

Investors' Guide 2022

Fiscal Years 2012-2022

TDK Corporation Value and Performance Indicators

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Consolidated Eleven-Year Summary

TDK Corporation and Subsidiaries

Years ended March 31, 2012 through 2022

(Yen Million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)
Net sales	802,534	841,847	984,525	1,082,560	1,152,255	1,178,257	1,271,747	1,381,806	1,363,037	1,479,008	1,479,008	1,902,124
(Overseas sales)	702,469	747,062	890,520	989,348	1,061,203	1,073,024	1,158,004	1,268,437	1,252,634	1,361,803	1,361,803	1,753,086
Cost of sales	624,271	668,258	763,572	802,225	831,123	855,948	928,525	985,321	959,714	1,044,690	1,052,410	1,338,276
Selling, general and administrative expenses	153,951	147,876	179,896	199,795	227,185	239,446	257,630	287,561	289,771	317,302	328,217	410,568
Impairment losses	3,405	1,275	4,441	5,376	533	16,811	1,282	5,112	18,592	7,914		
Impairment of Goodwill	530	823		2,705		2,600						
Gain on sale of a part of High-Frequency Devices business						(145,208)	(5,277)	(4,011)	(2,910)	(2,433)	(2,433)	
Production realignment costs	6,570	1,561										
Realignment-related gain; Sales of properties (gain)	(6,732)											
Restructuring cost												
Other							(105)				(11,000)	(13,495)
Operating profit (loss)	20,539	22,054	36,616	72,459	93,414	208,660	89,692	107,823	97,870	111,535	111,814	166,775
Profit (loss) before tax				74,517	91,839	211,717	89,811	115,554	95,876	121,904	117,263	172,490
Profit from continuing operations before tax	14,668	19,765	39,772									
Income tax expense	11,970	14,616	17,936	21,738	25,216	66,157	25,834	33,004	38,719	42,699	42,702	40,675
Net profit from continuing operations	2,698	5,149	21,836	52,779	66,623	145,560	63,977	82,550	57,157	79,205	74,561	131,815
Net profit (income) from discontinued operations	(4,399)	(619)	(3,602)									
Net profit (loss) attributable to owners of parent	(2,454)	1,195	16,288	49,440	64,828	145,099	63,463	82,205	57,780	79,340	74,681	131,298
Per common share (Yen) :												
Net profit (loss) attributable to owners of parent Basic	(19.06)	9.50	129.47	392.78	514.23	1,150.16	502.80	651.02	457.47	628.08	197.06	346.44
Net profit (loss) attributable to owners of parent Diluted	(21.42)	5.36	120.97	377.98	504.66	1,147.57	501.47	649.45	456.44	626.78	196.66	345.65
Net cash flow	600.98	627.89	787.77	1,027.60	1,171.29	1,839.52	1,229.78	1,491.87	1,443.76	1,735.02	588.13	811.69
Net assets	3,957	4,461	5,050	5,865	5,355	6,289	6,532	6,947	6,681	7,944	7,591	10,292
Dividends	80.00	70.00	70.00	90.00	120.00	120.00	130.00	160.00	180.00	180.00	180.00	145.00
Payout ratio (%)	—	736.8	54.1	22.9	23.3	10.4	25.9	24.6	39.3	28.7	30.4	22.6
Total assets	1,072,829	1,169,575	1,239,553	1,404,253	1,450,564	1,664,333	1,905,209	1,992,480	1,943,379	2,401,433	2,359,663	3,041,653
Equity attributable to owners of parent	498,159	561,169	635,327	738,861	675,361	793,614	824,634	877,290	843,957	1,003,538	958,929	1,300,317
Working capital	219,918	232,693	279,504	352,364	289,760	388,542	296,899	208,165	247,577	221,909	202,547	470,814
Purchase of tangible and intangible assets	99,653	85,606	68,606	102,525	160,674	167,631	178,612	173,592	173,429	212,355	212,196	291,337
Depreciation and amortization	80,197	77,938	83,109	80,249	83,224	87,491	92,171	106,631	124,984	140,285	148,356	177,031
Research and development	52,551	53,943	63,385	70,644	84,920	91,254	102,641	115,155	117,489	127,046	127,409	165,250
Ratio of overseas production to net sales (%)	80.2	81.8	86.7	87.9	86.3	86.1	84.5	85.4	84.4	86.2	86.2	89.0
Number of employees	79,175	79,863	83,581	88,076	91,648	99,693	102,883	104,781	107,138	129,284	129,284	116,808

Notes:

1. In accordance with the provisions of ASC No.205-20, "Presentation of Financial Statements-Discontinued Operations," operating results relating to the data tape business and the blu-ray business are separately presented as discontinued operations in consolidated statements of operations for the year ended March 31, 2014. Also reclassifications are made to the consolidated statements of operations after the year ended March 31, 2012 to conform to the presentation used for the year ended March 31, 2014. However, Overseas sales, Depreciation and amortization, Research and development and Ratio of overseas production to net sales includes the amount of discontinued operations.

2. TDK adopted Accounting Standards Update ("ASU") 2015-03 "Simplifying the Presentation of Debt Issuance Costs" issued by the Financial Accounting Standards Board ("FASB") after the year ended March 31, 2017. As a result, the bond issuance cost that used to be a part of Total assets is presented as a deduction from Total assets from the year ended March 31, 2013.

3. TDK adopted ASU 2017-07 "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" issued by FASB after the year ended March 31, 2019. As a result of this reclassification, cost of sales in the year ended March 31, 2018 decreased by ¥1,991 million, operating income increased by ¥4,059 million, selling, general and administrative expenses decreased by ¥2,068 million and research and development decreased by ¥816 million.

4. TDK split one share of its common stock into three shares on effective date of October 1, 2021. "Net profit attributable to owners of parent" is calculated based on the assumption that the share split was conducted on April 1, 2020.

5. TDK adopted the International Financial Reporting Standards from the year ended March 31, 2022; consolidated financial statements are prepared under the International Financial Reporting Standards from the year ended March 31, 2022. As for the Impairment losses, the amount is included in Cost of sales and Selling, general and administrative expenses from the year ended March 31, 2022.

Consolidated Performance Indicators (1)

TDK Corporation and Subsidiaries

Years ended March 31, 2012 through 2022

(Yen Million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)
Net sales	802,534	841,847	984,525	1,082,560	1,152,255	1,178,257	1,271,747	1,381,806	1,363,037	1,479,008	1,479,008	1,902,124
(Overseas sales)	702,469	747,062	890,520	989,348	1,061,203	1,073,024	1,158,004	1,268,437	1,252,634	1,361,803	1,361,803	1,753,086
Ratio to net sales (%)	87.5	88.7	90.5	91.4	92.1	91.1	91.1	91.8	91.9	92.1	92.1	92.2
Cost of sales	624,271	668,258	763,572	802,225	831,123	855,948	928,525	985,321	959,714	1,044,690	1,052,410	1,338,276
Ratio to net sales (%)	77.8	79.4	77.6	74.1	72.1	72.6	73.0	71.3	70.4	70.6	71.2	70.4
Selling, general and administrative expenses	157,724	151,535	184,337	207,876	227,718	113,649	253,530	288,662	305,453	322,783	328,217	410,568
Ratio to net sales (%)	19.6	18.0	18.7	19.2	19.8	9.7	19.9	20.9	22.4	21.9	22.2	21.6
Operating income (loss)	20,539	22,054	36,616	72,459	93,414	208,660	89,692	107,823	97,870	111,535	111,814	166,775
Ratio to net sales (%)	2.6	2.6	3.7	6.7	8.1	17.7	7.1	7.8	7.2	7.5	7.6	8.8
Net profit (loss) attributable to owners of parent	(2,454)	1,195	16,288	49,440	64,828	145,099	63,463	82,205	57,780	79,340	74,681	131,298
Ratio to net sales (%)	(0.3)	0.1	1.7	4.6	5.6	12.3	5.0	5.9	4.2	5.4	5.0	6.9
Capital expenditures	99,653	85,606	68,606	102,525	160,674	167,631	178,612	173,592	173,429	212,355	212,196	291,337
Percentage of net cash flow (%)	128.2	108.2	69.0	79.1	108.5	72.1	114.8	91.9	94.9	96.7	95.1	94.5
Depreciation and amortization	80,197	77,938	83,109	80,249	83,224	87,491	92,171	106,631	124,984	140,285	148,356	177,031
Net cash flow	77,743	79,133	99,397	129,689	148,052	232,590	155,634	188,836	182,764	219,625	223,037	308,329
Research and development	52,551	53,943	63,385	70,644	84,920	91,254	102,641	115,155	117,489	127,046	127,409	165,250
Percentage of net sales (%)	6.5	6.4	6.4	6.5	7.4	7.7	8.1	8.3	8.6	8.6	8.6	8.7

Notes:

1. In accordance with the provisions of ASC No.205-20, "Presentation of Financial Statements-Discontinued Operations," operating results relating to the data tape business and the blu-ray business are separately presented as discontinued operations in consolidated statements of operations for the year ended March 31, 2014. Also reclassifications are made to the consolidated statements of operations after the year ended March 31, 2012 to conform to the presentation used for the year ended March 31, 2014.

2. TDK adopted ASU 2017-07 "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" issued by FASB after the year ended March 31, 2019. As a result of this reclassification, cost of sales in the year ended March 31, 2018 decreased by ¥1,991 million, operating income increased by ¥4,059 million, selling, general and administrative expenses decreased by ¥2,068 million and research and development decreased by ¥816 million.

3. TDK adopted the International Financial Reporting Standards from the year ended March 31, 2022; consolidated financial statements are prepared under the International Financial Reporting Standards from the year ended March 31, 2022.

Consolidated Performance Indicators (2)

TDK Corporation and Subsidiaries

Years ended March 31, 2012 through 2022

(Yen Million)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)
Return on investment (%)	(0.4)	0.2	2.3	6.2	7.7	15.9	6.0	7.5	5.6	7.4	7.3	9.2
Return on equity (%)	(0.5)	0.2	2.7	7.2	9.2	19.8	7.8	9.7	6.7	8.6	8.5	11.6
Return on total assets (%)	(0.2)	0.1	1.4	3.7	4.5	9.3	3.6	4.2	2.9	3.7	3.5	4.9
Total assets	1,072,829	1,169,575	1,239,553	1,404,253	1,450,564	1,664,333	1,905,209	1,992,480	1,943,379	2,401,433	2,359,663	3,041,653
Asset turnover (Times)	0.76	0.76	0.82	0.82	0.81	0.76	0.71	0.71	0.69	0.68	0.69	0.70
Fixed assets	332,325	365,901	374,032	427,254	487,639	464,667	545,641	603,110	611,150	784,371	776,444	945,042
Fixed asset turnover (Times)	2.5	2.4	2.7	2.7	2.5	2.5	2.5	2.4	2.2	2.1	2.1	2.2
Inventories	137,231	137,868	136,387	151,012	157,129	154,499	207,532	226,892	236,453	288,854	288,346	437,004
Inventory turnover (Times)	6.29	6.19	7.18	7.53	7.48	7.56	7.03	6.36	5.88	5.63	5.64	5.24
Equity attributable to owners of parent	498,159	561,169	635,327	738,861	675,361	793,614	824,634	877,290	843,957	1,003,538	958,929	1,300,317
Ratio of equity attributable to owners of parent (%)	46.4	48.0	51.3	52.6	46.6	47.7	43.3	44.0	43.4	41.8	40.6	42.8
Current ratio (Times)	1.67	1.62	1.75	1.91	1.64	1.81	1.49	1.29	1.34	1.22	1.20	1.44
Debt / Equity ratio (Times)	0.55	0.55	0.45	0.40	0.56	0.53	0.73	0.70	0.62	0.65	0.68	0.69
Interest coverage ratio (Times)	7.6	8.8	11.6	25.6	31.4	62.1	21.5	27.8	29.4	34.4	56.9	32.6

Notes:

1. TDK adopted ASU 2015-03 "Simplifying the Presentation of Debt Issuance Costs" issued by FASB after the year ended March 31, 2017. As a result, the bond issuance cost that used to be a part of Total assets is presented as a deduction from Total assets from the year ended March 31, 2013. Besides, Return on investment, Return on total assets, Asset turnover and Debt / Equity ratio are also recalculated and presented.

2. TDK adopted the International Financial Reporting Standards from the year ended March 31, 2022; consolidated financial statements are prepared under the International Financial Reporting Standards from the year ended March 31, 2022.

Consolidated Statements of Operations

TDK Corporation and Subsidiaries

Years ended March 31, 2012 through 2022

(Yen Million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)
Net sales	802,534	841,847	984,525	1,082,560	1,152,255	1,178,257	1,271,747	1,381,806	1,363,037	1,479,008	1,479,008	1,902,124
Cost of sales	624,271	668,258	763,572	802,225	831,123	855,948	928,525	985,321	959,714	1,044,690	1,052,410	1,338,276
Gross profit	178,263	173,589	220,953	280,335	321,132	322,309	343,222	396,485	403,323	434,318	426,598	563,848
Selling, general and administrative expenses	153,951	147,876	179,896	199,795	227,185	239,446	257,630	287,561	289,771	317,302	328,217	410,568
Impairment loss	3,405	1,275	4,441	5,376	533	16,811	1,282	5,112	18,592	7,914		
Impairment of Goodwill	530	823		2,705		2,600						
Gain on sale of a part of High-Frequency Devices business						(145,208)	(5,277)	(4,011)	(2,910)	(2,433)	(2,433)	
Production realignment costs	6,570	1,561										
Realignment-related gain; Sales of properties	(6,732)											
Restructuring cost												
Other							(105)				(11,000)	(13,495)
Operating profit (loss)	20,539	22,054	36,616	72,459	93,414	208,660	89,692	107,823	97,870	111,535	111,814	166,775
Other income (deductions):												
Finance income	1,986	2,893	5,501	5,347	4,496	4,600	6,369	8,209	12,045	18,757	11,424	11,277
Finance costs	(8,000)	(3,692)	(4,759)	(1,146)	(8,655)	(3,428)	(5,495)	(8,567)	(7,691)	(4,828)	(7,483)	(7,853)
Share of profit of investments accounted for using the equity method	(557)	(2,388)	1,444	725	1,462	1,396	2,989	1,795	(2,329)	(890)	415	2,291
Other-net	700	898	970	824	1,122	489	(3,744)	6,294	(4,019)	(2,670)	1,093	
	(5,871)	(2,289)	3,156	5,750	(1,575)	3,057	119	7,731	(1,994)	10,369	5,449	5,715
Profit (loss) before tax				78,209	91,839	211,717	89,811	115,554	95,876	121,904	117,263	172,490
Profit from continuing operations before tax	14,668	19,765	39,772									
Income taxes expense	11,970	14,616	17,936	21,738	25,216	66,157	25,834	33,004	38,719	42,699	42,702	40,675
Profit from continuing operations	2,698	5,149	21,836	52,779	66,623	145,560	63,977	82,550	57,157	79,205	74,561	131,815
Profit (income) from discontinued operations	(4,399)	(619)	(3,602)									
Net profit (loss)	(1,701)	4,530	18,234	52,779	66,623	145,560	63,977	82,550	57,157	79,205	74,561	131,815
Less: Net profit (loss) attributable to noncontrolling interests	753	3,335	1,946	3,339	1,795	461	514	345	(623)	(135)	(120)	517
Net profit (loss) attributable to TDK	(2,454)	1,195	16,288	49,440	64,828	145,099	63,463	82,205	57,780	79,340	74,681	131,298

Notes:

1. In accordance with the provisions of ASC No.205-20, "Presentation of Financial Statements-Discontinued Operations," operating results relating to the data tape business and the blu-ray business are separately presented as discontinued operations in consolidated statements of operations for the year ended March 31, 2014. Also reclassifications are made to the consolidated statements of operations after the year ended March 31, 2012 to conform to the presentation used for the year ended March 31, 2014.
2. In accordance with the provisions of ASC No.2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," cost of sales and selling, general and administrative expense in the year ended March 31, 2018 were reclassified amount were ¥1,991 million, ¥2,068 million, respectively.
3. TDK adopted the International Financial Reporting Standards from the year ended March 31, 2022; consolidated financial statements are prepared under the International Financial Reporting Standards from the year ended March 31, 2022. As a result, some numbers from the past are reclassified to match the accounts abiding by the International Financial Reporting Standards. As for the Impairment losses, the amount is included in Cost of sales and Selling, general and administrative expenses from the year ended March 31, 2022.

Consolidated Balance Sheets

TDK Corporation and Subsidiaries
Years ended March 31, 2012 through 2022

(Yen Million)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)
Assets												
Current assets:												
Cash and cash equivalents	167,015	213,687	250,848	265,104	285,468	330,388	279,624	289,175	332,717	380,387	380,387	439,339
Trade receivables	177,861	190,080	206,472	238,089	226,218	254,909	304,016	308,154	310,142	429,454	429,371	524,476
Other financial assets	7,195	10,730	8,691	21,392	21,964	56,131	43,667	40,562	32,550	65,942	75,493	66,944
Inventories	137,231	137,868	136,387	151,012	157,129	154,499	207,532	226,892	236,453	288,854	288,346	437,004
Income taxes receivables	5,210	4,975	5,311	4,766	4,660	6,153	6,068	6,775	9,201	4,983	4,983	4,982
Other current assets	51,309	53,288	45,576	59,878	45,555	64,056	59,029	50,927	45,419	63,765	52,290	60,427
Total current assets	545,821	610,628	653,285	740,241	740,994	866,136	899,936	922,485	966,482	1,233,385	1,230,870	1,533,172
Non-current assets:												
Investments in securities	35,451	32,213	38,401	45,733	35,335	161,825	155,240	155,306	33,229	44,287		
Investments accounted for using the equity method											14,069	16,635
Other financial assets											43,961	123,581
Property, plant and equipment	332,325	365,901	374,032	427,254	487,639	464,667	545,641	603,110	611,150	784,371	776,444	945,042
Right-of-use assets									39,215	42,325	45,735	50,169
Goodwill	47,313	56,438	63,891	63,230	73,012	61,031	157,858	164,794	160,945	165,096	125,668	137,352
Intangible assets	61,262	57,604	54,214	47,776	45,824	51,821	85,531	88,693	79,748	73,280	73,357	69,030
Long-term advances to suppliers												121,370
Deferred tax assets	38,802	29,674	28,563	24,085	37,776	29,546	31,131	35,238	34,862	41,024	44,017	40,062
Other non-current assets	11,855	17,117	27,167	55,934	29,984	29,307	29,872	22,854	17,748	17,665	5,542	5,240
Total assets	1,072,829	1,169,575	1,239,553	1,404,253	1,450,564	1,664,333	1,905,209	1,992,480	1,943,379	2,401,433	2,359,663	3,041,653

Notes:

1. TDK adopted ASU 2015-03 "Simplifying the Presentation of Debt Issuance Costs" issued by FASB after the year ended March 31, 2017. As a result, the bond issuance cost that used to be a part of Other assets is presented as a deduction from Other assets from the year ended March 31, 2013.

2. TDK adopted the International Financial Reporting Standards from the year ended March 31, 2022; consolidated financial statements are prepared under the International Financial Reporting Standards from the year ended March 31, 2022. As a result, some numbers from the past are reclassified to match the accounts abiding by the International Financial Reporting Standards. The accounts Investments accounted for using the equity method and Other financial assets are shown separately from the year ended March 31, 2022.

Consolidated Balance Sheets

TDK Corporation and Subsidiaries
Years ended March 31, 2012 through 2022

(Yen Million)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)
Liabilities												
Current liabilities:												
Borrowings	142,897	198,139	169,384	136,849	194,911	120,197	189,139	312,586	284,629	328,063	327,518	175,924
Lease liabilities									7,252	8,444	9,120	9,432
Trade payables	87,666	85,015	95,688	111,591	112,664	176,644	226,791	189,892	201,825	324,373	324,373	460,132
Other financial liabilities											161,930	147,272
Income taxes payables	5,133	4,110	7,922	6,510	5,267	16,650	10,989	3,781	7,341	9,232	20,389	29,715
Provisions											13,969	13,949
Other current liabilities	90,207	90,671	100,787	132,927	138,392	164,103	176,118	208,061	217,858	341,364	171,024	225,934
Total current liabilities	325,903	377,935	373,781	387,877	451,234	477,594	603,037	714,320	718,905	1,011,476	1,028,323	1,062,358
Non-current liabilities:												
Bonds and borrowings	129,943	97,414	97,587	131,454	140,826	213,935	293,880	207,682	140,061	155,273	150,148	455,562
Lease liabilities									28,824	29,833	35,036	38,895
Other financial liabilities											2,966	4,573
Retirement benefit liabilities	88,254	94,521	93,777	105,687	147,136	125,202	125,137	129,050	142,958	116,745	116,813	105,089
Provisions											5,200	5,371
Deferred tax liabilities	4,048	4,808	5,202	5,422	9,562	29,786	35,432	38,588	38,329	52,172	50,939	57,454
Other non-current liabilities	12,635	14,281	16,963	15,806	17,173	15,698	16,491	19,084	25,738	29,637	8,551	8,596
Total liabilities	560,783	588,959	587,310	646,246	765,931	862,215	1,073,977	1,108,724	1,094,815	1,395,136	1,397,976	1,737,898
Equity:												
Equity attributable to owners of parent												
Share capital	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641
Capital surplus	63,927	64,199	57,635	39,755	21,083	15,349	8,738	5,958	1,783			
Retained earnings	651,664	642,803	651,570	690,844	741,729	871,611	919,929	980,085	1,016,394	1,070,422	853,620	974,767
Other components of equity	(230,849)	(159,016)	(87,134)	(5,882)	(102,285)	(108,575)	(119,492)	(124,435)	(190,055)	(82,733)	89,460	309,607
Treasury stock	(19,224)	(19,458)	(19,385)	(18,497)	(17,807)	(17,412)	(17,182)	(16,959)	(16,806)	(16,792)	(16,792)	(16,698)
Total equity attributable to owners of parent	498,159	561,169	635,327	738,861	675,361	793,614	824,634	877,290	843,957	1,003,538	958,929	1,300,317
Non-controlling interests	13,887	19,447	16,916	19,146	9,272	8,504	6,598	6,466	4,607	2,759	2,758	3,438
Total equity	512,046	580,616	652,243	758,007	684,633	802,118	831,232	883,756	848,564	1,006,297	961,687	1,303,755
Total liabilities and equity	1,072,829	1,169,575	1,239,553	1,404,253	1,450,564	1,664,333	1,905,209	1,992,480	1,943,379	2,401,433	2,359,663	3,041,653

Notes:

1. TDK adopted ASU 2015-03 "Simplifying the Presentation of Debt Issuance Costs" issued by FASB after the year ended March 31, 2017. As a result, the bond issuance cost that used to be a part of Long-term debt, excluding current installments is presented as a deduction from Long-term debt, excluding current installments from the year ended March 31, 2013.

2. TDK adopted the International Financial Reporting Standards from the year ended March 31, 2022; consolidated financial statements are prepared under the International Financial Reporting Standards from the year ended March 31, 2022. As a result, some numbers from the past are reclassified to match the accounts abiding by the International Financial Reporting Standards. The accounts Other financial liabilities and Provisions are shown separately from the year ended March 31, 2022.

Consolidated Statements of Cash Flows

TDK Corporation and Subsidiaries
Years ended March 31, 2012 through 2022

(Yen Million)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)
Cash flows from operating activities:												
Net income (loss)	(1,701)	4,530	18,234	52,779	66,623	145,560	63,977	82,550	57,157	79,205	74,561	131,815
Adjustments to reconcile net income (loss) to net cash provided by operating activities:												
Depreciation and amortization	80,197	77,938	83,109	80,249	83,224	87,491	92,171	106,631	124,984	140,285	148,356	177,031
Loss (gain) on sale or disposal of property, plant and equipment	(5,396)	1,203	(1,519)	860	1,105	601	704	2,249	2,183	(18)		
Impairment losses	5,124	1,275	6,149	5,376	533	16,811	1,282	5,112	18,592	7,914	7,914	3,300
Income tax expense	2,092	5,110	(1,215)	3,009	2,001	30,723	(1,354)	5,458	(4,437)	6,222	42,702	40,675
Finance income	4,236	714	(2,136)	(1,272)	3,145	(80)	248	(463)	(1,879)	(9,030)	(11,424)	(11,277)
Finance costs												7,483
Gain on sale of a part of High-Frequency Devices business						(149,538)	(5,427)	(4,011)	(2,910)	(2,433)	(2,433)	
Gain on sale of a subsidiary												
Share of profit of investments accounted for using the equity method	650	2,393	(1,424)	(669)	(1,417)	(1,280)	(2,924)	(1,768)	2,370	905	(415)	(2,291)
Gain on sale of investments accounted for using the equity method								(9,379)	183	(1,093)	(1,093)	
Changes in assets and liabilities:												
Decrease (increase) in trade receivables	(14,805)	14,487	4,349	4,919	(7,262)	(59,152)	(51,961)	(3,388)	(13,198)	(96,966)	(96,954)	(38,452)
Decrease (increase) in inventories	(18,075)	13,493	13,011	(4,368)	(10,591)	(21,709)	(49,731)	(22,952)	(20,357)	(38,603)	(38,561)	(108,436)
Decrease (increase) in long-term advances to suppliers												(112,222)
Increase (decrease) in trade payables	4,784	(20,327)	(1,446)	(12,375)	16,460	67,913	53,761	(12,241)	23,090	99,098	99,098	86,431
Increase (decrease) in other current liabilities	(1,080)	183	6,556	6,210	(1,802)	23,564	2,130	1,388	17,986	49,620	38,369	34,453
Increase (decrease) in retirement benefit liabilities	2,201	(202)	2,053	536	(3,966)	1,646	(1,560)	(2,770)	(3,794)	(3,098)	(1,313)	(348)
Interest and dividends received											9,206	9,538
Interest paid											(4,056)	(5,491)
Income taxes paid											(27,568)	(30,617)
Other-net	(2,893)	8,145	1,587	7,596	3,510	17,586	(10,006)	(6,142)	22,420	(9,194)	(13,017)	(2,975)
Net cash provided by operating activities	55,334	108,942	127,308	142,850	151,563	160,136	91,310	140,274	222,390	222,814	230,855	178,987
Cash flows from investing activities:												
Purchase of tangible and intangible assets	(99,653)	(85,606)	(68,606)	(102,525)	(160,674)	(167,631)	(178,612)	(173,592)	(173,429)	(212,355)	(212,196)	(291,337)
Proceeds from sales of tangible and intangible assets	12,029	4,246	5,206	7,698	3,918	21,085	9,083	3,921	2,945	3,586	3,586	3,368
Proceeds from withdrawal of time deposits	55,951	12,363	21,844	21,828	30,348	38,697	168,256	92,197	80,328	90,606	90,606	83,172
Payments into time deposits	(12,705)	(14,496)	(20,232)	(30,861)	(27,352)	(73,632)	(156,621)	(87,581)	(74,665)	(120,427)	(120,427)	(66,745)
Proceeds from sale and redemption of securities	19,576	2,335	5,269	707	4,833	523	24,933	435	1,608	1,080	1,080	1,523
Payment for purchase of securities	(3,535)	(748)	(1,746)	(248)	(1,112)	(837)	(1,208)	(803)	(2,380)	(3,994)	(3,994)	(11,537)
Acquisitions of assets												
Proceeds from sale of business												
Proceeds from sale of a part of High-Frequency Devices business						128,210	30,365	11,462		7,017	7,017	
Proceeds from sale of a subsidiary												
Acquisition of subsidiaries, net of cash acquired	(545)	(5,633)	(922)		(15,165)	(16,819)	(141,499)	(2,548)	(234)			
Proceeds from sale of investments in associates								22,064	124,484	2,502	2,502	
Acquisition of associates												
Other-net	(1,016)	(2,617)	3,749	(23,911)	24,619	(707)	(796)	(5,734)	(621)	497	408	10
Net cash used in investing activities	(29,898)	(90,156)	(55,438)	(127,312)	(140,585)	(71,111)	(246,099)	(140,179)	(41,964)	(231,488)	(231,488)	(281,546)
Cash flows from financing activities:												
Proceeds from long-term borrowings	50,306	40,416	33,747	34,777	22,700						50,014	190,879
Repayment of long-term borrowings	(56,046)	(37,710)	(51,867)	(37,320)	(1,289)						(66,200)	(134,570)
Net income (decrease) in short-term borrowings	32,487	12,124	(16,634)	(916)	50,213	(14,034)	134,300	32,060	(95,293)	58,687	(24,526)	(8,235)
Proceeds from bonds											100,000	100,000
Repayment of lease liabilities											(8,712)	(9,713)
Dividends paid	(10,321)	(10,070)	(7,554)	(10,069)	(13,864)	(15,132)	(15,138)	(18,948)	(21,469)	(22,738)	(22,738)	(23,987)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,201)		(13,981)	(24,633)	(28,504)	(8,914)	(8,796)	(3,590)	(4,991)	(5,955)	(5,955)	(113)
Other-net	(2,296)	(365)	171	2,918	49	327	(278)	(87)	(16)	(801)	(801)	(518)
Net cash provided by (used in) financing activities	12,929	4,395	(56,118)	(35,243)	29,305	(37,753)	110,088	9,435	(121,769)	29,193	21,082	113,743
Effect of exchange rate changes on cash and cash equivalents	(441)	23,491	21,409	33,961	(19,919)	(6,352)	(6,063)	21	(15,115)	27,151	27,151	47,768
Net increase (decrease) in cash and cash equivalents	37,924	46,672	37,161	14,256	20,364	44,920	(50,764)	9,551	43,542	47,670	47,670	58,952
Cash and cash equivalents, beginning of year	129,091	167,015	213,687	250,848	265,104	285,468	330,388	279,624	289,175	332,717	332,717	380,387
Cash and cash equivalents, end of year	167,015	213,687	250,848	265,104	285,468	330,388	279,624	289,175	332,717	380,387	380,387	439,339

Notes:

1. As a result of the reclassification of Cash flows from financing activities in the year ended March 31, 2019, the figures for the years ended March 31, 2017 and 2018 are also reclassified from "Proceeds from long-term debt," "Repayment of long-term debt," and "Increase (decrease) in short-term debt, net" to "Proceeds from debt with maturities longer than three months," "Repayment of debt with maturities longer than three months," and "Net increase (decrease) in debt with maturities of three months."

2. TDK adopted the International Financial Reporting Standards from the year ended March 31, 2022; consolidated financial statements are prepared under the International Financial Reporting Standards from the year ended March 31, 2022. As a result, some numbers from the past are reclassified to match the accounts abiding by the International Financial Reporting Standards. The accounts "Finance costs", "Interest and dividends received", "Interest paid", "Income taxes paid", "Proceeds from bonds" and "Repayment of lease liabilities" are shown separately from the year ended March 31, 2022.

Segment Information (1)

TDK Corporation and Subsidiaries
Years ended March 31, 2012 through 2022

(Yen Million)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)
Total												
Sales	802,534	841,847	984,525	1,082,560	1,152,255	1,178,257	1,271,747	1,381,806	1,363,037	1,479,008	1,479,008	1,902,124
Operating profit (loss)	20,539	22,054	36,616	72,459	93,414	208,660	89,692	107,823	97,870	111,535	111,814	166,775
Assets	1,072,829	1,169,575	1,239,553	1,404,253	1,450,564	1,664,333	1,905,209	1,992,480	1,943,379	2,401,433	2,359,663	3,041,653

Sales by Segment

Passive Components	381,576	379,614	466,130	531,998	583,474	548,730						
Share to net sales (%)	47.5	45.1	47.3	49.1	50.6	46.6						
Magnetic Application Products	316,402	337,947	357,018	363,347	315,322	349,698						
Share to net sales (%)	39.4	40.1	36.3	33.6	27.4	29.7						
Film Application Products	80,764	102,893	129,304	151,275	219,893	247,693						
Share to net sales (%)	10.1	12.2	13.1	14.0	19.1	21.0						
Other	23,792	21,393	32,073	35,940	33,566	32,136						
Share to net sales (%)	3.0	2.6	3.3	3.3	2.9	2.7						

Sales by Segment*1

Passive Components					528,225	437,639						
Share to net sales (%)					44.8	34.4						
Sensor Application Products					42,850	77,578						
Share to net sales (%)					3.7	6.1						
Magnetic Application Products					329,850	333,235						
Share to net sales (%)					28.0	26.2						
Film Application Products					247,693	370,953						
Share to net sales (%)					21.0	29.2						
Other					29,639	52,342						
Share to net sales (%)					2.5	4.1						

Sales by Segment*2

Passive Components						417,757	433,406	395,456	407,126	407,126		505,198
Share to net sales (%)						32.9	31.4	29.0	27.5	27.5		26.6
Sensor Application Products						77,355	76,467	77,938	81,345	81,345		130,769
Share to net sales (%)						6.1	5.5	5.7	5.5	5.5		6.9
Magnetic Application Products						277,548	272,807	219,668	199,253	199,253		248,446
Share to net sales (%)						21.8	19.7	16.1	13.5	13.5		13.1
Energy Application Products						442,822	537,502	597,698	740,227	740,227		965,345
Share to net sales (%)						34.8	38.9	43.9	50.0	50.0		50.7
Other						56,265	61,624	72,277	51,057	51,057		52,366
Share to net sales (%)						4.4	4.5	5.3	3.5	3.5		2.7

*1. From the year ended March 31, 2018, the business result is disclosed with the new business segments of "Passive Components," "Sensor Application Products," "Magnetic Application Products," "Film Application Products," and "Other."

*2. From the year ended March 31, 2019, the business result is disclosed with the new business segments of "Passive Components," "Sensor Application Products," "Magnetic Application Products," "Energy Application Products," and "Other."

Notes:

- In accordance with the provisions of ASC No.205-20, "Presentation of Financial Statements-Discontinued Operations," operating results relating to the data tape business and the blu-ray business are separately presented as discontinued operations in consolidated statements of operations for the year ended March 31, 2014. Also reclassifications are made to the consolidated statements of operations after the year ended March 31, 2012 to conform to the presentation used for the year ended March 31, 2014.
- As a result of the reorganization in the year ended March 31, 2016, certain products of the Passive Components segment and the Magnetic Application Products segment were reclassified into Other for the figures for the years ended March 31, 2014 and 2015.
- As a result of the reorganization in the year ended March 31, 2017, certain products of Other were reclassified into Inductive Devices and Other Passive Components and certain products of Film Application Products were reclassified into Other. The figures for the years ended March 31, 2016 were also reclassified to conform to the new segmentation.
- TDK adopted ASU 2015-03 "Simplifying the Presentation of Debt Issuance Costs" issued by FASB after the year ended March 31, 2017. As a result, the bond issuance cost that used to be a part of Total assets is presented as a deduction from Total assets from the year ended March 31, 2013.
- As a result of the reorganization in the year ended March 31, 2018, Sensor Application Products was newly established. Certain products of Other were reclassified into Passive Components and certain products of Magnetic Application Products were reclassified into Other. The figures for the years ended March 31, 2017 were also reclassified to conform to the new segmentation.
- As a result of the reorganization in the year ended March 31, 2019, Energy Application Products was newly established. Certain products of Other Passive Components in Passive Components were reclassified into Other, and certain products of Other were reclassified into Other Passive Components in Passive Components, and certain portion of Sensor Application Products were reclassified into Other. The figures for the year ended March 31, 2018 were also reclassified to conform to the new segmentation.
- TDK adopted the International Financial Reporting Standards from the year ended March 31, 2022; consolidated financial statements are prepared under the International Financial Reporting Standards from the year ended March 31, 2022.

Segment Information (2)

FY March 2021 (Yen Million)	Q1 (Apr.-Jun.)	Q2 (Jul.-Sep.)	Q3 (Oct.-Dec.)	Q4 (Jan.-Mar.)
Sales				
Passive Components	84,357	99,439	109,450	113,880
Sensor Application Products	14,703	19,788	23,000	23,854
Magnetic Application Products	38,278	50,423	55,949	54,603
Energy Application Products	156,855	200,662	195,372	187,338
Other	15,200	11,406	11,915	12,536
	309,393	381,718	395,686	392,211

FY March 2022 (Yen Million)	Q1 (Apr.-Jun.)	Q2 (Jul.-Sep.)	Q3 (Oct.-Dec.)	Q4 (Jan.-Mar.)
Sales				
Passive Components	121,183	127,334	129,490	127,191
Sensor Application Products	26,828	32,685	36,141	35,115
Magnetic Application Products	60,623	65,363	64,023	58,437
Energy Application Products	199,592	235,523	256,145	274,085
Other	11,832	13,222	13,871	13,441
	420,058	474,127	499,670	508,269