



TDK Corporation
July 30, 2024

Contact:

TDK Corporation (Tokyo)

IR&SR Group

Atsuo Omagari

+81(3)6778-1068

Consolidated results (IFRS) for the 1st quarter of FY March 2025

(Millions of yen, %)

Term Account	Q1 of FY 2024 (April 1, 2023 - June 30, 2023)		Q1 of FY 2025 (April 1, 2024 - June 30, 2024)		Change	
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales	503,399	100.0	518,809	100.0	15,410	3.1
Operating profit	26,302	5.2	57,872	11.2	31,570	120.0
Profit before tax	21,012	4.2	69,563	13.4	48,551	231.1
Net profit attributable to owners of parent	14,725	2.9	59,627	11.5	44,902	304.9
Earnings per share:						
- Basic	38.82yen		157.15yen			
- Diluted	38.76yen		156.94yen			
Purchase of tangible and intangible assets	60,667	-	42,816	-	(17,851)	(29.4)
Depreciation and amortization	47,449	9.4	47,239	9.1	(210)	(0.4)
Research and development expenses	43,905	8.7	60,969	11.8	17,064	38.9
Number of employees	102,116	-	105,225	-		

[Contents]

1. Summary Information Regarding Financial Results

- | | |
|---|---------|
| (1) Summary Information Regarding Consolidated Business Results
for the First Quarter of Fiscal 2025 | •• P. 2 |
| (2) Summary Information Regarding Consolidated Financial Position
for the First Quarter of Fiscal 2025 | •• P. 7 |
| (3) Summary Information Regarding Consolidated Projections | •• P. 9 |

2. Other Information

- | | |
|---|----------|
| (1) Changes in Significant Subsidiaries | •• P. 11 |
| (2) Accounting Policy Changes, Accounting Estimate Changes and
Restatements | •• P. 11 |
| (3) Fundamental Policy for Distribution of Earnings,
and Fiscal 2025 Dividends | •• P. 11 |

**3. Condensed Quarterly Consolidated Financial Statements
and Primary Notes**

- | | |
|---|---------|
| (1) Condensed quarterly consolidated statements of financial position | •• P.12 |
| (2) Condensed quarterly consolidated statements of profit or loss and
comprehensive income | •• P.14 |
| (3) Condensed quarterly consolidated statements of changes in equity | •• P.16 |
| (4) Condensed quarterly consolidated statements of cash flows | •• P.17 |
| (5) Notes to the condensed quarterly consolidated financial statements | •• P.19 |
| (6) Appendix to the Consolidated Financial Statements | •• P.25 |

1. Summary Information Regarding Financial Results

(1) Summary Information Regarding Consolidated Business Results for the First Quarter of Fiscal 2025

Consolidated results for the first three months of fiscal 2025, the period from April 1 to June 30, 2024, are as follows.

In the first three months of fiscal 2025, the global economy remained unstable due to the continued economic slowdown in China and the impact of the unrest in the Middle East, although North America remained robust, and Europe showed signs of an economic recovery. In terms of exchange rates, the yen continued to weaken significantly against the dollar and the euro.

Looking at the electronics market, which has a large bearing on TDK's consolidated business results, an increase in replacement demand and other factors resulted in a recovery in the production of products related to information and communication technology (ICT) on a year-on-year basis. Demand for smartphones, notebook PCs, and tablets was robust. Demand for nearline hard disk drives (HDDs) for data centers also recovered sharply. In the industrial equipment market, capital expenditure demand remained weak in general. In the automotive market, demand for battery electric vehicles (BEVs) showed signs of slowing, resulting in lower component demand than we had expected at the beginning of the period.

In this business environment, sales in the first three months of fiscal 2025 increased year on year in the three segments of Passive Components, Sensor Application Products, and Magnetic Application Products due to a recovery in demand for components in the ICT market, while sales in the Energy Application Products segment decreased due to lower selling prices caused by a decline in material prices. As a result, consolidated net sales for the first three months came to 518,809 million yen, up 3.1% year on year.

In terms of profits, operating profit ended at 57,872 million yen, up 120.0% year on year due to the sharp depreciation of the yen and an increase in the shipments of products for the ICT market, in addition to other factors such as the rationalization and benefits from restructuring conducted in the previous fiscal year; profit before tax was 69,563 million yen, up 231.1% year on year mainly due to approximately 8 billion yen in foreign exchange gains from the depreciation of the yen; and net profit attributable to owners of parent came to 59,627 million yen, up 304.9% year on year.

In this business environment, the TDK's consolidated business results for the first quarter of fiscal 2025 were as follows.

TDK Corporation (6762) FY 2025 First Quarter Financial Results (IFRS)

Item	Q1 of FY2024 (April 1, 2023 – June 30,2023)		Q1 of FY2025 (April 1, 2024 – June 30,2024)		Change	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	Change(%)
Net Sales	503,399	100.0	518,809	100.0	15,410	3.1
Operating profit	26,302	5.2	57,872	11.2	31,570	120.0
Profit before tax	21,012	4.2	69,563	13.4	48,551	231.1
Net profit attributable to owners of parent	14,725	2.9	59,627	11.5	44,902	304.9
Earnings per share:						
- Basic	38.82yen		157.15yen			
- Diluted	38.76yen		156.94yen			

Average yen exchange rates for the U.S. dollar and the euro during the first quarter of fiscal 2025 were ¥155.82 and ¥167.79, respectively, as the yen depreciated 13.6% against the U.S. dollar and 12.3% against the euro. As a result of these factors and fluctuations in foreign exchange rates, net sales increased by approximately ¥53.8 billion and operating profit increased by approximately ¥11.1 billion.

Sales by Product

Item	Q1 of FY2024 (April 1, 2023 – June 30,2023)		Q1 of FY2025 (April 1, 2024 – June 30,2024)		Change	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	Change(%)
Capacitors	62,520	12.4	61,492	11.9	(1,028)	(1.6)
Inductive Devices	47,549	9.5	50,810	9.8	3,261	6.9
Other Passive Components	30,670	6.1	30,749	5.9	79	0.3
Passive Components	140,739	28.0	143,051	27.6	2,312	1.6
Sensor Application Products	38,787	7.7	44,080	8.5	5,293	13.6
Magnetic Application Products	38,217	7.6	55,013	10.6	16,796	43.9
Energy Application Products	274,933	54.6	262,920	50.7	(12,013)	(4.4)
Other	10,723	2.1	13,745	2.6	3,022	28.2
Total	503,399	100.0	518,809	100.0	15,410	3.1
Overseas Sales	457,560	90.9	476,758	91.9	19,198	4.2

Note: In accordance with the reorganization for the three months ended June 30, 2024, certain products of Other Passive Components are reclassified into Inductive Devices. Thus, the prior year's figures are also reclassified to conform to the new segmentation.

1) Passive Components Segment

This segment is made up of (1) Capacitors, (2) Inductive Devices, and (3) Other Passive Components. Sales in the Passive Components segment were ¥143,051 million, up 1.6% year on year from ¥140,739 million.

Capacitors is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Sales in the Capacitors were ¥61,492 million, down 1.6% year on year from ¥62,520 million. Sales of Ceramic Capacitors increased to the automotive and the ICT markets, while decreased to the industrial equipment market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors decreased to the automotive and the industrial equipment markets.

Sales of Inductive Devices increased by 6.9% year on year from ¥47,549 million to ¥50,810 million. Sales increased to the automotive and the ICT markets.

Other Passive Components include High-Frequency Devices, Piezoelectric Material Products, and Circuit Protection Components. Sales of Other Passive Components increased by 0.3% year on year from ¥30,670 million to ¥30,749 million. Sales increased mainly to the industrial equipment market.

2) Sensor Application Products Segment

This segment is made up of Temperature and Pressure Sensors, Magnetic Sensors, and MEMS Sensors. Segment sales increased by 13.6% from ¥38,787 million to ¥44,080 million. Sales increased to the automotive and the ICT markets, while decreased to the industrial equipment market.

3) Magnetic Application Products Segment

This segment is made up of HDD Heads, HDD Suspension Assemblies, and Magnets. Segment sales increased 43.9% year on year, from ¥38,217 million to ¥55,013 million. Sales of HDD Heads and HDD Suspension Assemblies increased to the ICT market. Sales of Magnets decreased mainly to the automotive market.

4) Energy Application Products Segment

This segment is made up of Energy Devices (Rechargeable Batteries) and Power Supplies. Segment sales decreased by 4.4% from ¥274,933 million to ¥262,920 million. Sales of Energy Devices increased to the ICT market, while decreased to the industrial equipment market mainly due to the transfer of the business to the joint ventures.

5) Other

Other includes Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, and Others. Segment sales increased by 28.2% from ¥10,723 million to ¥13,745 million. Sales of Mechatronics increased to the industrial equipment market. Sales of Camera Module Micro Actuators for smartphones increased to the ICT market.

The main businesses making up the four reporting segments and Other, which includes products not included in these reporting segments, are as follows:

Segment	Principal businesses and products
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils/Ferrite Cores/Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components
Sensor Application Products	Temperature and Pressure Sensors, Magnetic Sensors, MEMS Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Magnets
Energy Application Products	Energy Devices (Rechargeable Batteries), Power Supplies
Other	Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, Others

[Sales by Region]

Overseas sales increased by 4.2% year on year from ¥457,560 million to ¥476,758 million. Overseas sales accounted for 91.9% of consolidated net sales, a 1.0 percentage point increase from 90.9% in the first quarter of fiscal 2024. Detailed information on sales by region can be found in the consolidated supplementary information on page 22.

(2) Summary Information Regarding Consolidated Financial Position for the First Quarter of Fiscal 2025

1) The following table summarizes TDK's consolidated balance sheet as of June 30, 2024.

Total assets	¥3,683,309 million	(7.8% increase)
Total equity attributable to owners of parent	¥1,864,123 million	(9.2% increase)
Ratio of equity attributable to owners of parent	50.6%	(0.6 point increase)

As of June 30, 2024, total assets increased by ¥268,005 million compared with March 31, 2024. Cash and cash equivalent increased by ¥32,626 million, Also property, plant, and equipment and trade receivables increased by ¥76,136 million and ¥35,204 million respectively.

Total liabilities increased by ¥110,459 million from March 31, 2024. Other financial liabilities (current) and trade payables increased by ¥38,903 and ¥32,400 million respectively.

Total equity attributable to owners of parent, which is included in total equity, increased by ¥156,791 million from March 31, 2024. Other components of equity increased by ¥119,026 million, mainly from exchange differences on translation of foreign operations.

2) Cash Flows

(Millions of yen)

	FY 2024 Q1	FY 2025 Q1	Change
Cash flows from operating activities	57,379	72,623	15,244
Cash flows from investing activities	(49,521)	(55,762)	(6,241)
Cash flows from financing activities	15,955	(22,354)	(38,309)
Effect of exchange rate changes on cash and cash equivalents	26,186	38,119	11,933
Net decrease in cash and cash equivalents	49,999	32,626	(17,373)
Cash and cash equivalents at beginning of period	506,185	649,998	143,813
Cash and cash equivalents at end of period	556,184	682,624	126,440

Operating activities provided net cash of ¥72,623 million, an increase of ¥15,244 million year on year. It mainly came from an increase in net profit for the period.

Investing activities used net cash of ¥55,762 million, an increase of ¥6,241 million year on year. It mainly came from an increase in payments into time deposits.

Financing activities used net cash of ¥22,354 million, changed by ¥38,309 million year on year. It mainly came from an increase of repayment of long-term borrowings and a decrease in commercial paper.

(3) Summary Information Regarding Consolidated Projections

(Fiscal 2025 Consolidated Projections)

TDK has not changed the following projections for consolidated business results, purchase of tangible and intangible assets, depreciation and amortization, and research and development expenses for fiscal 2025, since its announcement on April 26, 2024.

Item	FY2025 (April 1, 2024 - March 31, 2025)	FY2024 (April 1, 2023 - March 31, 2024)	vs FY2024 Changes	
	Projection in April '24	Actual		
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%
Net sales	2,105,000	2,103,876	1,124	0.1
Operating profit	180,000	172,893	7,107	4.1
Profit before tax	184,000	179,241	4,759	2.7
Net profit attributable to owners of parent	128,000	124,687	3,313	2.7
Purchase of tangible and intangible assets	250,000	218,589	31,411	14.4
Depreciation and amortization	190,000	190,546	(546)	(0.3)
Research and development expenses	220,000	188,860	31,140	16.5

Note:

TDK estimates an increase of approximately ¥30.0 billion in research and development expenses in the fiscal 2025, due to a partial reclassification relating to selling, general and administrative expenses.

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥140 and ¥156 respectively will be assumed from the second quarter onward.

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 Corporation and/or its group companies (“TDK”). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs, and evaluations of TDK in light of information currently available to it, and contain known and unknown risks, uncertainties and other factors.

TDK therefore wishes to caution readers that, being subject to risks, uncertainties and other factors, TDK’s actual results, performance, achievements or financial positions could be materially different from any future results, performance, achievements or financial positions expressed or implied by these forward-looking statements, and TDK undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material except as provided for in applicable laws and ordinances.

The electronics markets in which TDK operates are highly susceptible to rapid changes. Risks, uncertainties and other factors that can have significant effects on TDK include, but are 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.

2. Other Information

(1) Changes in Significant Subsidiaries

Nothing to report.

(2) Accounting Policy Changes, Accounting Estimate Changes and Restatements

Nothing to report.

(3) Fundamental Policy for Distribution of Earnings, and Fiscal 2025 Dividends

TDK recognizes that achieving increase in corporate value over the medium- and long-term ultimately translates into higher shareholder value. In line with this understanding, TDK's fundamental policy is to work to consistently increase dividends through growth in earnings per share. By actively investing for growth, mainly in the development of new products and technologies in key fields so as to respond precisely to rapid technological innovation in the electronics industry, TDK is aiming to increase a medium- and long-term corporate value. Accordingly, TDK actively reinvests its earning in business activities and determines its dividends taking into consideration comprehensive factors, including return on equity (ROE) and dividends on equity (DOE) on a consolidated basis, as well as changes in the business environment, among other factors.

TDK has revised the previously released interim dividend forecast from 60 yen and the year-end dividend forecast from 60 yen based on the stock split which has been resolved at the meeting of the Board of Directors held on July 30, 2024.

TDK will split one share of its common stock into five shares with the effective date of October 1, 2024. The interim dividend for the Fiscal 2025, with a record date of September 30, 2024, will be paid on the basis of the number of shares prior to the stock split.

Projected dividends per share for Fiscal 2025 are as follows.

(Yen)

	FY2025 Forecast	FY2024 Actual
Interim dividend	60.00	58.00
Year-end dividend (Prior to the stock split)	12.00 (60.00)	58.00
Annual dividend (Prior to the stock split)	- (120.00)	116.00

3. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed quarterly consolidated statements of financial position

	March 31, 2024		June 30, 2024		Change
	Amount (Millions of yen)	%	Amount (Millions of yen)	%	Amount (Millions of yen)
Assets					
Current assets					
Cash and cash equivalents	649,998		682,624		32,626
Trade receivables	558,298		593,502		35,204
Other financial assets	47,052		72,605		25,553
Inventories	406,084		432,285		26,201
Income taxes receivables	4,828		4,765		(63)
Other current assets	61,715		88,260		26,545
Total current assets	1,727,975	50.6	1,874,041	50.9	146,066
Non-current assets					
Investments accounted for using the equity method	36,990		38,201		1,211
Other financial assets	184,425		205,131		20,706
Property, plant and equipment	991,072		1,067,208		76,136
Right-of-use assets	71,334		80,036		8,702
Goodwill	168,383		178,572		10,189
Intangible assets	57,114		56,803		(311)
Long-term advances to suppliers	105,941		108,667		2,726
Deferred tax assets	56,183		59,411		3,228
Other non-current assets	15,887		15,239		(648)
Total non-current assets	1,687,329	49.4	1,809,268	49.1	121,939
Total assets	3,415,304	100.0	3,683,309	100.0	268,005

TDK Corporation (6762) FY 2025 First Quarter Financial Results (IFRS)

	March 31, 2024		June 30, 2024		Change
	Amount (Millions of yen)	%	Amount (Millions of yen)	%	Amount (Millions of yen)
Liabilities					
Current liabilities					
Borrowings	212,907		220,456		7,549
Lease liabilities	11,627		11,980		353
Trade payables	351,940		384,340		32,400
Other financial liabilities	81,774		120,677		38,903
Income taxes payables	38,746		39,000		254
Provisions	12,605		12,973		368
Other current liabilities	307,291		318,559		11,268
Total current liabilities	1,016,890	29.8	1,107,985	30.1	91,095
Non-current liabilities					
Bonds and borrowings	400,259		400,377		118
Lease liabilities	60,943		69,070		8,127
Other financial liabilities	5,837		5,014		(823)
Retirement benefit liabilities	98,388		102,770		4,382
Provisions	13,660		14,598		938
Deferred tax liabilities	91,616		97,389		5,773
Other non-current liabilities	12,770		13,619		849
Total non-current liabilities	683,473	20.0	702,837	19.1	19,364
Total liabilities	1,700,363	49.8	1,810,822	49.2	110,459
Equity					
Equity attributable to owners of parent					
Share capital	32,641		32,641		-
Capital surplus	34		25		(9)
Retained earnings	1,138,732		1,176,438		37,706
Other components of equity	551,998		671,024		119,026
Treasury shares	(16,073)		(16,005)		68
Total equity attributable to owners of parent	1,707,332	50.0	1,864,123	50.6	156,791
Non-controlling interests	7,609	0.2	8,364	0.2	755
Total equity	1,714,941	50.2	1,872,487	50.8	157,546
Total liabilities and equity	3,415,304	100.0	3,683,309	100.0	268,005

(2) Condensed quarterly consolidated statements of profit or loss and comprehensive income

Condensed quarterly consolidated statements of profit or loss

	Three months ended June 30, 2023		Three months ended June 30, 2024		Change	
	Amount (Millions of yen)	% to net sales	Amount (Millions of yen)	% to net sales	Amount (Millions of yen)	%
Net sales	503,399	100.0	518,809	100.0	15,410	3.1
Cost of sales	(376,393)		(351,524)		24,869	
Gross profit	127,006	25.2	167,285	32.2	40,279	31.7
Selling, general and administrative expenses	(105,543)		(117,044)		(11,501)	
Other operating income	4,894		7,663		2,769	
Other operating expenses	(55)		(32)		23	
Operating profit	26,302	5.2	57,872	11.2	31,570	120.0
Finance income	6,520		15,483		8,963	
Finance costs	(11,706)		(3,541)		8,165	
Share of profit (loss) of investments accounted for using the equity method	(104)		(251)		(147)	
Profit before tax	21,012	4.2	69,563	13.4	48,551	231.1
Income tax expense	(5,754)		(9,103)		(3,349)	
Net profit for the period	15,258	3.0	60,460	11.7	45,202	296.3
Net profit attributable to:						
Owners of parent	14,725	2.9	59,627	11.5	44,902	304.9
Non-controlling interests	533	0.1	833	0.2	300	56.3
Net profit for the period	15,258	3.0	60,460	11.7	45,202	296.3

Condensed quarterly consolidated statements of comprehensive income

	Three months ended June 30, 2023	Three months ended June 30, 2024	Change
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Net profit for the period	15,258	60,460	45,202
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Net change in fair value of equity instruments measured at fair value through other comprehensive income	1,315	5,179	3,864
Share of other comprehensive income of investments accounted for using the equity method	45	183	138
Total	1,360	5,362	4,002
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	92,615	112,423	19,808
Share of other comprehensive income of investments accounted for using the equity method	129	1,296	1,167
Total	92,744	113,719	20,975
Total other comprehensive income, net of tax	94,104	119,081	24,977
Comprehensive income for the period	109,362	179,541	70,179
Comprehensive income attributable to:			
Owners of parent	108,986	178,737	69,751
Non-controlling interests	376	804	428
Comprehensive income for the period	109,362	179,541	70,179

(3) Condensed quarterly consolidated statements of changes in equity

Three months ended June 30, 2023	Equity attributable to owners of parent						Non- controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Treasury shares	Total		
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Balance as of April 1, 2023	32,641	45	1,054,738	387,281	(16,259)	1,458,446	4,421	1,462,867
Comprehensive income for the period								
Net profit for the period	-	-	14,725	-	-	14,725	533	15,258
Other comprehensive income, net of tax	-	-	-	94,261	-	94,261	(157)	94,104
Total comprehensive income for the period	-	-	14,725	94,261	-	108,986	376	109,362
Transactions with owners								
Equity transactions with non-controlling interests	-	-	-	-	-	-	867	867
Dividends paid	-	-	(20,102)	-	-	(20,102)	-	(20,102)
Purchase of treasury shares	-	-	-	-	(1)	(1)	-	(1)
Share-based payment transactions	-	58	-	-	-	58	28	86
Exercise of share options	-	(35)	-	-	35	0	-	0
Total transactions with owners	-	23	(20,102)	-	34	(20,045)	895	(19,150)
Transfer from other components of equity to retained earnings	-	-	45	(45)	-	-	-	-
Balance as of June 30, 2023	32,641	68	1,049,406	481,497	(16,225)	1,547,387	5,692	1,553,079

Three months ended June 30, 2024	Equity attributable to owners of parent						Non- controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Treasury shares	Total		
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Balance as of April 1, 2024	32,641	34	1,138,732	551,998	(16,073)	1,707,332	7,609	1,714,941
Comprehensive income for the period								
Net profit for the period	-	-	59,627	-	-	59,627	833	60,460
Other comprehensive income, net of tax	-	-	-	119,110	-	119,110	(29)	119,081
Total comprehensive income for the period	-	-	59,627	119,110	-	178,737	804	179,541
Transactions with owners								
Dividends paid	-	-	(22,005)	-	-	(22,005)	(90)	(22,095)
Purchase of treasury shares	-	-	-	-	(0)	(0)	-	(0)
Share-based payment transactions	-	59	-	-	-	59	41	100
Exercise of share options	-	(68)	-	-	68	0	-	0
Total transactions with owners	-	(9)	(22,005)	-	68	(21,946)	(49)	(21,995)
Transfer from other components of equity to retained earnings	-	-	84	(84)	-	-	-	-
Balance as of June 30, 2024	32,641	25	1,176,438	671,024	(16,005)	1,864,123	8,364	1,872,487

(4) Condensed quarterly consolidated statements of cash flows

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from operating activities		
Net profit for the period	15,258	60,460
Depreciation and amortization	47,449	47,239
Impairment losses (reversal of impairment losses)	(519)	(20)
Finance income	(6,520)	(15,483)
Finance costs	11,706	3,541
Share of profit (loss) of investments accounted for using the equity method	104	251
Income tax expense	5,754	9,103
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	11,104	(3,728)
Decrease (increase) in inventories	20,593	(7,014)
Decrease (increase) in long-term advances to suppliers	3,123	3,352
Decrease (increase) in other current assets	(16,037)	(19,872)
Increase (decrease) in trade payables	(13,982)	8,680
Increase (decrease) in other current liabilities	(18,176)	(6,146)
Increase (decrease) in retirement benefit liabilities	(4,180)	(924)
Decrease (increase) in other financial assets	5,125	(5,233)
Increase (decrease) in other financial liabilities	11,900	(418)
Other	(9,534)	8,344
Subtotal	63,168	82,132
Interest and dividends received	4,834	5,460
Interest paid	(2,222)	(1,949)
Income taxes paid	(8,401)	(13,020)
Cash flows from operating activities	57,379	72,623

TDK Corporation (6762) FY 2025 First Quarter Financial Results (IFRS)

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from investing activities		
Purchase of tangible and intangible assets	(60,667)	(42,816)
Proceeds from sale of tangible and intangible assets	10,728	7,502
Proceeds from withdrawal of time deposits	16,611	11,720
Payments into time deposits	(8,890)	(29,458)
Proceeds from sale and redemption of securities	10	3
Payment for purchase of securities	(2,827)	(2,676)
Purchase of investments in associates	(4,627)	-
Other	141	(37)
Cash flows from investing activities	(49,521)	(55,762)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	108
Repayment of long-term borrowings	(1,587)	(58,897)
Net increase (decrease) in short-term borrowings	(10,381)	61,802
Net increase (decrease) in commercial papers	49,998	-
Repayment of lease liabilities	(2,980)	(3,507)
Dividends paid	(19,962)	(21,771)
Other	867	(89)
Cash flows from financing activities	15,955	(22,354)
Effect of exchange rate changes on cash and cash equivalents	26,186	38,119
Net increase in cash and cash equivalents	49,999	32,626
Cash and cash equivalents at beginning of period	506,185	649,998
Cash and cash equivalents at end of period	556,184	682,624

(5) Notes to the condensed quarterly consolidated financial statements

(Notes to going concern assumption)

There are no items to report.

(Reporting entity)

TDK Corporation (“TDK”) is a company limited by shares, domiciled in Japan. Its registered office is located in Nihonbashi, Chuo-ku, Tokyo.

TDK was founded in Tokyo in 1935 to accomplish the world’s first industrialization of a magnetic material called ferrite. By pursuing its core technologies, TDK has always been a multinational developer, manufacturer and distributor of unique and diverse products, including ferrite cores, inductive devices, ceramic capacitors, magnetic heads, magnets and other products.

TDK and its consolidated subsidiaries (collectively, “TDK Group”) has four reportable segments, consisting of Passive Components, Sensor Application Products, Magnetic Application Products and Energy Application Products. Details of the reportable segments are set out in (Segment information).

(Basis of preparation)

1. Compliance with IAS 34

The condensed quarterly consolidated financial statements of TDK Group satisfy the requirements for Specified Companies Complying with Designated International Accounting Standards defined in Article 1-2 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements in Japan, and have been prepared in accordance with IAS 34 as prescribed in Article 93 of the Ordinance.

These condensed quarterly consolidated financial statements do not contain all the disclosures required for the annual consolidated financial statements and hence should be read in conjunction with the consolidated financial statements for the fiscal year ended March 31, 2024.

2. Functional and presentation currency

Items included in the financial statements of each of the TDK’s group companies are measured using the currency of the primary economic environment in which the company operates (“functional currency”). The condensed quarterly consolidated financial statements of TDK Group are presented in Japanese yen, which is the TDK’s functional and presentation currency. All amounts are rounded to the nearest million yen.

(Significant accounting policies)

The significant accounting policies adopted in the condensed quarterly consolidated financial statements are consistent with those adopted in the financial statements for the fiscal year ended March 31, 2024.

The income tax expense for the three months ended June 30, 2024 is calculated based on the estimated annual effective income tax rates.

(Segment information)

1. Description of reportable segments

TDK Group's operating segments are components of the group for which discrete financial information is available and whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance.

TDK Group aggregates its operating segments into the following four reportable segments: Passive Components, Sensor Application Products, Magnetic Application Products, and Energy Application Products, based on the similarities in the type and nature of products, the nature of production processes, markets to distribute products, economic indicators and other characteristics. Operating segments which are not classified as one of these four reportable segments are included in Other.

Principal businesses and products of reportable segments and Other segment are as follows:

Segment	Principal businesses and products
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils/Ferrite Cores/Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components
Sensor Application Products	Temperature and Pressure Sensors, Magnetic Sensors, MEMS Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Magnets
Energy Application Products	Energy Devices (Rechargeable Batteries), Power Supplies
Other	Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, etc.

Accounting policies applied to each segment are the same as those for the condensed quarterly consolidated financial statements of TDK Group. Intersegment transactions are based on arm's length prices.

2. Information about reportable segments

The reportable segment information for the three months ended June 30, 2023 and 2024 are as follows:

Net sales

(Millions of yen, %)

		Three months ended June 30, 2023		Three months ended June 30, 2024		Change	
		Amount	%	Amount	%	Amount	%
Passive Components	External customers	140,739	28.0	143,051	27.6	2,312	1.6
	Intersegment	2,001		971		(1,030)	(51.5)
	Total	142,740		144,022		1,282	0.9
Sensor Application Products	External customers	38,787	7.7	44,080	8.5	5,293	13.6
	Intersegment	430		109		(321)	(74.7)
	Total	39,217		44,189		4,972	12.7
Magnetic Application Products	External customers	38,217	7.6	55,013	10.6	16,796	43.9
	Intersegment	32		16		(16)	(50.0)
	Total	38,249		55,029		16,780	43.9
Energy Application Products	External customers	274,933	54.6	262,920	50.7	(12,013)	(4.4)
	Intersegment	0		1		1	-
	Total	274,933		262,921		(12,012)	(4.4)
Other	External customers	10,723	2.1	13,745	2.6	3,022	28.2
	Intersegment	1,477		1,492		15	1.0
	Total	12,200		15,237		3,037	24.9
Intersegment elimination		(3,940)		(2,589)		1,351	
Total		503,399	100.0	518,809	100.0	15,410	3.1

Segment profit (loss)

(Millions of yen, %)

		Three months ended June 30, 2023		Three months ended June 30, 2024		Change	
		Amount	% to net sales	Amount	% to net sales	Amount	%
Passive Components		14,126	10.0	13,910	9.7	(216)	(1.5)
Sensor Application Products		647	1.7	(663)	(1.5)	(1,310)	-
Magnetic Application Products		(9,653)	(25.3)	758	1.4	10,411	-
Energy Application Products		32,187	11.7	55,332	21.0	23,145	71.9
Other		(1,184)	(11.0)	(121)	(0.9)	1,063	-
Subtotal		36,123	7.2	69,216	13.3	33,093	91.6
Adjustment		(9,821)		(11,344)		(1,523)	
Operating profit		26,302	5.2	57,872	11.2	31,570	120.0

Segment profit represents a segment's sales less its cost of sales, selling, general and administrative expenses and other operating income and expense that are not attributable to Corporate headquarters.

Segment profit is mainly adjusted for corporate expenses for company-wide operational and administrative purposes that are not allocated to operating segments.

3. Geographic segment information

The geographic segment information for the three months ended June 30, 2023 and 2024 are as follows:

Net sales

		(Millions of yen)
	Three months ended June 30, 2023	Three months ended June 30, 2024
Japan	45,839	42,051
Americas	39,955	35,794
Europe	54,406	46,358
China	269,489	270,594
Asia and others	93,710	124,012
Total	503,399	518,809

The net sales are based on the location of external customers.

(Significant subsequent events)

Stock split and partial amendment to the articles of incorporation

TDK Corporation (“the Company”) has resolved at the meeting of the Board of Directors held on July 30, 2024, the stock split and partial amendment to the articles of incorporation.

1. Purpose of the stock split

The Company plans to conduct the stock split and lower the amount per an investment unit for the purpose of making it easier for investors to invest and expanding the investor base.

2. Outline of the stock split

(1) Method of the stock split

The Company will split one share of its common stock owned by shareholders entered or recorded in the last shareholder registry as of September 30, 2024 into five shares.

(2) Number of shares to be increased by the stock split

Total number of shares issued before the stock split	388,771,977
Increase in the number of shares upon the stock split	1,555,087,908
Total number of shares issued after the stock split	1,943,859,885
Total number of shares issuable after the stock split	7,200,000,000

(3) Schedule of Stock Split

Public notice of record date	September 10, 2024
Record date	September 30, 2024
Effective date	October 1, 2024

(4) Impact on per share information

Based on the assumption that the stock split was conducted on April 1, 2023, the per share information for Q1 of FY2024 and FY2025 is as follows.

(Yen)

	Q1 of FY2024 (April 1, 2023 – June 30, 2023)	Q1 of FY2025 (April 1, 2024 – June 30, 2024)
(Basic) Net profit attributable to owners of parent	7.76	31.43
(Diluted) Net profit attributable to owners of parent	7.75	31.39

(5) Other

The stock split will not result in a change to the amount of stated capital.

3. Partial amendment to the articles of incorporation

(1) Reasons for the amendment

In line with the stock split, pursuant to the Article 184, paragraph 2 of the Companies Act of Japan, the Company will amend as of October 1, 2024, the total number of shares issuable set by Article 6 in the Articles of Incorporation of the Company.

(2) Details of the amendment

Details are as follows.

(Updated contents are underlined.)

Current Articles of Incorporation	After the amendment
(Aggregate Number of Issuable Shares) Article 6. The total number of shares that the Company may issue shall be <u>1,440,000,000 shares</u> .	(Aggregate Number of Issuable Shares) Article 6. The total number of shares that the Company may issue shall be <u>7,200,000,000 shares</u> .

(3) Schedule of the amendment to the Articles of Incorporation

Date of resolution by the Board of Directors: July 30, 2024

Effective date: October 1, 2024

(6) Appendix to the Consolidated Financial Statements

1) Foreign exchange rates

Term Item	Q1 of FY 2024 June 30, 2023		Q1 of FY 2025 June 30, 2024		FY 2024 March 31, 2024	
	US\$=¥	EURO=¥	US\$=¥	EURO=¥	US\$=¥	EURO=¥
The end of the period	144.99	157.60	161.07	172.33	151.41	163.24

2) Quarterly sales by product

(Millions of yen, %)

Term Product category	Q1 of FY 2024 (April 1, 2023 – June 30, 2023)		Q2 of FY 2024 (July 1, 2023 – September 30, 2023)		Q3 of FY 2024 (October 1, 2023 – December 31, 2023)		Q4 of FY 2024 (January 1, 2024 – March 31, 2024)	
	Amount	%	Amount	%	Amount	%	Amount	%
Capacitors	62,520	12.4	62,627	11.3	59,401	10.6	60,499	12.5
Inductive Devices	47,549	9.5	50,582	9.1	50,671	9.1	48,266	10.0
Other Passive Components	30,670	6.1	32,222	5.7	30,895	5.5	29,747	6.1
Passive Components	140,739	28.0	145,431	26.1	140,967	25.2	138,512	28.6
Sensor Application Products	38,787	7.7	47,266	8.5	49,249	8.8	45,209	9.3
Magnetic Application Products	38,217	7.6	44,837	8.1	49,300	8.8	51,857	10.7
Energy Application Products	274,933	54.6	303,990	54.6	304,545	54.5	238,194	49.1
Other	10,723	2.1	14,788	2.7	15,189	2.7	11,143	2.3
Total	503,399	100.0	556,312	100.0	559,250	100.0	484,915	100.0

(Millions of yen, %)

Term Product category	Q1 of FY 2025 (April 1, 2024 – June 30, 2024)	
	Amount	%
Capacitors	61,492	11.9
Inductive Devices	50,810	9.8
Other Passive Components	30,749	5.9
Passive Components	143,051	27.6
Sensor Application Products	44,080	8.5
Magnetic Application Products	55,013	10.6
Energy Application Products	262,920	50.7
Other	13,745	2.6
Total	518,809	100.0

Note: In accordance with the reorganization for the three months ended June 30, 2024, certain products of Other Passive Components are reclassified into Inductive Devices. Thus, the prior year's figures are also reclassified to conform to the new segmentation.