

Attracting Tomorrow



**Performance Briefing
3Q of Fiscal Year March 2023**

- **Consolidated Results for 3Q of FY March 2023**
Consolidated Full Year Projections for FY March 2023
Tetsuji Yamanishi, Executive Vice President

**Consolidated Results for
3Q of FY March 2023
Consolidated Full Year Projections for
FY March 2023**

Tetsuji Yamanishi
Executive Vice President

Key points concerning earnings for 3Q of FY March 2023

Attracting Tomorrow



Amid sluggish final demand, both net sales and operating profit increased year on year on the back of EX-related demand mainly in automobile applications.

- **Net sales increased by 17.5% year on year. Operating profit increased by 14.5% year on year.**
 - **Sharp depreciation of the yen significantly affected earnings.**
 - **Both net sales and operating profit reached record highs on a nine-month basis.**
- In the ICT market, sales of HDD-related components declined significantly as demand related to PCs, tablets and data centers remained sluggish. Sales of Rechargeable Batteries and Sensors for new models expanded, despite a sharp drop in smartphone production.
 - Automobile production rebounded moderately, and component demand remained brisk on the back of the increasing number of components installed per vehicle as a result of the spread of xEVs. Sales of Passive Components and Sensors increased.
 - Sales of Medium Capacity Rechargeable Batteries and Power Supplies for industrial equipment increased as demand related to renewable energy, energy-saving equipment, and residential energy storage systems expanded due to soaring energy prices reflecting heightened geopolitical risks.

Consolidated results through 3Q of FY March 2023

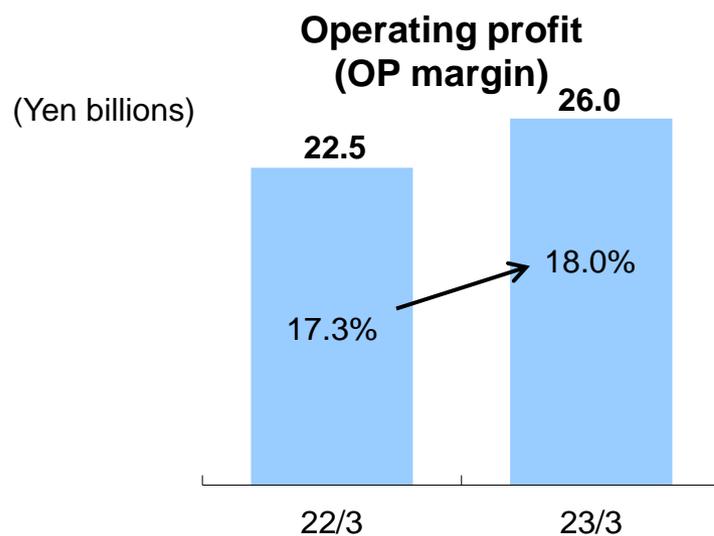
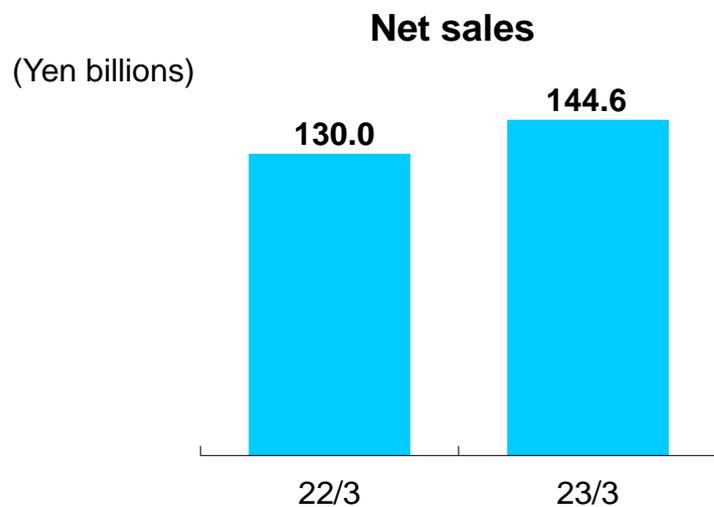
(Yen billions)	FY March 2022 Results through 3Q (2021.4.1~2021.12.31)	FY March 2023 Results through 3Q (2022.4.1~2022.12.31)	Change	
			Yen billions	%
Net sales	1,393.9	1,709.0	315.1	22.6
Operating profit	141.3	188.7	47.4	33.5
Operating profit margin	10.1%	11.0%	+0.9pt	-
Profit before tax	146.1	188.1	42.0	28.7
Net profit	117.3	136.9	19.6	16.7
Earnings per share (JPY)	309.41	361.06	-	-
Ex-rate	US\$ (JPY)	111.09	136.46	Depreciated by 22.8%
	EURO (JPY)	130.59	140.54	Depreciated by 7.6%
Ex-rate impact to net sales & operating profit	Net sales : Increased by about 251.4 billion Yen Operating profit : Increased by about 60.9 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..

Consolidated results for 3Q of FY March 2023

(Yen billions)	FY March 2022 3Q results	FY March 2023 3Q results	Change	
			Yen billions	%
Net sales	499.7	587.0	87.3	17.5
Operating profit	59.7	68.4	8.7	14.5
Operating profit margin	11.9%	11.6%	-0.3pt	-
Profit before tax	61.3	68.2	6.9	11.3
Net profit	48.4	49.9	1.5	3.2
Earnings per share (JPY)	127.70	131.64	-	-
Ex-rate	US\$ (JPY)	113.67	141.75	Depreciated by 24.7%
	EURO (JPY)	130.06	144.26	Depreciated by 10.9%
Ex-rate impact to net sales & operating profit	Net sales : Increased by about 87.3 billion Yen Operating profit : Increased by about 24.0 billion Yen			

3Q results - Passive Components segment

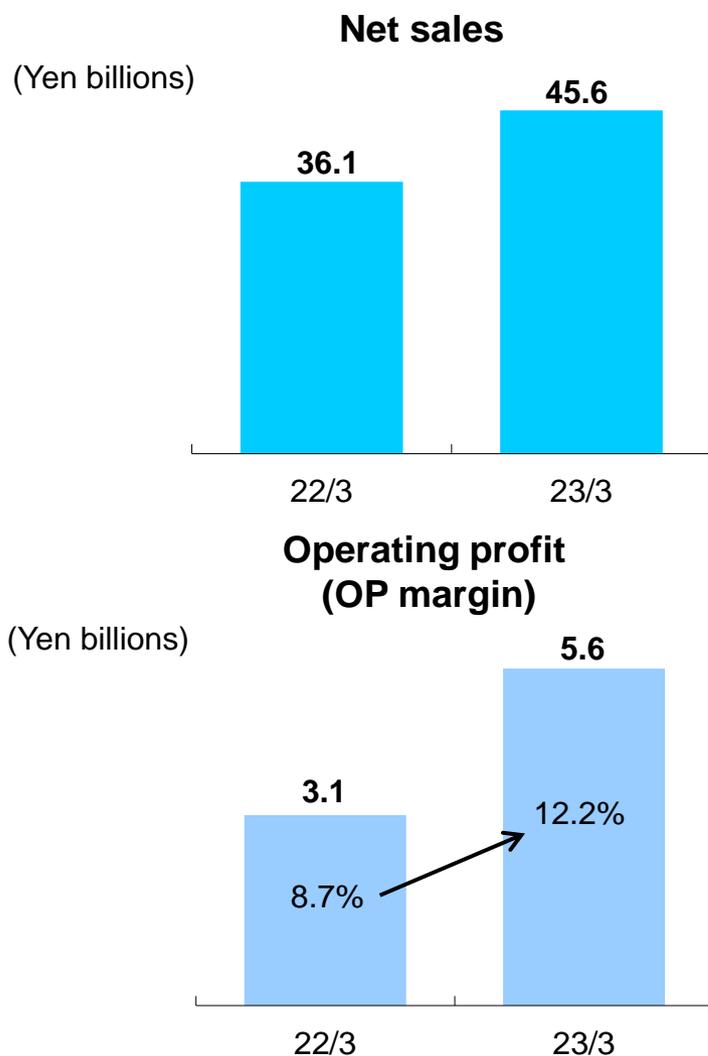


Net sales 144.6 billion yen (up 11.2% year on year)
Operating profit 26.0 billion yen (up 15.5% year on year)

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

22/3: FY March 2022

3Q results - Sensor Application Products segment



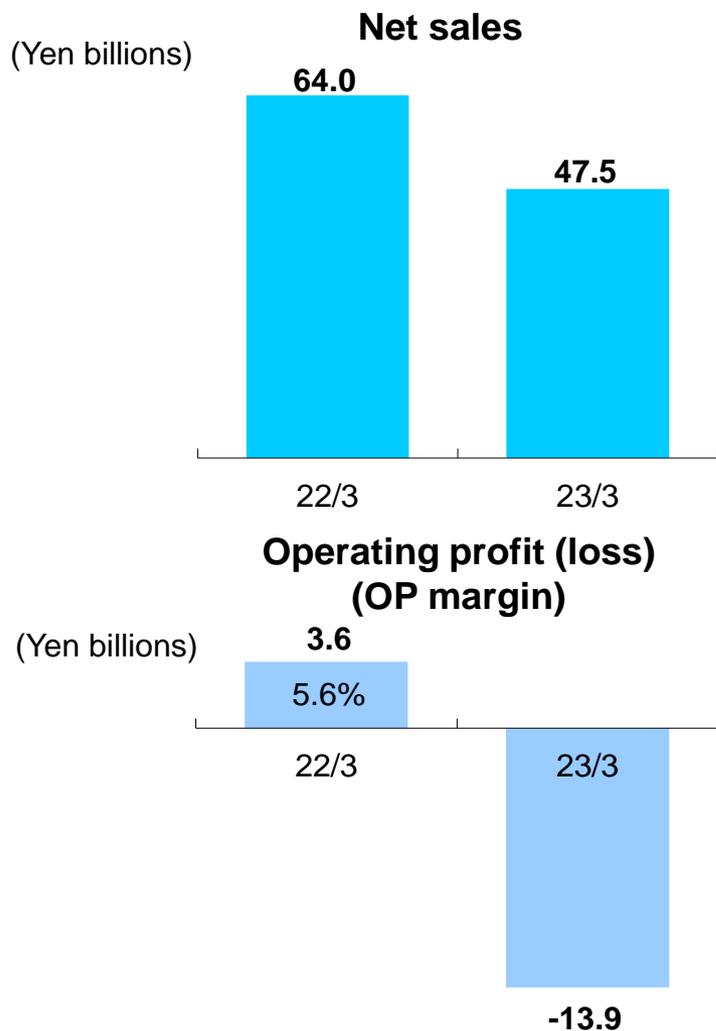
Net sales 45.6 billion yen (up 26.3% year on year)
Operating profit 5.6 billion yen (up 77.0% year on year)

- **Sensors**

- Both sales and profit significantly increased year on year. Operating profit margin achieved double-digit growth.
- 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.
- Sales of MEMS Sensors increased due to the progress in expansion of application.

22/3: FY March 2022

3Q results - Magnetic Application Products segment

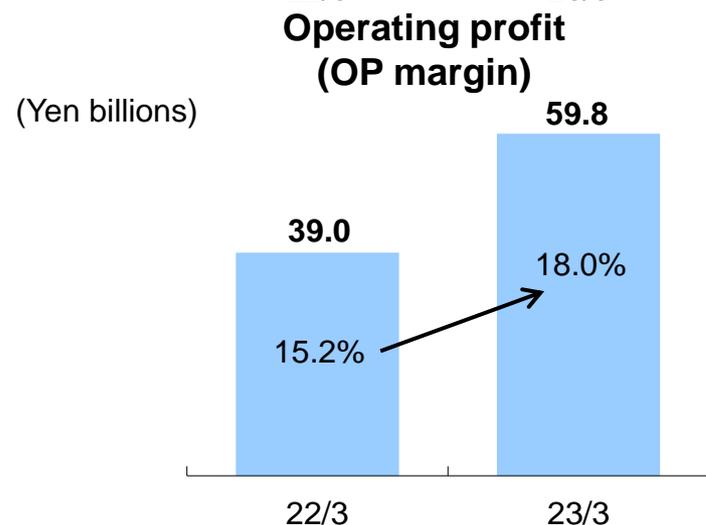
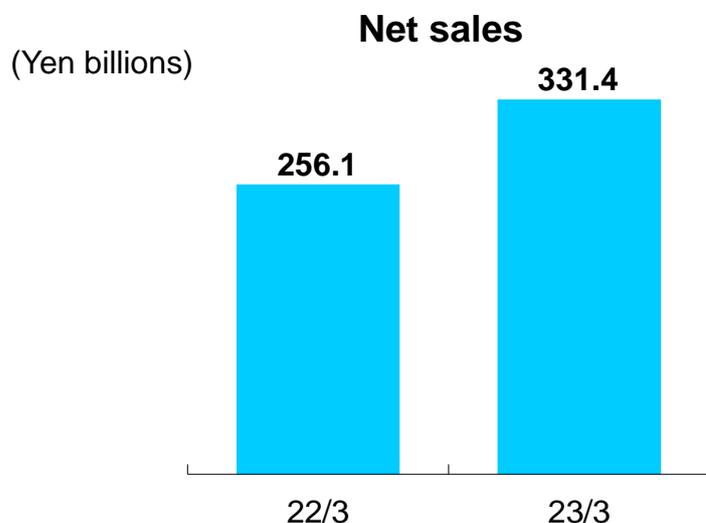


Net sales 47.5 billion yen (down 25.8% year on year)
Operating loss -13.9 billion yen (down —% year on year)

- **HDD Heads and HDD Suspension Assemblies**
 - Sales and profit of HDD Heads and HDD Suspension Assemblies decreased significantly year on year due to a sharp decline in demand related to PC applications and data centers.
- **Magnets**
 - Sales increased and profit decreased year on year.

22/3: FY March 2022

3Q results - Energy Application Products segment



Net sales 331.4 billion yen (up 29.4% year on year)
Operating profit 59.8 billion yen (up 53.4% year on year)

- **Energy Devices (Rechargeable Batteries)**

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

22/3: FY March 2022

Quarterly results by segment

(Yen billions)		3Q of FY March 2022 (A)	2Q of FY March 2023 (B)	3Q of FY March 2023 (C)	YoY change (C)-(A)		QoQ change (C)-(B)	
					Yen billions	%	Yen billions	%
Net sales	Capacitors	50.8	62.9	61.5	10.7	21.1	(1.4)	-2.2
	Inductive Devices	47.0	52.8	50.1	3.0	6.5	(2.7)	-5.2
	Other Passive Components	32.2	37.0	33.1	0.9	2.7	(3.9)	-10.6
	Passive Components	130.0	152.7	144.6	14.6	11.2	(8.0)	-5.3
	Sensor Application Products	36.1	45.9	45.6	9.5	26.3	(0.3)	-0.6
	Magnetic Application Products	64.0	54.7	47.5	(16.5)	-25.8	(7.2)	-13.2
	Energy Application Products	256.1	342.3	331.4	75.3	29.4	(10.9)	-3.2
	Other	13.3	15.9	17.8	4.5	33.4	1.9	11.9
	Total	499.7	611.5	587.0	87.3	17.5	(24.5)	-4.0
Operating profit	Passive Components	22.5	29.6	26.0	3.5	15.5	(3.6)	-12.1
	Sensor Application Products	3.1	4.4	5.6	2.4	77.0	1.2	27.5
	Magnetic Application Products	3.6	(1.8)	(13.9)	(17.5)	-	(12.1)	-
	Energy Application Products	39.0	53.5	59.8	20.8	53.4	6.3	11.7
	Other	(0.1)	(0.2)	0.9	0.9	-	1.1	-
	Sub total	68.1	85.5	78.3	10.2	14.9	(7.2)	-8.4
	Corporate and eliminations	(8.4)	(9.8)	(10.0)	(1.5)	-	(0.2)	-
	Total	59.7	75.7	68.4	8.7	14.5	(7.3)	-9.7
Operating profit margin		11.9%	12.4%	11.6%	-0.3pt	-	-0.8pt	-
Ex-rate	US\$ (JPY)	113.67	138.20	141.75				
	EURO (JPY)	130.06	139.39	144.26				

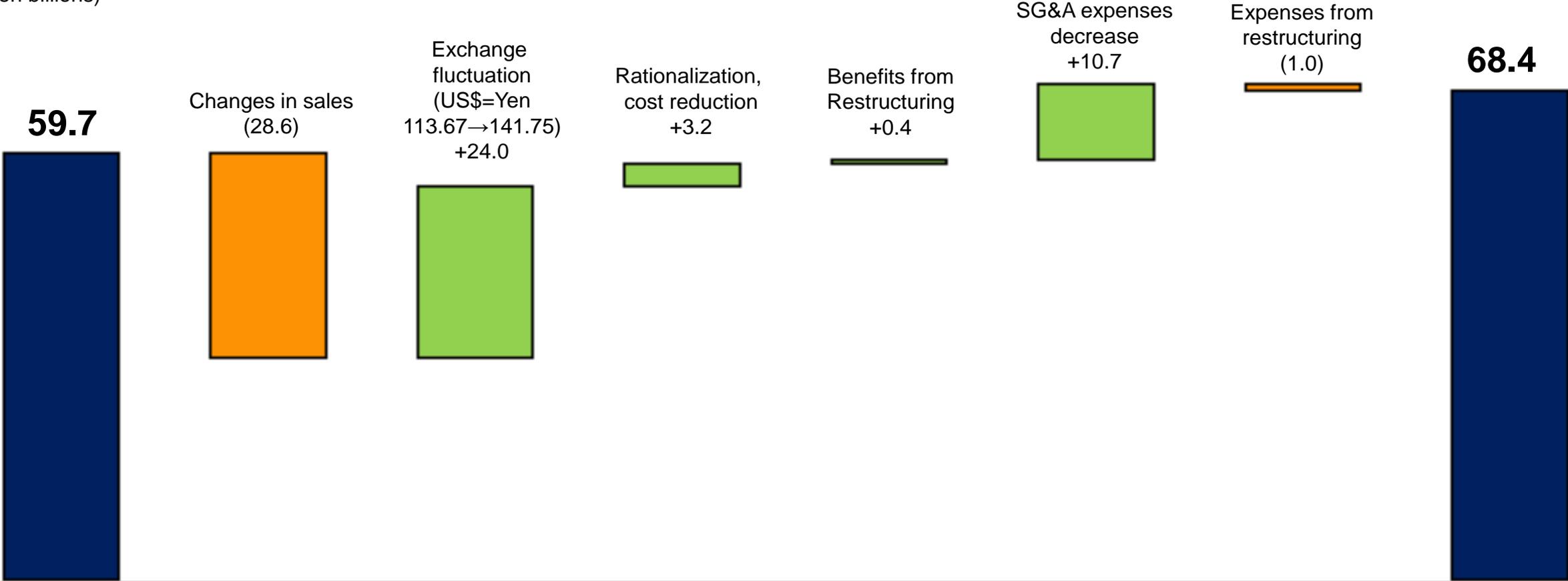
Breakdown of operating profit changes

3Q of
FY March 2022
59.7 billion yen

Operating profit +8.7 billion yen

3Q of
FY March 2023
68.4 billion yen

(Yen billions)



FY March 2023 full year / dividend projections

		FY March 2022 full year results (Yen billions)	FY March 2023 full year projections (announced on Aug. 1, 2022)	FY March 2023 full year projections (announced on Nov. 1, 2022)	FY March 2023 full year projections (announced on Jan. 31, 2023)	YoY change	
						Yen billions	%
Net sales		1,902.1	2,200.0	2,220.0	2,170.0	267.9	14.1
Operating profit		166.8	185.0	200.0	185.0	18.2	10.9
Operating profit margin		8.8%	8.4%	9.0%	8.5%	-	-
Profit before tax		172.5	190.0	200.0	185.0	12.5	7.3
Net profit		131.3	145.0	147.0	132.0	0.7	0.5
Earnings per share (JPY)		346.44	382.54	390.35	348.16	-	-
Dividends (JPY)		Interim : 100 (33.3) Year-end : 45 Annual : - (78.3) <small>*(post-stock split standard)</small>	Interim : 53 Year-end : 53 Annual : 106	Interim : 53 Year-end : 53 Annual : 106	Interim : 53 Year-end : 53 Annual : 106	-	-
Ex-rate	US\$ (JPY)	112.33	120.00	135.00	135.00	-	-
	EURO (JPY)	130.53	130.00	137.00	140.00	-	-
Capital expenditure		291.3	300.0	300.0	300.0	8.7	3.0
Depreciation and amortization		177.0	200.0	210.0	210.0	33.0	18.6
Research and development		165.3	190.0	180.0	180.0	14.8	8.9

Supplementary Data

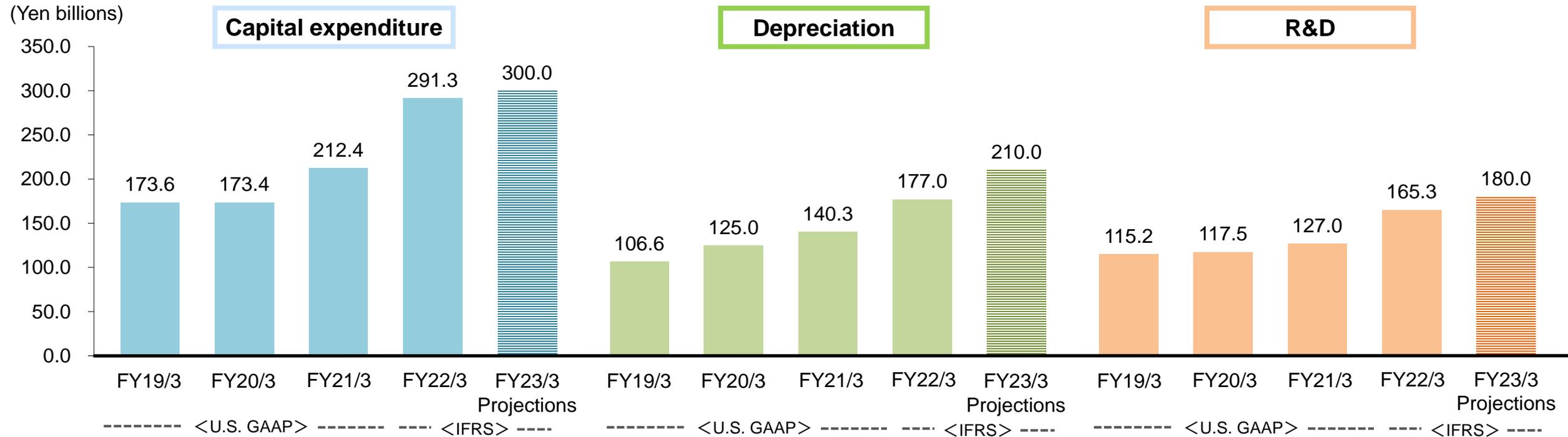
Quarterly sales and operating profit by segment

		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	62.9	61.5		
	Inductive Devices	42.1	45.3	47.0	45.8	180.2	49.3	52.8	50.1		
	Other Passive Components	32.5	32.9	32.2	31.8	129.4	34.7	37.0	33.1		
	Passive Components	121.8	128.0	130.0	128.0	507.8	141.6	152.7	144.6		
	Sensor Application Products	26.8	32.7	36.1	35.1	130.8	39.0	45.9	45.6		
	Magnetic Application Products	60.6	65.4	64.0	58.4	248.4	55.1	54.7	47.5		
	Energy Application Products	199.6	235.5	256.1	274.1	965.3	260.1	342.3	331.4		
	Other	11.3	12.5	13.3	12.6	49.7	14.6	15.9	17.8		
Total	420.1	474.1	499.7	508.3	1,902.1	510.5	611.5	587.0			
Operating profit	Passive Components	18.1	21.5	22.5	14.8	76.8	24.6	29.6	26.0		
	Sensor Application Products	(3.2)	1.0	3.1	(1.2)	(0.3)	2.8	4.4	5.6		
	Magnetic Application Products	2.9	2.3	3.6	(4.2)	4.5	(0.7)	(1.8)	(13.9)		
	Energy Application Products	23.4	34.3	39.0	26.5	123.2	27.3	53.5	59.8		
	Other	(1.0)	(0.3)	(0.1)	(0.1)	(1.4)	0.4	(0.2)	0.9		
	Sub total	40.2	58.7	68.1	35.7	202.8	54.4	85.5	78.3		
	Corporate and eliminations	(8.9)	(8.5)	(8.4)	(10.3)	(36.1)	(9.8)	(9.8)	(10.0)		
Total	31.3	50.3	59.7	25.5	166.8	44.6	75.7	68.4			
Ex-rate	US\$ (JPY)	109.50	110.07	113.67	116.14	112.33	129.36	138.20	141.75		
	EURO (JPY)	131.90	129.83	130.06	130.35	130.53	137.95	139.39	144.26		

(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 10.0 billion yen, Operating profit 2.0 billion yen**
- **EURO : Sales 2.0 billion yen, Operating profit 0.6 billion yen**

Financial position

(Yen billions)	March End, 2022	September End, 2022	December End, 2022	Change from Sep. end, 2022
Total assets	3,041.7	3,389.3	3,173.7	(215.6)
Total liabilities	1,737.9	1,837.7	1,711.0	(126.7)
Total equity attributable to owners of parent	1,300.3	1,547.6	1,457.8	(89.9)
Ratio of equity attributable to owners of parent	42.8%	45.7%	45.9%	+0.2pt
Cash and cash equivalents	493.0	473.2	486.9	13.7
Interest-bearing debt (*1)	679.8	741.3	746.0	4.7
Net cash (*2)	(186.8)	(268.2)	(259.2)	9.0

*1: Borrowings + bonds + lease liabilities

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

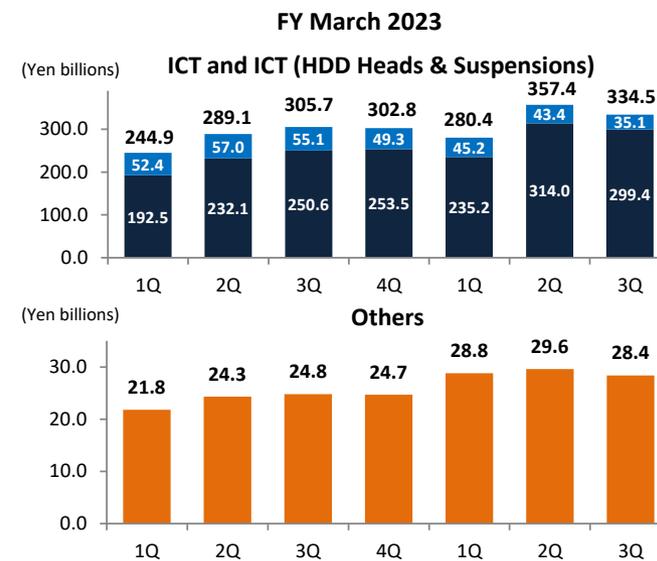
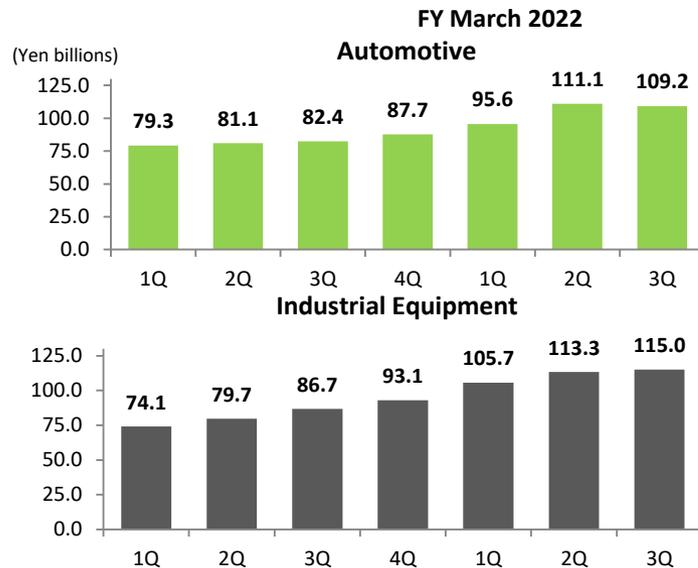
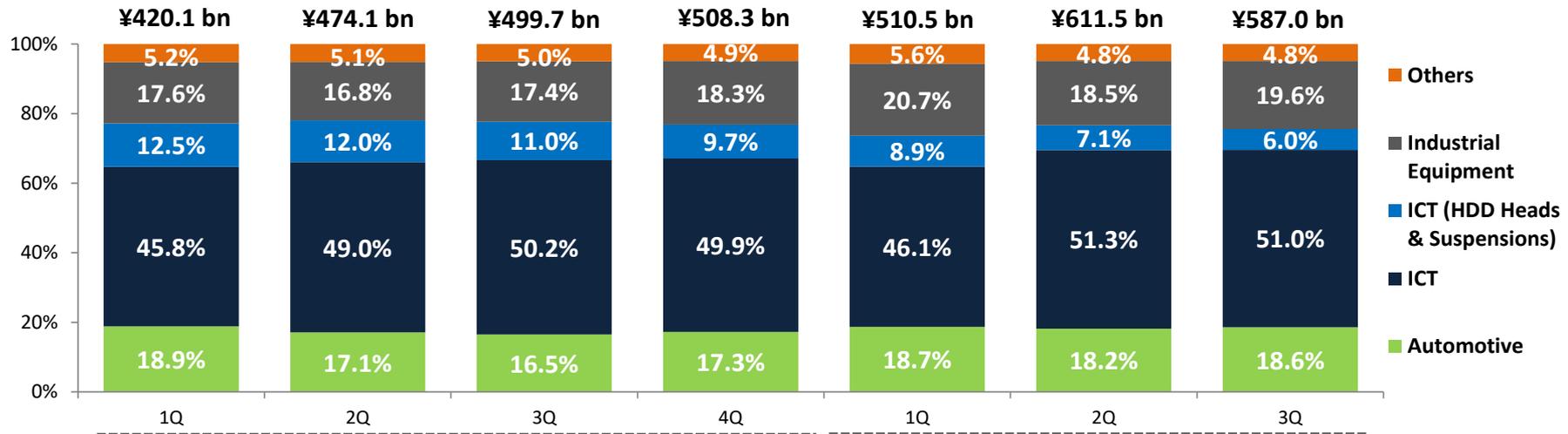
Cash flows

(Yen billions)	FY March 2022 Results through 3Q	FY March 2023 Results through 3Q	YoY change
Operating cash flow	84.5	184.2	99.7
Investing cash flow	(198.5)	(177.5)	21.1
Free cash flow	(114.0)	6.7	120.8
Financing cash flow	120.0	20.8	(99.2)
Effect of exchange rate changes on cash and cash equivalents	21.4	8.4	(13.1)

Cash and cash equivalents	407.8	475.2	67.4
----------------------------------	--------------	--------------	-------------

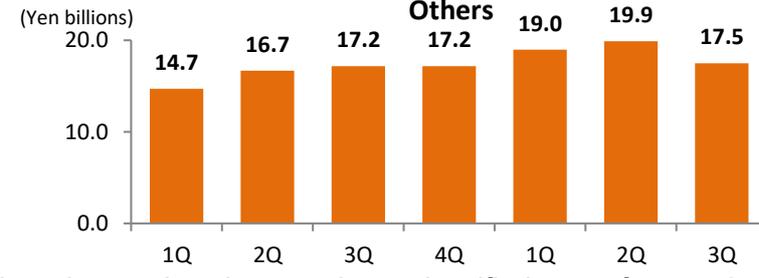
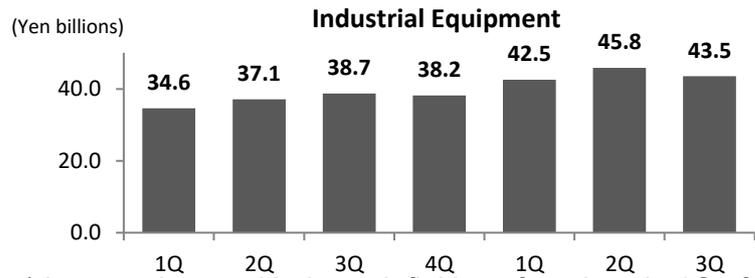
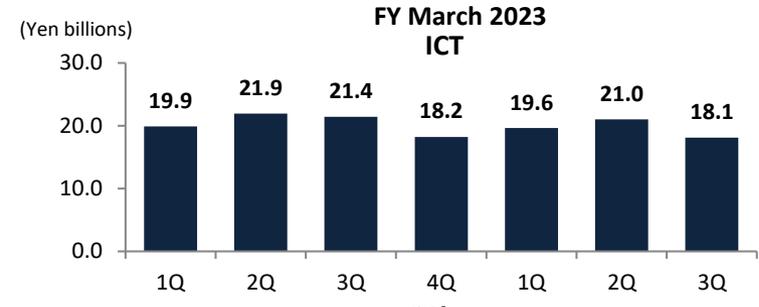
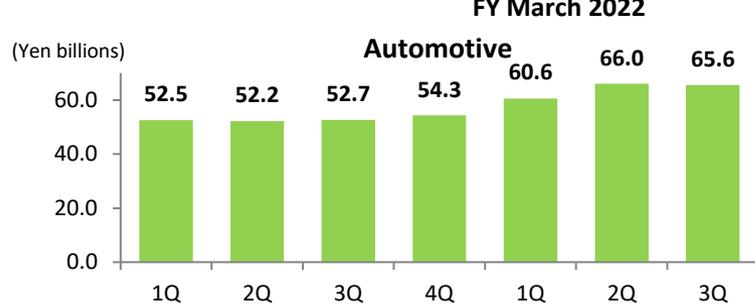
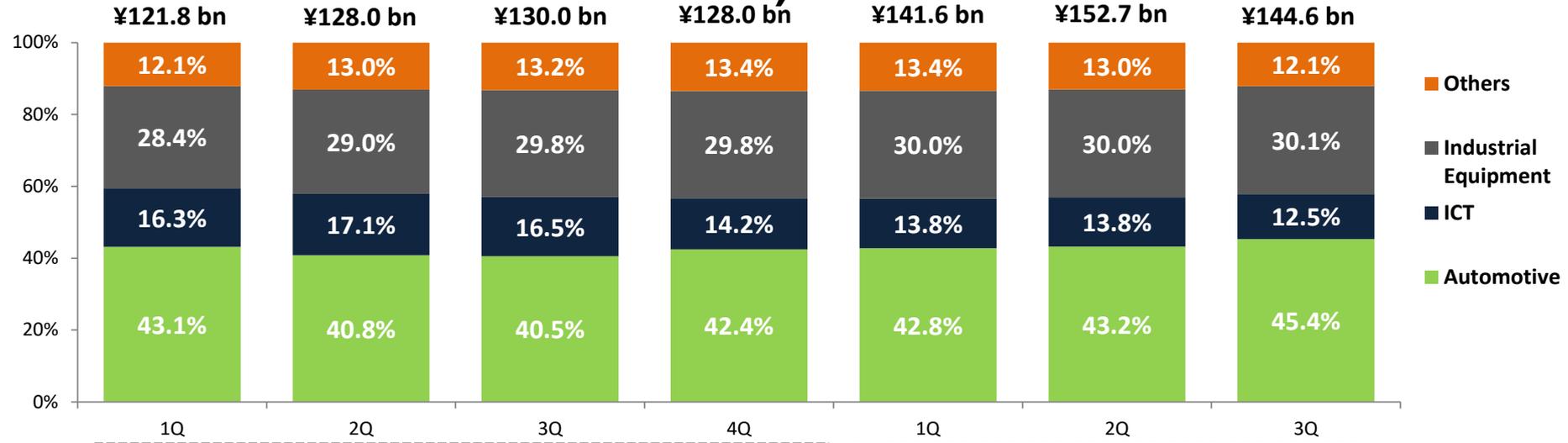
(Yen billions)	FY March 2022 Results through 3Q	FY March 2023 Results through 3Q	YoY change
Capital expenditures	210.8	220.3	9.5
Depreciation and amortization	129.6	155.7	26.1

Quarterly sales by markets (1Q of FY March 2022 – 3Q of FY March 2023)

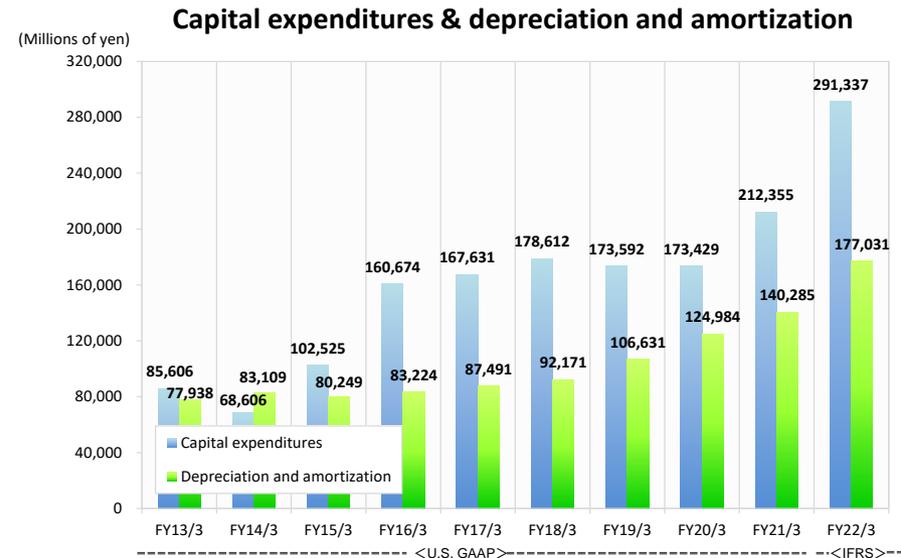
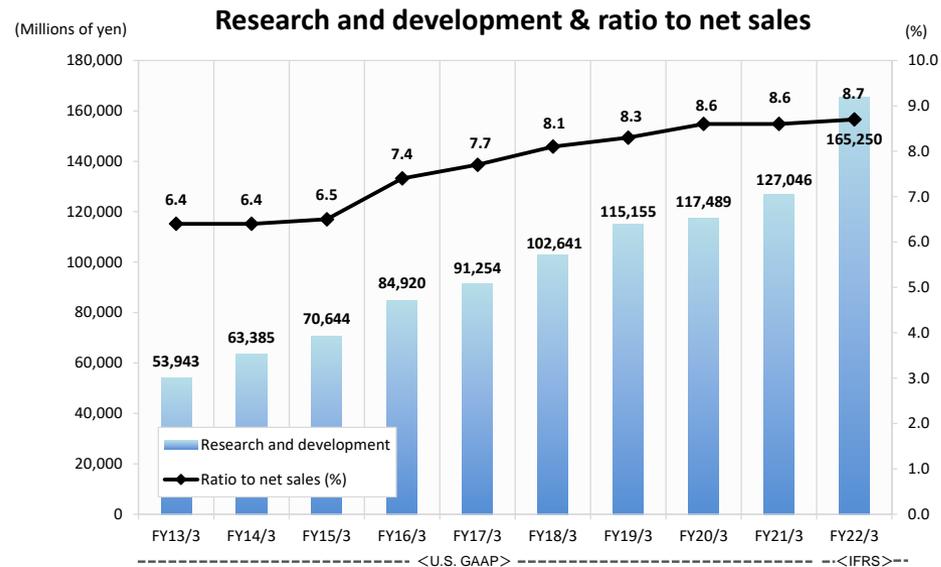
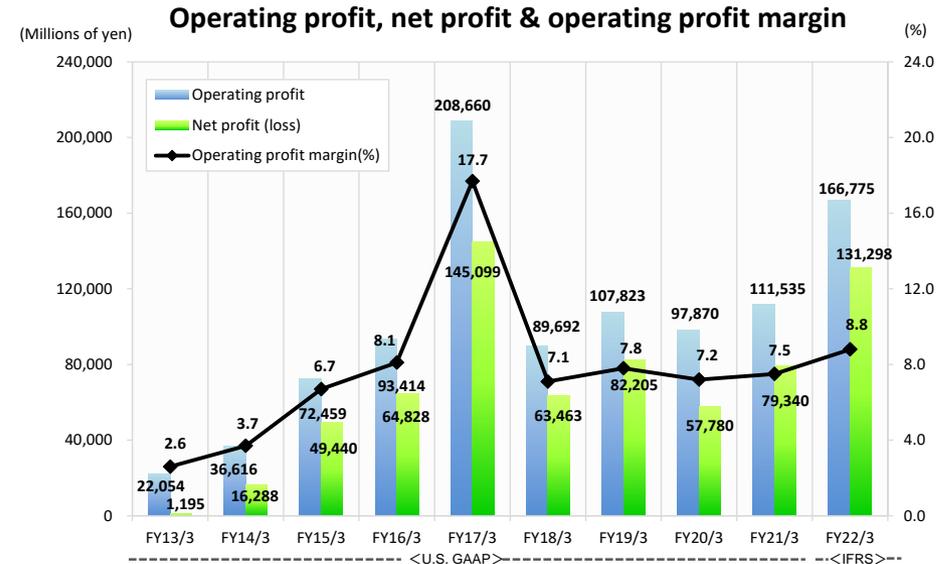
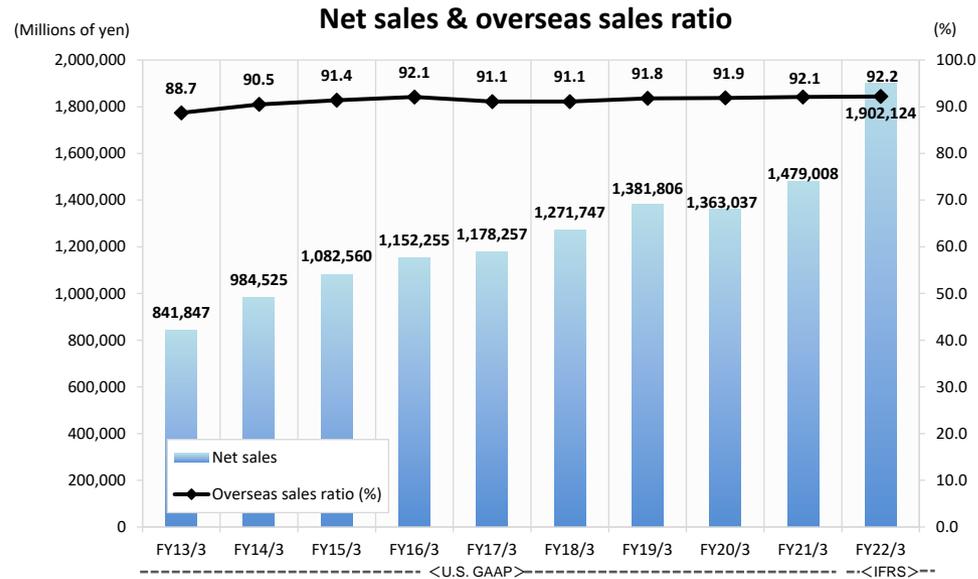


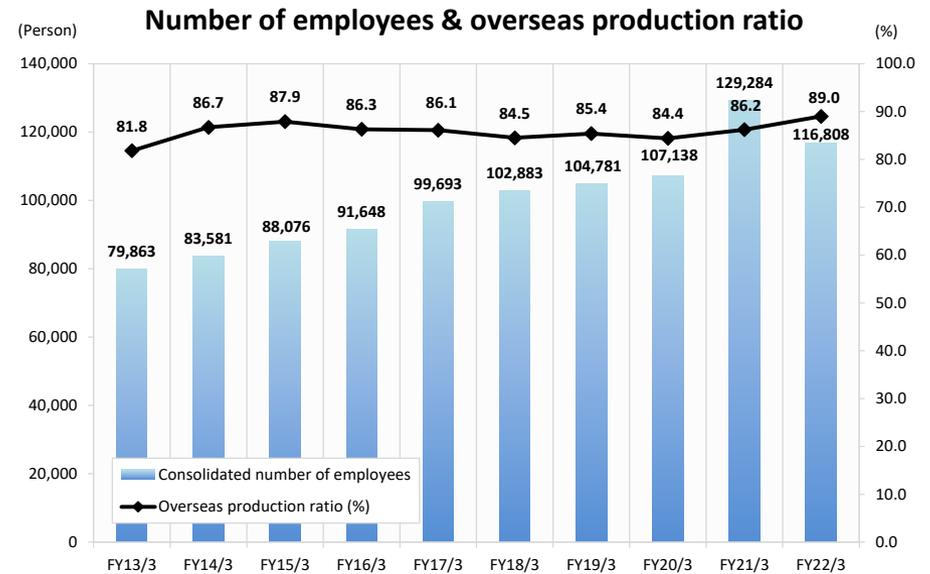
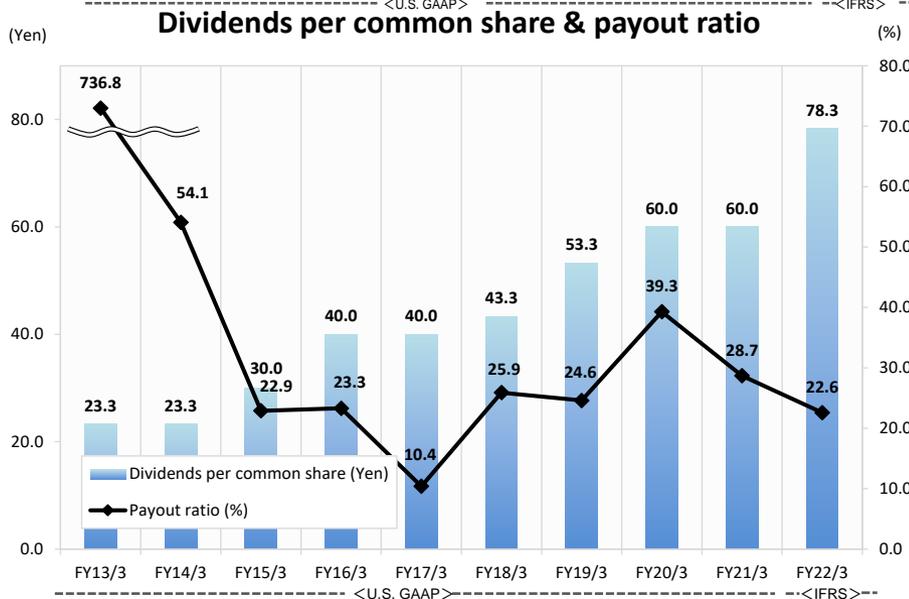
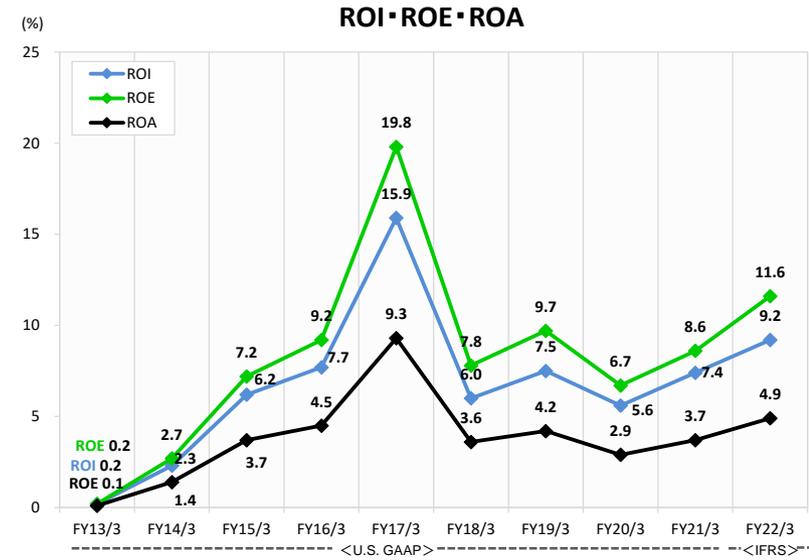
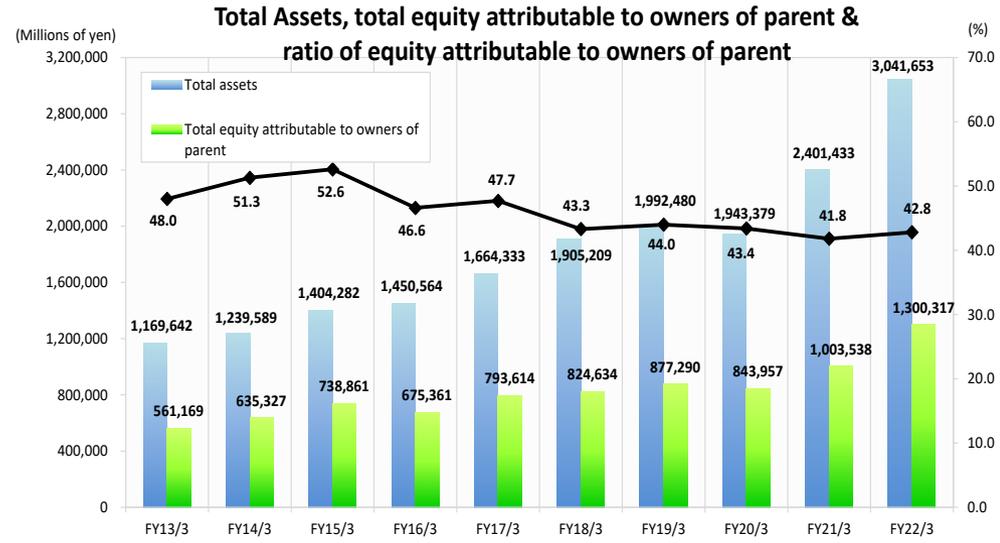
(Note) In accordance with the redefinition of markets in 1Q of FY2023, the prior year's sales are also reclassified to conform to the new segmentation.

Passive Components business quarterly sales by markets (1Q of FY March 2022 – 3Q 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/2023/3q_1.html