

[Translation]

NOTICE OF CONVOCATION
OF
THE 127TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notes: 1. This is a translation from Japanese of a notice distributed to shareholders in Japan.

The translation is prepared solely for the convenience of foreign shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

2. There are no English translations of the following: Non-Consolidated Balance Sheet, Non-Consolidated Statement of Operations, Non-Consolidated Statement of Changes in Net Assets and Certified Copy of Accounting Auditors' Report for Non-Consolidated Financial Statements.

TDK Corporation
Tokyo, Japan

[Translation]

Securities Code No. 6762

Attention All Shareholders

May 31, 2023

Noboru Saito
Representative Director,
President & CEO
TDK Corporation
2-5-1, Nihonbashi, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 127TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

Thank you for your continued interest in TDK Corporation (the "Company").

You are hereby notified that the 127th Ordinary General Meeting of Shareholders will be held as stated below.

When convening this Ordinary General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of the Reference Documents for Shareholders Meeting, etc. (the “matters for which measures for providing information in electronic format will be taken”) in electronic format and posted such information on the following website as “Notice of Convocation of the 127th Ordinary General Meeting of Shareholders.” Please access the website to review the information.

The Company’s Internet Website:

https://www.tdk.com/en/ir/ir_events/general/index.html

If you decide not to attend the meeting, you may exercise your votes using either of the methods described below. Please vote by 5:20 P.M. on June 21, 2023 (Wednesday), after carefully reading the Reference Documents for Shareholders Meeting.

[Voting via the Internet, etc.]

Please enter your approval or disapproval of the proposals to be resolved by the deadline specified above.

[Voting by Mail]

Please indicate your approval or disapproval of the proposals to be resolved on the voting form and return it to the Company. The voting form must reach us by the deadline specified above.

Details

1. Date and Time: 10:00 A.M. on June 22, 2023 (Thursday)
2. Place of the Meeting: Toranomon Hills Forum Hall A
Toranomon Hills Mori Tower 5th Floor
23-3, Toranomon 1-chome, Minato-ku, Tokyo

3. Purposes of the Meeting:

Matters to be Reported

1. Report on the Business Report and the Consolidated Financial Statements for the 127th Fiscal Year (from April 1, 2022 to March 31, 2023), and Report on the Audit Results of the Consolidated Financial Statements for the 127th Fiscal Year by the Accounting Auditor and the Audit & Supervisory Board
2. Report on the Non-Consolidated Financial Statements for the 127th Fiscal Year (from April 1, 2022 to March 31, 2023)

Matters to be Resolved

- First Item: Appropriation of Retained Earnings
Second Item: Election of Seven (7) Directors
Third Item: Election of Five (5) Audit & Supervisory Board Members

4. Notes on Exercise of Votes:

- (1) If you vote both by mail and via the Internet, etc., then the vote via the Internet, etc. will be counted as the valid vote.
- (2) If you vote multiple times via the Internet, etc., your last vote will be counted as the valid vote.
- (3) If you indicate neither your approval nor disapproval of each proposal on the returned voting form, your answer will be deemed to be an approval.

End

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- If you are attending the meeting, kindly submit the voting form at the reception.
 - If there are any revisions made to the matters for which measures for providing information in electronic format will be taken, a notice to that effect and the matters before and after the revisions will be posted on the aforementioned websites.
 - Among the matters for which measures for providing information in electronic format will be taken, the following matters will not be described in the paper-based documents to be delivered to shareholders who requested the delivery of such documents in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company.
 - Consolidated Statement of Changes in Equity and List of Notes to the Consolidated Financial Statements; and
 - Non-Consolidated Statement of Changes in Net Assets and List of Notes to the Non-Consolidated Financial Statements.

Accordingly, the paper-based documents to be delivered to shareholders who requested the delivery of such documents constitute only part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board Member in preparation of their audit reports.

- If you are attending by proxy, you are entitled to one (1) proxy who is also a shareholder of the Company entitled to votes at the meeting. Please have the proxy present written proof of his/her right of proxy along with your voting form at the reception.
- Any person who is not a shareholder of the Company entitled to votes at the meeting (including, but not limited to, any proxy who is not a shareholder of the Company and any accompanying person) is not allowed to enter the place of the meeting.

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Information

First Item: Appropriation of Retained Earnings

The Company proposes that the appropriation of retained earnings be as provided below:

Matters concerning year-end dividends

The Company recognizes that achieving increase in corporate value over the medium- and long-term ultimately translates into higher shareholder value. In line with this understanding, the Company'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 strategic fields so as to respond precisely to rapid technological innovation in the electronics industry, the Company is aiming to increase a medium- and long-term corporate value. Accordingly, the Company actively reinvests the Company's earnings 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.

The Company intends to pay year-end dividends for the fiscal year under review as follows:

1. Item concerning the allotment of dividend assets and the total amount thereof:

¥53 per share of common stock of the Company

Total amount of dividends: ¥20,101,930,524

* Together with the interim dividend of ¥53 per share paid on December 2, 2022, the annual dividend is ¥106 per share.

2. Effective date of payment of dividends from retained earnings:

June 23, 2023

《Reference》 Trends in cash dividends per share and dividend payout ratio on a consolidated basis

	124th (Apr. 1, 2019 to Mar. 31, 2020)	125th (Apr. 1, 2020 to Mar. 31, 2021)	126th (Apr. 1, 2021 to Mar. 31, 2022)	127th (Apr. 1, 2022 to Mar. 31, 2023)
Interim dividend (¥)	30.00	30.00	33.33	53.00
Year-end dividend (¥)	30.00	30.00	45.00	(forecast) 53.00
Annual dividend (¥)	60.00	60.00	78.33	(forecast) 106.00
Dividend payout ratio on a consolidated basis (%)	39.3	28.7	22.6	(forecast) 35.2

Notes: 1. The Company split one share of its common stock into three shares with the effective date of October 1, 2021. The dividend amounts shown in the "Trends in cash dividends per share and dividend payout ratio on a consolidated basis" above are calculated based on the assumption that the stock split was conducted at the beginning of the 124th Fiscal Year (i.e., on April 1, 2019).

2. The Company has voluntarily adopted International Financial Reporting Standards ("IFRS") from the Consolidated Financial Statements in Annual Securities Report for the 126th Fiscal Year.

Therefore, the dividend payout ratio on a consolidated basis for and after the said Fiscal Year is calculated in accordance with IFRS.

Second Item: Election of Seven (7) Directors

The Company's Articles of Incorporation provides that the term of office of each Director shall last one (1) year. The terms of office of all seven (7) Directors will expire at the close of this Ordinary General Meeting of Shareholders. Accordingly, you are requested to elect seven (7) Directors (including three (3) Outside Directors).

The Company has adopted a basic policy that one-third (1/3) or more of the Directors shall be Independent Outside Directors. Further, the Company has established the Nomination Advisory Committee as an advisory body to the Board of Directors, and the Chair and more than half of the members of the Nomination Advisory Committee are Independent Outside Directors. All of the candidates in this proposal have been discussed by the Nomination Advisory Committee.

The Director candidates are as follows:

Candidate No.	Name	Position and Duties, etc. at the Company	Nomination Advisory Committee	Compensation Advisory Committee	Corporate Governance Committee	Attendance at Meetings of the Board of Directors
1	Noboru Saito Reelection Male	Representative Director, President & CEO • General Manager of Humidifier Countermeasures HQ	Member	-	Member	100% (10 out of 10 meetings)
2	Tetsuji Yamanishi Reelection Male	Representative Director & Executive Vice President • General Manager of Finance & Accounting HQ	-	Member	-	100% (14 out of 14 meetings)
3	Shigenao Ishiguro Reelection Male	Chairman & Director	Member	Member	Member (Chair)	100% (14 out of 14 meetings)
4	Shigeki Sato Reelection Male	Director & Senior Vice President • General Manager of Technology and Intellectual Property HQ	-	-	-	100% (14 out of 14 meetings)

Candidate No.	Name	Position and Duties, etc. at the Company	Nomination Advisory Committee	Compensation Advisory Committee	Corporate Governance Committee	Attendance at Meetings of the Board of Directors
5	Kozue Nakayama <input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director <input type="checkbox"/> Female	Director	Member (Chair)	Member	Member	100% (14 out of 14 meetings)
6	Mutsuo Iwai <input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director <input type="checkbox"/> Male	Director • Chair of the Board	Member	Member	Member	92.9% (13 out of 14 meetings)
7	Shoei Yamana <input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director <input type="checkbox"/> Male	Director	Member	Member (Chair)	Member	100% (10 out of 10 meetings)

Note: The “Attendance at Meetings of the Board of Directors” column for Messrs. Noboru Saito and Shoei Yamana reflects the number of the Meetings of the Board of Directors which were held after they had become a Director on June 24, 2022.

Candidate No. 1	Noboru Saito (Date of Birth: Sept. 10, 1966)	<ul style="list-style-type: none"> ➤ Candidate for Reelection ➤ Number of Shares of the Company Owned: 24,400 shares ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 3 years (total number of years including past years in office as Director)
Attendance at Meetings of the Board of Directors, etc. during the fiscal year ended March 31, 2023 (“Fiscal 2023”) (Number of attendances/Number of times held) <ul style="list-style-type: none"> ➤ Meetings of the Board of Directors*: 10/10 (100%) ➤ Nomination Advisory Committee*: 10/10 (100%) * After Mr. Saito became a Director and a member of the Nomination Advisory Committee in June 2022.		
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts		
Apr. 1989 May 2006 Jan. 2007 Oct. 2009 Jun. 2011 Oct. 2012	Entered the Company President of TDK Electronics Europe GmbH General Manager of Europe Sales Division of Electronic Components Sales & Marketing Group of the Company Deputy General Manager of Europe Sales Division of Electronic Components Sales & Marketing Group of TDK-EPC Corporation Corporate Officer of the Company Deputy General Manager of Electronic Components Sales & Marketing Group of TDK-EPC Corporation Deputy General Manager of Electronic Components Sales & Marketing Group of the Company	Apr. 2013 Jun. 2013 Apr. 2014 Apr. 2015 Jun. 2015 Apr. 2017 Apr. 2022 Jun. 2022 General Manager of Electronic Components Sales & Marketing Group of the Company Senior Vice President of the Company General Manager of Electronic Components Sales & Marketing Group of the Company General Manager of Corporate Strategy HQ of the Company Director of the Company (retired in Jun. 2017) CEO of Sensor Systems Business Company of the Company President & CEO of the Company (present post) General Manager of Humidifier Countermeasures HQ of the Company (present post) Representative Director of the Company (present post)
➤ Reasons for nomination as a candidate for Director After having served as the head of the Electronic Components Sales & Marketing Department, the Management Strategy Department and the Sensor Business Department of the Company, Mr. Noboru Saito became the President & CEO of the Company in April 2022 and its Representative Director in June of the same year, and is currently working to enhance sustainable corporate growth and increase corporate value over the mid- to long-term of TDK Group (“TDK”). The Company believes that Mr. Saito can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his adequate management experience and knowledge which he has accumulated on a global basis, and has nominated him as a candidate for Director of the Company.		
➤ Other Mr. Noboru Saito currently serves as a member of the Nomination Advisory Committee and a member of the Corporate Governance Committee.		

Candidate No. 2	Tetsuji Yamanishi (Date of Birth: May 29, 1960)	<div>➤ Candidate for Reelection</div> <div>➤ Number of Shares of the Company Owned: 15,000 shares</div> <div>➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 7 years</div>	
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held) <div>➤ Meetings of the Board of Directors: 14/14 (100%)</div> <div>➤ Compensation Advisory Committee*: 5/5 (100%)</div> <div>* After Mr. Yamanishi became a member of the Compensation Advisory Committee in June 2022.</div>			
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1983 Jan. 2005	Entered the Company Senior Manager of Managerial Accounting Department of Finance & Accounting Department of Administration Group of the Company	Jun. 2015 Jun. 2016 Apr. 2017	Corporate Officer of the Company Director of the Company General Manager of Finance & Accounting HQ of the Company (present post)
Jul. 2008	Head of Managerial Accounting Department of Finance & Accounting Department of Administration Group of the Company	Jun. 2017 Jun. 2018	Senior Vice President of the Company Representative Director of the Company (present post)
Jun. 2013	General Manager of Finance & Accounting Department of the Company	Apr. 2019	Global Chief Compliance Officer of the Company
Apr. 2015	General Manager of Finance & Accounting Group of the Company	Apr. 2020	Executive Vice President of the Company (present post)
<div>➤ Reasons for nomination as a candidate for Director</div> <div>Mr. Tetsuji Yamanishi has experience in accounting and finance in the Company’s domestic and overseas business, and currently serves as Representative Director and the head of the Finance and Accounting Department. The Company believes that Mr. Yamanishi can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his experience and insight as well as his high level of expertise and capabilities which he has accumulated in the Company’s financial and managerial administrative aspect on a global basis, and has nominated him as a candidate for Director of the Company.</div>			
<div>➤ Other</div> <div>Mr. Tetsuji Yamanishi currently serves as a member of the Compensation Advisory Committee.</div>			

Candidate No. 3	Shigenao Ishiguro (Date of Birth: Oct. 30, 1957)	<ul style="list-style-type: none">➤ Candidate for Reelection➤ Number of Shares of the Company Owned: 16,500 shares➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 7 years	
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held) <ul style="list-style-type: none">➤ Meetings of the Board of Directors: 14/14 (100%)➤ Nomination Advisory Committee: 12/12 (100%)➤ Compensation Advisory Committee*: 5/5 (100%) * After Mr. Ishiguro became a member of the Compensation Advisory Committee in June 2022.			
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Jan. 1982 Apr. 2002 Jul. 2004 Apr. 2007 Apr. 2011	Entered the Company Senior Manager of Planning Group of Europe Sales Group of Recording Media & Solutions Business Group of the Company Leader of Planning Group of Japan Operation of HDD Head Business Division of Data Storage & Thin Film Technology Components Business Group of the Company Leader of Japan Operation of HDD Head Business Division of Data Storage & Thin Film Technology Components Business Group of the Company Deputy General Manager of Data Storage & Thin Film Technology Components Business Group of the Company	Jun. 2012 Jun. 2014 Apr. 2015 Jun. 2015 Jun. 2016 Apr. 2022 Jun. 2022	General Manager of Data Storage & Thin Film Technology Components Business Group of the Company Corporate Officer of the Company CEO of Magnetic Heads and Sensors Business Company of the Company Senior Vice President of the Company President & Representative Director of the Company Chairman & Representative Director of the Company Outside Director of NTT DATA Corporation (present post) Chairman & Director of the Company (present post)
[Situation regarding Significant Concurrent Posts] Outside Director of NTT DATA Corporation			
<ul style="list-style-type: none">➤ Reasons for nomination as a candidate for Director After having served as the head of the HDD (Hard Disk Drive) Head Business of the Company, Mr. Shigenao Ishiguro had served as President & Representative Director of the Company since 2016 and strongly promoted the creation of new business and management reform. As Chairman & Representative Director from April 2022 and Chairman & Director from June of the same year, he supervises overall management of the Company. He also chairs the Corporate Governance Committee and works to strengthen governance of the Company, among other things. The Company believes that Mr. Ishiguro can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his experience and knowledge, and has nominated him as a candidate for Director of the Company.			
<ul style="list-style-type: none">➤ Other Mr. Shigenao Ishiguro currently serves both as a member of the Nomination Advisory Committee and the Compensation Advisory Committee as well as the chair of the Corporate Governance Committee.			

Candidate No. 4	Shigeki Sato (Date of Birth: Jul. 9, 1964)	<ul style="list-style-type: none"> ➤ Candidate for Reelection ➤ Number of Shares of the Company Owned: 3,300 shares ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 2 years
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held) ➤ Meetings of the Board of Directors: 14/14 (100%)		
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts		
Apr. 1989 Jan. 2004 Feb. 2007 Dec. 2011 Apr. 2016	Entered the Company General Manager of Advanced Process Technology Center of the Company Head of Technology Division of Capacitors Business Group of the Company Senior Manager of Multilayer product Business Unit of Magnetics Business Group of the Company General Manager of Ceramic Capacitors Business Group of Electronic Components Business Company of the Company	Apr. 2019 Apr. 2021 Jun. 2021
Corporate Officer of the Company CEO of Electronic Components Business Company of the Company Senior Vice President of the Company (present post) General Manager of Technology and Intellectual Property HQ of the Company (present post) Director of the Company (present post)		
➤ Reasons for nomination as a candidate for Director After working at the research and development department and serving as the technical officer, general manager, etc. of major business departments, Mr. Shigeki Sato is currently in charge of promoting the Company's research and development as well as planning and implementing the Company's intellectual property strategies as the head of the research and development department. The Company believes that Mr. Sato can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his experience and insight, and has nominated him as a candidate for Director of the Company.		

Candidate No. 5	Kozue Nakayama (Date of Birth: Feb. 25, 1958)	<ul style="list-style-type: none">➤ Candidate for Reelection➤ Outside Director➤ Independent Director➤ Number of Shares of the Company Owned: 0 shares➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 3 years	
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held) <ul style="list-style-type: none">➤ Meetings of the Board of Directors: 14/14 (100%)➤ Nomination Advisory Committee: 12/12 (100%)➤ Compensation Advisory Committee: 7/7 (100%)			
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1982 Sep. 2010	Entered Nissan Motor Co., Ltd. Deputy General Manager of Global Branding Division of the said company	Jun. 2019	Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. (present post) Outside Director of the Company (present post) Outside Director of Isuzu Motors Limited (present post) Outside Director of Nanto Bank, Ltd. (present post)
Mar. 2011	Retired from the said company	Jun. 2020	
Apr. 2011	Entered Yokohama City		
Apr. 2012	Director General of Culture and Tourism Bureau of the said city	Jun. 2022	
Jun. 2018	President and Representative Director of Pacific Convention Plaza Yokohama (resigned in Jun. 2020)		
[Situation regarding Significant Concurrent Posts] Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. Outside Director of Isuzu Motors Limited Outside Director of Nanto Bank, Ltd.			
【Candidate for Outside Director】 ➤ Reasons for nomination as a candidate for Outside Director and expected roles Ms. Kozue Nakayama has an abundance of experience and knowledge concerning global business related to the automotive industry as well as knowledge and insight into corporate management. The Company expects her to supervise the overall management of the Company and to give advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company by utilizing her experience and insight, and has nominated her as a candidate for Outside Director of the Company. In addition, Ms. Kozue Nakayama currently serves both as a member of the Compensation Advisory Committee and a member of the Corporate Governance Committee as well as the chair of the Nomination Advisory Committee. In the event that the proposal of her election in this Item is approved by this Ordinary General Meeting of Shareholders and she becomes an Outside Director, the Company expects that she will continuously contribute to ensure the transparency and objectivity of the decision-making process regarding the nomination of the Company’s Directors, Audit & Supervisory Board Members and Corporate Officers, and the compensation of the Company’s Directors and Corporate Officers as a member of the Nomination Advisory Committee and the Compensation Advisory Committee, as well as contribute to continuous enrichment in corporate governance as a member of the Corporate Governance Committee.			

➤ Matters relating to independence

Ms. Kozue Nakayama meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted her as an Independent Director to Tokyo Stock Exchange, Inc. In the event that the proposal of her election in this Item is approved by this Ordinary General Meeting of Shareholders and she becomes an Outside Director, she will continue to be an Independent Director.

Although Ms. Kozue Nakayama serves as Outside Director of Isuzu Motors Limited and TDK has a business relationship with Isuzu Group, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2023, the ratio of sales of TDK to Isuzu Group represented less than 1% of the consolidated net sales of TDK and the ratio of sales of Isuzu Group to TDK represented less than 1% of the consolidated net sales of Isuzu Group.

Candidate No. 6	<div>Mutsuo Iwai</div> <div>(Date of Birth: Oct. 29, 1960)</div>		<div>➤ Candidate for Reelection</div> <div>➤ Outside Director</div> <div>➤ Independent Director</div> <div>➤ Number of Shares of the Company Owned: 0 shares</div> <div>➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 2 years</div>
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held)			
<div>➤ Meetings of the Board of Directors: 13/14 (92.9%)</div> <div>➤ Nomination Advisory Committee: 11/12 (91.7%)</div> <div>➤ Compensation Advisory Committee: 6/7 (85.7%)</div>			
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1983	Entered Japan Tobacco and Salt Public Corporation	Jun. 2013	Senior Executive Vice President; Chief Strategy Officer of JT
Jun. 2005	Senior Vice President and Vice President of Food Business Division of Food Business of Japan Tobacco Inc. (“JT”)	Jan. 2016	Executive Vice President; President of Tobacco Business of JT
Jun. 2006	Member of the Board and Executive Vice President; President of Food Business of JT	Mar. 2016	Representative Director and Executive Vice President; President of Tobacco Business of JT
Jun. 2008	Executive Vice President; Chief Strategy Officer of JT	Jan. 2020	Member of the Board of JT
Jun. 2010	Member of the Board and Senior Vice President; Chief Strategy Officer and Assistant to CEO in Food Business of JT	Mar. 2020	Member and Deputy Chairperson of the Board of JT
Jun. 2011	Member of the Board of JT Executive Vice President of JT International S.A.	Jun. 2020	Outside Director of Benesse Holdings, Inc. (present post)
		Jun. 2021	Outside Director of the Company (present post)
		Mar. 2022	Member and Chairperson of the Board of JT (present post)
[Situation regarding Significant Concurrent Posts]			
Member and Chairperson of the Board of JT (non-Executive Director) Outside Director of Benesse Holdings, Inc.			
【Candidate for Outside Director】			
➤ Reasons for nomination as a candidate for Outside Director and expected roles			
<p>Mr. Mutsuo Iwai has an abundance of experience and knowledge as a manager of a company that operates globally in the tobacco, pharmaceutical, food and other businesses. The Company expects him to supervise the overall management of the Company and to give advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company by utilizing his experience and insight, and has nominated him as a candidate for Outside Director of the Company.</p> <p>In addition, Mr. Mutsuo Iwai currently serves as a member of the Nomination Advisory Committee, a member of the Compensation Advisory Committee and a member of the Corporate Governance Committee as well as the Chair of the Board. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, the Company expects that he will continuously contribute to the effective operation of the Board of Directors Meetings as Chair of the Board and also contribute to ensure the transparency and objectivity of the decision-making process regarding the nomination of the Company’s Directors, Audit & Supervisory Board Members and Corporate Officers, and the compensation of the Company’s Directors</p>			

and Corporate Officers as a member of the Nomination Advisory Committee and the Compensation Advisory Committee, as well as contribute to continuous enrichment in corporate governance as a member of the Corporate Governance Committee.

➤ Matters relating to independence

Mr. Mutsuo Iwai meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted him as an Independent Director to Tokyo Stock Exchange, Inc. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, he will continue to be an Independent Director.

Candidate No. 7	<div>Shoei Yamana</div> <div>(Date of Birth: Nov. 18, 1954)</div>	<div><div>➤ Candidate for Reelection</div><div>➤ Outside Director</div><div>➤ Independent Director</div><div>➤ Number of Shares of the Company Owned: 0 shares</div><div>➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 1 year</div></div>
<div>Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023</div> <div>(Number of attendances/Number of times held)</div> <div><div>➤ Meetings of the Board of Directors*: 10/10 (100%)</div><div>➤ Nomination Advisory Committee*: 10/10 (100%)</div><div>➤ Compensation Advisory Committee*: 5/5 (100%)</div></div> <div>* After Mr. Yamana became a Director and a member of the Nomination Advisory Committee and the Compensation Advisory Committee in June 2022.</div>		
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts		
<div>Apr. 1977</div> <div>Jan. 2001</div> <div>Jul. 2002</div> <div>Aug. 2003</div> <div>Oct. 2003</div>	<div>Entered Minolta Camera Co., Ltd.</div> <div>CEO of Minolta QMS Inc.</div> <div>Executive Officer and General Manager of Management Planning Division of Minolta Co., Ltd.</div> <div>Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of the said company</div> <div>Senior Executive Officer of Konica Minolta Holdings, Inc. (current Konica Minolta, Inc.)</div> <div>Senior Executive Officer of the said company and Managing Director of Konica Minolta Business Technologies, Inc.</div>	<div>Jun. 2006</div> <div>Apr. 2011</div> <div>Apr. 2013</div> <div>Apr. 2014</div> <div>Apr. 2022</div> <div>Jun. 2022</div> <div>Director and Senior Executive Officer in charge of Corporate Strategy of Konica Minolta Holdings, Inc.</div> <div>Director and Senior Executive Officer of the said company Representative Director and President of Konica Minolta Business Technologies, Inc.</div> <div>Director and Senior Managing Executive Officer of Konica Minolta, Inc.</div> <div>Director, President and CEO, and Representative Executive Officer of the said company</div> <div>Director, Executive Chairman and Executive Officer of the said company (present post)</div> <div>Outside Director of the Company (present post)</div>
<div>[Situation regarding Significant Concurrent Posts]</div> <div>Director, Executive Chairman and Executive Officer of Konica Minolta, Inc.</div>		
<div>【Candidate for Outside Director】</div> <div>➤ Reasons for nomination as a candidate for Outside Director and expected roles</div> <div>Mr. Shoei Yamana has an abundance of experience and knowledge as a manager of a company that operates globally in the MFPs, digital printing systems, healthcare and other businesses. The Company expects him to supervise the overall management of the Company and to give advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company by utilizing his experience and insight, and has nominated him as a candidate for Outside Director of the Company.</div> <div>In addition, Mr. Shoei Yamana currently serves both as a member of the Nomination Advisory Committee and a member of the Corporate Governance Committee as well as the chair of the Compensation Advisory Committee. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, the Company expects that he will continuously contribute to ensure the transparency and objectivity of the</div>		

decision-making process regarding the nomination of the Company's Directors, Audit & Supervisory Board Members and Corporate Officers, and the compensation of the Company's Directors and Corporate Officers as a member of the Nomination Advisory Committee and the Compensation Advisory Committee, as well as contribute to continuous enrichment in corporate governance as a member of the Corporate Governance Committee.

➤ Matters relating to independence

Mr. Shoei Yamana meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted him as an Independent Director to Tokyo Stock Exchange, Inc. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, he will continue to be an Independent Director.

Although Mr. Shoei Yamana serves as Director, Executive Chairman and Executive Officer of Konica Minolta, Inc. and TDK has a business relationship with Konica Minolta Group, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2023, the ratio of sales of TDK to Konica Minolta Group represented less than 1% of the consolidated net sales of TDK and the ratio of sales of Konica Minolta Group to TDK represented less than 1% of the consolidated net sales of Konica Minolta Group.

Notes: 1. None of the above seven (7) candidates have any special interest in the Company.

2. The Company entered into contracts with each of the current Outside Directors pursuant to Article 427 paragraph 1 of the Companies Act of Japan to limit the liabilities of each such Outside Director to the Company under Article 423 paragraph 1 of the same Act to the amount set forth in each such contract, which shall be equal to the Minimum Liability Amount as provided for in Article 425 paragraph 1 of the same Act.

In the event that the proposal of election of Ms. Kozue Nakayama, Messrs. Mutsuo Iwai and Shoei Yamana in this Item is approved by this Ordinary General Meeting of Shareholders and they become Outside Directors, such contracts will continue to be in effect.

3. The Company entered into directors, etc. liability insurance contract set forth in Article 430-3, paragraph 1 of the Companies Act of Japan with an insurance company. Under the said insurance contract, the amount of damages and costs of litigation, etc. that an insured may incur due to claims for damages arising from acts (including omissions) committed by the insured in his/her capacity as a Director of the Company, etc. shall be covered by the insurance. The insurance premiums for the insured are fully borne by the Company. In the event that the proposal in this Item is approved by this Ordinary General Meeting of Shareholders and each of the above seven (7) Director candidates becomes a Director of the Company, each of them will be deemed as an insured under the said insurance contract. The Company plans to renew the said insurance contract with the same level of content at the next renewal.

Third Item: Election of Five (5) Audit & Supervisory Board Members

The terms of office of all five (5) Audit & Supervisory Board Members will expire at the close of this Ordinary General Meeting of Shareholders. Accordingly, you are requested to elect five (5) Audit & Supervisory Board Members (including three (3) Outside Audit & Supervisory Board Members).

The Company has obtained the Audit & Supervisory Board's consent regarding this Item.

The Audit & Supervisory Board Member candidates are as follows:

Candidate No.	Name	Position at the Company	Attendance at Meetings of the Board of Directors	Attendance at Meetings of the Audit & Supervisory Board
1	Takakazu Momozuka <input type="button" value="Reelection"/> <input type="button" value="Male"/>	Full-time Audit & Supervisory Board Member	100% (14 out of 14 meetings)	100% (15 out of 15 meetings)
2	Masato Ishikawa <input type="button" value="New Candidate"/> <input type="button" value="Male"/>	-	-	-
3	Douglas K. Freeman <input type="button" value="Reelection"/> <input type="button" value="Outside Audit & Supervisory Board Member"/> <input type="button" value="Independent Audit & Supervisory Board Member"/> <input type="button" value="Male"/>	Audit & Supervisory Board Member	100% (14 out of 14 meetings)	100% (15 out of 15 meetings)
4	Chizuko Yamamoto <input type="button" value="New Candidate"/> <input type="button" value="Outside Audit & Supervisory Board Member"/> <input type="button" value="Independent Audit & Supervisory Board Member"/> <input type="button" value="Female"/>	-	-	-
5	Takashi Fujino <input type="button" value="New Candidate"/> <input type="button" value="Outside Audit & Supervisory Board Member"/> <input type="button" value="Independent Audit & Supervisory Board Member"/> <input type="button" value="Male"/>	-	-	-

Candidate No. 1	Takakazu Momozuka (Date of Birth: Nov. 3, 1958)	<div>➤ Candidate for Reelection</div> <div>➤ Number of Shares of the Company Owned: 9,000 shares</div> <div>➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 4 years</div>	
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held) <div>➤ Meetings of the Board of Directors: 14/14 (100%)</div> <div>➤ Meetings of the Audit & Supervisory Board: 15/15 (100%)</div>			
Profile, Position at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1982 Apr. 2005 Jun. 2008 Jun. 2011 Jun. 2013 Apr. 2015	Entered the Company Senior Manager, Finance & Accounting Department, Administration Group of the Company General Manager, Finance & Accounting Department, Administration Group of the Company Corporate Officer of the Company In charge of Finance & Accounting and BPR Project of the Company General Manager, Corporate Administration HQ of the Company In charge of Management System and BPR Project of the Company	Jun. 2016 Oct. 2016 Apr. 2017 Mar. 2019 Jun. 2019	Deputy General Manager, Corporate Administration HQ of the Company General Manager, General Affairs Group, Corporate Administration HQ of the Company Chief Compliance Officer of the Company General Manager, Compliance HQ of the Company General Manager, Legal & Compliance HQ of the Company Retirement of Corporate Officer of the Company Full-time Audit & Supervisory Board Member of the Company (present post)
<div>➤ Reasons for nomination as a candidate for Audit & Supervisory Board Member</div> <p>Mr. Takakazu Momozuka has an abundance of knowledge in overall management based on his experience as a Corporate Officer, Chief Compliance Officer and the head of the finance & accounting department. Also, he has been serving as Full-time Audit & Supervisory Board Member of the Company since 2019. The Company believes that Mr. Momozuka can continuously perform the duties of Audit & Supervisory Board Member of the Company appropriately and conduct highly effective audit and proper audit on overall management by utilizing his experience and insight, and has nominated him as a candidate for Audit & Supervisory Board Member of the Company.</p>			

Candidate No. 2	Masato Ishikawa (Date of Birth: Jan. 27, 1965)	<ul style="list-style-type: none"> ➤ New Candidate ➤ Number of Shares of the Company Owned: 0 shares ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): -
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held) <ul style="list-style-type: none"> ➤ Meetings of the Board of Directors: - ➤ Meetings of the Audit & Supervisory Board: - 		
Profile, Position at the Company, and Situation regarding Significant Concurrent Posts		
Apr. 1988 Apr. 2009 Sept. 2009 Apr. 2013 Apr. 2015 Jul. 2015	Entered the Company Business Strategy Leader, Data Storage & Thin Film Technology Components Business Group of the Company Senior Manager, Corporate Planning Dept., Corporate Strategy Group of the Company General Manager, Corporate Planning Group, Corporate Strategy HQ of the Company General Manager, Corporate Planning Group, Corporate Strategy HQ of the Company General Manager, Strategic Planning Division, Magnetic Products BG of the Company	Jun. 2016 Apr. 2017 Apr. 2019 Apr. 2023 General Manager, Management Systems Group, Corporate Administration HQ of the Company General Manager, SCM Reengineering Group, SCM & Management System HQ of the Company General Manager, SCM & Management System HQ of the Company Senior Manager, Audit & Supervisory Board Members Office of the Company (present post)
➤ Reasons for nomination as a candidate for Audit & Supervisory Board Member <p>Mr. Masato Ishikawa has an abundance of knowledge in information security and overall management based on his experience as the head of the corporate planning department and the information system department. The Company believes that Mr. Ishikawa can perform the duties of Audit & Supervisory Board Member of the Company appropriately and conduct highly effective audit and proper audit on overall management by utilizing his experience and insight, and has nominated him as a candidate for Audit & Supervisory Board Member of the Company.</p>		

Candidate No. 3	<div>Douglas K. Freeman</div> <div>(Date of Birth: May 23, 1966)</div>	<div><div>➤ Candidate for Reelection</div><div>➤ Outside Audit & Supervisory Board Member</div><div>➤ Independent Audit & Supervisory Board Member</div><div>➤ Number of Shares of the Company Owned: 0 shares</div><div>➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 4 years</div></div>
<div>Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023</div> <div>(Number of attendances/Number of times held)</div> <div><div>➤ Meetings of the Board of Directors: 14/14 (100%)</div><div>➤ Meetings of the Audit & Supervisory Board: 15/15 (100%)</div></div>		
Profile, Position at the Company, and Situation regarding Significant Concurrent Posts		
<div>Apr. 1990</div> <div>Apr. 1996</div> <div>Jun. 1997</div> <div>Sep. 2002</div>	<div>Entered Goldman Sachs Japan Co., Ltd.</div> <div>Registered as lawyer in Japan</div> <div>Joined Mitsui, Yasuda, Wani & Maeda</div> <div>Joined Hamada Law Offices</div> <div>Registered as lawyer in New York, the United States of America</div> <div>Joined Sullivan & Cromwell LLP</div>	<div><div>Sep. 2007</div><div>Feb. 2016</div><div>Apr. 2019</div><div>Jun. 2019</div></div> <div><div>Principal of Law Offices of Douglas K. Freeman (present post)</div><div>Outside Director of U-Shin Ltd.</div><div>Professor of Keio University Law School (present post)</div><div>Outside Audit & Supervisory Board Member of the Company (present post)</div></div>
<div>[Situation regarding Significant Concurrent Posts]</div> <div>Principal of Law Offices of Douglas K. Freeman</div>		
<div>[Candidate for Outside Audit & Supervisory Board Member]</div> <div><div>➤ Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member</div><div>Mr. Douglas K. Freeman, as a lawyer, has specialized knowledge in law and an abundance of experience in international corporate legal affairs.</div><div>Although Mr. Freeman does not have the experience of being involved in business management other than as an outside director/audit & supervisory board member, the Company believes that he can continuously perform the duties of Outside Audit & Supervisory Board Member of the Company appropriately and contribute to the improvement of auditing quality by utilizing his experience and insight, and has nominated him as a candidate for Outside Audit & Supervisory Board Member of the Company.</div><div>The Company has no business relationship with Law Offices of Douglas K. Freeman, where Mr. Freeman is Principal.</div><div>➤ Matters relating to independence</div><div>Mr. Douglas K. Freeman meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted him as an Independent Audit & Supervisory Board Member to Tokyo Stock Exchange, Inc. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Audit & Supervisory Board Member, he will continue to be an Independent Audit & Supervisory Board Member.</div></div>		

Candidate No. 4	<div>Chizuko Yamamoto</div> <div>(Date of Birth: Nov. 18, 1965)</div>	<div><div>➤ New Candidate</div><div>➤ Outside Audit & Supervisory Board Member</div><div>➤ Independent Audit & Supervisory Board Member</div><div>➤ Number of Shares of the Company Owned: 0 shares</div><div>➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): -</div></div>	
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held) <div><div>➤ Meetings of the Board of Directors: -</div><div>➤ Meetings of the Audit & Supervisory Board: -</div></div>			
Profile, Position at the Company, and Situation regarding Significant Concurrent Posts			
Oct. 1992	Entered Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC)	Sep. 2019	Member of Regulations and Institutions Committee of Japanese Institute of Certified Public Accountants, Tokyo Chapter
Apr. 1996	Registered as certified public accountant		
Jul. 2010	Partner of Deloitte Touche Tohmatsu LLC	Jun. 2020	Principal of Chizuko Yamamoto CPA Office (present post)
Jul. 2019	Permanent Officer of Japanese Institute of Certified Public Accountants, Tokyo Chapter	Aug. 2020	Outside Audit & Supervisory Board Member of Ozu Corporation (present post)
		Jun. 2021	Outside Director of Tokyo Rope Mfg. Co., Ltd. (present post)
[Situation regarding Significant Concurrent Posts] <div>Principal of Chizuko Yamamoto CPA Office</div> <div>Outside Audit & Supervisory Board Member of Ozu Corporation</div> <div>Outside Director of Tokyo Rope Mfg. Co., Ltd.</div>			
[Candidate for Outside Audit & Supervisory Board Member] <div><div>➤ Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member</div><div>Ms. Chizuko Yamamoto, as a certified public accountant, has specialized knowledge in finance and accounting and an abundance of experience in audits.</div><div>Although Ms. Yamamoto does not have the experience of being involved in business management other than as an outside director/audit & supervisory board member, the Company believes that she can perform the duties of Outside Audit & Supervisory Board Member of the Company appropriately and contribute to the improvement of auditing quality by utilizing her experience and insight, and has nominated her as a candidate for Outside Audit & Supervisory Board Member of the Company.</div><div>The Company has no business relationship with Chizuko Yamamoto CPA Office, where Ms. Yamamoto is Principal.</div><div><div>➤ Matters relating to independence</div><div>Ms. Chizuko Yamamoto meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted her as an Independent Audit & Supervisory Board Member to Tokyo Stock Exchange, Inc. In the event that the proposal of her election in this Item is approved by this Ordinary General Meeting of Shareholders and she becomes an Outside Audit & Supervisory Board Member, she will become an Independent Audit & Supervisory Board Member.</div></div></div>			

Although Ms. Chizuko Yamamoto serves as Outside Audit & Supervisory Board Member of Ozu Corporation and TDK has a business relationship with Ozu Group, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2023, the ratio of sales of Ozu Group to TDK represented less than 1% of the consolidated net sales of Ozu Group.

Candidate No. 5	<div>Takashi Fujino</div> <div>(Date of Birth: Feb. 12, 1956)</div>	<div><div>➤ New Candidate</div><div>➤ Outside Audit & Supervisory Board Member</div><div>➤ Independent Audit & Supervisory Board Member</div><div>➤ Number of Shares of the Company Owned: 0 shares</div><div>➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): -</div></div>	
Attendance at Meetings of the Board of Directors, etc. during Fiscal 2023 (Number of attendances/Number of times held) <div><div>➤ Meetings of the Board of Directors: -</div><div>➤ Meetings of the Audit & Supervisory Board: -</div></div>			
Profile, Position at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1979	Entered Asahi Glass Co., Ltd. (current AGC Inc.) (“AGC”)	Jan. 2015	Director, Senior Executive Officer, and Assistant to President of AGC (retired in Mar. 2015)
Jan. 2009	Executive Officer and General Manager of Corporate Planning Office of AGC	Mar. 2015	Advisor of Ise Chemicals Corporation Representative Director, President and Chief Executive Officer of Ise Chemicals Corporation (retired in Mar. 2019)
Jan. 2010	Senior Executive Officer, CFO and General Manager of President Office of AGC		
Mar. 2010	Director, Senior Executive Officer, CFO and General Manager of President Office of AGC	Jun. 2021	Outside Director of Kyokuto Boeki Kaisha, Ltd. (present post)
[Situation regarding Significant Concurrent Posts] Outside Director of Kyokuto Boeki Kaisha, Ltd.			
[Candidate for Outside Audit & Supervisory Board Member] <div><div>➤ Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member</div><div>Mr. Takashi Fujino has an abundance of experience and knowledge concerning accounting, finance, IR, and corporate management, etc. in companies with global operations in glasses, chemicals, and other businesses. The Company believes that he can perform the duties of Outside Audit & Supervisory Board Member of the Company appropriately and contribute to the improvement of auditing quality by utilizing his experience and insight, and has nominated him as a candidate for Outside Audit & Supervisory Board Member of the Company.</div><div>➤ Matters relating to independence</div><div>Mr. Takashi Fujino meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted him as an Independent Audit & Supervisory Board Member to Tokyo Stock Exchange, Inc. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Audit & Supervisory Board Member, he will become an Independent Audit & Supervisory Board Member.</div></div>			

Notes: 1. None of the above five (5) candidates have any special interest in the Company.

2. The Company entered into contracts with each of the current Audit & Supervisory Board Members pursuant to Article 427 paragraph 1 of the Companies Act of Japan to limit the liabilities of each such Audit & Supervisory Board Member to the Company under Article 423 paragraph 1 of the same Act to the amount set forth in each such contract, which shall be equal to the Minimum Liability Amount as provided for in Article 425 paragraph 1 of the same Act.

In the event that the proposal of election of Messrs. Takakazu Momozuka and Douglas K. Freeman in this Item is approved by this Ordinary General Meeting of Shareholders and they become Audit & Supervisory Board Members, such contracts will continue to be in effect.

Also, in the event that the proposal of election of Mr. Masato Ishikawa, Ms. Chizuko Yamamoto and Mr. Takashi Fujino in this Item is approved by this Ordinary General Meeting of Shareholders and they become Audit & Supervisory Board Members, the Company will enter into the same contract with each of them.

3. The Company entered into directors, etc. liability insurance contract set forth in Article 430-3, paragraph 1 of the Companies Act of Japan with an insurance company. Under the said insurance contract, the amount of damages and costs of litigation, etc. that an insured may incur due to claims for damages arising from acts (including omissions) committed by the insured in his/her capacity as an Audit & Supervisory Board Member of the Company, etc. shall be covered by the insurance. The insurance premiums for the insured are fully borne by the Company. In the event that the proposal in this Item is approved by this Ordinary General Meeting of Shareholders and each of the above five (5) Audit & Supervisory Board Member candidates becomes a Audit & Supervisory Board Member of the Company, each of them will be deemed as an insured under the said insurance contract. The Company plans to renew the said insurance contract with the same level of content at the next renewal.

《Reference》 Skills matrix of Directors and Audit & Supervisory Board Members of the Company (anticipated) after this Ordinary General Meeting of Shareholders

Name		Position	Corporate Management	Global Business Experience	Sales/ Marketing	ESG/ Sustainability	Technology/ Research & Development	Manufacture/ Production Technology	Finance/ Accounting	Legal/ Compliance/ Risk Management
Directors	Noboru Saito	Representative Director President & CEO	●	●	●	●				
	Tetsuji Yamanishi	Representative Director Executive Vice President	●	●					●	●
	Shigenao Ishiguro	Chairman & Director	●	●		●	●	●		
	Shigeki Sato	Director Senior Vice President	●	●			●	●		
	Kozue Nakayama	Outside Director	●	●	●	●				
	Mutsuo Iwai	Outside Director	●	●						●
	Shoei Yamana	Outside Director	●	●	●	●				
Audit & Supervisory Board Members	Takakazu Momozuka	Full-time Audit & Supervisory Board Member		●		●			●	●
	Masato Ishikawa	Full-time Audit & Supervisory Board Member		●				●		●
	Douglas K. Freeman	Outside Audit & Supervisory Board Member		●						●
	Chizuko Yamamoto	Outside Audit & Supervisory Board Member		●					●	●
	Takashi Fujino	Outside Audit & Supervisory Board Member	●	●					●	●

<Fields where the Company especially expects Directors and Audit & Supervisory Board Members to demonstrate their skills>

Skills the Company expect	Reasons for selecting the skills in question
Corporate Management	To contribute to a sustainable society and increase corporate value, the ability to perform in corporate management and to manage and supervise executive divisions is required.
Global Business Experience	Experience and knowledge in global business are essential in TDK where over 90% of net sales is recorded outside of Japan.
Sales/Marketing	Sales and marketing skills are necessary to understand market demands and create new business opportunities from the conception of both technology-out and market-in.
ESG/Sustainability	An adequate understanding of ESG and sustainability, one of the most crucial issues in present-day society, is an important ability to supervise the corporate management.
Technology/Research & Development	As under the Corporate Motto “Contribute to culture and industry through creativity”, the Company aims to be a company that brings the well-being to all people through technology.
Manufacture/Production Technology	An adequate understanding and passion for <i>monozukuri</i> (i.e., manufacturing experience) is required as quality and reliability of products are the foundation of TDK’s business.
Finance/Accounting	To aim for sustainable growth and carry out necessary investments, knowledge in finance and accounting, which supports a sound and solid financial basis, is required.
Legal/Compliance/Risk Management	Legal, compliance and risk management skills are necessary to respond to the trust of all stakeholders and to increase corporate value in a sound and sustainable manner.

(1) Basic Policy

The Company has established “TDK Basic Policy on Corporate Governance” for the purpose of enhancing sustainable corporate growth and increase of corporate value over the mid- to long-term of TDK.

This Basic Policy and other information on the corporate governance of the Company are available at the Company’s website below.

<https://www.tdk.com/en/ir/governance/index.html>

(2) Nomination of Directors, Audit & Supervisory Board Members and Corporate Officers

(i) Procedures for Nomination of Directors, Audit & Supervisory Board Members and Corporate Officers

The Nomination Advisory Committee discusses the conditions expected with regard to nominations for the posts of Director, Audit & Supervisory Board Member and Corporate Officer and makes nominations. In this way it helps ensure the appropriateness of the elections of Directors, Audit & Supervisory Board Members and Corporate Officers, and the transparency of the decision-making process. The Chair and more than half of the members of the Nomination Advisory Committee are Independent Outside Directors.

In addition, the Nomination Advisory Committee discusses the independence of Outside Directors and Outside Audit & Supervisory Board Members.

All candidates in the Second and Third Items have been discussed by the Nomination Advisory Committee.

(ii) Composition of the Board of Directors

■ Basic Policy

- The Board of Directors shall be composed of a small number of Directors in order to expedite the management decision-making.
- One-third or more of the Directors shall be Independent Outside Directors.
- An Independent Outside Director serves as the Chair of the Board of Directors in principle from a standpoint of further separating supervision from execution.

■ Status of appointment of Outside Directors and Outside Audit & Supervisory Board Members in the event that the proposals in the Second and Third Items are approved as originally proposed

- Directors: Three (3) out of seven (7) Directors are Independent Outside Directors (among which one (1) is female)
- Audit & Supervisory Board Members: Three (3) out of five (5) Audit & Supervisory Board Members are Independent Outside Audit & Supervisory Board Members (among which one (1) is female)
- Total: Six (6) out of twelve (12) Directors and Audit & Supervisory Board Members are Independent Outside Directors or Independent Outside Audit & Supervisory Board Members (among which two (2) are female)

(iii) Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members

In order to secure the independence of the Outside Directors and Outside Audit & Supervisory Board Members it invites, the Company has established “items to be verified regarding independence” with reference to such criteria as Rule 436-2 of the Securities

Listing Regulations regarding Securing Independent Directors/Audit & Supervisory Board Members and Rule III. 5. (3)-2 of the Guidelines concerning Listed Company Compliance, etc., both of which are stipulated by Tokyo Stock Exchange, Inc. The outline of these items is as follows.

【Items to be verified regarding independence】

- (1) In cases where the relevant Outside Director/Audit & Supervisory Board Member is a person concerned with TDK

An Outside Director/Audit & Supervisory Board Member shall be judged not to be independent if either of the following cases applies to them at present or has applied to them during the past ten (10) years.

- (i) A Director of the Company or a subsidiary of the Company (except Outside Directors)
- (ii) An Audit & Supervisory Board Member of the Company or a subsidiary of the Company (except Outside Audit & Supervisory Board Members)
- (iii) A Corporate Officer of the Company or a subsidiary of the Company
- (iv) An employee of the Company or a subsidiary of the Company

- (2) In cases where the relevant Outside Director/Audit & Supervisory Board Member has a business relationship with TDK

An Outside Director/Audit & Supervisory Board Member shall be judged not to be independent if they are at present, or have been during the past three (3) years, a party with a business relationship with the Company as described in (i) below, or a person who executes business for such a party, or if (ii) below applies to them at present or has applied to them during the past three (3) years.

- (i) Where it is recognized, objectively and reasonably, that such business relationship is necessary for, or has a substantial influence on, the continued operation of TDK or the other party to such business relationship (where there is a high degree of dependence in the relationship, where the relationship is the source of 2% or more of consolidated net sales, or where the other party to the relationship receives money or other assets from TDK other than remuneration for Director/Audit & Supervisory Board Member)
- (ii) Where it is recognized within TDK that the relevant Outside Director/Audit & Supervisory Board Member is involved in a business relationship with the other party to such business relationship

- (3) In cases where the relevant Outside Director/Audit & Supervisory Board Member is a consultant, an accounting professional or a law professional

An Outside Director/Audit & Supervisory Board Member shall be judged not to be independent if any of the following cases applies to such person at present or has applied to such person during the past three (3) years.

- (i) Where it is recognized, objectively and reasonably, that the relevant Outside Director/Audit & Supervisory Board Member (including candidates for such position; the same shall apply hereinafter) cannot perform duties as an Independent Director/Audit & Supervisory Board Member because they receive

money or other assets from TDK other than remuneration for Director/Audit & Supervisory Board Member (where there is a high degree of dependence)

- (ii) Where it is recognized, objectively and reasonably, that the relevant Outside Director/Audit & Supervisory Board Member cannot perform duties as an Independent Director/Audit & Supervisory Board Member because an organization to which such person belongs (hereinafter the “Relevant Organization”) receives money or other assets from TDK other than remuneration for Director/Audit & Supervisory Board Member (where this income is equivalent to 2% or more of total consolidated net sales)
 - (iii) Where TDK has a high degree of dependence on a professional or a Relevant Organization, such as a case where services, etc., rendered by such parties are essential to the corporate management of TDK or it would be difficult to find an alternative provider of the same services, etc.
 - (iv) Where it is recognized within TDK that the relevant Outside Director/Audit & Supervisory Board Member is involved in the services, etc., provided by the Relevant Organization
- (4) In the case of a close relative of the relevant Outside Director/Audit & Supervisory Board Member
- An Outside Director/Audit & Supervisory Board Member shall be judged not to be independent if either of the following cases applies to their close relative (meaning a relative within the second degree of kinship) at present or has applied to them during the past three (3) years.
- (i) A person to whom (2) or (3) above applies (except persons without material significance)
 - (ii) A person who executes business for the Company or a subsidiary of the Company (except persons without material significance)

(3) Evaluation of the effectiveness of the Board of Directors

The Company conducts an evaluation of the effectiveness of the Board of Directors each fiscal year in order to verify whether the functions expected of the Board of Directors are properly performed and enhance such functions. Also, the Company requests a third-party evaluation institution to evaluate the effectiveness of the Board of Directors periodically (about once every three (3) years) in order to verify it from a neutral and objective standpoint.

In the Board of Directors evaluation for the fiscal year ended March 2023, as a survey was conducted by a third-party evaluation institution in the fiscal year ended March 2022, the Corporate Governance Committee (Chaired by Shigenao Ishiguro, Chairman & Director of the Company), which is an advisory body to the Board of Directors, conducted a primary evaluation in a neutral position, and after discussion by the Board of Directors, the Company conducted a final evaluation. As for the issues identified in the evaluation for the previous fiscal year, the Company implements remedial measures and verifies their results, thereby creating a cycle for continuous improvement of governance.

The results of the evaluation concluded that the effectiveness of the Board of Director and its advisory committees (the Nomination Advisory Committee and the Compensation Advisory Committee) was sufficiently secured in terms of their size and composition,

content of agenda items and deliberations, status of discussions, reflection on management, etc.

End

BUSINESS REPORT

(From: April 1, 2022
To: March 31, 2023)

1. Business Conditions

(1) Business Conditions and Results of TDK Group (“TDK”)

In the fiscal year ended March 31, 2023 (“Fiscal 2023”), while socio-economic and production activities following the resurgence of COVID-19 in some areas remained on a recovery trend, the global economy slowed due to the continued inflation associated with the protraction of the Ukraine crisis, as well as policy rate hikes in the United States and Europe, among other factors. Since the beginning of the fourth quarter, financial instability triggered by the collapse of U.S. banks and concerns over the management failure of a European financial institution have further intensified uncertainty surrounding the global economy. In addition, the gap in interest rates between Japan and other countries significantly affected the foreign exchange market and the yen depreciated sharply against other currencies.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, overall production volume saw a significant decline reflecting sluggish final demand. In the Information and Communication Technology (ICT) market, while smartphone production volume was substantially below the previous fiscal year’s level, demand related to some new models remained strong. In addition, demand for notebook PCs and tablets, which had been brisk amid the COVID-19 pandemic, declined considerably. The production volume of Hard Disk Drives (HDDs) was significantly lower than the previous fiscal year’s level, and demand related to data centers as well as PCs dropped sharply. On the other hand, in the automotive market, production volume picked up moderately and increased from the previous fiscal year, despite lingering concerns about the shortage of some types of semiconductors. Demand for components remained firm reflecting the increasing number of components installed per vehicle as a result of the spread of xEVs (battery, hybrid, plug-in hybrid and other electric vehicles). In the industrial equipment market, demand related to renewable energy and residential energy storage systems expanded due to soaring energy prices.

As a result, consolidated operating results for the Company for Fiscal 2023 were as follows:

	(¥ in millions)		
	Fiscal 2022	Fiscal 2023	YoY Change
Net sales	1,902,124	2,180,817	14.7%
Operating profit	166,775	168,827	1.2%
Profit before tax	172,490	167,219	(3.1)%
Net profit attributable to owners of parent	131,298	114,187	(13.0)%
Net profit attributable to owners of parent / Basic per common share (¥)	346.44	301.19	(45.25)

Notes: 1. The Company split one share of its common stock into three shares with the effective date of October 1, 2021. Net profit attributable to owners of parent / Basic per common share is calculated based on the assumption that the stock split was conducted on April 1, 2021.

2. The Company has produced consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) as of Fiscal 2023. Figures for the previous fiscal year listed in this Business Report have been reclassified under IFRS, unless otherwise noted.

3. For Fiscal 2023, as a result of the review of future changes in demand and projections, TDK posted ¥47.7 billion in impairment losses and restructuring costs mainly for businesses facing challenges in improving profitability. TDK also recorded ¥12.0 billion in income from decrease in retirement benefit liabilities due to extension of retirement age.

(2) Segment Information of TDK

TDK's net sales are made up of four reporting segments —“Passive Components”, “Sensor Application Products,” “Magnetic Application Products,” and “Energy Application Products,” as well as “Other” that are not included in any of these four reporting segments.

Net sales by business section in each segment were as follows:

[Consolidated]

					(¥ in millions)
Business Section		Main Applications	Net Sales	Share of Sales (%)	YoY Change (%)
	Capacitors	Automobiles, industrial equipment, communications equipment, and PCs, etc.	239,693	11.0	21.0
	Inductive Devices		198,481	9.1	10.1
	Other Passive Components		137,765	6.3	6.4
	Passive Components		575,939	26.4	13.4
Sensor Application Products		Automobiles, industrial equipment, communications equipment, etc.	169,543	7.8	29.7
Magnetic Application Products		PCs and PC peripherals, automobiles, industrial equipment, etc.	200,573	9.2	(19.3)
Energy Application Products		Communications equipment, PCs, industrial equipment, automobiles, etc.	1,173,355	53.8	21.5
Other		Communications equipment, industrial equipment, etc.	61,407	2.8	23.5
Consolidated Total			2,180,817	100.0	14.7
Incl. Overseas Sales			2,004,381	91.9	14.3

Note: In accordance with the reorganization for the first quarter of the fiscal year ended March 31, 2023, certain products of “Other” are reclassified into other “Passive Components” and certain products of other “Passive Components” are reclassified into Capacitors and Inductive devices. Thus, calculation of year on year change figures are based on the previous year's net sales, which have been reclassified to conform to the new segmentation.

[Passive Components Segment]

This segment is made up of (1) Capacitors, (2) Inductive Devices, and (3) Other Passive Components. Consolidated net segment sales were ¥575,939 million, up 13.4% year on year from ¥507,826 million.

The Capacitors business is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Consolidated net sales in the Capacitors business were ¥239,693 million, up 21.0%

year on year from ¥198,145 million. Sales of Ceramic Capacitors increased to the automotive market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors increased to the industrial equipment and the automotive markets.

Consolidated net sales of Inductive Devices business increased by 10.1% year on year from ¥180,239 million to ¥198,481 million. Sales increased to the automotive and the industrial equipment markets.

Other Passive Components include High-Frequency Devices, Piezoelectric Material Products and Circuit Protection Components. Consolidated net sales in Other Passive Components increased by 6.4% year on year from ¥129,442 million to ¥137,765 million. Sales increased to the industrial equipment and the automotive markets.

[Sensor Application Products Segment]

This segment is made up of Temperature and Pressure Sensors, Magnetic Sensors and MEMS Sensors. Consolidated net segment sales increased by 29.7% year on year from ¥130,769 million to ¥169,543 million. Sales increased mainly to the ICT and the automotive markets.

[Magnetic Application Products Segment]

This segment is made up of HDD Heads, HDD Suspension Assemblies, and Magnets. Consolidated net segment sales decreased by 19.3% year on year from ¥248,446 million to ¥200,573 million.

Sales of HDD Heads and HDD Suspension Assemblies decreased to the ICT market. Sales of Magnets increased to the automotive market. In addition, TDK recorded one-time expenses of ¥25.7 billion in impairment losses and restructuring costs for the HDD Heads and HDD Suspension Assemblies business overall including ¥19.2 billion in impairment losses on property, plant and equipment, etc. related to Suspension Application Products as profitability decreased following sluggish sales and other factors.

[Energy Application Products Segment]

This segment is made up of Energy Devices (Rechargeable Batteries) and Power Supplies. Consolidated net segment sales increased by 21.5% year on year from ¥965,345 million to ¥1,173,355 million.

Sales of Energy Devices increased significantly mainly to the ICT market. In addition, TDK recorded impairment losses of ¥11.8 billion related to property, plant and equipment, etc. for EV Power Supplies Products due to a decrease in profitability associated with sluggish sales and other factors.

[Other]

Other includes Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, and Others. Consolidated net segment sales increased by 23.5% year on year from ¥49,738 million to ¥61,407 million.

Sales of Mechatronics increased to the industrial equipment market. Sales of Camera Module Micro Actuators for smartphones increased to the ICT market.

(3) Capital Expenditures of TDK

TDK invested ¥275,709 million in capital expenditures in Fiscal 2023, down 5.4% from ¥291,337 million in Fiscal 2022, to provide an accurate response to fast-paced technological innovation and escalating sales competition in the electronics market.

Main capital expenditures included expenditures for factories and production equipment to increase production and raise production efficiency of Rechargeable Batteries; equipment to increase production and raise production efficiency of Ceramic Capacitors and Inductive Devices; and

equipment for producing next-generation HDD Heads with higher areal density and HDD Suspension Assemblies. In Fiscal 2023, TDK executed capital expenditures in the aforementioned core business operations.

(4) Research and Development of TDK

The expenditure for R&D activities in Fiscal 2023 was ¥179,467 million, up 8.6% from ¥165,250 million in Fiscal 2022. TDK invested in R&D to respond to the diversifying electronics market by strengthening and expanding new product development on an ongoing basis.

TDK is focusing on developing products where future growth is promising, such as rechargeable batteries and sensors, and is strengthening collaboration with marketing functions to contribute to the development of a sustainable society through cutting-edge technology that supports Digital Transformation (DX) and Energy Transformation (EX).

Further, TDK has built a four-base system for global R&D (Japan, Americas, Europe, and Asia), and is developing products in collaboration with R&D organizations and leading companies around the world based on a Time-to-Market mindset.

(5) Fund Procurement of TDK

The balances of straight bonds and debt as of the end of Fiscal 2023 were as follows:

(¥ in millions)

Issue	Balance at March 31, 2022	Balance at March 31, 2023	YoY Change
Bonds	199,279	199,399	120
Short- and long-term debt	480,534	552,759	72,225
Total	679,813	752,158	72,345

Issuances of bonds and assumption of short-term and long-term debt are mainly decided by and carried out by the Company. Details of bonds issued by the Company and its main lenders as of March 31, 2023 are as follows:

1) Straight Bonds

(¥ in millions)

Issue	Issue date	Total amount of issue	Coupon rate	Redemption date
5th Series Unsecured Straight Bonds	July 28, 2020	30,000	0.18% per annum	July 28, 2025
6th Series Unsecured Straight Bonds	July 28, 2020	30,000	0.31% per annum	July 28, 2027
7th Series Unsecured Straight Bonds	July 28, 2020	40,000	0.43% per annum	July 26, 2030
8th Series Unsecured Straight Bonds	December 2, 2021	30,000	0.15% per annum	December 2, 2026
9th Series Unsecured Straight Bonds (TDK Sustainability-Linked Bonds)	December 2, 2021	40,000	0.26% per annum	December 1, 2028
10th Series Unsecured Straight Bonds	December 2, 2021	30,000	0.38% per annum	December 2, 2031

Note: TDK Sustainability-Linked Bonds are bonds that the means of the Company's achievement of the TDK Environmental Vision 2035 are incorporated as its indicators.

2) Main Lenders

(¥ in millions)

Lender	Amount
Resona Bank, Limited	76,000
Sumitomo Mitsui Banking Corporation	70,000
MUFG Bank, Ltd.	70,000
Sumitomo Mitsui Trust Bank, Limited	53,000
Mizuho Bank, Ltd.	52,500
Development Bank of Japan Inc.	20,000

(6) Assignment of Businesses or Acceptance of Assignment of Businesses of Other Companies, or Acquisition or Disposition of Shares, etc., of Other Companies

Not applicable.

(7) Assets and Earnings in the Last Four Fiscal Years

[Consolidated Results]

(¥ in millions)

Item \ Term	124th (Apr. 1, 2019 to Mar. 31, 2020)	125th (Apr. 1, 2020 to Mar. 31, 2021)	126th (Apr. 1, 2021 to Mar. 31, 2022)		127th (Apr. 1, 2022 to Mar. 31, 2023)
	U.S. GAAP	U.S. GAAP	U.S. GAAP	IFRS	IFRS
Net sales	1,363,037	1,479,008	1,902,124	1,902,124	2,180,817
Operating profit	97,870	111,535	166,665	166,775	168,827
Profit before tax	95,876	121,904	234,185	172,490	167,219
Net profit attributable to owners of parent	57,780	79,340	183,632	131,298	114,187
Net profit attributable to owners of parent / Basic per common share (¥)	152.49	209.36	484.53	346.44	301.19
Total assets	1,943,379	2,401,433	3,086,924	3,041,653	3,147,027
Total equity attributable to owners of parent	843,957	1,003,538	1,346,683	1,300,317	1,458,446
Total equity attributable to owners of parent per share (¥)	2,227.05	2,648.08	3,553.02	3,430.69	3,845.28

Item \ Term	124th (Apr. 1, 2019 to Mar. 31, 2020)	125th (Apr. 1, 2020 to Mar. 31, 2021)	126th (Apr. 1, 2021 to Mar. 31, 2022)		127th (Apr. 1, 2022 to Mar. 31, 2023)
	U.S. GAAP	U.S. GAAP	U.S. GAAP	IFRS	IFRS
Annual dividends per share (¥)	60.00	60.00	78.33	78.33	106.00
Return on Equity (ROE) (%)	6.7	8.6	15.6	11.6	8.3
Return on Assets (ROA) (%)	2.9	3.7	6.7	4.9	3.7
Dividend on Equity (DOE) (%)	2.6	2.5	2.5	2.6	2.9

Notes: 1. The Company has produced consolidated financial statements in accordance with IFRS as of the 127th fiscal year, and the above items are presented in accordance with IFRS. Figures for the 126th fiscal year have been reclassified and are presented in accordance with both U.S. GAAP and IFRS.

2. Net profit attributable to owners of parent / Basic per common share and total equity attributable to owners of parent per share are computed based on the weighted average number of the issued shares and the number of issued shares as of the end of the relevant fiscal year, respectively, after deducting treasury stock.
3. The Company split one share of its common stock into three shares with the effective date of October 1, 2021. Net profit attributable to owners of parent / Basic per common share, total equity attributable to owners of parent per share and annual dividends per share are calculated based on the assumption that the stock split was conducted at the beginning of the 124th fiscal year.
4. The annual dividend for the 127th fiscal year is ¥106.00 per share, including a year-end dividend of ¥53.00 per share. The year-end dividend is scheduled for approval at the 127th Ordinary General Meeting of Shareholders on June 22, 2023.

(8) Pressing Issues

1) Medium- and Long-Term Management Strategy of TDK

The business environment revolving around electronics is now standing on the threshold of a period of major upheaval. Transformation has begun in earnest, with an Energy Transformation (EX) driven by the shift from fossil fuels to renewable energy and a Digital Transformation (DX) driven by the permeation of digital technologies such as the Internet of Things (IoT) and Artificial Intelligence (AI) to every aspect of society.

TDK regards such changes in the social environment as opportunities for new social contributions and business growth, and has formulated and been implementing its Medium-Term Plan, “Value Creation 2023,” that will cover the three years from the fiscal year ended March 31, 2022 through the fiscal year ending March 31, 2024. Under “Value Creation 2023,” the pursuit of “Social Value,” which aims at contributing to the realization of a sustainable society by solving social issues, is set as a starting point of all corporate activities. Based on this point, we will implement a cycle of increasing “Commercial Value” and “Asset Value” and further creating “Social Value.”

Specifically, in order to realize 2CX (Customer Experience and Consumer Experience) by providing solutions that satisfy customers and consumers and providing experiences that exceed expectations, we aim to become an invaluable presence by contributing to addressing two major social issues, namely, DX and EX. For example, in DX, TDK will contribute to the transformation of society through digital technologies by supplying products for high-speed communication networks, sensors, autonomous driving, and robots. In EX, TDK will contribute to the promotion of a decarbonized society by supplying products related to the energy storage, conversion, and control necessary for the creation of a highly energy-efficient society, as well as products related to electric vehicles and renewable energy.

Thus, we will endeavor to capture business opportunities by providing valuable products to society and at the same time establish management systems with a focus on speed. Then, it is our aim to make even greater contributions to society by ensuring corporate transparency and becoming a trusted presence in society.

In order to achieve the Medium-Term Plan, TDK has identified the “TDK Group’s Materiality (key issues)” as priority management issues for TDK in light of the SDGs (international development targets included in the “2030 Agenda for Sustainable Development” adopted by the United Nations Summit held in September 2015) and, macro trends such as political economy, technologies, markets and others. The “TDK Group’s Materiality” has specified EX and DX as business areas for TDK to focus on toward the creation of social value and growth, and identified “Quality Management,” “HR Management,” “Supply Chain Management,” “Opportunity & Risk Management,” “Pursuing Both Delegation of Authority and Internal Controls,” and “Asset Efficiency Improvement” as materiality that should be addressed as the basis of value creation.

2) Pressing Issues of TDK

Energy demand has recovered rapidly as socio-economic and production activities resume following the COVID-19 pandemic. However, the global energy situation has become increasingly uncertain due to a sharp rise in energy prices, led by a combination of factors such as a lack of investment in fossil fuels, and Russia's invasion of Ukraine. In addition, political tensions between the United States and China have led to an economic decoupling between the two countries in such ways as the United States restricting exports of semiconductor manufacturing equipment and relevant technologies to China.

However, even amid these changes in the social and industrial landscape, the trends of EX and DX should continue to grow in the electronics market. These trends are expected to bring about the creation of new markets in TDK’s business fields. Significant growth opportunities will be presented to TDK by trends that include the widespread adoption of renewable energy and electric vehicles in EX, and the growing use of the fifth-generation mobile communication system (5G), the practical use of Advanced Driving Assistance Systems (ADAS) in automobiles, the growing use of IoT and wearable products, and cloud services in DX. It is imperative for TDK to steadily capture these growth opportunities without falling behind these major changes. To this end, TDK will actively conduct research and technological development focused on launching competitive new products in a timely manner and expanding production capacity in line with demand.

TDK also recognizes that addressing the following issues that are identified as materiality is a pressing issue for achieving growth: “Quality Management,” “HR Management,” “Supply Chain Management,” “Opportunity & Risk Management,” “Pursuing Both Delegation of Authority and Internal Controls,” and “Asset Efficiency Improvement.”

For example, in “Supply Chain Management,” TDK has been implementing various measures including the steady procurement of raw materials and efforts to address human rights issues in supply chains. Furthermore, as part of “Asset Efficiency Improvement,” TDK has been reviewing and restructuring its business portfolio. In addition, human resources are the basis of growth. With non-Japanese employees accounting for about 90% of TDK’s workforce, TDK believes that diverse and abundant human resources are a key source of its competitiveness. TDK has continuously engaged in a wide range of initiatives related to “HR Management” to attract and retain talented human resources.

《Reference》 Consolidated forecasts for the fiscal year ending March 31, 2024
(as published on April 28, 2023)

(¥ in millions)

	Results for the fiscal year ended March 31, 2023	Forecasts for the fiscal year ending March 31, 2024	YoY Change
Net sales	2,180,817	2,020,000	(7.4)%
Operating profit	168,827	190,000	12.5%
Profit before tax	167,219	188,000	12.4%
Net profit attributable to owners of parent	114,187	147,000	28.7%
Annual dividends per share (¥)	106.00	116.00	10.00

(9) Principal Businesses of TDK

TDK is engaged in the manufacture and sale of electronic components. Main businesses in the four reporting segments and others which are not included in such four segments are as follows:

Segment	Main Businesses / 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

(10) Major Business Offices and Plants of TDK

1) The Company

Head Office	Chuo-ku, Tokyo
Business Offices	Sendai (Miyagi Pref.), Matsumoto (Nagano Pref.), Nagoya (Aichi Pref.), Osaka (Osaka Pref.), Kyushu (Fukuoka Pref.)
Plants	Honjo (Akita Pref.), Nikaho (Akita Pref.), Inakura (Akita Pref.), Ouchi (Akita Pref.), Narita (Chiba Pref.), Kofu (Yamanashi Pref.), Asama Techno (Nagano Pref.), Chikumagawa Techno (Nagano Pref.), Shizuoka (Shizuoka Pref.), Mikumagawa (Oita Pref.)
Research & Development	Ichikawa-shi and Narita-shi (Chiba Pref.)

2) Subsidiaries

Please refer to the following “(i) Status of Principal Subsidiaries” of “(11) Principal Subsidiaries” for subsidiaries.

(11) Principal Subsidiaries

1) Status of Principal Subsidiaries

Name of Company	Capital	Percentage of Votes Held by the Company (%)	Outline of Principal Business
TDK-Lambda Corporation (Chuo-ku, Tokyo)	¥2,976 million	100.0	Manufacture and sale of energy application products
TDK Electronics Factories Corporation (Yurihonjo-shi, Akita Pref.)	¥200 million	100.0	Manufacture of passive components
TDK China Co., Ltd. (Shanghai, China)	RMB1,264,925 thousand	100.0	Management and supervision of Chinese subsidiaries
TDK HONGKONG COMPANY LIMITED (Hong Kong, China)	HK\$25,500 thousand	100.0	Manufacture and sale of passive components
SAE Magnetics (Hong Kong) Limited (Hong Kong, China)	HK\$50 thousand	*100.0	Manufacture and sale of magnetic application products
TDK Xiamen Co., Ltd. (Xiamen, China)	RMB770,099 thousand	*100.0	Manufacture and sale of passive components
Amperex Technology Limited (Hong Kong, China)	US\$267,588 thousand	*100.0	Manufacture and sale of energy application products
TDK (Shanghai) International Trading Co., Ltd. (Shanghai, China)	RMB1,659 thousand	100.0	Sale of passive components
TDK Taiwan Corporation (Taipei, Taiwan)	NT\$424,125 thousand	95.4	Manufacture and sale of products classified in “Other”
Magnecomp Precision Technology Public Co., Ltd. (Ayutthaya, Thailand)	US\$96,333 thousand	99.8	Manufacture and sale of magnetic application products
TDK Electronics Korea Corporation (Seoul, South Korea)	KRW10,000,000 thousand	100.0	Sale of passive components
TDK U.S.A. Corporation (New York, U.S.A.)	US\$8 hundred	100.0	Management and supervision of U.S. subsidiaries
InvenSense Inc. (California, U.S.A.)	US\$79 thousand	*100.0	Manufacture and sale of sensor application products
TDK Corporation of America (Illinois, U.S.A.)	US\$3,800 thousand	*100.0	Sale of passive components

Name of Company	Capital	Percentage of Votes Held by the Company (%)	Outline of Principal Business
TDK Europe S.A. (Windhof, Luxembourg)	Euro 20,974 thousand	100.0	Management and supervision of European subsidiaries
TDK Electronics AG (Munich, Germany)	Euro 66,682 thousand	100.0	Manufacture and sale of passive components
TDK Europe GmbH (Munich, Germany)	Euro 46,545 thousand	*100.0	Sale of passive components
TDK-Micronas GmbH (Freiburg, Germany)	Euro 500 thousand	100.0	Manufacture and sale of sensor application products

Notes: 1. Capital and percentage of votes held by the Company have been rounded down to the nearest unit.

2. * denotes percentage of votes held by the Company including indirect holdings.

3. TDK Akita Corporation, TDK Shonai Corporation and TDK Kofu Corporation merged, with the effective date April 1, 2022, and TDK Akita Corporation as the surviving company. The company name changed from TDK Akita Corporation to TDK Electronics Factories Corporation on the same date.

2) Business Combinations

Classification	No. of Companies	YoY Change
Consolidated Subsidiaries	Domestic	10
	Overseas	-2 companies (-2 companies)
	Total	+5 companies (+7 companies, -2 companies)
Equity-method Affiliates	Domestic	140
	Overseas	+3 companies (+7 companies, -4 companies)
	Total	—
	Domestic	3
	Overseas	+1 company (+1 company)
	Total	+1 company (+1 company)

(12) Employees

Employees of TDK

Number of Employees	YoY Change
102,908	-13,900

Notes: 1. The number of employees represents the number of employees who work in offices. Part-time employees are not included in the figure above.

2. The main factor for the decrease in the number of employees compared to the previous fiscal year was due to a decrease in employees in the Energy Application Products segment.

(13) Other Important Matters related to Business Conditions and Results of TDK Group

Establishment of Joint Venture and Holding Company in Rechargeable Battery Business

On April 28, 2021, TDK subsidiary Amperex Technology Limited (Hong Kong Special Administrative Region of China, hereinafter “ATL”) has concluded an agreement with Contemporary Amperex Technology Co., Limited (Fujian, China, hereinafter “CATL”) to form a business alliance in conjunction with their establishment of joint ventures for the medium size rechargeable battery

businesses including Residential Energy Storage System, Electric Motorcycles, and other industrial applications

In addition, the Company's Board of Directors resolved at a meeting of the Board of Directors on April 27, 2022, to establish a holding company as a subsidiary of ATL to own and manage the shares of the joint ventures. The holding company and joint ventures were established in June 2022, with details as below.

Company Name	Date of Establishment	Equity Ratio	Business
Xiamen Ampeak Technology Limited	June 8, 2022	ATL: 100%	Holding company for 2 joint ventures of CATL and ATL
Xiamen Ampcore Technology Limited	June 13, 2022	ATL: 30%, CATL: 70%	Development, manufacture and sale of rechargeable battery cells
Xiamen Ampack Technology Limited	June 14, 2022	ATL: 70%, CATL: 30%	Development, manufacture and sale of rechargeable battery packs

2. Matters Concerning Shares of the Company

(1) Total Number of Shares Authorized to Be Issued by the Company

1,440,000,000 shares

(2) Total Number of Issued Shares

388,771,977 shares (inclusive of 9,490,269 shares of treasury stock)

(3) Number of Shareholders

33,282 shareholders (3,342 less than at the previous fiscal year-end)

(4) Top 10 Largest Shareholders

Name of shareholder	Number of shares held	Percentage of shares held
	(thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	107,822	28.43
Custody Bank of Japan, Ltd. (Trust account)	55,184	14.55
STATE STREET BANK WEST CLIENT - TREATY 505234	7,453	1.96
SSBTC CLIENT OMNIBUS ACCOUNT	6,779	1.79
JP MORGAN CHASE BANK 385781	4,803	1.27
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	4,758	1.25
BBH FOR GLOBAL X LITHIUM AND BATTERY TECH ETF	4,500	1.19
JP MORGAN CHASE BANK 385632	4,456	1.17
JPMorgan Securities Japan Co., Ltd.	3,790	1.00
Government of Norway	3,759	0.99

Notes: 1. The 9,490,269 shares of treasury stock were not considered when calculating the percentage of shares held.

2. Shares of treasury stock are not considered in the number of shares held by the largest shareholders above.

3. Matters Concerning Stock Acquisition Rights, Etc.

(1) Status of Stock Acquisition Rights, Etc., Granted to the Company's Directors and Audit & Supervisory Board Members as of the End of the Fiscal Year Under Review in Consideration for the Performance of Their Duties

Issue	Issue resolution date	Number of stock acquisition rights	Class and number of shares to be issued upon the exercise of stock acquisition rights	Amount to be paid for each stock acquisition right (issue price)	Exercise period of stock acquisition rights (both days inclusive)	Directors' and Audit & Supervisory Board Members' holdings	
						Directors	Audit & Supervisory Board Members
2010	May 26, 2010	24	7,200 shares of common stock	¥421,300 (fair value)	From July 4, 2010 to July 3, 2030	—	—
2011	May 25, 2011	31	9,300 shares of common stock	¥392,500 (fair value)	From July 3, 2011 to July 2, 2031	—	1 person, 3 rights
2012	June 21, 2012	51	15,300 shares of common stock	¥277,000 (fair value)	From July 8, 2012 to July 7, 2032	—	1 person, 3 rights
2013	June 19, 2013	65	19,500 shares of common stock	¥311,200 (fair value)	From July 7, 2013 to July 6, 2033	—	1 person, 15 rights
2014	June 18, 2014	147	44,100 shares of common stock	¥413,600 (fair value)	From July 6, 2014 to July 5, 2034	—	2 people, 28 rights
2015	July 31, 2015	376	112,800 shares of common stock	¥680,600 (fair value)	From August 23, 2015 to August 22, 2035	2 people, 64 rights	2 people, 42 rights
2016	June 17, 2016	305	91,500 shares of common stock	¥427,300 (fair value)	From July 10, 2016 to July 9, 2036	2 people, 114 rights	2 people, 25 rights
2017	June 16, 2017	188	56,400 shares of common stock	¥658,400 (fair value)	From July 9, 2017 to July 8, 2037	3 people, 49 rights	2 people, 17 rights
2018	March 23, 2018	451	135,300 shares of common stock	¥837,300 (fair value)	From April 8, 2018 to April 7, 2038	3 people, 140 rights	2 people, 29 rights
2018	June 20, 2018	24	7,200 shares of common stock	¥1,041,000 (fair value)	From July 8, 2018 to July 7, 2038	—	—
2019	March 26, 2019	136	40,800 shares of common stock	¥856,200 (fair value)	From April 7, 2019 to April 6, 2039	3 people, 36 rights	—
2019	June 19, 2019	32	9,600 shares of common stock	¥780,000 (fair value)	From July 7, 2019 to July 6, 2039	—	—
2020	March 25, 2020	2	600 shares of common stock	¥759,600 (fair value)	From April 12, 2020 to April 11, 2040	—	—

Notes: 1. All of the stock acquisition rights listed above are stock-linked compensation stock acquisition rights with an exercise price of ¥1 per share.

2. Stock acquisition rights have not been granted to Outside Directors and Audit & Supervisory Board Members.
3. Stock acquisition rights held by Directors include stock acquisition rights granted when they were Corporate Officers of the Company.
4. Stock acquisition rights held by Audit & Supervisory Board Members were granted during appointment as Corporate Officers of the Company.

5. The stock-linked compensation stock option plan was abolished, with the exception of those stock options already granted, in connection with the introduction of the post-delivery type stock remuneration plan, as approved at the 124th Ordinary General Meeting of Shareholders held on June 23, 2020.
6. The Company split one share of its common stock into three shares on the effective date of October 1, 2021. As a result, the number of shares to be issued upon the exercise of stock acquisition rights has been adjusted.

(2) Status of Stock Acquisition Rights, Etc., Granted to Employees, Etc., During the Fiscal Year Under Review in Consideration for the Performance of Their Duties

Not applicable.

4. Matters Concerning Directors and Audit & Supervisory Board Members

(1) Names and Other Details of Directors and Audit & Supervisory Board Members

Position	Name	Duties at the Company and situation regarding significant concurrent posts
Representative Director President & CEO	Noboru Saito	• General Manager of Humidifier Countermeasures HQ of the Company
Representative Director Executive Vice President	Tetsuji Yamanishi	• General Manager of Finance & Accounting HQ of the Company
Chairman & Director	Shigenao Ishiguro	• Outside Director of NTT DATA Corporation
Director Senior Vice President	Shigeki Sato	• General Manager of Technology and Intellectual Property HQ of the Company
Outside Director	Kozue Nakayama	• Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. • Outside Director of Isuzu Motors Limited • Outside Director of Nanto Bank, Ltd.
Outside Director	Mutsuo Iwai	• Member and Chairperson of the Board of Japan Tobacco Inc. • Outside Director of Benesse Holdings, Inc.
Outside Director	Shoei Yamana	• Director, Executive Chairman and Executive Officer of Konica Minolta, Inc.
Full-time Audit & Supervisory Board Member	Satoru Sueki	
Full-time Audit & Supervisory Board Member	Takakazu Momozuka	
Outside Audit & Supervisory Board Member	Jun Ishii	
Outside Audit & Supervisory Board Member	Douglas K. Freeman	• Principal of Law Offices of Douglas K. Freeman
Outside Audit & Supervisory Board Member	Michiko Chiba	• Principal of Chiba Certified Public Accountant Office • Outside Director, Audit & Supervisory Committee Member of CASIO COMPUTER CO., LTD. • Outside Member of the Board of Directors (Audit and Supervisory Committee Member) of NTT DOCOMO, INC.

- Notes: 1. Directors Ms. Kozue Nakayama, Messrs. Mutsuo Iwai and Shoei Yamana are Outside Directors pursuant to Article 2, item 15 of the Companies Act of Japan and also Independent Directors pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.
2. Audit & Supervisory Board Members Messrs. Jun Ishii, Douglas K. Freeman and Ms. Michiko Chiba are Outside Audit & Supervisory Board Members pursuant to Article 2, item 16 of the Companies Act of Japan and also Independent Audit & Supervisory Board Members pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.

3. Transactions between the Company and other parties where Outside Directors/Audit & Supervisory Board Members concurrently hold significant positions were as follows:
 - Although Ms. Kozue Nakayama serves as an Outside Director of Isuzu Motors Limited and TDK has a business relationship with the Isuzu Group, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2023, the ratio of sales of TDK to the Isuzu Group, and the ratio of sales by the Isuzu Group to TDK represented less than 1% of the consolidated net sales of both TDK and the Isuzu Group.
 - Although Mr. Shoei Yamana serves as Director, Executive Chairman and Executive Officer of Konica Minolta, Inc. and TDK has business relationships with the Konica Minolta Group, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2023, the ratio of sales of TDK to the Konica Minolta Group, and the ratio of sales by the Konica Minolta Group to TDK represented less than 1% of the consolidated net sales of both TDK and the Konica Minolta Group.
 - Although Ms. Michiko Chiba serves as an Outside Director and Audit & Supervisory Committee Member of CASIO COMPUTER CO., LTD. and TDK has a business relationship with the CASIO Group, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2023, the ratio of sales of TDK to the CASIO Group represented less than 1% of the consolidated net sales of TDK.
 - Although Ms. Michiko Chiba serves as an Outside Member of the Board of Directors (Audit and Supervisory Committee Member) of NTT DOCOMO, INC. and TDK has a business relationship with the NTT DOCOMO Group, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2023, the ratio of operating revenues by the NTT DOCOMO Group to TDK represented less than 1% .
4. Audit & Supervisory Board Members, Mr. Takakazu Momozuka and Ms. Michiko Chiba both have considerable knowledge of financing and accounting as stated below:
 - Full-time Audit & Supervisory Board Member Mr. Takakazu Momozuka has the experience of serving for many years in the field of financing and accounting of the Company; thus he has considerable knowledge in this field.
 - Outside Audit & Supervisory Board Member Ms. Michiko Chiba is a certified public accountant; thus she has considerable knowledge in the field of financing and accounting.
5. The Company entered into contracts with all Outside Directors and all Audit & Supervisory Board Members pursuant to Article 427, paragraph 1 of the Companies Act of Japan to limit their liabilities under Article 423, paragraph 1 of the same Act. The amount of liability set forth in each such contract, which shall be equal to the Minimum Liability Amount as provided for in Article 425, paragraph 1 of the same Act.

(2) Summary of Contents of Directors and Officers Liability Insurance Contract

The Company entered into a directors and officers liability insurance contract set forth in Article 430-3, paragraph 1 of the Companies Act of Japan with an insurance company. The insured under such insurance contract are Directors, Audit & Supervisory Board Members, and Corporate Officers and other key persons who executes business of the Company and its domestic subsidiaries, and the insurance premiums for the insured are fully borne by the Company.

Under the said insurance contract, the amount of damages and costs of litigation, etc. that an insured may incur due to claims for damages arising from acts (including omissions) committed by the insured in his/her capacity as a Director, Audit & Supervisory Board Member, Corporate Officer, etc. of the Company or its domestic subsidiaries shall be covered by the insurance.

In addition, in order to ensure that the insured's proper performance of his/her duties is not impaired, the contract does not cover damages, etc. arising from the insured's illegally obtaining personal benefits or favors.

(3) Remuneration for Directors and Audit & Supervisory Board Members

1) Matters Concerning the Policy on Determining the Details of Remuneration for Individual Directors

(i) Policy on Determining the Details of Remuneration for Individual Directors

Regarding the Company's policy on determining the details of remuneration for individual Directors (hereinafter, "Determining Policy"), the Board of Directors passed a resolution on the Determining Policy after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee, an advisory body to the Board of Directors. Outline of the Determining Policy is as follows.

<Basic Policy>

The Company designs its remuneration system through deliberation and examination of the Compensation Advisory Committee, an advisory body to the Board of Directors, for the following purposes.

To promote as much as possible behavior on the part of Directors geared towards enhancing corporate results and stock value and sustainably increase the corporate value of the overall TDK by constantly pursuing the formulation of a competitive remuneration system to secure diverse and excellent human resources that focuses on linkage with short-term as well as medium to long-term results.

<Policy, Etc. Concerning Determination of Each Remuneration>

The remuneration of Directors is comprised of basic remuneration, results-linked bonus and stock-linked compensation. The policy, etc. on determining the amounts or numbers for each type of the remuneration or the method of calculation thereof is described below.

a. Policy on determining the amount of remuneration for individual Directors (excluding results-linked compensation and non-monetary compensation; hereinafter "fixed compensation") or the method of calculation thereof (including the policy on determining the timing and conditions for compensation, and the method of determining the details; same through c. below)

For fixed compensation, the Company pays basic remuneration on a monthly basis. Remuneration amounts for individual Directors are determined based on remuneration tables approved by the Board of Directors for each rank after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee, while referring to studies, etc. on corporate management remuneration performed by third parties and comparisons of compensation levels at other companies of similar scale, mainly in the same business category.

b. Policy on determining the details of performance indicators for results-linked compensation and the method of calculation of amounts or numbers of said results-linked compensation

Results-linked compensation shall be results-linked bonuses (monetary compensation). The payment amounts are linked to the degree of attainment of targets, using the consolidated results for the fiscal year and the indicators set for each division in charge, with an emphasis placed on short-term performance. Results-linked bonuses are paid out at a certain time each year, as determined by the Board of Directors after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee.

c. Policy on determining the details of non-monetary compensation and the amounts or numbers or the method of calculation thereof

Non-monetary compensation shall be stock-linked compensation. The system emphasizes the linkage with medium- to long-term results and uses some consolidated performance indicators from the Medium-Term Plan, where the number of shares to be delivered fluctuates based on the degree of achievement of the targets. Details are determined by the Board of Directors after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee.

Stock-linked compensation to be granted after the fiscal year ended March 31, 2021 shall be post-delivery type stock remuneration. Post-delivery type stock remuneration will be paid with approximately half of the number of shares to be delivered in shares and the remainder in monetary form after the end of a period of three (3) years from the first day of the first year to the last day of the last year of the Medium-Term Plan or a period of three (3) years of more as determined by the Board of Directors of the Company.

d. Policy on determining the ratio of amounts of fixed compensation, results-linked compensation and non-monetary compensation to amounts of remuneration for individual Directors

Regarding the ratio of remuneration, by type, for Directors concurrently serving as Corporate Officers, the ratio of results-linked compensation is structured so that the higher the rank, the higher the ratio of performance-linked remuneration, based on comparisons of compensation levels at other companies of similar scale, mainly in the same business category, while referring to studies, etc. on corporate management remuneration performed by third parties, and is consulted with the Compensation Advisory Committee. While respecting the report from the Compensation Advisory Committee, the Board of Directors determines remuneration tables for each rank based on the ratio of remuneration by type indicated in the report.

The guideline for the ratio of remuneration by type is basic remuneration : results-linked bonus : stock-linked compensation = 1 : approximately 0.5-0.6 : approximately 0.6-0.8 (assuming 100% achievement of performance targets).

e. Other important matters concerning determinations about details of remuneration for individual Directors

In the event that the Company's performance sharply and significantly deteriorates, or there are illegal activities or violations of laws and regulations, remuneration may be reduced or returned to the Company based on deliberations by the Compensation Advisory Committee and a resolution by the Board of Directors.

(ii) Structure and Role of Compensation Advisory Committee

A majority of the members and the Chair of the Compensation Advisory Committee are Independent Outside Directors. The Compensation Advisory Committee deliberates the framework and levels of remuneration for Directors and Corporate Officers and reports to the Board of Directors, thereby contributing to ensuring the transparency in the remuneration decision-making process and the appropriateness of individual remuneration.

(iii) Reason for Board of Directors judging the details of remuneration for individual Directors for the fiscal year under review are in accordance with the Determining Policy

As the Compensation Advisory Committee had conducted a multi-faceted examination of the original proposal, including from the viewpoint of accordance with the Determining Policy, the Board of Directors basically respected the Committee's report and judged that the details of remuneration for individual Directors for the fiscal year under review are in accordance with the Determining Policy.

As explained in (i) above, at the Company, the Board of Directors determined the details of remuneration for individual Directors, and does not delegate this determination to a Director or other third party.

2) Structure of Remuneration for Directors and Audit & Supervisory Board Members

Type of Remuneration	Details of Remuneration	Fixed/Fluctuating
Basic remuneration	Monetary compensation paid monthly	Fixed
Results-linked bonus	Monetary compensation which is paid at predetermined times each year with an emphasis on the linkage with short-term performance. The amount of the bonus fluctuates within a range of 0% to 200% of the standard payment amount depending on the degree of attainment of targets, using the consolidated results (operating income, ROE), the targets set for each division in charge and other indicators for the fiscal year under review.	Fluctuating (single fiscal year)
Restricted Stock Unit (RSU)	RSU is a type of stock remuneration which is issued based on continuous service. In case of RSU, subject to continuous service for a period of three years from the first day of the first year to the last day of the last year of the Medium-Term Plan (or a period of three years or more as determined by the Board of Directors of the Company, the "Target Period"), a pre-determined amount of the Company's shares and money is delivered after the end of the Target Period.	Fixed
Post-delivery type stock remuneration	PSU is a type of stock remuneration which is issued based on performance. In case of PSU, an amount of the Company's shares and money calculated in accordance with the degree of achievement of performance targets set by the Medium-Term Plan is delivered after the end of the Target Period. The degree of achievement of performance targets shall vary from 0% to 100% depending on the degree of achievement of consolidated performance targets (operating income, ROE) outlined in the Medium-Term Plan.	Fluctuating (medium- to long-term)

Note: Directors and Audit & Supervisory Board Members remuneration is classified into results-linked compensation, etc., non-monetary compensation, etc., and other compensation, etc., as defined by the Ordinance for Enforcement of the Companies Act of Japan as follows:

Classification	Basic Remuneration	Results-linked Bonus	RSU*	PSU**
Results-linked compensation, etc.	—	●	—	●
Non-monetary compensation, etc.	—	—	●	●
Other compensation, etc.	●	—	●	—

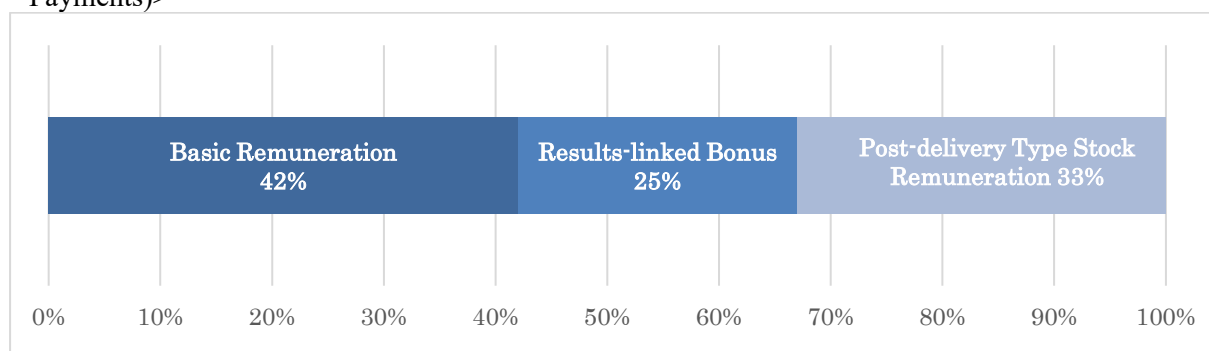
* Under RSU, the stock remuneration portion is classified as “Non-monetary compensation, etc.” and the monetary compensation portion is classified under “Other compensation, etc.”

** PSU is classified as “Results-linked compensation, etc.” and the stock remuneration portion is also classified as “Non-monetary compensation, etc.”

<Eligible for Payment>

Classification	Basic Remuneration	Results-linked Bonus	Post-delivery Type Stock Remuneration	
			RSU	PSU
Directors concurrently serving as Corporate Officers	●	●	●	●
Directors not concurrently serving as Corporate Officers	●	-	●	-
Outside Directors	●	-	-	-
Audit & Supervisory Board Members	●	-	-	-

<Breakdown of Remuneration for Directors Concurrently Serving as Corporate Officers (for Standard Payments)>



<Status of Dilution Ratio relating to Stock-linked Compensation Stock Options and Post-delivery Type Stock Remuneration as of the End of the Fiscal Year under Review>

Classification	Class and number of shares to be issued	Ratio to total number of issued shares
Shares to be Issued upon Exercise of Stock Acquisition Rights as Stock-linked Compensation Stock Options	Common Stock 549,600 shares	0.14%
Shares to be Issued as Post-delivery Type Stock Remuneration	Common Stock 188,500 shares equivalent	0.05%
Total	Common Stock 738,100 shares equivalent	0.19%

- Notes: 1. With the introduction of the post-delivery type stock remuneration plan approved at the 124th Ordinary General Meeting of Shareholders held on June 23, 2020, the stock-linked compensation stock option plan was abolished, except for those already granted. As a result, there were no stock acquisition rights newly issued as stock-linked compensation stock options during the fiscal year under review.
2. In addition to the above table, the details of stock acquisition rights as stock-linked compensation stock options and the status of their ownership are described in "3. Matters Concerning Stock Acquisition Rights, etc. of the Company".
3. No shares of stock of the Company were delivered as post-delivery type stock remuneration during the fiscal year under review. The Company plans to deliver RSUs in or after the fiscal year ending March 31, 2024 and PSUs in or after the fiscal year ending March 31, 2025.

3) Total Amount of Remuneration for the Fiscal Year Under Review

Director/Audit & Supervisory Board Member category	Total amount of remuneration (¥ in Millions)	Total amount of remuneration, etc. by type (¥ in Millions)				Number of eligible Directors /Audit & Supervisory Board Members
		Basic remuneration	Results-linked bonus	Post-delivery type stock remuneration		
				Restricted Stock Units (RSU)	Performance Share Units (PSU)	
Directors (Excluding Outside Directors)	390	237	29	67	57	6
Outside Directors	52	52	-	-	-	4
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	62	62	-	-	-	2
Outside Audit & Supervisory Board Members	42	42	-	-	-	3

Notes: 1. The number of Directors (excluding Outside Directors), Outside Directors, Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), and Outside Audit & Supervisory Board Members at the end of the fiscal year under review were four (4), three (3), two (2), and three (3), respectively. The total amount of remuneration, total amount of remuneration, etc. by type and number of eligible Directors/Audit & Supervisory Board Members and Outside Directors as shown above include two (2) Directors/Audit & Supervisory Board Members and one (1) Outside Director who retired at the close of the 126th Ordinary General Meeting of Shareholders held on June 24, 2022 and the amount of remuneration paid to them.

2. As for the results-linked bonuses and post-delivery type stock remuneration for Directors, the amounts shown above are those recorded as an expense for the fiscal year under review.

3. In calculating results-linked bonuses, the amount is designed to fluctuate within a range of 0% to 200% of the standard payment amount depending on the degree of attainment of targets, using the consolidated results (operating income, ROE), the indicators set for each division in charge and other indicators for each fiscal year. The reason for selecting these indicators is to use the same indicators as management targets with an emphasis on the linkage with short-term performance. The targets and results for the main indicators that relate to results-linked bonuses in the fiscal year under review are as follows.

Consolidated operating income ¥182,700 million (target), ¥168,827 million (result)

Consolidated ROE 12.7% (target), 8.3% (result)

Trends in consolidated operating income and consolidated ROE, including those for the fiscal year under review, are shown in “1. (7) Assets and Earnings in the Last Four Fiscal Years.”

4. The number of the Company's shares to be delivered and the amount of money to be paid as PSUs will be calculated based on the degree of attainment of the performance targets of the Medium-Term Plan. The degree of attainment of performance targets will vary in the range of 0% to 100%, depending on the degree of attainment of the consolidated performance targets (operating income, ROE) in the Medium-Term Plan. The reason for selecting these indicators are to use the same indicators as management targets under the Medium-Term Plan with an emphasis on the linkage with medium- to long-term performance and corporate value. The targets for the indicators that relate to PSUs in the Medium-Term Plan, which will end in the fiscal year ending March 31, 2024, are as follows.

Consolidated operating income (cumulative amount for three-years) ¥635,100 million (target)

Consolidated ROE (amount for the last year) 16.8% (target)

5. The Company plans to deliver its shares and cash as post-delivery type stock remuneration in or after the fiscal year ending March 31, 2024 for the RSU plan and in or after the fiscal year ending March 31, 2025 for the PSU plan.

6. The total amount of remuneration, etc. by type in the above table is classified into results-linked compensation, etc., non-monetary compensation, etc. and other compensation, etc. as defined by the Ordinance for Enforcement of the Companies Act of Japan, described under “Note” in “2) Structure of Remuneration for Directors and Audit & Supervisory Board Members.”

4) Matters Concerning Resolutions of General Meeting of Shareholders

(i) Basic remuneration

The amount of basic remuneration for Directors is ¥25 million or less per month, as approved by the 106th Ordinary General Meeting of Shareholders held on June 27, 2002. There were seven (7) Directors (including one (1) Outside Director) as of the close of the said Ordinary General Meeting of Shareholders.

The amount of basic remuneration for Audit & Supervisory Board Members is ¥120 million or less per year, as approved by the 124th Ordinary General Meeting of Shareholders held on June 23, 2020. There were five (5) Audit & Supervisory Board Members (including three (3) Outside Audit & Supervisory Board Members) as of the close of the said Ordinary General Meeting of Shareholders.

(ii) Results-linked bonuses

The amount of results-linked bonuses for Directors concurrently serving as Corporate Officers is ¥350 million or less per year, as approved by the 119th Ordinary General Meeting of Shareholders held on June 26, 2015. There were four (4) Directors concurrently serving as Corporate Officers as of the close of the said Ordinary General Meeting of Shareholders.

(iii) Post-delivery Type Stock Remuneration

The amount of compensation as post-delivery type stock remuneration (RSU and PSU) is ¥457 million or less per year (as for the number of shares, 39,000 shares or less per year), as approved by the 124th Ordinary General Meeting of Shareholders held on June 23, 2020. RSU is granted to Directors, excluding Outside Directors, and there were four (4) Directors as of the close of the said Ordinary General Meeting of Shareholders. PSU is granted to Directors concurrently serving as Corporate Officers and there were three (3) Directors as of the close of the said Ordinary General Meeting of Shareholders.

Note: TDK split one share of its common stock into three shares on effective date of October 1, 2021. As a result, the number of shares for post-delivery type stock remuneration were adjusted to 117,000 shares or less per year.

(4) Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members

1) Situation regarding Significant Concurrent Posts and Relationships between the Company and the Entities Concerned

Please refer to “4. Matters Concerning Directors and Audit & Supervisory Board Members (1) Names and Other Details of Directors and Audit & Supervisory Board Members.”

2) Principal Activities of Outside Directors and Outside Audit & Supervisory Board Members during the Fiscal Year Under Review

Name (Position)	Attendance at meetings of the Board of Directors and other meetings	Situation regarding opinions in meetings of the Board of Directors, outline of duties conducted regarding roles expected of Outside Directors and other activities
Kozue Nakayama (Outside Director)	Meetings of the Board of Directors: 14 of the 14 meetings Nomination Advisory Committee: 12 out of the 12 meetings Compensation Advisory Committee: 7 out of the 7 meetings	Ms. Nakayama has fulfilled the role and duties expected of an Outside Director, proactively expressing her opinions while overseeing, advising and guiding management, based on her abundant experience and knowledge concerning global business related to the automotive industry and corporate management. Ms. Nakayama serves as the Chair of the Nomination Advisory Committee, playing an important role in ensuring the appropriateness in the selection of Directors, Audit & Supervisory Board Members and Corporate Officers, and the transparency in the decision-making process. She is also a member of the Compensation Advisory Committee.
Mutsuo Iwai (Outside Director)	Meetings of the Board of Directors: 13 of the 14 meetings Nomination Advisory Committee: 11 out of the 12 meetings Compensation Advisory Committee: 6 out of the 7 meetings	Mr. Iwai has fulfilled the role and duties expected of an Outside Director, proactively expressing his opinions while overseeing, advising and guiding management, based on his abundant experience and knowledge as a manager of a company that operates globally in the tobacco, pharmaceutical, food and other businesses. Mr. Iwai serves as the Chair of the Board of Directors, playing an important role in strengthening the supervisory function of the Board of Directors while aiming to clearly separate management oversight and business execution. He is also a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee.
Shoei Yamana (Outside Director)	Meetings of the Board of Directors: 10 of the 10 meetings Nomination Advisory Committee: 10 out of the 10 meetings Compensation Advisory Committee: 5 out of the 5 meetings (following appointment in June 2022)	Mr. Yamana has fulfilled the role and duties expected of an Outside Director, proactively expressing his opinions while overseeing, advising and guiding management, based on his abundant experience and knowledge as a manager in a company that operates globally in multifunction devices, digital printing systems, health care and other businesses. Mr. Yamana serves as the Chair of the Compensation Advisory Committee, playing an important role in ensuring the appropriateness in the selection of Directors, Audit & Supervisory Board Members and Corporate Officers, and the transparency in the decision-making process. He is also a member of the Nomination Advisory Committee.

Name (Position)	Attendance at meetings of the Board of Directors and other meetings	Situation regarding opinions in meetings of the Board of Directors, outline of duties conducted regarding roles expected of Outside Directors and other activities
Jun Ishii (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 15 of the 15 meetings Meetings of the Board of Directors: 14 of the 14 meetings	Mr. Ishii has fulfilled the role and duties expected of an Outside Audit & Supervisory Board Member, such as auditing management, while proactively stating opinions based on his extensive experience and knowledge about group governance and risk management and other matters in a global electronics company.
Douglas K. Freeman (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 15 of the 15 meetings Meetings of the Board of Directors: 14 of the 14 meetings	Mr. Freeman has fulfilled the role and duties expected of an Outside Audit & Supervisory Board Member, such as auditing management, while proactively stating opinions based on his specialized knowledge about law as a lawyer and his profound experience about international corporate legal affairs.
Michiko Chiba (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 15 of the 15 meetings Meetings of the Board of Directors: 14 of the 14 meetings	Ms. Chiba has fulfilled the role and duties expected of an Outside Audit & Supervisory Board Member, such as auditing management, while proactively stating opinions based on her specialized knowledge in finance and accounting as a certified public accountant and her extensive experience in auditing.

5. Accounting Auditor

(1) Name KPMG AZSA LLC

(2) Remuneration

(¥ in millions)	
Classification	Amounts payable
The amount of remuneration payable to the Accounting Auditor by the Company with respect to duties provided under Article 2, paragraph 1 of the Certified Public Accountants Act	394
The aggregate amount of remuneration and other material benefits payable to the Accounting Auditor by the Company and its subsidiaries	440

Notes: 1. The Company's Audit & Supervisory Board has consented to the remuneration of the Accounting Auditor as required under Article 399 paragraph 1 of the Companies Act, after examining matters such as details of the Accounting Auditor's audit plan, the status of duties conducted in previous fiscal years, and the basis for calculation of the remuneration estimate by receiving the necessary materials and hearing reports from Directors, relevant in-house departments, and the Accounting Auditor.

2. The amount of remuneration for audit pursuant to the Companies Act and the amount of remuneration for audit pursuant to the Financial Instruments and Exchange Act are not divided in the Auditing Agreement concluded between the Company and the Accounting Auditor. Therefore, the amount of remuneration payable to the Accounting Auditor by the Company with respect to duties provided under Article 2, paragraph 1 of the Certified Public Accountants Act represents the total amount to be paid by the Company.

3. Of the Company's principal subsidiaries, TDK U.S.A. Corporation, SAE Magnetics (Hong Kong) Limited and other companies are audited by KPMG member firms overseas, and TDK Electronics AG is audited by another foreign audit firm.

(3) Policy for Decisions on Dismissal or Non-reappointment of Accounting Auditor

If all of the Audit & Supervisory Board Members acknowledge that the Company's Accounting Auditor falls under any of the conditions set forth in Article 340 paragraph 1 of the Companies Act of Japan and it is difficult for the Accounting Auditor to properly execute auditing, the Company shall dismiss the Accounting Auditor by a unanimous resolution of the Company's Audit & Supervisory Board.

In addition to cases falling under any of the statutory reasons for dismissal of accounting auditors, if any fact occurs that is recognized as casting doubt upon important factors relating to the Accounting Auditor's execution of duties, such as the Accounting Auditor's qualifications, independency and ethics, the Company's Audit & Supervisory Board will, in accordance with the Regulations of the Audit & Supervisory Board and Standards for Appointment, Dismissal, and Reappointment of Accounting Auditors, decide as to whether the Company's Accounting Auditor shall be dismissed or shall not be re-appointed, comprehensively taking the facts into account.

6. TDK's System and Policy

[Establishment of systems for ensuring the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, and other systems for ensuring the properness of operations of a stock company and operations of a corporate group consisting of such stock company and its subsidiaries]

With respect to the statement above, the Board of Directors of the Company resolved as follows:
(Latest revision date: April 27, 2022)

(1) Systems for ensuring the execution of duties by Directors of the Company complies with laws and regulations and the Articles of Incorporation

The Company was established in 1935 as an entrepreneurial venture to industrialize a magnetic material called ferrite invented at Tokyo Institute of Technology. Since then, the Company has unremittingly pursued originality and increased corporate value through supplies of products and services which have created new value, based on the founding spirit “Contribute to culture and industry through creativity” as its Corporate Motto. In addition, TDK will continue to build satisfaction, trust, and support among all stakeholders (shareholders, customers, suppliers, employees and communities, among others), continue to be helpful to the society by resolving social issues and contribute to the development of a more sustainable society. TDK clearly declares as “TDK Charter of Corporate Behavior” that TDK will continue to respect human rights; comply with relevant laws, regulations and international rules and the spirit thereof; and carry out its social responsibility with a strong sense of ethics, domestically and overseas. All Directors, Audit & Supervisory Board Members, Corporate Officers and employees constituting TDK seek to behave in strict compliance with the “Corporate Standards of Business Conduct” prescribed by the “TDK Code of Conduct”.

In addition, the Company aims to achieve its management targets and further improve corporate value through the creation of products by adhering to the Corporate Motto. At the same time, the Company strives to foster a sound corporate culture and sincerely conduct business activities, always aware of its place as a member of society. Moreover, the Company will be accountable to stakeholders through comprehensive, accurate, timely and impartial disclosure of information.

As mentioned above, the Company sincerely and devotedly seeks to achieve its management philosophy and to establish the following effective and orderly corporate governance systems to continue to ensure soundness, compliance and transparency in its business operations.

(i) Adoption of the Audit & Supervisory Board Member System and Strengthening of the Supervisory Function:

The Company has adopted the Audit & Supervisory Board Member System pursuant to the Companies Act of Japan and has appointed independent Outside Audit & Supervisory Board Members who are disinterested in the Company to strengthen the supervision of the Company's management.

(ii) Strengthening the Supervisory Function of the Board of Directors:

The Company has a small number of Directors to expedite the management decision-making process. At the same time, the Company appoints disinterested, independent Outside Directors in order to enhance the supervision of the Company's management. In addition, the Company's basic policy is to elect independent Outside Directors which account for one-third (1/3) or more of the Directors and from the perspective of ensuring clear separation between management oversight and business execution, an independent Outside Director serves as the Chair of the Board of Directors in principle. Furthermore, the Directors' terms of office are set at one (1) year to give shareholders an opportunity to cast votes of confidence regarding Directors' performance every fiscal year.

(iii) Adoption of a Corporate Officer System for Expeditious Business Execution:

The Company has adopted a Corporate Officer system that separates the management decision making and Director supervisory functions of the Board of Directors from the execution of business. This aims to accelerate decision-making by delegation of authority and to clarify the authority and responsibility of business execution. Corporate Officers are in charge of business execution and carrying out decisions made by the Board of Directors and thereby expeditiously execute business operations in accordance with management decisions.

(iv) Establishment of Advisory Bodies to the Board of Directors (Nomination Advisory Committee, Compensation Advisory Committee and Corporate Governance Committee):

The Nomination Advisory Committee is chaired by an Outside Director of the Company and a majority of the members are Outside Directors. The said Committee reviews the conditions expected for the post of Director, Audit & Supervisory Board Member, and Corporate Officer and makes nominations. In this way, the Nomination Advisory Committee ensures the appropriate election of Directors, Audit & Supervisory Board Members and Corporate Officers and provides transparency in the decision-making process.

The Compensation Advisory Committee is chaired by an Outside Director of the Company and a majority of the members are Outside Directors. The said Committee examines the remuneration system and the level of remuneration pertaining to Directors and Corporate Officers, as well as presidents and qualifying officers of the Company's principal subsidiaries. It also reviews the transparency of the remuneration decision-making process and verifies whether such remuneration is reasonable in light of corporate business performance, individual performance and general industry standards.

The Corporate Governance Committee conducts deliberations on matters concerning corporate governance, internal control system and its operation, etc. and continuously strives to enhance corporate governance for the Company's sustainable growth and increase of its corporate value over the mid- to long-term.

Under the foregoing corporate systems, the Audit & Supervisory Board Members in charge of supervising management, ensure soundness, compliance and transparency in the Company's business operations by executing their duties pursuant to the Regulations of the Audit & Supervisory Board, the Code of Audit & Supervisory Board Members' Auditing Standards and Audit Practice Standards for Internal Control Systems and by auditing whether the Directors' performance is appropriately and reasonably in compliance with relevant laws and regulations and the Articles of Incorporation.

Similarly, Directors in charge of management decision-making and supervision of business execution ensure soundness, compliance and transparency in the Company's business operations by executing their duties pursuant to the Regulations of the Directors' Business and the Regulations of the Board of Directors established in accordance with relevant laws and regulations and the Articles of Incorporation. In addition, Corporate Officers in charge of business execution ensure soundness, compliance and transparency in the Company's business operations by executing their duties pursuant to the Regulations of the Corporate Officers' Business.

The Company has established the Disclosure Committee as well as the following procedures and system to ensure compliance with all applicable securities and exchange laws and other similar laws and regulations of all relevant countries, as well as the rules and regulations of the stock exchange on which the Company's shares are listed (hereinafter collectively referred to as the "Securities Regulations").

- (i) Internal control and other procedures to collect, record, analyze, process, summarize and report all information required to be disclosed under the Securities Regulations and warrant timely disclosures within the deadlines stipulated by the Securities Regulations.

- (ii) System to ensure that the Company has procedures designed to obtain reasonable assurance that all the transactions that the Company conducts are properly authorized, that the Company's assets are protected from unauthorized or improper use and that all trading activities are appropriately recorded and reported for the purpose of enabling the Company to prepare financial statements in accordance with the accounting standards applied by the Company.
- (iii) System to ensure that the Company is in compliance with the requirements of the Securities Regulations with respect to corporate governance systems.

(2) System regarding preservation and control of information in relation to the execution of business by Directors of the Company

The President, who is responsible for the business execution of the Company, has established the Document Control Regulations, which are applicable to TDK and provide basic rules for the preservation and control of information regarding the execution of business by Directors.

(3) Regulations and other systems for managing the risk of loss(es) of the Company and its subsidiaries

To enhance the risk management system of TDK, the Company has established the following five committees (which is chaired by a Corporate Officer) under the direct control of the Executive Committee.

(i) ERM* Committee:

Through the ERM Committee, which has been established for the purpose of the company-wide measures against factors (risks) that obstruct the achievement of the business targets and business operations of the Company, the Company further strengthens enterprise risk management. The ERM Committee clarifies the roles of each organization in risk management activities, and implements the PDCA cycle for a series of risk management activities (identification of risks ~ evaluation and consideration of countermeasures ~ implementation ~ monitoring and improvement).

*ERM (Enterprise Risk Management)

(ii) Compliance Committee:

The Company has established the Compliance Committee to promote and oversee compliance-related risk management with the aim of preventing violations of laws and regulations, etc. and strengthening prevention of recurrence. The Compliance Committee approves company-wide compliance activity policies and plans, select risks that TDK will focus on with respect to compliance, assign individual risks to risk owner divisions, and provide instructions to and monitor risk owner divisions.

(iii) Crisis Management Committee:

The Crisis Management Committee has been established and operates with the aim of implementing preventive measures for serious accidents, incidents, disasters, etc. that may impede the survival or development of the Company as well as reducing subsequent damage and preventing the expansion of damage. In the event of an emergency, the Company will quickly set up a Crisis Management Headquarters and, while giving first priority to ensuring the safety of its employees, it will resume business as soon as possible and fulfill its responsibility to supply its customers in accordance with the Business Continuity Plan (BCP).

(iv) Information Security Committee:

The Information Security Committee properly manages important information such as information provided by customers and personal information in compliance with laws and

regulations, implements measures against cyber-attacks, and monitors the security status of TDK to prevent cyber-attacks. In addition, in the event of an attack, the said Committee will promptly assess the situation, recover, and take measures.

(v) Disclosure Committee:

The Disclosure Committee deliberates on and scrutinize the Company's important corporate information and disclosure documents that are relevant to the investment decisions of shareholders and investors in order to ensure that the Company makes appropriate disclosures in a comprehensive, accurate, timely, and fair manner in accordance with various laws and regulations concerning securities transactions and the rules of the stock exchange on which the Company's shares are listed.

The Company has ensured that a structure for receiving advice in relation to enhancing the risk management system and increasing its effectiveness (including, but not limited to, identifying, evaluating and reviewing material management risks at TDK and establishing effective countermeasures) is in place through regular confirmation and audit by the Audit & Supervisory Board Members and the internal audit department of the management operations described above. In addition, the Company will seek advice from specialists, including outside legal counsel and other experts, as needed regarding risks surrounding TDK.

(4) System for ensuring Directors of the Company and Directors, etc. of the Company's subsidiaries execute their duties efficiently and system for reporting matters concerning the execution of duties of Directors, etc. of the Company's subsidiaries to the Company

The Company has a small number of Directors and has adopted the Corporate Officer system to facilitate the Directors' ability to make quick and efficient management decisions.

At the same time, policies and measures with respect to business execution, such as development, manufacturing, marketing and financing of TDK, are decided by the President upon being deliberated at the Executive Committee which consists of Corporate Officers and General Managers designated by the President. All Corporate Officers perform their duties expeditiously pursuant to the decisions made by the Executive Committee. As to the status of the execution of their duties, the Company ensures efficient management via regular reports to the Board of Directors and regular reports from Corporate Officers to the Executive Committee.

With respect to the Company's subsidiaries, the Company ensures efficient management execution by having them execute their business based on the responsibilities and authorities stipulated in the "Global Common Regulations" for the entire TDK. Also, the Company has established a system to ensure that appropriate reports are made by stipulating matters to be reported periodically or as necessary on the management situation of the subsidiaries and the status of the execution of duties by Directors, etc. of the subsidiaries in the "Global Common Regulations".

(5) System for ensuring performance of duties by employees of the Company and Directors, etc. and employees of the Company's subsidiaries are in compliance with laws and regulations and the Articles of Incorporation

The Company strives to ensure that all members of TDK are fully familiar with TDK's management philosophy, "TDK Code of Conduct" and "TDK Charter of Corporate Behavior" in order to ensure improved soundness, compliance and transparency of management, as well as compliance with laws, regulations and the Articles of Incorporation throughout the performance of duties by all members of TDK.

In addition, the Company has established the Compliance Committee and appoints a Global

Chief Compliance Officer from among Corporate Officers upon resolution of the Board of Directors. The Global Chief Compliance Officer serves as the Chair of the Compliance Committee and appoints Regional Chief Compliance Officers for each region. The Global Chief Compliance Officer, together with the Compliance Committee and the Regional Chief Compliance Officers, promotes activities to strengthen a compliance system of TDK and reports their activities to the President and the Board of Directors.

Furthermore, the Company has established the Business Ethics Subcommittee as an internal organization of the Compliance Committee. The Business Ethics Subcommittee has established and operates TDK's internal reporting system (including the Consultations and Help Lines) and reports its activities to the Compliance Committee.

(6) System for ensuring proper business execution by the corporate group consisting of the Company and its subsidiaries

Each Director, Corporate Officer and manager in charge of operations of TDK strives to achieve proper business operations by making and executing business decisions in compliance with the “TDK Code of Conduct” and the “Global Common Regulations”, which summarizes the responsibilities and authorities of each organization.

The Audit & Supervisory Board Members audit, on a regular basis, the condition of the business operations of each department of TDK by inspecting the departments, examining important documents, and attending important meetings. In addition, the internal audit department audits and supports each department of TDK in order to promote consistency in relation to business operations and management policies, efficiency of management, and compliance with relevant laws and regulations.

(7) Matters relating to employees who support the duties of Audit & Supervisory Board Members of the Company when Audit & Supervisory Board Members request such employees

The Audit & Supervisory Board Members Office, consisting of designated full-time employees who do not perform any business execution duties, has been established and assists duties of the Audit & Supervisory Board Members.

(8) Matters regarding the independence of employees in the preceding item from Directors and the ensuring of the effectiveness of instructions of Audit & Supervisory Board Members of the Company to such employees

The authority to instruct or order the employees who serve as members of the Audit & Supervisory Board Members Office belongs exclusively to the Audit & Supervisory Board Members.

In addition, the Audit & Supervisory Board Members directly evaluate the performance of such employees, and any transfer or discipline of these employees is determined pursuant to the operating rules of the Company subject to the consent of the Audit & Supervisory Board Members.

(9) System for ensuring Directors and employees of the Company report to Audit & Supervisory Board Members of the Company, and system for ensuring Directors, Audit & Supervisory Board Members and employees of the Company's subsidiaries or persons who have received reports from these persons report to Audit & Supervisory Board Members of the Company

All members of TDK provide an appropriate report immediately, if an Audit & Supervisory Board Member requests a report regarding the execution of business. Information regarding management policies of TDK and conditions of business execution by Corporate Officers is timely provided to Audit & Supervisory Board Members who attend important meetings such as Executive Committee meetings and business plan review meetings, and minutes of such meetings are also provided to the Audit & Supervisory Board Members immediately. Furthermore, Audit & Supervisory Board Members may receive explanations directly from Corporate Officers and other personnel as necessary. Audit & Supervisory Board Members may review reports prepared by each department of the Company or company of TDK, and thereby confirm the conditions of the business operations of TDK.

In addition, all members of TDK may report any fact which may cause significant damage to TDK, such as violation of law or regulation, to the Business Ethics Subcommittee through the Consultations and Help Lines established by the said Subcommittee and covering the whole of TDK. In cases where the Business Ethics Subcommittee finds any fact which may cause significant damage to TDK, such as violation of law or regulation, it will immediately report such fact to Audit & Supervisory Board Members or the Audit & Supervisory Board.

Furthermore, information regarding the activities of the ERM Committee and other committees is provided to Audit & Supervisory Board Members from time to time, enabling the Audit & Supervisory Board Members to confirm the overall status of corporate activities.

(10) System for ensuring persons who have reported as provided in the preceding item will not be treated unfavorably on grounds of such reporting

The Company prohibits any member of TDK who has reported acts in violation of laws and regulations, etc. or the "TDK Code of Conduct" from being treated unfavorably on the grounds of such reporting, and stipulates to that effect in the "TDK Code of Conduct" and clearly informs all members of TDK of that fact.

(11) Matters concerning policies for disposal of expenses and obligations associated with the execution of duties by Audit & Supervisory Board Members

When Audit & Supervisory Board Members demand payment of expenses or obligations associated with execution of their duties from the Company pursuant to Article 388 of the Companies Act of Japan, the Company shall pay such expenses or obligations immediately after deliberation at the department in charge unless the expenses or obligations concerning such demand are proven to be unnecessary for the execution of such duties of the Audit & Supervisory Board Members.

(12) Other systems for ensuring Audit & Supervisory Board Members of the Company conduct audits effectively

The Audit & Supervisory Board Members and the Audit & Supervisory Board meet with the President on a regular basis to confirm management policies and exchange opinions on pressing issues and risks affecting TDK and other important matters from the perspective of the Audit &

Supervisory Board Members' audits. These meetings also strengthen the mutual understanding between the Audit & Supervisory Board Members and the President.

The Audit & Supervisory Board Members and the Audit & Supervisory Board ensure that the audits of Audit & Supervisory Board Members are conducted effectively by meeting regularly with the internal audit department, receiving, together with the internal audit department, regular audit reports from the Accounting Auditor, and sharing information regarding initial audit plans and results. Furthermore, the Audit & Supervisory Board has entered into an advisory contract with an attorney who is independent from the business execution department and has established a system to ensure that it receives advice with respect to matters which need to be reviewed or confirmed from the perspective of the Audit & Supervisory Board Members or the Audit & Supervisory Board.

[Overview of operation of systems to ensure appropriate business operations]

(1) Internal audit and internal control over financial reporting

The Management Review & Support Group, which is an internal audit department of the Company, conducted hearings from each of the committees under the direct control of the Executive Committee regarding their activities and verified compliance with relevant laws and regulations, internal regulations, etc. and the efficiency and effectiveness of the operation at operating departments and principal subsidiaries. Also, the Management Review & Support Group conducted the evaluation of the "effectiveness of internal controls over financial reporting" in accordance with the Financial Instruments and Exchange Act of Japan at important bases and important subsidiaries in Japan and overseas. The Management Review & Support Group regularly reports about the results thereof to the President, the Board of Directors and the Audit & Supervisory Board Members.

The Management Review & Support Group and full-time Audit & Supervisory Board Members share information. The Management Review & Support Group submits internal audit reports to full-time Audit & Supervisory Board Members, receives results of Audit & Supervisory Board Members' audit from full-time Audit & Supervisory Board Members and seeks to conduct effective internal audits.

The Management Review & Support Group regularly confirms the Accounting Auditor's audit activities through quarterly financial statements, etc. and regularly exchanges opinions with the Accounting Auditor regarding status of evaluation of the "effectiveness of internal controls over financial reporting" in accordance with the Financial Instruments and Exchange Act of Japan.

(2) Corporate ethics

In order to instill and enhance awareness of corporate ethics and compliance among Directors, Audit & Supervisory Board Members, Corporate Officers and employees constituting TDK, the Company's top management themselves stand at the forefront and notify those Directors, etc. of TDK's management philosophy called "Our Values", "TDK Code of Conduct" and "TDK Charter of Corporate Behavior". Also, the Company regularly monitors status of compliance with the TDK Code of Conduct through the Business Ethics Supervisory Committee, which has been established as an internal organization of the Compliance Committee, and implements collective education, e-learning, etc. regarding corporate ethics generally in overseas locations as well as in Japan each year.

Moreover, in addition to the reporting channel within TDK, the Business Ethics Supervisory Committee, as the operating entity of the internal reporting system (including the Consultations and Help Lines), has established another reporting channel using an outside law firm in each region. This allows an employee who wants to report to choose a channel which he/she thinks best among the multiple reporting channels mentioned above. The Business Ethics Supervisory Committee

reports quarterly to the Compliance Committee and the Board of Directors on the operation of the internal reporting system.

(3) Compliance

The Company appoints a Global Chief Compliance Officer from among Corporate Officers upon resolution of the Board of Directors and operates the Compliance Committee. Also, the Global Chief Compliance Officer appoints Regional Chief Compliance Officers in Japan and the other four regions around the world. The Company thereby fosters a sincere, fair and transparent corporate culture and meets the expectations and trust of its customers and society as well as further strengthens its system to ensure that all members of TDK act in compliance with a common standard around the world.

The Compliance Committee, chaired by the Global Chief Compliance Officer, approves company-wide compliance activity policies and plans, evaluate and select risks that TDK will focus on with respect to compliance, assign individual risks to risk owner departments, and provide instructions to, and monitor the activities of, the risk owner departments. The risk owner departments take action to resolve, and measures to prevent recurrence of, various issues that occur with respect to compliance, as well as necessary measures to prevent such issues from occurring. The Global Chief Compliance Officer reports to the President and semiannually to the Board of Directors on the Compliance Committee's activities.

(4) Risk management

The Company has established the ERM Committee to implement company-wide risk management that promotes countermeasures against risks which may prevent the achievement of an organizational goal and appropriately manages such risks in striving for sustainable growth. The ERM Committee analyzes and evaluates risks in the business environment in which TDK operates, identifies risks that require countermeasures, and assigns a risk owner department to lead risk countermeasures. For each individual risk, the assigned risk owner department leads the implementation of risk countermeasures. For example, for risks related to climate change, the Safety and Environment Group, which is the risk owner department, formulates and evaluates risk scenarios related to climate change, sets targets for the introduction of renewable energy throughout TDK as well as in each region, and implements measures such as supporting the introduction of renewable energy at each site. Furthermore, the ERM Committee identifies risks that need to be addressed on a cross-functional basis and promotes the introduction of countermeasures in cooperation with relevant departments. Such analysis and evaluation of risks and the status of countermeasures are deliberated on at the Executive Committee and reported to the Board of Directors. Of the risks that need to be addressed on a cross-functional basis, the following risks, in particular, are addressed through the establishment of committees.

For risks related to natural disasters, accidents including fires, infectious diseases, etc., the Crisis Management Committee has been established. The Crisis Management Committee regularly checks the operation status of the Business Continuity Plan (BCP) of each operating department established based upon the company-wide basic policy in order for it to work properly in time of emergency and shares information with the Company's management in a timely manner.

For risks related to information security, the Information Security Committee has been established. The Information Security Committee continuously verifies information security risks, implements measures for identification, protection, detection, response and recovery in line with the Cyber Security Framework, and promotes improvements of information security from employees to suppliers.

Furthermore, the Company has established the Disclosure Committee, which examines and deliberates on important disclosure materials that are required for investment decisions by

shareholders and investors, including the Summary of Financial Reports, to ensure appropriate disclosure of information.

(5) Group business management

In order to continue to create new value based on the founding spirit of the Company's corporate motto and corporate principles, the Company has drawn up the Sustainability Vision ("Technology for well-being of all people"), a long-term vision for the next 10 years, and formulated the Medium-Term Plan and materiality (key issues) for TDK. And to support the realization of these goals, the Company is working to strengthen an effective and efficient group governance system. TDK's materiality sets "quality management," "human resources management," "supply chain management," "opportunity and risk management," "delegation of authority and pursuit of internal control," and "improvement of asset efficiency" as key issues in business management. The operating departments and headquarters are assigned as the lead departments for these key issues, and the PDCA cycle is used to ensure continuous improvement.

With approximately 140 subsidiaries in approximately 30 countries, the Company recognizes the importance of group governance and has established the "Global Common Regulations," which provide for the roles of and matters to be implemented by each organization of TDK as well as the rules to be complied with by all members of TDK. Each company of TDK, including the Company, applies and operates the "Global Common Regulations" as its own rules. Based on the "Global Common Regulations," the Executive Committee, which is held twice a month as a general rule, discusses about policies and measures with respect to business execution of TDK and monitors the targets and implementation plans of operating departments and headquarters and the progress of each department in relation to such targets by regularly receiving reports from each department. With respect to subsidiaries, the Company specifies departments responsible for each subsidiary and clarifies their authorities and responsibilities, and such departments manage and supervise subsidiary businesses. Also, headquarters manage and supervise a subsidiary in relation to their respective responsibilities.

Furthermore, TDK has established regional headquarters in Americas, Europe and China which are key areas and each regional headquarter provides guidance and management to subsidiaries within each region in accordance with the regional characteristics as part of their headquarters functions, thereby creating a more effective group governance system. In addition, in order to mobilize the strength of the entire group while leveraging the strengths of each group company and each member, the Company has created the TDK Navigation Book, a collection of information that summarizes the ideas and values to be shared by all members of TDK, as well as the outlines and rules, etc. of group management, and is striving to spread such information throughout TDK.

(6) Directors and Board of Directors

The Board of Directors of the Company consists of seven (7) Directors including three (3) Independent Outside Directors, and an Independent Outside Director presides over the procedures of the Board of Directors meetings as the Chair of the Board of Directors. The Board of Directors makes decisions on important management matters as well as matters specified in the applicable laws and regulations, the Articles of Incorporation and internal regulations based on careful discussions and supervises the conditions of business execution. Also, the Nomination Advisory Committee and the Compensation Advisory Committee have been established as advisory bodies to the Board of Directors and the Chair and majority of the members of each Committee are Independent Outside Directors. This promotes the transparency and objectivity of decision-making process regarding nomination and compensation of Directors and Corporate Officers, etc. Furthermore, the Company has established the Corporate Governance Committee, which conducts deliberations on the Company's medium- and long-term corporate governance structure and system, the Company's corporate governance policies, consultations from the Board of Directors and other matters.

In each fiscal year, the Board of Directors conducts the Board of Directors evaluation and evaluates the Board of Directors including its advisory committees (Nomination Advisory Committee and Compensation Advisory Committee) in order to further enhance its effectiveness. During the fiscal year under review, the Board of Directors meetings were held fourteen (14) times.

(7) Audit & Supervisory Board Member and Audit & Supervisory Board

The Audit & Supervisory Board Members timely collect information regarding management policies of TDK and conditions of business execution by Corporate Officers, etc. by attending the Board of Directors meetings as well as through regular attendance at the Executive Committee meetings, business plan review meetings and other important meetings and inspection of management reports and applications for internal decision-making. The Audit & Supervisory Board Members share and deliberate such information among themselves. Also, the full-time Audit & Supervisory Board Members conducted hearings from operating department managers and headquarter function managers regarding the conditions of business execution and conducted audit of the Company's operating departments and headquarters and the subsidiaries selected according to importance based on the audit policy setting forth the priority audit items in the fiscal year under review. The full-time Audit & Supervisory Board Members shared the issues identified through such hearings and audit and confirmed the countermeasures therefor with the relevant operating departments and headquarters, etc. Furthermore, the full-time Audit & Supervisory Board Members regularly had meetings and shared information with the Audit & Supervisory Board Members of the Company's subsidiaries and exchanged opinions with them on important issues and findings for auditing the entire TDK group. The Outside Audit & Supervisory Board Members held regular meetings for information sharing with the Outside Directors to exchange opinions, and received briefings from relevant operating departments and headquarters, etc. to confirm the status of responses to major issues, etc.

The Audit & Supervisory Board establishes the Company's audit policy and annual audit plan, confirms the Company's business conditions through regular meetings with the Board of Directors and Representative Director, etc., and expresses opinions and provides recommendations from time to time regarding tasks to be addressed by TDK (including matters concerning corporate governance and compliance), development and operation status of internal control, risks surrounding TDK, important issues in the Audit & Supervisory Board Members' audit and other issues. Also, the Audit & Supervisory Board receives the internal audit report from the internal audit department and promote information sharing and collaboration with them through establishing regular meetings. A summary of these audit results, identified issues and risks, confirmed countermeasures and internal audit status are shared among all Audit & Supervisory Board Members at the Audit & Supervisory Board meetings, and the issues are deliberated at the Audit & Supervisory Board meetings and reported to the Directors when appropriate. The Audit & Supervisory Board has meetings from time to time with an attorney with whom it has entered into an advisory contract and receive legal advice regarding Audit & Supervisory Board Members' duties timely, and thereby improve the effectiveness of Audit & Supervisory Board Members' duties. On the other hand, the Audit & Supervisory Board promotes collaboration with the Accounting Auditor by discussing about audit plan with the Accounting Auditor, holding multiple meetings (including audit results report meeting and liaison meeting), and exchanging opinions regarding key audit matters (KAM). Based on these activities, the Audit & Supervisory Board meetings were held fifteen (15) times during the fiscal year under review.

Note: Unless otherwise noted, each item in this business report describes the status as of the fiscal year ended March 2023 (from April 1, 2022 to March 31, 2023) or as of the end of the fiscal year ended March 2023 (March 31, 2023).

Also, monetary amounts, numbers of shares, proportions and other figures contained in this business report are rounded to the nearest unit unless otherwise stated or no rounding is required.

Consolidated statements of financial position

As of March 31, 2023

(Millions of yen)

Account	As of March 31, 2022 (reference)	As of March 31, 2023	Account	As of March 31, 2022 (reference)	As of March 31, 2023
Assets			Liabilities		
Current assets	1,533,172	1,607,311	Current liabilities	1,062,358	1,004,311
Cash and cash equivalents	439,339	506,185	Borrowings	175,924	248,510
Trade receivables	524,476	546,381	Lease liabilities	9,432	10,298
Other financial assets	66,944	52,147	Trade payables	460,132	351,439
Inventories	437,004	443,001	Other financial liabilities	147,272	92,673
Income taxes receivables	4,982	4,303	Income taxes payables	29,715	30,285
Other current assets	60,427	55,294	Provisions	13,949	13,079
Non-current assets	1,508,481	1,539,716	Other current liabilities	225,934	258,027
Investments accounted for using the equity method	16,635	24,706	Non-current liabilities	675,540	679,849
Other financial assets	123,581	153,950	Bonds and borrowings	455,562	448,656
Property, plant and equipment	945,042	930,288	Lease liabilities	38,895	44,694
Right-of-use assets	50,169	54,683	Other financial liabilities	4,573	3,849
Goodwill	137,352	149,516	Retirement benefit liabilities	105,089	92,313
Intangible assets	69,030	61,241	Provisions	5,371	9,697
Long-term advances to suppliers	121,370	110,925	Deferred tax liabilities	57,454	70,386
Deferred tax assets	40,062	44,189	Other non-current liabilities	8,596	10,254
Other non-current assets	5,240	10,218	Total liabilities	1,737,898	1,684,160
			Equity		
			Equity attributable to owners of parent	1,300,317	1,458,446
			Share capital	32,641	32,641
			Capital surplus	-	45
			Retained earnings	974,767	1,054,738
			Other components of equity	309,607	387,281
			Treasury shares	(16,698)	(16,259)
			Non-controlling interests	3,438	4,421
			Total equity	1,303,755	1,462,867
Total assets	3,041,653	3,147,027	Total liabilities and equity	3,041,653	3,147,027

Note: The amounts are rounded to the nearest million yen.

Consolidated statements of profit or loss

Fiscal year ended March 31, 2023

(Millions of yen)

Account	From: April 1, 2021 To: March 31, 2022 (reference)	From: April 1, 2022 To: March 31, 2023
Net sales	1,902,124	2,180,817
Cost of sales	(1,338,276)	(1,596,295)
Gross profit	563,848	584,522
Selling, general and administrative expenses	(410,568)	(434,803)
Other operating income	14,033	19,393
Other operating expenses	(538)	(285)
Operating profit	166,775	168,827
Finance income	11,277	17,372
Finance costs	(7,853)	(20,772)
Share of profit of investments accounted for using the equity method	2,291	1,792
Profit before tax	172,490	167,219
Income tax expense	(40,675)	(52,918)
Net profit	131,815	114,301
Net profit attributable to:		
Owners of parent	131,298	114,187
Non-controlling interests	517	114
Net profit	131,815	114,301

Note: The amounts are rounded to the nearest million yen.

Consolidated statements of cash flows (for reference)

Fiscal year ended March 31, 2023

(Millions of yen)

Account	From: April 1, 2021 To: March 31, 2022	From: April 1, 2022 To: March 31, 2023
Cash flows from operating activities		
Net profit	131,815	114,301
Depreciation and amortization	177,031	206,285
Impairment losses	3,300	35,064
Finance income	(11,277)	(17,372)
Finance costs	7,853	20,772
Share of profit of investments accounted for using the equity method	(2,291)	(1,792)
Income tax expense	40,675	52,918
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(38,452)	6,321
Decrease (increase) in inventories	(108,436)	11,961
Decrease (increase) in long-term advances to suppliers	(112,222)	12,787
Decrease (increase) in other current assets	(9,740)	3,071
Increase (decrease) in trade payables	86,431	(116,469)
Increase (decrease) in other current liabilities	34,453	10,738
Increase (decrease) in retirement benefit liabilities	(348)	(11,004)
Net change in other financial assets and liabilities	628	(8,519)
Other	6,137	(20,888)
Subtotal	205,557	298,174
Interest and dividends received	9,538	14,746
Interest paid	(5,491)	(9,009)
Income taxes paid	(30,617)	(41,139)
Cash flows from operating activities	178,987	262,772

Note: The amounts are rounded to the nearest million yen.

Consolidated statements of cash flows (for reference)

Fiscal year ended March 31, 2023

(Millions of yen)

Account	From: April 1, 2021 To: March 31, 2022	From: April 1, 2022 To: March 31, 2023
Cash flows from investing activities		
Purchase of tangible and intangible assets	(291,337)	(275,709)
Proceeds from sale of tangible and intangible assets	3,368	23,795
Proceeds from withdrawal of time deposits	83,172	79,937
Payments into time deposits	(66,745)	(42,416)
Proceeds from sale and redemption of securities	1,523	788
Payment for purchase of securities	(11,537)	(11,803)
Purchase of investments in associates	-	(6,754)
Other	10	(2,240)
Cash flows from investing activities	(281,546)	(234,402)
Cash flows from financing activities		
Proceeds from long-term borrowings	190,879	372
Repayment of long-term borrowings	(134,570)	(4,868)
Net increase (decrease) in short-term borrowings	(8,235)	65,942
Proceeds from bonds	100,000	-
Repayment of lease liabilities	(9,713)	(10,398)
Dividends paid	(23,987)	(37,198)
Other	(631)	1,097
Cash flows from financing activities	113,743	14,947
Effect of exchange rate changes on cash and cash equivalents	47,768	23,529
Net increase in cash and cash equivalents	58,952	66,846
Cash and cash equivalents at beginning of year	380,387	439,339
Cash and cash equivalents at end of year	439,339	506,185

Note: The amounts are rounded to the nearest million yen.

CERTIFIED COPY OF ACCOUNTING AUDITORS' REPORT
FOR CONSOLIDATED FINANCIAL STATEMENTS

[English Translation of the Independent Auditors' Report Originally Issued in the Japanese Language]

Independent Auditor's Report

(May 17, 2023)

To the Board of Directors of TDK Corporation:

KPMG AZSA LLC
Tokyo Office, Japan

Michitaka Shishido
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kohei Shingaki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity and notes to the consolidated financial statements of TDK Corporation. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2023 and for the year from April 1, 2022 to March 31, 2023 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

CERTIFIED COPY OF AUDIT REPORT OF AUDIT & SUPERVISORY BOARD

[English Translation of the Audit Report of Audit & Supervisory Board
Originally Issued in the Japanese Language]

Audit Report of Audit & Supervisory Board

The Audit & Supervisory Board (the "Board") of TDK Corporation (the "Company") has reviewed and discussed the audit report prepared by each Audit & Supervisory Board Member with respect to the execution of the duties by the Directors during the 127th fiscal year commencing on April 1, 2022 and ending on March 31, 2023 and prepared the following audit report of the Board.

1. Means and methods of audits employed by the Audit & Supervisory Board Members and the Board

- (1) The Board established audit policies, schedules, duty allocation policies and other relevant guidance for the relevant fiscal year pursuant to the Code of Audit & Supervisory Board Members' Auditing Standards established by the Board; received reports from each Audit & Supervisory Board Member regarding their execution of audits and the results thereof, as well as reports from Directors, etc. and the Accounting Auditor regarding the execution of their duties; and sought explanations as necessary.
- (2) In accordance with the audit policies, schedules, duty allocation policies set forth above, each Audit & Supervisory Board Member communicated with the Directors, Corporate Officers, internal audit department and other employees; made efforts to develop the audit environment and collect information; and conducted audits as set forth below while utilizing the online conference system, etc.
 - i Each Audit & Supervisory Board Member participated in meetings of the Board of Directors and other important meetings; received reports from Directors, Corporate Officers and employees regarding the execution of their duties; sought explanations as necessary; examined important approval records and associated information; and investigated the status of operations and property. In addition, with respect to subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with their Directors and Audit & Supervisory Board Members; and received business reports from subsidiaries as necessary.
 - ii With respect to the contents of the resolution of the Board of Directors regarding the development of systems necessary to ensure that the execution of the duties by the Directors complies with the laws and regulations and the Articles of Incorporation and other systems prescribed as necessary for ensuring the properness of operations of a corporate group consisting of a stock company and its subsidiaries under Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act of Japan and the operations of the systems developed based on such resolution (the "Internal Control Systems"), in accordance with the Standards for Conducting Internal Control Audit established by the Board, each Audit & Supervisory Board Member received reports regarding the situation of the establishment and operations of such systems from Directors, Corporate Officers and other employees on a regular basis; sought explanations as necessary; and expressed opinions as Audit & Supervisory Board Member.
 - iii While monitoring and verifying whether the Accounting Auditor maintained its independence and implemented appropriate audits, each Audit & Supervisory Board Member received reports from the Accounting Auditor regarding the execution of its duties; and sought explanations as necessary. In addition, each Audit & Supervisory Board Member in charge of receiving a notice of accounting audit reports from

the Accounting Auditor received a notice from the Accounting Auditor that it had developed the "systems necessary to ensure proper execution of duties", prescribed under Article 131 of the Ordinance of Companies Accounting of Japan, in accordance with the "Quality Management Standards Regarding Audits", published by the Business Accounting Council as of October 28, 2005, and other relevant standards; and sought explanations as necessary.

Based on the above means and methods, each Audit & Supervisory Board Member examined the business reports and the supplementary schedules thereof, the non-consolidated financial statements (Balance Sheet, Statement of Operations, Statement of Changes in Net Assets and List of Notes to the Financial Statements) and the supplementary schedules thereof, and the consolidated financial statements (Consolidated Statement of Financial Position, Consolidated Statement of Operations, Consolidated Statement of Changes in Equity and List of Notes to the Consolidated Financial Statements) for the relevant fiscal year.

2. Audit results

(1) Results of audits of the business reports and other subjects

- i The Board has confirmed that the business reports and the supplementary schedules thereof accurately indicate the status of the Company in compliance with applicable laws and regulations and the Articles of Incorporation.
- ii The Board has found no misconduct or material facts in violation of laws and regulations or the Articles of Incorporation in connection with the execution of the duties by the Directors.
- iii The Board has confirmed that the content of the resolution of the Board of Directors regarding the Internal Control Systems is appropriate and there is no matter on which to remark in regard to the description of business report and the execution of the duties by the Directors regarding the Internal Control Systems.

(2) Results of audits of the non-consolidated financial statements and the supplementary schedules thereof

The Board has confirmed that the methods and results of the audits by the Accounting Auditor, audit firm of KPMG AZSA LLC, are appropriate.

(3) Results of audits of the consolidated financial statements

The Board has confirmed that the methods and results of the audits by the Accounting Auditor, audit firm of KPMG AZSA LLC, are appropriate.

May 19, 2023

Audit & Supervisory Board
TDK Corporation

Full-time Audit & Supervisory Board Member
Satoru Sueki (Seal)
Full-time Audit & Supervisory Board Member
Takakazu Momozuka (Seal)
Outside Audit & Supervisory Board Member
Jun Ishii (Seal)
Outside Audit & Supervisory Board Member
Douglas K. Freeman (Seal)
Outside Audit & Supervisory Board Member
Michiko Chiba (Seal)

End