

# Investors' Guide 2023

## Fiscal Years 2013-2023

### **TDK Corporation** Value and Performance Indicators

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## Consolidated Eleven-Year Summary

TDK Corporation and Subsidiaries

Years ended March 31, 2013 through 2023

(Yen Million)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)	2023(IFRS)
<b>Net sales</b>	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	<b>2,180,817</b>
<b>(Overseas sales)</b>	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	<b>2,004,381</b>
<b>Cost of sales</b>	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	<b>1,596,295</b>
<b>Selling, general and administrative expenses</b>	147,876	179,896	199,795	227,185	239,446	257,630	287,561	289,771	317,302	328,217	410,568	<b>434,803</b>
<b>Impairment losses</b>	1,275	4,441	5,376	533	16,811	1,282	5,112	18,592	7,914			
<b>Impairment of Goodwill</b>	823		2,705		2,600							
<b>Gain on sale of a part of High-Frequency Devices business</b>					(145,208)	(5,277)	(4,011)	(2,910)	(2,433)	(2,433)		
<b>Production realignment costs</b>	1,561											
<b>Realignment-related gain; Sales of properties (gain)</b>												
<b>Restructuring cost</b>												
<b>Other</b>						(105)				(11,000)	(13,495)	<b>(19,108)</b>
<b>Operating profit (loss)</b>	22,054	36,616	72,459	93,414	208,660	89,692	107,823	97,870	111,535	111,814	166,775	<b>168,827</b>
<b>Profit (loss) before tax</b>			74,517	91,839	211,717	89,811	115,554	95,876	121,904	117,263	172,490	<b>167,219</b>
<b>Profit from continuing operations before tax</b>	19,765	39,772										
<b>Income tax expense</b>	14,616	17,936	21,738	25,216	66,157	25,834	33,004	38,719	42,699	42,702	40,675	<b>52,918</b>
<b>Net profit from continuing operations</b>	5,149	21,836	52,779	66,623	145,560	63,977	82,550	57,157	79,205	74,561	131,815	<b>114,301</b>
<b>Net profit (income) from discontinued operations</b>	(619)	(3,602)										
<b>Net profit (loss) attributable to owners of parent</b>	1,195	16,288	49,440	64,828	145,099	63,463	82,205	57,780	79,340	74,681	131,298	<b>114,187</b>
<b>Per common share (Yen) :</b>												
<b>Net profit (loss) attributable to owners of parent Basic</b>	9.50	129.47	392.78	514.23	1,150.16	502.80	651.02	457.47	628.08	197.06	346.44	<b>301.19</b>
<b>Net profit (loss) attributable to owners of parent Diluted</b>	5.36	120.97	377.98	504.66	1,147.57	501.47	649.45	456.44	626.78	196.66	345.65	<b>300.64</b>
<b>Net cash flow</b>	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	<b>843.76</b>
<b>Net assets</b>	4,461	5,050	5,865	5,355	6,289	6,532	6,947	6,681	7,944	7,591	10,292	<b>11,536</b>
<b>Dividends</b>	70.00	70.00	90.00	120.00	120.00	130.00	160.00	180.00	180.00	180.00	145.00	<b>106.00</b>
<b>Payout ratio (%)</b>	736.8	54.1	22.9	23.3	10.4	25.9	24.6	39.3	28.7	30.4	22.6	<b>35.2</b>
<b>Total assets</b>	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	<b>3,147,027</b>
<b>Equity attributable to owners of parent</b>	561,169	635,327	738,861	675,361	793,614	824,634	877,290	843,957	1,003,538	958,929	1,300,317	<b>1,458,446</b>
<b>Working capital</b>	232,693	279,504	352,364	289,760	388,542	296,899	208,165	247,577	221,909	202,547	470,814	<b>603,000</b>
<b>Purchase of tangible and intangible assets</b>	85,606	68,606	102,525	160,674	167,631	178,612	173,592	173,429	212,355	212,196	291,337	<b>275,709</b>
<b>Depreciation and amortization</b>	77,938	83,109	80,249	83,224	87,491	92,171	106,631	124,984	140,285	148,356	177,031	<b>206,285</b>
<b>Research and development</b>	53,943	63,385	70,644	84,920	91,254	102,641	115,155	117,489	127,046	127,409	165,250	<b>179,467</b>
<b>Number of employees</b>	79,863	83,581	88,076	91,648	99,693	102,883	104,781	107,138	129,284	129,284	116,808	<b>102,908</b>

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 for the year ended March 31, 2013 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, 2013 through 2023

(Yen Million)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)	2023 (IFRS)
<b>Net sales</b>	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	<b>2,180,817</b>
<b>(Overseas sales)</b>	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	<b>2,004,381</b>
<b>Ratio to net sales (%)</b>	88.7	90.5	91.4	92.1	91.1	91.1	91.8	91.9	92.1	92.1	92.1	<b>91.9</b>
<b>Cost of sales</b>	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	<b>1,596,295</b>
<b>Ratio to net sales (%)</b>	79.4	77.6	74.1	72.1	72.6	73.0	71.3	70.4	70.6	71.2	70.4	<b>73.2</b>
<b>Selling, general and administrative expenses</b>	151,535	184,337	207,876	227,718	113,649	253,530	288,662	305,453	322,783	328,217	410,568	<b>434,803</b>
<b>Ratio to net sales (%)</b>	18.0	18.7	19.2	19.8	9.7	19.9	20.9	22.4	21.9	22.2	21.6	<b>19.9</b>
<b>Operating income (loss)</b>	22,054	36,616	72,459	93,414	208,660	89,692	107,823	97,870	111,535	111,814	166,775	<b>168,827</b>
<b>Ratio to net sales (%)</b>	2.6	3.7	6.7	8.1	17.7	7.1	7.8	7.2	7.5	7.6	8.8	<b>7.7</b>
<b>Net profit (loss) attributable to owners of parent</b>	1,195	16,288	49,440	64,828	145,099	63,463	82,205	57,780	79,340	74,681	131,298	<b>114,187</b>
<b>Ratio to net sales (%)</b>	0.1	1.7	4.6	5.6	12.3	5.0	5.9	4.2	5.4	5.0	6.9	<b>5.2</b>
<b>Capital expenditures</b>	85,606	68,606	102,525	160,674	167,631	178,612	173,592	173,429	212,355	212,196	291,337	<b>275,709</b>
<b>Percentage of net cash flow (%)</b>	108.2	69.0	79.1	108.5	72.1	114.8	91.9	94.9	96.7	95.1	94.5	<b>86.0</b>
<b>Depreciation and amortization</b>	77,938	83,109	80,249	83,224	87,491	92,171	106,631	124,984	140,285	148,356	177,031	<b>206,285</b>
<b>Net cash flow</b>	79,133	99,397	129,689	148,052	232,590	155,634	188,836	182,764	219,625	223,037	308,329	<b>320,472</b>
<b>Research and development</b>	53,943	63,385	70,644	84,920	91,254	102,641	115,155	117,489	127,046	127,409	165,250	<b>179,467</b>
<b>Percentage of net sales (%)</b>	6.4	6.4	6.5	7.4	7.7	8.1	8.3	8.6	8.6	8.6	8.7	<b>8.2</b>

### 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 for the year ended March 31, 2013 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, 2013 through 2023

(Yen Million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)	2023(IFRS)
<b>Return on investment (%)</b>	0.2	2.3	6.2	7.7	15.9	6.0	7.5	5.6	7.4	7.3	9.2	<b>6.2</b>
<b>Return on equity (%)</b>	0.2	2.7	7.2	9.2	19.8	7.8	9.7	6.7	8.6	8.5	11.6	<b>8.3</b>
<b>Return on total assets (%)</b>	0.1	1.4	3.7	4.5	9.3	3.6	4.2	2.9	3.7	3.5	4.9	<b>3.7</b>
<b>Total assets</b>	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	<b>3,147,027</b>
<b>Asset turnover (Times)</b>	0.76	0.82	0.82	0.81	0.76	0.71	0.71	0.69	0.68	0.69	0.70	<b>0.70</b>
<b>Fixed assets</b>	365,901	374,032	427,254	487,639	464,667	545,641	603,110	611,150	784,371	776,444	945,042	<b>930,288</b>
<b>Fixed asset turnover (Times)</b>	2.4	2.7	2.7	2.5	2.5	2.5	2.4	2.2	2.1	2.1	2.2	<b>2.3</b>
<b>Inventories</b>	137,868	136,387	151,012	157,129	154,499	207,532	226,892	236,453	288,854	288,346	437,004	<b>443,001</b>
<b>Inventory turnover (Times)</b>	6.19	7.18	7.53	7.48	7.56	7.03	6.36	5.88	5.63	5.64	5.24	<b>4.96</b>
<b>Equity attributable to owners of parent</b>	561,169	635,327	738,861	675,361	793,614	824,634	877,290	843,957	1,003,538	958,929	1,300,317	<b>1,458,446</b>
<b>Ratio of equity attributable to owners of parent (%)</b>	48.0	51.3	52.6	46.6	47.7	43.3	44.0	43.4	41.8	40.6	42.8	<b>46.3</b>
<b>Current ratio (Times)</b>	1.62	1.75	1.91	1.64	1.81	1.49	1.29	1.34	1.22	1.20	1.44	<b>1.60</b>
<b>Debt / Equity ratio (Times)</b>	0.55	0.45	0.40	0.56	0.53	0.73	0.70	0.62	0.65	0.68	0.69	<b>0.61</b>
<b>Interest coverage ratio (Times)</b>	8.8	11.6	25.6	31.4	62.1	21.5	27.8	29.4	34.4	56.9	32.6	<b>29.2</b>

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, 2013 through 2023

(Yen Million)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)	2023 (IFRS)
<b>Net sales</b>	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	<b>2,180,817</b>
<b>Cost of sales</b>	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	<b>1,596,295</b>
<b>Gross profit</b>	173,589	220,953	280,335	321,132	322,309	343,222	396,485	403,323	434,318	426,598	563,848	<b>584,522</b>
<b>Selling, general and administrative expenses</b>	147,876	179,896	199,795	227,185	239,446	257,630	287,561	289,771	317,302	328,217	410,568	<b>434,803</b>
<b>Impairment loss</b>	1,275	4,441	5,376	533	16,811	1,282	5,112	18,592	7,914			
<b>Impairment of Goodwill</b>	823		2,705		2,600							
<b>Gain on sale of a part of High-Frequency Devices business</b>					(145,208)	(5,277)	(4,011)	(2,910)	(2,433)	(2,433)		
<b>Production realignment costs</b>	1,561											
<b>Realignment-related gain; Sales of properties</b>												
<b>Restructuring cost</b>												
<b>Other</b>						(105)				(11,000)	(13,495)	<b>(19,108)</b>
<b>Operating profit (loss)</b>	22,054	36,616	72,459	93,414	208,660	89,692	107,823	97,870	111,535	111,814	166,775	<b>168,827</b>
<b>Other income (deductions):</b>												
<b>Finance income</b>	2,893	5,501	5,347	4,496	4,600	6,369	8,209	12,045	18,757	11,424	11,277	<b>17,372</b>
<b>Finance costs</b>	(3,692)	(4,759)	(1,146)	(8,655)	(3,428)	(5,495)	(8,567)	(7,691)	(4,828)	(7,483)	(7,853)	<b>(20,772)</b>
<b>Share of profit of investments accounted for using the equity method</b>	(2,388)	1,444	725	1,462	1,396	2,989	1,795	(2,329)	(890)	415	2,291	<b>1,792</b>
<b>Other-net</b>	898	970	824	1,122	489	(3,744)	6,294	(4,019)	(2,670)	1,093		
	(2,289)	3,156	5,750	(1,575)	3,057	119	7,731	(1,994)	10,369	5,449	5,715	<b>(1,608)</b>
<b>Profit (loss) before tax</b>			78,209	91,839	211,717	89,811	115,554	95,876	121,904	117,263	172,490	<b>167,219</b>
<b>Profit from continuing operations before tax</b>	19,765	39,772										
<b>Income taxes expense</b>	14,616	17,936	21,738	25,216	66,157	25,834	33,004	38,719	42,699	42,702	40,675	<b>52,918</b>
<b>Profit from continuing operations</b>	5,149	21,836	52,779	66,623	145,560	63,977	82,550	57,157	79,205	74,561	131,815	<b>114,301</b>
<b>Profit (income) from discontinued operations</b>	(619)	(3,602)										
<b>Net profit (loss)</b>	4,530	18,234	52,779	66,623	145,560	63,977	82,550	57,157	79,205	74,561	131,815	<b>114,301</b>
<b>Less: Net profit (loss) attributable to noncontrolling interests</b>	3,335	1,946	3,339	1,795	461	514	345	(623)	(135)	(120)	517	<b>114</b>
<b>Net profit (loss) attributable to TDK</b>	1,195	16,288	49,440	64,828	145,099	63,463	82,205	57,780	79,340	74,681	131,298	<b>114,187</b>

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 for the year ended March 31, 2013 to conform to the presentation used for the year ended March 31, 2014.
- 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 expenses the year ended March 31, 2018 were reclassified amount were ¥1,991 million, ¥2,068 million, respectively.
- 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, 2013 through 2023

(Yen Million)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)	2023 (IFRS)
<b>Assets</b>												
<b>Current assets:</b>												
Cash and cash equivalents	213,687	250,848	265,104	285,468	330,388	279,624	289,175	332,717	380,387	380,387	439,339	506,185
Trade receivables	190,080	206,472	238,089	226,218	254,909	304,016	308,154	310,142	429,454	429,371	524,476	546,381
Other financial assets	10,730	8,691	21,392	21,964	56,131	43,667	40,562	32,550	65,942	75,493	66,944	52,147
Inventories	137,868	136,387	151,012	157,129	154,499	207,532	226,892	236,453	288,854	288,346	437,004	443,001
Income taxes receivables	4,975	5,311	4,766	4,660	6,153	6,068	6,775	9,201	4,983	4,983	4,982	4,303
Other current assets	53,288	45,576	59,878	45,555	64,056	59,029	50,927	45,419	63,765	52,290	60,427	55,294
<b>Total current assets</b>	<b>610,628</b>	<b>653,285</b>	<b>740,241</b>	<b>740,994</b>	<b>866,136</b>	<b>899,936</b>	<b>922,485</b>	<b>966,482</b>	<b>1,233,385</b>	<b>1,230,870</b>	<b>1,533,172</b>	<b>1,607,311</b>
<b>Non-current assets:</b>												
Investments in securities	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	24,706
Other financial assets										43,961	123,581	153,950
Property, plant and equipment	365,901	374,032	427,254	487,639	464,667	545,641	603,110	611,150	784,371	776,444	945,042	930,288
Right-of-use assets								39,215	42,325	45,735	50,169	54,683
Goodwill	56,438	63,891	63,230	73,012	61,031	157,858	164,794	160,945	165,096	125,668	137,352	149,516
Intangible assets	57,604	54,214	47,776	45,824	51,821	85,531	88,693	79,748	73,280	73,357	69,030	61,241
Long-term advances to suppliers											121,370	110,925
Deferred tax assets	29,674	28,563	24,085	37,776	29,546	31,131	35,238	34,862	41,024	44,017	40,062	44,189
Other non-current assets	17,117	27,167	55,934	29,984	29,307	29,872	22,854	17,748	17,665	5,542	5,240	10,218
<b>Total assets</b>	<b>1,169,575</b>	<b>1,239,553</b>	<b>1,404,253</b>	<b>1,450,564</b>	<b>1,664,333</b>	<b>1,905,209</b>	<b>1,992,480</b>	<b>1,943,379</b>	<b>2,401,433</b>	<b>2,359,663</b>	<b>3,041,653</b>	<b>3,147,027</b>

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, 2013 through 2023

(Yen Million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)	2023 (IFRS)
<b>Liabilities</b>												
<b>Current liabilities:</b>												
<b>Borrowings</b>	198,139	169,384	136,849	194,911	120,197	189,139	312,586	284,629	328,063	327,518	175,924	<b>248,510</b>
<b>Lease liabilities</b>								7,252	8,444	9,120	9,432	<b>10,298</b>
<b>Trade payables</b>	85,015	95,688	111,591	112,664	176,644	226,791	189,892	201,825	324,373	324,373	460,132	<b>351,439</b>
<b>Other financial liabilities</b>										161,930	147,272	<b>92,673</b>
<b>Income taxes payables</b>	4,110	7,922	6,510	5,267	16,650	10,989	3,781	7,341	9,232	20,389	29,715	<b>30,285</b>
<b>Provisions</b>										13,969	13,949	<b>13,079</b>
<b>Other current liabilities</b>	90,671	100,787	132,927	138,392	164,103	176,118	208,061	217,858	341,364	171,024	225,934	<b>258,027</b>
<b>Total current liabilities</b>	<b>377,935</b>	<b>373,781</b>	<b>387,877</b>	<b>451,234</b>	<b>477,594</b>	<b>603,037</b>	<b>714,320</b>	<b>718,905</b>	<b>1,011,476</b>	<b>1,028,323</b>	<b>1,062,358</b>	<b>1,004,311</b>
<b>Non-current liabilities:</b>												
<b>Bonds and borrowings</b>	97,414	97,587	131,454	140,826	213,935	293,880	207,682	140,061	155,273	150,148	455,562	<b>448,656</b>
<b>Lease liabilities</b>								28,824	29,833	35,036	38,895	<b>44,694</b>
<b>Other financial liabilities</b>										2,966	4,573	<b>3,849</b>
<b>Retirement benefit liabilities</b>	94,521	93,777	105,687	147,136	125,202	125,137	129,050	142,958	116,745	116,813	105,089	<b>92,313</b>
<b>Provisions</b>										5,200	5,371	<b>9,697</b>
<b>Deferred tax liabilities</b>	4,808	5,202	5,422	9,562	29,786	35,432	38,588	38,329	52,172	50,939	57,454	<b>70,386</b>
<b>Other non-current liabilities</b>	14,281	16,963	15,806	17,173	15,698	16,491	19,084	25,738	29,637	8,551	8,596	<b>10,254</b>
<b>Total liabilities</b>	<b>588,959</b>	<b>587,310</b>	<b>646,246</b>	<b>765,931</b>	<b>862,215</b>	<b>1,073,977</b>	<b>1,108,724</b>	<b>1,094,815</b>	<b>1,395,136</b>	<b>1,397,976</b>	<b>1,737,898</b>	<b>1,684,160</b>
<b>Equity:</b>												
<b>Equity attributable to owners of parent</b>												
<b>Share capital</b>	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641	32,641	<b>32,641</b>
<b>Capital surplus</b>	64,199	57,635	39,755	21,083	15,349	8,738	5,958	1,783				<b>45</b>
<b>Retained earnings</b>	642,803	651,570	690,844	741,729	871,611	919,929	980,085	1,016,394	1,070,422	853,620	974,767	<b>1,054,738</b>
<b>Other components of equity</b>	(159,016)	(87,134)	(5,882)	(102,285)	(108,575)	(119,492)	(124,435)	(190,055)	(82,733)	89,460	309,607	<b>387,281</b>
<b>Treasury stock</b>	(19,458)	(19,385)	(18,497)	(17,807)	(17,412)	(17,182)	(16,959)	(16,806)	(16,792)	(16,792)	(16,698)	<b>(16,259)</b>
<b>Total equity attributable to owners of parent</b>	<b>561,169</b>	<b>635,327</b>	<b>738,861</b>	<b>675,361</b>	<b>793,614</b>	<b>824,634</b>	<b>877,290</b>	<b>843,957</b>	<b>1,003,538</b>	<b>958,929</b>	<b>1,300,317</b>	<b>1,458,446</b>
<b>Non-controlling interests</b>	19,447	16,916	19,146	9,272	8,504	6,598	6,466	4,607	2,759	2,758	3,438	<b>4,421</b>
<b>Total equity</b>	<b>580,616</b>	<b>652,243</b>	<b>758,007</b>	<b>684,633</b>	<b>802,118</b>	<b>831,232</b>	<b>883,756</b>	<b>848,564</b>	<b>1,006,297</b>	<b>961,687</b>	<b>1,303,755</b>	<b>1,462,867</b>
<b>Total liabilities and equity</b>	<b>1,169,575</b>	<b>1,239,553</b>	<b>1,404,253</b>	<b>1,450,564</b>	<b>1,664,333</b>	<b>1,905,209</b>	<b>1,992,480</b>	<b>1,943,379</b>	<b>2,401,433</b>	<b>2,359,663</b>	<b>3,041,653</b>	<b>3,147,027</b>

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, 2013 through 2023

(Yen Million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)	2023 (IFRS)
<b>Cash flows from operating activities:</b>												
Net income (loss)	4,530	18,234	52,779	66,623	145,560	63,977	82,550	57,157	79,205	74,561	131,815	114,301
<b>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</b>												
Depreciation and amortization	77,938	83,109	80,249	83,224	87,491	92,171	106,631	124,984	140,285	148,356	177,031	206,285
Loss (gain) on sale or disposal of property, plant and equipment	1,203	(1,519)	860	1,105	601	704	2,249	2,183	(18)			
Impairment losses	1,275	6,149	5,376	533	16,811	1,282	5,112	18,592	7,914	7,914	3,300	35,064
Income tax expense	5,110	(1,215)	3,009	2,001	30,723	(1,354)	5,458	(4,437)	6,222	42,702	40,675	52,918
Finance income	714	(2,136)	(1,272)	3,145	(80)	248	(463)	(1,879)	(9,030)	(11,424)	(11,277)	(17,372)
Finance costs										7,483	7,853	20,772
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	2,393	(1,424)	(669)	(1,417)	(1,280)	(2,924)	(1,768)	2,370	905	(415)	(2,291)	(1,792)
Gain on sale of investments accounted for using the equity method							(9,379)	183	(1,093)	(1,093)		
<b>Changes in assets and liabilities:</b>												
Decrease (increase) in trade receivables	14,487	4,349	4,919	(7,262)	(59,152)	(51,961)	(3,388)	(13,198)	(96,966)	(96,954)	(38,452)	6,321
Decrease (increase) in inventories	13,493	13,011	(4,368)	(10,591)	(21,709)	(49,731)	(22,952)	(20,357)	(38,603)	(38,561)	(108,436)	11,961
Decrease (increase) in long-term advances to suppliers											(112,222)	12,787
Increase (decrease) in trade payables	(20,327)	(1,446)	(12,375)	16,460	67,913	53,761	(12,241)	23,090	99,098	99,098	86,431	116,469
Increase (decrease) in other current liabilities	183	6,556	6,210	(1,802)	23,564	2,130	1,388	17,986	49,620	38,369	34,453	10,738
Increase (decrease) in retirement benefit liabilities	(202)	2,053	536	(3,966)	1,646	(1,560)	(2,770)	(3,794)	(3,098)	(1,313)	(348)	(11,004)
Interest and dividends received										9,206	9,538	14,746
Interest paid										(4,056)	(5,491)	(9,009)
Income taxes paid										(27,568)	(30,617)	(41,139)
Other-net	8,145	1,587	7,596	3,510	17,586	(10,006)	(6,142)	22,420	(9,194)	(13,017)	(2,975)	(26,336)
<b>Net cash provided by operating activities</b>	<b>108,942</b>	<b>127,308</b>	<b>142,850</b>	<b>151,563</b>	<b>160,136</b>	<b>91,310</b>	<b>140,274</b>	<b>222,390</b>	<b>222,814</b>	<b>230,855</b>	<b>178,987</b>	<b>262,772</b>
<b>Cash flows from investing activities:</b>												
Purchase of tangible and intangible assets	(85,606)	(68,606)	(102,525)	(160,674)	(167,631)	(178,612)	(173,592)	(173,429)	(212,355)	(212,196)	(291,337)	(275,709)
Proceeds from sales of tangible and intangible assets	4,246	5,206	7,698	3,918	21,085	9,083	3,921	2,945	3,586	3,586	3,368	23,795
Proceeds from withdrawal of time deposits	12,363	21,844	21,828	30,348	38,697	168,256	92,197	80,328	90,606	90,606	83,172	79,937
Payments into time deposits	(14,496)	(20,232)	(30,861)	(27,352)	(73,632)	(156,621)	(87,581)	(74,665)	(120,427)	(120,427)	(66,745)	(42,416)
Proceeds from sale and redemption of securities	2,335	5,269	707	4,833	523	24,933	435	1,608	1,080	1,080	1,523	788
Payment for purchase of securities	(748)	(1,746)	(248)	(1,112)	(837)	(1,208)	(803)	(2,380)	(3,994)	(3,994)	(11,537)	(11,803)
<b>Acquisitions of assets</b>												
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	(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		
<b>Acquisition of associates</b>												
Other-net	(2,617)	3,749	(23,911)	24,619	(707)	(796)	(5,734)	(621)	497	408	10	(2,240)
<b>Net cash used in investing activities</b>	<b>(90,156)</b>	<b>(55,438)</b>	<b>(127,312)</b>	<b>(140,585)</b>	<b>(71,111)</b>	<b>(246,099)</b>	<b>(140,179)</b>	<b>(41,964)</b>	<b>(231,488)</b>	<b>(231,488)</b>	<b>(281,546)</b>	<b>(234,402)</b>
<b>Cash flows from financing activities:</b>												
Proceeds from long-term borrowings	40,416	33,747	34,777	22,700						50,014	190,879	372
Repayment of long-term borrowings	(37,710)	(51,867)	(37,320)	(1,289)						(66,200)	(134,570)	(4,868)
Net income (decrease) in short-term borrowings	12,124	(16,634)	(916)	50,213	(14,034)	134,300	32,060	(95,293)	58,687	(24,526)	(8,235)	65,942
Proceeds from bonds										100,000	100,000	
Repayment of lease liabilities										(8,712)	(9,713)	(10,398)
Dividends paid	(10,070)	(7,554)	(10,069)	(13,864)	(15,132)	(15,138)	(18,948)	(21,469)	(22,738)	(22,738)	(23,987)	(37,198)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(13,981)	(24,633)	(28,504)	(8,914)	(8,796)	(3,590)	(4,991)	(5,955)	(5,955)	(113)	
Other-net	(365)	171	2,918	49	327	(278)	(87)	(16)	(801)	(801)	(518)	1,097
<b>Net cash provided by (used in) financing activities</b>	<b>4,395</b>	<b>(56,118)</b>	<b>(35,243)</b>	<b>29,305</b>	<b>(37,753)</b>	<b>110,088</b>	<b>9,435</b>	<b>(121,769)</b>	<b>29,193</b>	<b>21,082</b>	<b>113,743</b>	<b>14,947</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>23,491</b>	<b>21,409</b>	<b>33,961</b>	<b>(19,919)</b>	<b>(6,352)</b>	<b>(6,063)</b>	<b>21</b>	<b>(15,115)</b>	<b>27,151</b>	<b>27,151</b>	<b>47,768</b>	<b>23,529</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>46,672</b>	<b>37,161</b>	<b>14,256</b>	<b>20,364</b>	<b>44,920</b>	<b>(50,764)</b>	<b>9,551</b>	<b>43,542</b>	<b>47,670</b>	<b>47,670</b>	<b>58,952</b>	<b>66,846</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>167,015</b>	<b>213,687</b>	<b>250,848</b>	<b>265,104</b>	<b>285,468</b>	<b>330,388</b>	<b>279,624</b>	<b>289,175</b>	<b>332,717</b>	<b>332,717</b>	<b>380,387</b>	<b>439,339</b>
<b>Cash and cash equivalents, end of year</b>	<b>213,687</b>	<b>250,848</b>	<b>265,104</b>	<b>285,468</b>	<b>330,388</b>	<b>279,624</b>	<b>289,175</b>	<b>332,717</b>	<b>380,387</b>	<b>380,387</b>	<b>439,339</b>	<b>506,185</b>

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, 2013 through 2023

(Yen Million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 (IFRS)	2022 (IFRS)	2023 (IFRS)
<b>Total</b>												
<b>Sales</b>	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	<b>2,180,817</b>
<b>Operating profit (loss)</b>	22,054	36,616	72,459	93,414	208,660	89,692	107,823	97,870	111,535	111,814	166,775	<b>168,827</b>
<b>Assets</b>	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	<b>3,147,027</b>

### Sales by Segment

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

### Sales by Segment<sup>1</sup>

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

### Sales by Segment<sup>2</sup>

<b>Passive Components</b>						417,757	433,406	395,456	407,126	407,126	507,826	<b>575,939</b>
Share to net sales (%)						32.9	31.4	29.0	27.5	27.5	26.7	<b>26.4</b>
<b>Sensor Application Products</b>						77,355	76,467	77,938	81,345	81,345	130,769	<b>169,543</b>
Share to net sales (%)						6.1	5.5	5.7	5.5	5.5	6.9	<b>7.8</b>
<b>Magnetic Application Products</b>						277,548	272,807	219,668	199,253	199,253	248,446	<b>200,573</b>
Share to net sales (%)						21.8	19.7	16.1	13.5	13.5	13.1	<b>9.2</b>
<b>Energy Application Products</b>						442,822	537,502	597,698	740,227	740,227	965,345	<b>1,173,355</b>
Share to net sales (%)						34.8	38.9	43.9	50.0	50.0	50.7	<b>53.8</b>
<b>Other</b>						56,265	61,624	72,277	51,057	51,057	49,738	<b>61,407</b>
Share to net sales (%)						4.4	4.5	5.3	3.5	3.5	2.6	<b>2.8</b>

\*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 for the year ended March 31, 2013 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.
- As a result of the reorganization in the year ended March 31, 2023, certain products of Other were reclassified into Passive Components and Sensor Application Products. The figures for the year ended March 31, 2022 were also reclassified to conform to the new segmentation.

## Segment Information (2)

FY March 2022 (Yen Million)	Q1 (Apr.-Jun.)	Q2 (Jul.-Sep.)	Q3 (Oct.-Dec.)	Q4 (Jan.-Mar.)
<b>Sales</b>				
Passive Components	121,756	128,025	130,020	128,025
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	11,259	12,531	13,341	12,607
	<b>420,058</b>	<b>474,127</b>	<b>499,670</b>	<b>508,269</b>

FY March 2023 (Yen Million)	Q1 (Apr.-Jun.)	Q2 (Jul.-Sep.)	Q3 (Oct.-Dec.)	Q4 (Jan.-Mar.)
<b>Sales</b>				
Passive Components	141,631	152,670	144,645	136,993
Sensor Application Products	39,016	45,913	45,637	38,977
Magnetic Application Products	55,130	54,682	47,475	43,286
Energy Application Products	260,092	342,330	331,423	239,510
Other	14,635	15,894	17,792	13,086