



Consolidated Financial Statements
for the six-months ended September 30, 2024 (in English)

On November 13, 2024, the Japanese version of this report was filed with
the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance
pursuant to Japan's Financial Instruments and Exchange Act.

[This is an English translation prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.]

[Cover]

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Company name (English):	TDK CORPORATION
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Financial Conditions

1. Preparation methods of condensed interim consolidated financial statements

As TDK Corporation (“TDK”) meets the requirements for a "specified company complying with designated international accounting standards" as stipulated in Article 1-2, No.2 of the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (“Regulation of Consolidated Financial Statements”)(Ministry of Finance No.28 of 1976), the accompanying condensed interim consolidated financial statements of TDK have been prepared in accordance with International Accounting Standards 34, “Interim Financial Reporting” (“IAS 34”) as stipulated in Article 312 of the Regulation.

TDK is applicable to the category of company as stipulated in Article 24-5, Paragraph 1, No.1 of the Financial Instruments and Exchange ACT and has prepared the type-I consolidated interim financial statements in accordance with the Regulation of Consolidated Financial Statements as stipulated in Article 1 and 5.

2. Audit certification

The accompanying condensed interim consolidated financial statements of TDK for the six months ended September 30 (from April 1 to September 30, 2024) have been reviewed by KPMG AZSA LLC as prescribed in Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

1. Condensed Interim Consolidated Financial Statements
(1) Condensed interim consolidated statements of financial position

(Millions of yen)

	Note	March 31, 2024	September 30, 2024
Assets			
Current assets			
Cash and cash equivalents		649,998	696,712
Trade receivables		558,298	586,549
Other financial assets	6	47,052	55,761
Inventories		406,084	408,838
Income taxes receivables		4,828	4,483
Other current assets		61,198	74,753
Subtotal		1,727,458	1,827,096
Assets held for sale	12	517	16,598
Total current assets		1,727,975	1,843,694
Non-current assets			
Investments accounted for using the equity method		36,990	39,877
Other financial assets	6	184,425	173,879
Property, plant and equipment	5	991,072	1,001,328
Right-of-use assets		71,334	77,136
Goodwill		168,383	160,055
Intangible assets		57,114	52,250
Long-term advances to suppliers		105,941	96,542
Deferred tax assets		56,183	54,648
Other non-current assets		15,887	13,431
Total non-current assets		1,687,329	1,669,146
Total assets		3,415,304	3,512,840

(Millions of yen)

	Note	March 31, 2024	September 30, 2024
Liabilities			
Current liabilities			
Borrowings	6	212,907	260,653
Lease liabilities		11,627	12,209
Trade payables		351,940	410,200
Other financial liabilities	6	81,774	115,281
Income taxes payables		38,746	43,688
Provisions		12,605	11,225
Other current liabilities		307,291	295,788
Total current liabilities		1,016,890	1,149,044
Non-current liabilities			
Bonds and borrowings	6	400,259	346,784
Lease liabilities		60,943	67,205
Other financial liabilities	6	5,837	4,556
Retirement benefit liabilities		98,388	97,572
Provisions		13,660	13,119
Deferred tax liabilities		91,616	89,192
Other non-current liabilities		12,770	14,283
Total non-current liabilities		683,473	632,711
Total liabilities		1,700,363	1,781,755
Equity			
Equity attributable to owners of parent			
Share capital		32,641	32,641
Capital surplus		34	57
Retained earnings		1,138,732	1,222,357
Other components of equity		551,998	470,902
Other comprehensive income associated with assets held for sale	12	-	10,362
Treasury shares		(16,073)	(15,905)
Total equity attributable to owners of parent		1,707,332	1,720,414
Non-controlling interests		7,609	10,671
Total equity		1,714,941	1,731,085
Total liabilities and equity		3,415,304	3,512,840

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

Six months ended September 30, 2024

Condensed interim consolidated statements of profit or loss

(Millions of yen)

	Note	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	4,8	1,059,711	1,089,501
Cost of sales		(765,756)	(735,388)
Gross profit		293,955	354,113
Selling, general and administrative expenses		(217,778)	(237,989)
Other operating income	9	9,427	17,320
Other operating expenses	9	(56)	(142)
Operating profit		85,548	133,302
Finance income		14,393	13,664
Finance costs		(19,605)	(8,191)
Share of profit (loss) of investments accounted for using the equity method		(94)	(1,471)
Profit before tax		80,242	137,304
Income tax expense		(24,841)	(29,847)
Net profit for the period		55,401	107,457
Net profit attributable to:			
Owners of parent		54,188	105,710
Non-controlling interests		1,213	1,747
Net profit for the period		55,401	107,457

(Yen)

	Note	Six months ended September 30, 2023	Six months ended September 30, 2024
Earnings per share	10		
Basic earnings per share		28.57	55.72
Diluted earnings per share		28.53	55.64

Condensed interim consolidated statements of comprehensive income

(Millions of yen)

	Note	Six months ended September 30, 2023	Six months ended September 30, 2024
Net profit for the period		55,401	107,457
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Net change in fair value of equity instruments measured at fair value through other comprehensive income		(123)	4,728
Remeasurements of defined benefit plans		156	3
Share of other comprehensive income of investments accounted for using the equity method		43	26
Total		76	4,757
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		138,214	(73,905)
Share of other comprehensive income of investments accounted for using the equity method		273	(1,612)
Total		138,487	(75,517)
Total other comprehensive income, net of tax		138,563	(70,760)
Comprehensive income for the period		193,964	36,697
Comprehensive income attributable to:			
Owners of parent		192,743	34,896
Non-controlling interests		1,221	1,801
Comprehensive income for the period		193,964	36,697

(3) Condensed interim consolidated statements of changes in equity

(Millions of yen)

Six months ended September 30, 2023	Note	Equity attributable to owners of parent						Non- controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Other component s of equity	Treasury shares	Total		
Balance as of April 1, 2023		32,641	45	1,054,738	387,281	(16,259)	1,458,446	4,421	1,462,867
Comprehensive income for the period									
Net profit for the period		-	-	54,188	-	-	54,188	1,213	55,401
Other comprehensive income, net of tax		-	-	-	138,555	-	138,555	8	138,563
Total comprehensive income for the period		-	-	54,188	138,555	-	192,743	1,221	193,964
Transactions with owners									
Equity transactions with non-controlling interests		-	(41)	-	-	-	(41)	1,168	1,127
Dividends paid	7	-	-	(20,102)	-	-	(20,102)	(96)	(20,198)
Transfer from retained earnings to capital surplus		-	2	(2)	-	-	-	-	-
Purchase of treasury shares		-	-	-	-	(1)	(1)	-	(1)
Disposal of treasury shares		-	-	-	-	1	1	-	1
Share-based payment transactions		-	77	-	-	-	77	57	134
Exercise of share acquisition rights		-	(39)	-	-	39	0	-	0
Delivery of share under restricted stock unit		-	(44)	-	-	44	-	-	-
Total transactions with owners		-	(45)	(20,104)	-	83	(20,066)	1,129	(18,937)
Transfer from other components of equity to retained earnings		-	-	210	(210)	-	-	-	-
Balance as of September 30, 2023		32,641	-	1,089,032	525,626	(16,176)	1,631,123	6,771	1,637,894

(Millions of yen)

Six months ended September 30, 2024	Note	Equity attributable to owners of parent							Non- controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Other component s of equity	Other comprehensi ve income associated with assets held for sale	Treasury shares	Total		
Balance as of April 1, 2024		32,641	34	1,138,732	551,998	-	(16,073)	1,707,332	7,609	1,714,941
Comprehensive income for the period										
Net profit for the period		-	-	105,710	-	-	-	105,710	1,747	107,457
Other comprehensive income, net of tax		-	-	-	(70,814)	-	-	(70,814)	54	(70,760)
Total comprehensive income for the period		-	-	105,710	(70,814)	-	-	34,896	1,801	36,697
Transactions with owners										
Equity transactions with non-controlling interests		-	19	-	-	-	-	19	1,275	1,294
Dividends paid	7	-	-	(22,005)	-	-	-	(22,005)	(95)	(22,100)
Purchase of treasury shares		-	-	-	-	-	(1)	(1)	-	(1)
Share-based payment transactions		-	173	-	-	-	-	173	81	254
Exercise of share acquisition rights		-	(68)	-	-	-	68	0	-	0
Delivery of share under post-delivery type share remuneration plan		-	(101)	-	-	-	101	-	-	-
Total transactions with owners		-	23	(22,005)	-	-	168	(21,814)	1,261	(20,553)
Transfer from other components of equity to retained earnings		-	-	(80)	80	-	-	-	-	-
Transfer from other comprehensive income associated with assets held for sale to retained earnings	12	-	-	-	(10,362)	10,362	-	-	-	-
Balance as of September 30, 2024		32,641	57	1,222,357	470,902	10,362	(15,905)	1,720,414	10,671	1,731,085

(4) Condensed interim consolidated statements of cash flows

(Millions of yen)

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

(Millions of yen)

	Note	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from investing activities			
Purchase of tangible and intangible assets		(114,445)	(93,451)
Proceeds from sale of tangible and intangible assets		18,041	16,248
Proceeds from withdrawal of time deposits		25,455	33,719
Payments into time deposits		(18,292)	(46,028)
Proceeds from sale and redemption of securities		1,266	150
Payment for purchase of securities		(6,012)	(4,958)
Purchase of investments in associates		(4,627)	(5,975)
Other		70	294
Cash flows from investing activities		(98,544)	(100,001)
Cash flows from financing activities			
Proceeds from long-term borrowings		80,017	13,660
Repayment of long-term borrowings		(3,175)	(73,874)
Net increase (decrease) in short-term borrowings		(89,288)	54,920
Proceeds from issuance of bonds		20,000	-
Net increase (decrease) in commercial papers		(5)	-
Repayment of lease liabilities		(5,944)	(6,734)
Dividends paid	7	(20,096)	(21,963)
Other		944	1,199
Cash flows from financing activities		(17,547)	(32,792)
Effect of exchange rate changes on cash and cash equivalents		47,724	(26,355)
Net increase in cash and cash equivalents		136,211	46,714
Cash and cash equivalents at beginning of period		506,185	649,998
Cash and cash equivalents at end of period		642,396	696,712

5) Notes to the condensed interim consolidated financial statements

1. Reporting Entity

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

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

TDK and its consolidated subsidiaries (collectively, “TDK Group”) has four reportable segments, consisting of Passive Components, Sensor Application Products, Magnetic Application Products and Energy Application Products. Details of the reportable segments are set out in Note 4 Segment Information.

2. Basis of Preparation

(1) Compliance with IAS 34

The condensed interim consolidated financial statements of TDK Group satisfy the requirements for Specified Companies Complying with Designated International Accounting Standards defined in Article 1-2 of the Ordinance on Terminology, Forms, and Preparation Methods of Interim Consolidated Financial Statements in Japan, and have been prepared in accordance with IAS 34 as prescribed in Article 312 of the Ordinance.

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

The condensed interim consolidated financial statements were approved on November 12, 2024 by Noboru Saito, Representative Director, President & CEO and Tetsuji Yamanishi, CFO, Representative Director & Executive Vice President.

(2) Functional and presentation currencies

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

(3) Significant accounting estimates and judgements

In preparing the condensed interim consolidated financial statements, TDK Group makes judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates, and these estimates and assumptions are regularly reviewed. The impact of changes in accounting estimates is recognized in the financial statements for the period in which the change occurs and the future periods affected by the change.

The estimates and judgements that have a material impact on the amounts reported in the condensed interim consolidated financial statements are the same as those in the consolidated financial statements for the fiscal year ended March 31, 2024.

3. Material Accounting Policies

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

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

4. Segment Information

(1) Description of reportable segments

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

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

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

Segment	Principal businesses and products
Passive Components	Ceramic capacitors, aluminum electrolytic capacitors, film capacitors, inductive devices (coils, ferrite cores and transformers), high-frequency devices, piezoelectric material products, circuit protection components
Sensor Application Products	Temperature and pressure sensors, magnetic sensors, MEMS sensors
Magnetic Application Products	HDD heads, HDD suspension assemblies, magnets
Energy Application Products	Energy devices (rechargeable batteries), power supplies
Other	Mechatronics (production equipment), camera module micro actuators for smartphones, etc.

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

(2) Information about reportable segments

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

Six months ended September 30, 2023

(Millions of yen)

	Reportable segment				Other	Adjustments	Consolidated
	Passive Components	Sensor Application Products	Magnetic Application Products	Energy Application Products			
Net sales							
External customers	286,170	86,053	83,054	578,923	25,511	-	1,059,711
Intersegment	3,785	680	32	8	3,317	(7,822)	-
Total	289,955	86,733	83,086	578,931	28,828	(7,822)	1,059,711
Segment profit (loss)	31,665	5,025	(19,034)	89,670	(521)	(21,257)	85,548

Six months ended September 30, 2024

(Millions of yen)

	Reportable segment				Other	Adjustments	Consolidated
	Passive Components	Sensor Application Products	Magnetic Application Products	Energy Application Products			
Net sales							
External customers	284,966	94,859	110,945	571,973	26,758	-	1,089,501
Intersegment	2,064	573	34	1	2,920	(5,592)	-
Total	287,030	95,432	110,979	571,974	29,678	(5,592)	1,089,501
Segment profit (loss)	28,892	3,186	1,780	123,360	(1,290)	(22,626)	133,302

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

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

5. Property, Plant and Equipment

The increases in carrying amounts of “property, plant and equipment” due to acquisition in the six months ended on September 30, 2023 and 2024 are 84,643 million yen and 126,171 million yen, respectively.

6. Fair Value Measurement of Financial Instruments

Financial instruments measured at fair value on a recurring basis subsequent to initial recognition are classified into three levels of a fair value hierarchy based on the observability and significance of inputs used in the measurement.

In this categorization, the fair value hierarchy is defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that TDK Group has the ability to access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are available from the market for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

(1) Comparison of fair values and carrying amounts of financial instruments

Carrying amounts and fair values of financial instruments are as follows:

	March 31, 2024		September 30, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds (including current portion)	219,439	215,796	219,508	215,609
Long-term borrowings (including current portion)	313,640	311,058	254,394	253,247

Financial instruments measured at fair value or for which the carrying amount is a reasonable approximation of fair value are not included in the table above.

The fair value of TDK Group's bonds and long-term borrowings (including current portion) above is estimated based on the amount of their respective future cash flows discounted by the borrowing rate applied to TDK Group for similar borrowings with comparable maturity as at the closing date or based on the quoted market prices for the same or similar bonds. These financial instruments are classified as Level 2.

(2) Categorization by level of fair value hierarchy

Categorization of financial instruments measured at fair value on a recurring basis by level of fair value hierarchy is as follows:

	March 31, 2024			Total
	Level 1	Level 2	Level 3	
Financial assets				
Derivative financial assets				
Forward foreign exchange contracts	-	1,747	-	1,747
Currency option contracts	-	6	-	6
Commercial papers	-	34	-	34
SAFE investments	-	-	1,722	1,722
Convertible bonds	-	-	227	227
Shares	10,523	-	142,776	153,299
Mutual funds	3,401	-	-	3,401
Rabbi trust investments	10,535	-	-	10,535
Others	-	-	794	794
Total	24,459	1,787	145,519	171,765
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	3,857	-	3,857
Currency option	-	1,054	-	1,054

contracts				
Total	-	4,911	-	4,911
	(Millions of yen)			
	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets				
Forward foreign exchange contracts	-	3,388	-	3,388
non-deliverable forward contracts	-	13	-	13
Currency option contracts	-	1,734	-	1,734
Commercial papers	-	31	-	31
SAFE investments	-	-	2,301	2,301
Convertible bonds	-	-	343	343
Bonds				
Shares	18,438	-	141,162	159,600
Mutual funds	3,206	-	-	3,206
Rabbi trust investments	10,222	-	-	10,222
Others	-	-	749	749
Total	31,866	5,166	144,555	181,587
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	1,087	-	1,087
Currency option contracts	-	19	-	19
Total	-	1,106	-	1,106

Level 1 shares and mutual funds are measured at unadjusted quoted prices in active markets in which transactions occur with sufficient frequency and volume. Rabbi trust investments represent an investment in which a portion of the employees' salaries is placed into the trust and invested in financial instruments with quoted prices (require no adjustments) in active markets.

Level 2 derivatives, including forward foreign exchange contracts, currency option contracts and others, are measured at quoted prices obtained from counterparties, which are determined using observable market inputs such as foreign currency exchange rates.

Fair values of Level 3 shares are measured mainly based on the comparable multiple valuation method or transaction cases comparison method.

For financial assets measured at fair value on a recurring basis that are classified as Level 3, significant unobservable inputs used in fair value measurement of equity instruments are primarily enterprise value to revenue multiples. As of March 31, 2024 and September 30, 2024, the weighted average of enterprise value to revenue multiples are both 0.43 times. If enterprise value to revenue multiples increase, fair values of shares increase. Changes in fair value resulting from changing unobservable inputs to reflect reasonably possible alternative assumptions are not material.

Transfers between levels of the fair value hierarchy are recognized as if they occurred at the end of each reporting period. There are no transfers between Level 1 and Level 2 during the six months ended September 30, 2023 and 2024.

(3) Fair value measurement of financial instruments classified as Level 3

I. Valuation process

Fair values of financial instruments are calculated by TDK Group's Finance and Accounting staff members using valuation techniques and inputs that most appropriately reflect the nature, characteristics and risks of the financial instruments in accordance with the Group's internal rules. In addition, external experts are used in the fair value measurement of financial instruments when the amount of financial instruments is significant and the measurement requires a high degree of knowledge and expertise. In order to verify results of each period-end fair value measurement of financial

instruments including results of measurement by external experts, a result of the fair value fluctuation analysis is reviewed and approved by Finance and Accounting managers.

II. Reconciliation of financial instruments classified as Level 3

A reconciliation of financial instruments classified as Level 3 at the beginning and end of the period is as follows:

Financial assets	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Opening balance	129,502	145,519
Gains or losses		
Profit or loss	1,880	1,864
Other comprehensive income	169	(147)
Acquisition	5,852	4,007
Sales	(1,214)	-
Transfers from Level 3	(2,700)	-
Other	11,331	(6,688)
Ending balance	144,820	144,555

Transfers from Level 3 recognized during the six months ended September 30, 2024 were due to the listing of investees.

Gains or losses recognized in net income are included in Finance income and Finance costs in the condensed interim consolidated statements of profit or loss.

Gains or losses recognized in other comprehensive income, net of tax, are included in Net change in fair value of equity instruments measured at fair value through other comprehensive income in the condensed quarterly consolidated statements of comprehensive income.

7. Dividends

Dividends paid are as follows:

Effective October 1, 2024, TDK implemented a share split at a ratio of five shares per common share. Dividends per share for which record date is before September 30, 2024 are based on the amount prior to the share split.

Six months ended September 30, 2023

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 22, 2023	Common shares	20,102	53	March 31, 2023	June 23, 2023

Six months ended September 30, 2024

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 21, 2024	Common shares	20,005	58	March 31, 2024	June 24, 2024

Dividends for which the effective date is after September 30, 2023 and 2024, which record date belongs to the six months ended September 30, 2023 and 2024, are as follows:

Six months ended September 30, 2023

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors Meeting on November 1, 2023	Common shares	22,001	58	September 30, 2023	December 4, 2023

Six months ended September 30, 2024

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors Meeting on November 1, 2024	Common shares	26,564	70	September 30, 2024	December 3, 2024

8. Revenue

TDK Group disaggregates revenue by industry segment, product and geographic segment based on contracts with customers. The following table presents disaggregation of revenue.

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

(Millions of yen)

	Six months ended September 30, 2023					
	Japan	Americas	Europe	China	Asia and others	Total
Capacitors	12,995	23,064	30,004	37,540	21,544	125,147
Inductive devices	13,701	9,979	25,499	36,870	12,082	98,131
Other passive components	5,030	5,218	18,934	21,723	11,987	62,892
Passive Components	31,726	38,261	74,437	96,133	45,613	286,170
Sensor Application Products	10,487	7,578	14,519	41,382	12,087	86,053
Magnetic Application Products	17,356	395	2,216	17,142	45,945	83,054
Energy Application Products	23,429	30,716	13,930	405,133	105,715	578,923
Other	7,732	1,690	1,123	12,405	2,561	25,511
Net sales total	90,730	78,640	106,225	572,195	211,921	1,059,711
	Six months ended September 30, 2024					
	Japan	Americas	Europe	China	Asia and others	Total
Capacitors	13,298	19,675	23,992	40,004	22,536	119,505
Inductive devices	13,181	9,977	23,011	43,219	14,117	103,505
Other passive components	5,220	6,729	14,477	22,962	12,568	61,956
Passive Components	31,699	36,381	61,480	106,185	49,221	284,966
Sensor Application Products	10,706	6,727	14,532	42,802	20,092	94,859
Magnetic Application Products	13,227	606	1,798	20,391	74,923	110,945
Energy Application Products	21,325	24,427	12,475	404,493	109,253	571,973
Other	7,749	2,046	659	12,273	4,031	26,758
Net sales total	84,706	70,187	90,944	586,144	257,520	1,089,501

Net sales are primarily revenue recognized from contracts with customers. The revenue recognized from other sources is not material.

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

Major countries in each geographical area are as follows:

- (1) Americas.....United States of America
- (2) Europe.....Germany
- (3) Asia and others....India, Vietnam, Philippines, Thailand, and Korea

TDK Group sells passive components, sensor application products, magnetic application products and energy application products to global ICT related companies, manufacturers of automobile and automotive components, manufacturers of home electrical appliances and industrial equipment. For these product sales, TDK recognizes revenue when products are transferred to the customers as the customers gain control over the products and performance obligation is satisfied accordingly.

Transaction price that TDK Group receives in exchange for products transferred may include variable considerations such as sales discounts, customer rewards and sales rebates. Variable consideration is included in the transaction price when uncertainty over the variable consideration is resolved to the extent that a significant reversal in the amount of revenue is not expected. Variable consideration is estimated based on past trend or other elements known as of the transaction date and is updated based on the information available at each reporting date.

The amount of considerations in exchange for transactions is received within one year from the satisfaction of performance obligation, and the considerations do not include a significant financing component.

9. Other Operating Income and Other Operating Expenses

Other operating income and other operating expenses comprise the following:

		(Millions of yen)
	Six-months ended September 30, 2023	Six-months ended September 30, 2024
Other operating income		
Government grants	3,981	1,410
Compensation income	1,110	4,490
Proceeds from sale of tangible and intangible assets	1,657	2,766
Consumption taxes refund	131	1,224
Other	2,548	7,430
Other operating income	9,427	17,320
Other operating expenses		
Loss on sale of tangible and intangible assets	56	142
Other operating expense	56	142

10. Earnings per Share

The basic and diluted earnings per share for the period are as follows:

	(Millions of yen)			
	Six months ended September 30, 2023		Six months ended September 30, 2024	
	Basic	Diluted	Basic	Diluted
Net profit for the period attributable to owners of parent	54,188	54,188	105,710	105,710
				Number of shares (thousands)
Weighted average number of common shares issued	1,896,516	1,896,516	1,897,195	1,897,195
Incremental shares arising from exercise of share options	-	2,624	-	2,103
Incremental shares arising from delivery under restricted share unit plan	-	289	-	384
Incremental shares arising from delivery under performance share unit plan	-	53	-	123
Weighted average number of common shares issued - Total	1,896,516	1,899,482	1,897,195	1,899,805
				(Yen)
Earnings per share	28.57	28.53	55.72	55.64

For the six months ended September 30, 2023 and 2024, certain restricted stock units issued by TDK Corporation and all of stock options issued by subsidiaries of TDK were excluded from the calculation of diluted earnings per share as the effect would have been antidilutive.

Certain performance share units that vest upon the achievement of certain performance conditions are excluded from the calculation of diluted earnings per share for the six months ended September 30, 2023 and 2024, as the achievement of the conditions is not probable.

TDK split one share of its common stock into five shares on effective date of October 1, 2024. “Weighted average number of common shares issued”, “Incremental shares arising from exercise of share options”, “Incremental shares arising from delivery under restricted share unit plan”, “Incremental shares arising from delivery under performance share unit plan” and “Earnings per share” are calculated based on the assumption that the stock split was conducted on April 1, 2023. Please refer to 11. Significant Subsequent Events for more detailed information.

11. Significant Subsequent Events

Stock Split

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

1) Purpose of the stock split

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

2) Outline of the stock split

① Method

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

② Number of shares increased by the stock split

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

③ Impact on per share information

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

12. Assets held for sale

For the six months ended September 30, 2024, TDK Corporation classified shares of ALPS LOGISTICS CO., LTD. as assets held for sale as they were expected to be sold. Other components of equity associated with assets held for sale was 10,362 million yen. The sale of shares was completed in October 2024.