



TDK Corporation
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Consolidated results (IFRS) for the 2nd quarter of FY March 2025

(Millions of yen, %)

Account	Term	1H of FY 2024 (April 1, 2023 – September 30, 2023)		1H of FY 2025 (April 1, 2024 – September 30, 2024)		Change	
		Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales		1,059,711	100.0	1,089,501	100.0	29,790	2.8
Operating profit		85,548	8.1	133,302	12.2	47,754	55.8
Profit before tax		80,242	7.6	137,304	12.6	57,062	71.1
Net profit attributable to owners of parent		54,188	5.1	105,710	9.7	51,522	95.1
Earnings per share:							
- Basic		28.57 yen		55.72 yen			
- Diluted		28.53 yen		55.64 yen			
Purchase of tangible and intangible assets		114,445	-	93,451	-	(20,994)	(18.3)
Depreciation and amortization		94,610	8.9	94,957	8.7	347	0.4
Research and development expenses		90,106	8.5	123,186	11.3	33,080	36.7
Number of employees		103,867	-	106,374	-		

(Millions of yen, %)

Account	Term	2Q of FY 2024 (July 1, 2023 – September 30, 2023)		2Q of FY 2025 (July 1, 2024 – September 30, 2024)		Change	
		Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales		556,312	100.0	570,692	100.0	14,380	2.6
Operating profit		59,246	10.6	75,430	13.2	16,184	27.3
Profit before tax		59,230	10.6	67,741	11.9	8,511	14.4
Net profit attributable to owners of parent		39,463	7.1	46,083	8.1	6,620	16.8
Earnings per share:							
- Basic		20.81 yen		24.29 yen			
- Diluted		20.78 yen		24.26 yen			
Purchase of tangible and intangible assets		53,778	-	50,635	-	(3,143)	(5.8)
Depreciation and amortization		47,161	8.5	47,718	8.4	557	1.2
Research and development expenses		46,201	8.3	62,217	10.9	16,016	34.7

Note: Effective October 1, 2024, TDK implemented a share split at a ratio of five shares per common share. The basic and diluted Earnings per share are calculated assuming that the share split was implemented at the beginning of the fiscal year ended March 31, 2024. Detailed information can be found in “3. Condensed Consolidated Financial Statements and Primary Notes (5) Notes to the condensed consolidated financial statements (Significant subsequent events)” on page 26.

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[Summary Information and Financial Statements]

1. Summary Information Regarding Financial Results

(1) Summary Information Regarding Consolidated Business Results

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

In the first half of fiscal 2025, the global economy remained unstable due to the growing tensions in the Middle East on top of the sluggish economy in Europe and the continued economic slowdown in China, although North America remained robust. In terms of exchange rates, the yen continued to weaken 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, the launch of new models 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. On the other hand, in the industrial equipment market, capital expenditure demand remained weak in general. In the automotive market, demand for battery electric vehicles (BEVs) continued to show 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 half of fiscal 2025 increased year on year in the two segments of Sensor Application Products and Magnetic Application Products due to a recovery in demand for components in the ICT market, while sales in the Passive Components and Energy Application Products segments decreased year on year due mainly to a decline in demand related to the industrial equipment market. As a result, consolidated net sales for the first half of fiscal 2025 came to 1,089,501 million yen, up 2.8% year on year.

In terms of profits, reflecting 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, operating profit ended at 133,302 million yen, up 55.8% year on year; profit before tax was 137,304 million yen, up 71.1 % year on year; and net profit attributable to owners of parent came to 105,710 million yen, up 95.1 % year on year, which of them reached a record high for the first half of the fiscal year.

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

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

(Millions of yen, %)

Item	1H of FY 2024 (April 1, 2023 – September 30, 2023)		1H of FY2025 (April 1, 2024 – September 30, 2024)		Change	
	Amount	% to net sales	Amount	% to net sales	Amount	%
Net Sales	1,059,711	100.0	1,089,501	100.0	29,790	2.8
Operating profit	85,548	8.1	133,302	12.2	47,754	55.8
Profit before tax	80,242	7.6	137,304	12.6	57,062	71.1
Net profit attributable to owners of parent	54,188	5.1	105,710	9.7	51,522	95.1
Earnings per share:						
- Basic	28.57 yen		55.72 yen			
- Diluted	28.53 yen		55.64 yen			

Note: Effective October 1, 2024, TDK implemented a share split at a ratio of five shares per common share. The basic and diluted Earnings per share are calculated assuming that the share split was implemented at the beginning of the fiscal year ended March 31, 2024. Detailed information can be found in “3. Condensed Consolidated Financial Statements and Primary Notes (5) Notes to the condensed consolidated financial statements (Significant subsequent events)” on page 26.

Average yen exchange rates for the U.S. dollar and the euro during the first half of fiscal 2025 were ¥152.76 and ¥166.03, respectively, as the yen depreciated 8.5% against the U.S. dollar and 8.3% against the euro. As a result of these factors and fluctuations in foreign exchange rates, net sales increased by approximately ¥71.4 billion and operating profit increased by approximately ¥13.6 billion.

[Sales by Product]

Item	1H of FY2024 (April 1, 2023 – September 30, 2023)		1H of FY2025 (April 1, 2024 – September 30, 2024)		Change	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	Change (%)
Capacitors	125,147	11.8	119,505	10.9	(5,642)	(4.5)
Inductive Devices	98,131	9.3	103,505	9.5	5,374	5.5
Other Passive Components	62,892	5.9	61,956	5.7	(936)	(1.5)
Passive Components	286,170	27.0	284,966	26.1	(1,204)	(0.4)
Sensor Application Products	86,053	8.1	94,859	8.7	8,806	10.2
Magnetic Application Products	83,054	7.9	110,945	10.2	27,891	33.6
Energy Application Products	578,923	54.6	571,973	52.5	(6,950)	(1.2)
Other	25,511	2.4	26,758	2.5	1,247	4.9
Total	1,059,711	100.0	1,089,501	100.0	29,790	2.8
Overseas Sales	968,981	91.4	1,004,795	92.2	35,814	3.7

Note: In accordance with the reorganization for the first quarter 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 ¥284,966 million, down 0.4% year on year from ¥286,170 million.

Capacitors is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Sales in the Capacitors were ¥119,505 million, down 4.5% year on year from ¥125,147 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 5.5% year on year from ¥98,131 million to ¥103,505 million. Sales increased to the automotive and the ICT markets while decreased to the industrial equipment market.

Other Passive Components include High-Frequency Devices, Piezoelectric Material Products, and Circuit Protection Components. Sales of Other Passive Components decreased by 1.5% year on year from ¥62,892 million to ¥61,956 million. Sales decreased mainly to the ICT 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 10.2% from ¥86,053 million to ¥94,859 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 33.6% year on year from ¥83,054 million to ¥110,945 million. Sales of HDD Heads and HDD Suspension Assemblies increased to the ICT market. Sales of Magnets mainly decreased 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 1.2% from ¥578,923 million to ¥571,973 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 4.9% from ¥25,511 million to ¥26,758 million. Sales of Mechatronics increased to the industrial equipment market. Sales of Camera Module Micro Actuators for smartphones decreased 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:

Classification	Constituent Main Business
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 3.7% year on year from ¥968,981 million to ¥1,004,795 million. Overseas sales accounted for 92.2% of consolidated net sales, a 0.8 percentage point increase from 91.4% in the first half of fiscal 2024. Detailed information on sales by region can be found in the consolidated supplementary information on page 25.

(2) Summary Information Regarding Consolidated Financial Position

1) The following table summarizes TDK's consolidated statements of financial position as of September 30, 2024.

Total assets	¥3,512,840 million	(2.9% increase)
Total equity attributable to owners of parent	¥1,720,414 million	(0.8% increase)
Ratio of equity attributable to owners of parent	49.0%	(1.0 point decrease)

As of September 30, 2024, total assets increased by ¥97,536 million compared with March 31, 2024. Cash and cash equivalent increased by ¥46,714 million. Also, trade receivables and assets held for sale increased by ¥28,251 million, ¥ 16,081 million respectively.

Total liabilities increased by ¥81,392 million from March 31, 2024. Bonds and borrowings decreased by ¥53,475. On the other hand, trade payables, borrowings(current) and other financial liabilities(current) increased by ¥ 58,260 million, ¥ 47,746 million and ¥ 33,507 million respectively.

Total equity attributable to owners of parent, which is included in total equity, increased by ¥ 13,082 million from March 31, 2024. Other components of equity decreased by ¥ 81,096 million. On the other hand, retained earnings increased by ¥ 83,625 million.

2) Cash Flows

(Millions of yen)

	1H of FY 2024	1H of FY 2025	Change
Cash flows from operating activities	204,578	205,862	1,284
Cash flows from investing activities	(98,544)	(100,001)	(1,457)
Cash flows from financing activities	(17,547)	(32,792)	(15,245)
Effect of exchange rate changes on cash and cash equivalents	47,724	(26,355)	(74,079)
Net increase in cash and cash equivalents	136,211	46,714	(89,497)
Cash and cash equivalents at beginning of period	506,185	649,998	143,813
Cash and cash equivalents at end of period	642,396	696,712	54,316

Operating activities provided net cash of ¥205,862 million, an increase of ¥1,284 million year on year. It mainly came from an increase in net profit for the period.

Investing activities used net cash of ¥100,001 million, an increase of ¥1,457 million year on year. It mainly came from an increase in payments into time deposits.

Financing activities used net cash of ¥32,792 million, an increase of ¥15,245 million year on year. It mainly came from an increase of repayment of long-term borrowings and a decrease of proceeds from long-term borrowings.

(3) Summary Information Regarding Consolidated Projections

[Fiscal 2025 Consolidated Projections]

Looking at the electronics market during the first half of fiscal 2025, while production in the industrial equipment market and the automotive market remained sluggish, production in the ICT market, including that of smartphones and HDDs, remained robust, surpassing the level of the same period of the previous fiscal year. Under such circumstances, TDK's performance for the first half of fiscal 2025 exceeded the projections held on April 26, 2024. In the ICT market, sales of rechargeable batteries and sensors expanded due to the launch of new models of smartphones and other devices. In addition, sales of HDD Heads remained brisk as demand related to data centers, which had been sluggish in the previous fiscal year, recovered significantly.

As a result of the review of full-year projections in light of the above conditions, TDK has revised its consolidated projections for fiscal 2025 from the projections announced on April 26, 2024, as shown below. In addition, TDK will implement the measures to enhance asset efficiency looking ahead of the changes in future demand trend and recognize one-time expenses including restructuring costs of approximately ¥10.0 billion in total during fiscal 2025.

Item	FY2025 (April 1, 2024 - March 31, 2025)	FY2025 (April 1, 2024 - March 31, 2025)	vs Previous forecast Changes		FY2024 (April 1, 2023 - March 31, 2024)	vs FY2024 Changes	
	Projection in November '24	Projection in April '24			Actual		
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%	(Millions of yen)	(Millions of yen)	%
Net sales	2,120,000	2,105,000	15,000	0.7	2,103,876	16,124	0.8
Operating profit	220,000	180,000	40,000	22.2	172,893	47,107	27.2
Profit before tax	227,000	184,000	43,000	23.4	179,241	47,759	26.6
Net profit attributable to owners of parent	160,000	128,000	32,000	25.0	124,687	35,313	28.3
Purchase of tangible and intangible assets	250,000	250,000	-	-	218,589	31,411	14.4
Depreciation and amortization	190,000	190,000	-	-	190,546	(546)	(0.3)
Research and development expenses	240,000	220,000	20,000	9.1	188,860	51,140	27.1

Note:

In the fiscal 2025, TDK includes an increase of approximately ¥30.0 billion in research and development expenses on the year-on-year basis, 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 ¥147 and ¥161 respectively will be assumed for Fiscal 2025. Average yen exchange rates against the U.S. dollar and the euro of ¥140 and ¥156 respectively will be assumed from the third 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.

Projected dividends per share for fiscal 2025 are as follows. TDK has revised the interim dividend to 70 yen from 60 yen and the year-end dividend forecast to 14 yen from 12 yen, based on the revision of the consolidated projections for fiscal 2025 as well as on the fundamental policy for distribution of earnings. TDK split one share of its common stock into five shares with the effective date of October 1, 2024.

	FY2025	FY2024 Actual
Interim dividend	70.00	58.00
Year-end dividend (Prior to the stock split)	(Forecast) 14.00 (70.00)	58.00
Annual dividend (Prior to the stock split)	- (Forecast) (140.00)	116.00

3. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed consolidated statements of financial position

	March 31, 2024		September 30, 2024		Change
	Amount (Millions of yen)	%	Amount (Millions of yen)	%	Amount (Millions of yen)
Assets					
Current assets					
Cash and cash equivalents	649,998		696,712		46,714
Trade receivables	558,298		586,549		28,251
Other financial assets	47,052		55,761		8,709
Inventories	406,084		408,838		2,754
Income taxes receivables	4,828		4,483		(345)
Other current assets	61,198		74,753		13,555
Subtotal	1,727,458		1,827,096		99,638
Assets held for sale	517		16,598		16,081
Total current assets	1,727,975	50.6	1,843,694	52.5	115,719
Non-current assets					
Investments accounted for using the equity method	36,990		39,877		2,887
Other financial assets	184,425		173,879		(10,546)
Property, plant and equipment	991,072		1,001,328		10,256
Right-of-use assets	71,334		77,136		5,802
Goodwill	168,383		160,055		(8,328)
Intangible assets	57,114		52,250		(4,864)
Long-term advances to suppliers	105,941		96,542		(9,399)
Deferred tax assets	56,183		54,648		(1,535)
Other non-current assets	15,887		13,431		(2,456)
Total non-current assets	1,687,329	49.4	1,669,146	47.5	(18,183)
Total assets	3,415,304	100.0	3,512,840	100.0	97,536

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

	March 31, 2024		September 30, 2024		Change
	Amount (Millions of yen)	%	Amount (Millions of yen)	%	Amount (Millions of yen)
Liabilities					
Current liabilities					
Borrowings	212,907		260,653		47,746
Lease liabilities	11,627		12,209		582
Trade payables	351,940		410,200		58,260
Other financial liabilities	81,774		115,281		33,507
Income taxes payables	38,746		43,688		4,942
Provisions	12,605		11,225		(1,380)
Other current liabilities	307,291		295,788		(11,503)
Total current liabilities	1,016,890	29.8	1,149,044	32.7	132,154
Non-current liabilities					
Bonds and borrowings	400,259		346,784		(53,475)
Lease liabilities	60,943		67,205		6,262
Other financial liabilities	5,837		4,556		(1,281)
Retirement benefit liabilities	98,388		97,572		(816)
Provisions	13,660		13,119		(541)
Deferred tax liabilities	91,616		89,192		(2,424)
Other non-current liabilities	12,770		14,283		1,513
Total non-current liabilities	683,473	20.0	632,711	18.0	(50,762)
Total liabilities	1,700,363	49.8	1,781,755	50.7	81,392
Equity					
Equity attributable to owners of parent					
Share capital	32,641		32,641		-
Capital surplus	34		57		23
Retained earnings	1,138,732		1,222,357		83,625
Other components of equity	551,998		470,902		(81,096)
Other comprehensive income associated with assets held for sale	-		10,362		10,362
Treasury shares	(16,073)		(15,905)		168
Total equity attributable to owners of parent	1,707,332	50.0	1,720,414	49.0	13,082
Non-controlling interests	7,609	0.2	10,671	0.3	3,062
Total equity	1,714,941	50.2	1,731,085	49.3	16,144
Total liabilities and equity	3,415,304	100.0	3,512,840	100.0	97,536

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

[1st half results]

Condensed consolidated statements of profit or loss

	1H of FY2024 (April 1, 2023 – September 30, 2023)		1H of FY2025 (April 1, 2024 – September 30, 2024)		Change	
	Amount (Millions of yen)	% to net sales	Amount (Millions of yen)	% to net sales	Amount (Millions of yen)	%
Net sales	1,059,711	100.0	1,089,501	100.0	29,790	2.8
Cost of sales	(765,756)		(735,388)		30,368	
Gross profit	293,955	27.7	354,113	32.5	60,158	20.5
Selling, general and administrative expenses	(217,778)		(237,989)		(20,211)	
Other operating income	9,427		17,320		7,893	
Other operating expenses	(56)		(142)		(86)	
Operating profit	85,548	8.1	133,302	12.2	47,754	55.8
Finance income	14,393		13,664		(729)	
Finance costs	(19,605)		(8,191)		11,414	
Share of profit (loss) of investments accounted for using equity method	(94)		(1,471)		(1,377)	
Profit before tax	80,242	7.6	137,304	12.6	57,062	71.1
Income tax expense	(24,841)		(29,847)		(5,006)	
Net profit for the period	55,401	5.2	107,457	9.9	52,056	94.0
Net profit attributable to:						
Owners of parent	54,188	5.1	105,710	9.7	51,522	95.1
Non-controlling interests	1,213	0.1	1,747	0.2	534	44.0
Net profit for the period	55,401	5.2	107,457	9.9	52,056	94.0

Condensed consolidated statements of Comprehensive Income

	1H of FY2024 (April 1, 2023 – September 30, 2023)	1H of FY2025 (April 1, 2024 – September 30, 2024)	Change
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Net profit for the period	55,401	107,457	52,056
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	(123)	4,728	4,851
Remeasurements of defined benefit plans	156	3	(153)
Share of other comprehensive income of investments accounted for using the equity method	43	26	(17)
Total	76	4,757	4,681
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	138,214	(73,905)	(212,119)
Share of other comprehensive income of investments accounted for using the equity method	273	(1,612)	(1,885)
Total	138,487	(75,517)	(214,004)
Total other comprehensive income, net of tax	138,563	(70,760)	(209,323)
Comprehensive income for the period	193,964	36,697	(157,267)
Comprehensive income attributable to:			
Owners of parent	192,743	34,896	(157,847)
Non-controlling interests	1,221	1,801	580
Comprehensive income for the period	193,964	36,697	(157,267)

[2nd quarter results]

Condensed consolidated statements of profit or loss

	Three months ended September 30, 2023		Three months ended September 30, 2024		Change	
	Amount (Millions of yen)	% to net sales	Amount (Millions of yen)	% to net sales	Amount (Millions of yen)	%
Net sales	556,312	100.0	570,692	100.0	14,380	2.6
Cost of sales	(389,363)		(383,864)		5,499	
Gross profit	166,949	30.0	186,828	32.7	19,879	11.9
Selling, general and administrative expenses	(112,235)		(120,945)		(8,710)	
Other operating income	4,533		9,657		5,124	
Other operating expenses	(1)		(110)		(109)	
Operating profit	59,246	10.6	75,430	13.2	16,184	27.3
Finance income	7,873		6,978		(895)	
Finance costs	(7,899)		(13,447)		(5,548)	
Share of profit (loss) of investments accounted for using equity method	10		(1,220)		(1,230)	
Profit before tax	59,230	10.6	67,741	11.9	8,511	14.4
Income tax expense	(19,087)		(20,744)		(1,657)	
Net profit for the period	40,143	7.2	46,997	8.2	6,854	17.1
Net profit attributable to:						
Owners of parent	39,463	7.1	46,083	8.1	6,620	16.8
Non-controlling interests	680	0.1	914	0.1	234	34.4
Net profit for the period	40,143	7.2	46,997	8.2	6,854	17.1

Condensed consolidated statements of comprehensive income

	Three months ended September 30, 2023	Three months ended September 30, 2024	Change
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Net profit for the period	40,143	46,997	6,854
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	(1,438)	(451)	987
Remeasurements of defined benefit plans	156	3	(153)
Share of other comprehensive income of investments accounted for using the equity method	(2)	(157)	(155)
Total	(1,284)	(605)	679
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	45,599	(186,328)	(231,927)
Share of other comprehensive income of investments accounted for using the equity method	144	(2,908)	(3,052)
Total	45,743	(189,236)	(234,979)
Total other comprehensive income, net of tax	44,459	(189,841)	(234,300)
Comprehensive income for the period	84,602	(142,844)	(227,446)
Comprehensive income attributable to:			
Owners of parent	83,757	(143,841)	(227,598)
Non-controlling interests	845	997	152
Comprehensive income for the period	84,602	(142,844)	(227,446)

(3) Condensed consolidated statements of changes in equity

Six months ended September 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)		
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	-	-	54,188	-	-	54,188	1,213	55,401
Other comprehensive income, net of tax	-	-	-	138,555	-	138,555	8	138,563
Total comprehensive income for the period	-	-	54,188	138,555	-	192,743	1,221	193,964
Transactions with owners								
Equity transactions with non-controlling interests	-	(41)	-	-	-	(41)	1,168	1,127
Dividends paid	-	-	(20,102)	-	-	(20,102)	(96)	(20,198)
Transfer from retained earnings to capital surplus	-	2	(2)	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	(1)	(1)	-	(1)
Disposal of treasury shares	-	-	-	-	1	1	-	1
Share-based payment transactions	-	77	-	-	-	77	57	134
Exercise of share options	-	(39)	-	-	39	0	-	0
Delivery of share under restricted stock unit	-	(44)	-	-	44	-	-	-
Total transactions with owners	-	(45)	(20,104)	-	83	(20,066)	1,129	(18,937)
Transfer from other components of equity to retained earnings	-	-	210	(210)	-	-	-	-
Balance as of September 30, 2023	32,641	-	1,089,032	525,626	(16,176)	1,631,123	6,771	1,637,894

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

Six months ended September 30, 2024	Equity attributable to owners of parent							Non- controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Other comprehensive income associated with assets held for sale	Treasury shares	Total		
	(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	-	-	105,710	-	-	-	105,710	1,747	107,457
Other comprehensive income, net of tax	-	-	-	(70,814)	-	-	(70,814)	54	(70,760)
Total comprehensive income for the period	-	-	105,710	(70,814)	-	-	34,896	1,801	36,697
Transactions with owners									
Equity transactions with non-controlling interests	-	19	-	-	-	-	19	1,275	1,294
Dividends paid	-	-	(22,005)	-	-	-	(22,005)	(95)	(22,100)
Purchase of treasury shares	-	-	-	-	-	(1)	(1)	-	(1)
Share-based payment transactions	-	173	-	-	-	-	173	81	254
Exercise of share acquisition rights	-	(68)	-	-	-	68	0	-	0
Delivery of share under post-delivery type share remuneration plan	-	(101)	-	-	-	101	-	-	-
Total transactions with owners	-	23	(22,005)	-	-	168	(21,814)	1,261	(20,553)
Transfer from other components of equity to retained earnings	-	-	(80)	80	-	-	-	-	-
Transfer from other comprehensive income associated with assets held for sale to retained earnings	-	-	-	(10,362)	10,362	-	-	-	-
Balance as of September 30, 2024	32,641	57	1,222,357	470,902	10,362	(15,905)	1,720,414	10,671	1,731,085

(4) Condensed consolidated statements of cash flows

	1H of FY2024 (April 1, 2023 – September 30, 2023)	1H of FY2025 (April 1, 2024 – September 30, 2024)
	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from operating activities		
Net profit for the period	55,401	107,457
Depreciation and amortization	94,610	94,957
Impairment losses (reversal of impairment losses)	(510)	2,480
Finance income	(14,393)	(13,664)
Finance costs	19,605	8,191
Share of profit of investments accounted for using equity method	94	1,471
Income tax expense	24,841	29,847
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(3,239)	(49,771)
Decrease (increase) in inventories	36,679	(15,204)
Decrease (increase) in long-term advances to suppliers	6,514	6,766
Decrease (increase) in other current assets	(17,382)	(13,634)
Increase (decrease) in trade payables	16,950	70,621
Increase (decrease) in other current liabilities	(6,222)	3,448
Increase (decrease) in retirement benefit liabilities	(4,997)	(1,603)
Decrease (increase) in other financial assets	12,857	(11,838)
Increase (decrease) in other financial liabilities	11,901	4,652
Other	(21,310)	(895)
Subtotal	211,399	223,281
Interest and dividends received	10,622	9,863
Interest paid	(4,442)	(4,285)
Income taxes paid	(13,001)	(22,997)
Cash flows from operating activities	204,578	205,862

	1H of FY2024 (April 1, 2023 – September 30, 2023)	1H of FY2025 (April 1, 2024 – September 30, 2024)
	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from investing activities		
Purchase of tangible and intangible assets	(114,445)	(93,451)
Proceeds from sale of tangible and intangible assets	18,041	16,248
Proceeds from withdrawal of time deposits	25,455	33,719
Payments into time deposits	(18,292)	(46,028)
Proceeds from sale and redemption of securities	1,266	150
Payment for purchase of securities	(6,012)	(4,958)
Purchase of investments in associates	(4,627)	(5,975)
Other	70	294
Cash flows from investing activities	(98,544)	(100,001)
Cash flows from financing activities		
Proceeds from long-term borrowings	80,017	13,660
Repayment of long-term borrowings	(3,175)	(73,874)
Net increase (decrease) in short-term borrowings	(89,288)	54,920
Proceeds from issuance of bonds	20,000	-
Net increase (decrease) in commercial papers	(5)	-
Repayment of lease liabilities	(5,944)	(6,734)
Dividends paid	(20,096)	(21,963)
Other	944	1,199
Cash flows from financing activities	(17,547)	(32,792)
Effect of exchange rate changes on cash and cash equivalents	47,724	(26,355)
Net increase in cash and cash equivalents	136,211	46,714
Cash and cash equivalents at beginning of period	506,185	649,998
Cash and cash equivalents at end of period	642,396	696,712

(5) Notes to the condensed consolidated financial statements

(Notes to going concern assumption)

There are no items to report.

(Material accounting policies)

The material accounting policies adopted in the condensed 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 six months ended September 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 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 six months ended September 30, 2023 and 2024 are as follows:

Net sales (Millions of yen, %)

		1H of FY2024 (April 1, 2023 – September 30, 2023)		1H of FY2025 (April 1, 2024 – September 30, 2024)		Change	
		Amount	%	Amount	%	Amount	%
Passive Components	External customers	286,170	27.0	284,966	26.1	(1,204)	(0.4)
	Intersegment	3,785		2,064		(1,721)	(45.5)
	Total	289,955		287,030		(2,925)	(1.0)
Sensor Application Products	External customers	86,053	8.1	94,859	8.7	8,806	10.2
	Intersegment	680		573		(107)	(15.7)
	Total	86,733		95,432		8,699	10.0
Magnetic Application Products	External customers	83,054	7.9	110,945	10.2	27,891	33.6
	Intersegment	32		34		2	6.3
	Total	83,086		110,979		27,893	33.6
Energy Application Products	External customers	578,923	54.6	571,973	52.5	(6,950)	(1.2)
	Intersegment	8		1		(7)	(87.5)
	Total	578,931		571,974		(6,957)	(1.2)
Other	External customers	25,511	2.4	26,758	2.5	1,247	4.9
	Intersegment	3,317		2,920		(397)	(12.0)
	Total	28,828		29,678		850	2.9
Intersegment elimination		(7,822)		(5,592)		2,230	
Total		1,059,711	100.0	1,089,501	100.0	29,790	2.8

Segment profit (loss) (Millions of yen, %)

		1H of FY2024 (April 1, 2023 – September 30, 2023)		1H of FY2025 (April 1, 2024 – September 30, 2024)		Change	
		Amount	% to net sales	Amount	% to net sales	Amount	%
Passive Components		31,665	11.1	28,892	10.1	(2,773)	(8.8)
Sensor Application Products		5,025	5.8	3,186	3.4	(1,839)	(36.6)
Magnetic Application Products		(19,034)	(22.9)	1,780	1.6	20,814	-
Energy Application Products		89,670	15.5	123,360	21.6	33,690	37.6
Other		(521)	(2.0)	(1,290)	(4.8)	(769)	-
Subtotal		106,805	10.1	155,928	14.3	49,123	46.0
Adjustment		(21,257)		(22,626)		(1,369)	
Operating profit		85,548	8.1	133,302	12.2	47,754	55.8

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.

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

Net sales (Millions of yen, %)

		Three months ended September 30, 2023		Three months ended September 30, 2024		Change	
		Amount	%	Amount	%	Amount	%
Passive Components	External customers	145,431	26.1	141,915	24.9	(3,516)	(2.4)
	Intersegment	1,784		1,093		(691)	(38.7)
	Total	147,215		143,008		(4,207)	(2.9)
Sensor Application Products	External customers	47,266	8.5	50,779	8.9	3,513	7.4
	Intersegment	250		464		214	85.6
	Total	47,516		51,243		3,727	7.8
Magnetic Application Products	External customers	44,837	8.1	55,932	9.8	11,095	24.7
	Intersegment	0		18		18	-
	Total	44,837		55,950		11,113	24.8
Energy Application Products	External customers	303,990	54.6	309,053	54.1	5,063	1.7
	Intersegment	8		-		(8)	(100.0)
	Total	303,998		309,053		5,055	1.7
Other	External customers	14,788	2.7	13,013	2.3	(1,775)	(12.0)
	Intersegment	1,840		1,428		(412)	(22.4)
	Total	16,628		14,441		(2,187)	(13.2)
Intersegment elimination		(3,882)		(3,003)		879	
Total		556,312	100.0	570,692	100.0	14,380	2.6

Segment profit (loss) (Millions of yen, %)

		Three months ended September 30, 2023		Three months ended September 30, 2024		Change	
		Amount	% to net sales	Amount	% to net sales	Amount	%
Passive Components		17,539	12.1	14,982	10.6	(2,557)	(14.6)
Sensor Application Products		4,378	9.3	3,849	7.6	(529)	(12.1)
Magnetic Application Products		(9,381)	(20.9)	1,022	1.8	10,403	-
Energy Application Products		57,483	18.9	68,028	22.0	10,545	18.3
Other		663	4.5	(1,169)	(9.0)	(1,832)	-
Subtotal		70,682	12.7	86,712	15.2	16,030	22.7
Adjustment		(11,436)		(11,282)		154	
Operating profit		59,246	10.6	75,430	13.2	16,184	27.3

Segment profit represents a segment's sales less its cost of sales, selling, general and administrative

expenses and other operating profit 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 six months ended September 30, 2023 and 2024 are as follows:

Net sales

	1H of FY2024 (April 1, 2023 – September 30, 2023)	(Millions of yen) 1H of FY2025 (April 1, 2024 – September 30, 2024)
Japan	90,730	84,706
Americas	78,640	70,187
Europe	106,225	90,944
China	572,195	586,144
Asia and others	211,921	257,520
Total	1,059,711	1,089,501

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

Net sales

	Three months ended September 30, 2023	(Millions of yen) Three months ended September 30, 2024
Japan	44,891	42,655
Americas	38,685	34,393
Europe	51,819	44,586
China	302,706	315,550
Asia and others	118,211	133,508
Total	556,312	570,692

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

(Significant subsequent events)

Stock Split

Based on the resolution at the meeting of the Board of Directors held on July 30, 2024, TDK Corporation (“the Company”) conducted the stock split on effective date of October 1, 2024.

1) Purpose of the stock split

The stock split aims to increase the liquidity of stocks and expand the investor base by reducing the investment unit price of the Company's stocks.

2) Outline of the stock split

① Method

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

② Number of shares 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 Impact on per share information

Impact on per share information is listed in the relevant part.

(6) Appendix to the Consolidated Financial Statements

1) Foreign exchange rates

Term Item	1H of FY 2024 September 30, 2023		1H of FY 2025 September 30, 2024		FY 2024 March 31, 2024	
	US\$=¥	EURO=¥	US\$=¥	EURO=¥	US\$=¥	EURO=¥
	The end of the period	149.58	158.00	142.73	159.43	151.41

2) Quarterly sales by product

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
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)		Q2 of FY 2025 (July 1, 2024 – September 30, 2024)	
	Amount	%	Amount	%
	Capacitors	61,492	11.9	58,013
Inductive devices	50,810	9.8	52,695	9.2
Other passive components	30,749	5.9	31,207	5.5
Passive Components	143,051	27.6	141,915	24.9
Sensor Application Products	44,080	8.5	50,779	8.9
Magnetic Application Products	55,013	10.6	55,932	9.8
Energy Application Products	262,920	50.7	309,053	54.1
Other	13,745	2.6	13,013	2.3
Total	518,809	100.0	570,692	100.0

Note: In accordance with the reorganization for the first quarter 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.