
Earnings per share (JPY)		110.59	146.51	-	-
Ex-rate	US\$ (JPY)	110.07	138.20	Depreciated by 25.6%	
	EURO (JPY)	129.83	139.39	Depreciated by 7.4%	
Ex-rate impact to net sales & operating profit		Net sales : Increased by about 100.4 billion Yen Operating profit : Increased by about 24.3 billion Yen			

Quarterly results by segment

(Yen billions)		2Q of FY March 2022 (A)	1Q of FY March 2023 (B)	2Q of FY March 2023 (C)	YoY change (C)-(A)		QoQ change (C)-(B)	
					Yen billions	%	Yen billions	%
Net sales	Capacitors	49.8	57.6	62.9	13.0	26.2	5.3	9.1
	Inductive Devices	45.3	49.3	52.8	7.5	16.5	3.5	7.0
	Other Passive Components	32.9	34.7	37.0	4.1	12.5	2.3	6.7
	Passive Components	128.0	141.6	152.7	24.6	19.3	11.0	7.8
	Sensor Application Products	32.7	39.0	45.9	13.2	40.5	6.9	17.7
	Magnetic Application Products	65.4	55.1	54.7	(10.7)	-16.3	(0.4)	-0.8
	Energy Application Products	235.5	260.1	342.3	106.8	45.3	82.2	31.6
	Other	12.5	14.6	15.9	3.4	26.8	1.3	8.6
	Total	474.1	510.5	611.5	137.4	29.0	101.0	19.8
Operating profit	Passive Components	21.5	24.6	29.6	8.1	37.8	5.0	20.3
	Sensor Application Products	1.0	2.8	4.4	3.4	347.3	1.6	56.7
	Magnetic Application Products	2.3	(0.7)	(1.8)	(4.1)	-	(1.1)	-
	Energy Application Products	34.3	27.3	53.5	19.2	55.9	26.2	95.7
	Other	(0.3)	0.4	(0.2)	0.1	-	(0.5)	-
	Sub total	58.7	54.4	85.5	26.8	45.5	31.1	57.2
	Corporate and eliminations	(8.5)	(9.8)	(9.8)	(1.3)	-	(0.0)	-
Total	50.3	44.6	75.7	25.4	50.5	31.1	69.7	
Operating income margin		10.6%	8.7%	12.4%	+1.8pt	-	+3.7pt	-
Ex-rate	US\$ (JPY)	110.07	129.36	138.20				
	EURO (JPY)	129.83	137.95	139.39				

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