

TDK United Report 2025



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Reporting Scope

Coverage period:

FY March 2025 (April 1, 2024–March 31, 2025) (Information on some activities in and after April 2025 is also included.)

Organizations covered:

TDK Corporation and the TDK Group

Accounting standard:

TDK Corporation and the TDK Group
Accounting standard: Unless otherwise noted, US-GAAP until FY March 2020 and IFRS from FY March 2021.

Cautionary statements with respect to forward-looking statements

TDK's plans, strategies, and future business prospects set forth in this report are judged to be reasonable by TDK at the present point in time based on information available at present. They are subject to risks and uncertainties. Please be aware of the possibility that depending on various factors, actual business results may differ from the contents of this report.

About TDK United Report 2025 The Integrated Report has now transformed into the TDK United Report

Key Points of the TDK United Report 2025

Aim of changing to TDK United Report

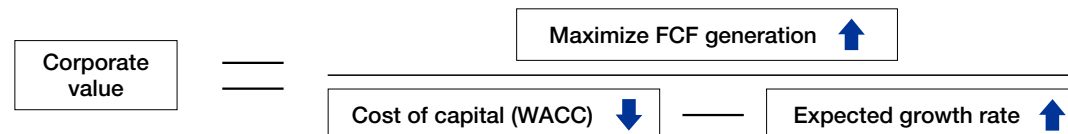
The TDK Group, which celebrates the 90th anniversary of its establishment in 2025, has over its history grown significantly while continuing to transform its business portfolio. We have achieved this by respecting the cultures of M&A companies and having them “united” with the Group, rather than simply by “integrating” these companies. At the root of TDK United is the mindset that “people are everything” and our unique corporate culture of “functional equality*” that has taken root in our company for many years. We return to TDK’s original concept of “TDK United–Respect Diversity,” we have decided to transform the Integrated Report into the TDK United Report starting with the 2025 edition.

TDK United is intended to represent the organizational culture toward which TDK aspires, namely: A fusion of abundant individual characteristics, which promotes mutual understanding while developing the strengths and capacities of individual team members and companies and creates value through teamwork.

* Functional equality is the organizational culture that based on the belief that there are no hierarchies among the functions and roles of the individual divisions, everyone, regardless of position, can respect one another on an equal footing, and can say what needs to be said.

Communicating initiatives to enhance corporate value

In order to enhance our corporate value, we consider the three elements of maximizing free cash flow (FCF) generation, reducing the cost of capital, and increasing the expected growth rate as being vital. We have organized the chapters with an awareness of communicating the ways in which respective initiatives within the TDK Group contribute to these three elements.

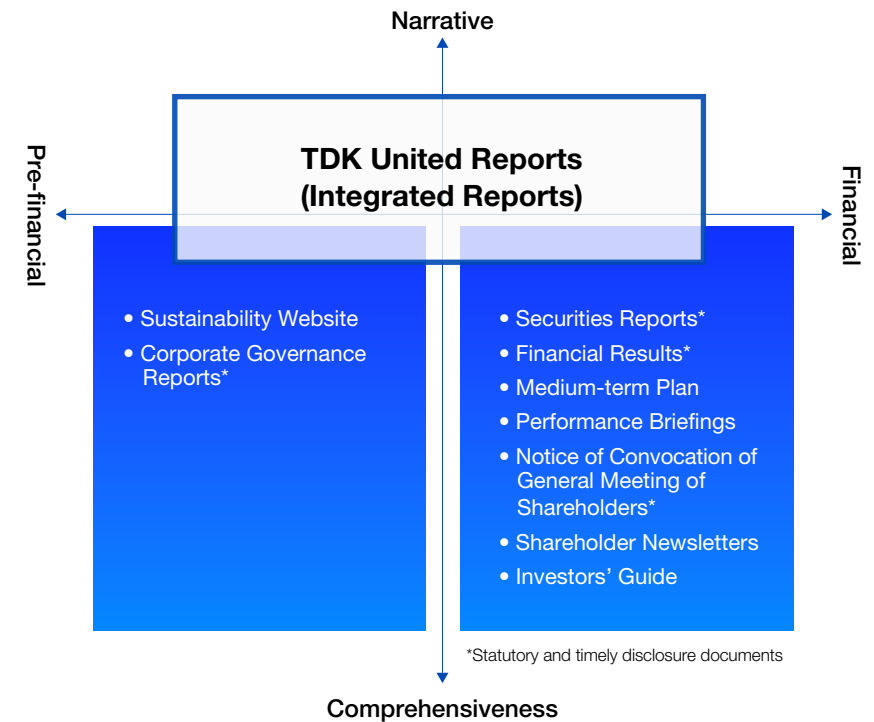


Editorial Policy

From the 2021 edition TDK changed its Annual Report to the Integrated Report, and from the 2025 edition we are publishing it under the new title of the TDK United Report, as a dialogue tool to convey a more accurate understanding of our comprehensive growth story including financial and pre-financial aspects on the part of stakeholders and enhance stakeholder engagement. Starting with the 2024 edition, the structure of each page has been organized by making reference to the Guidance for Collaborative Value Creation formulated by the Ministry of Economy, Trade and Industry of Japan.



Positioning of the TDK United Report (Integrated Report)



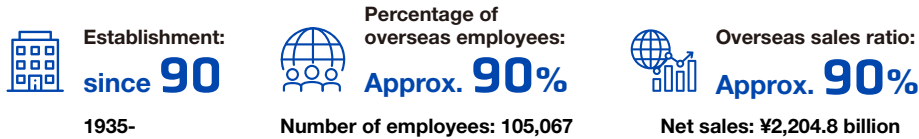
Since FY March 2025, the Integrated Report has been positioned as the highest-level disclosure document within our information disclosure structure. We reviewed production systems, and following deliberation by the Disclosure Committee, our internal organization, we made the Integrated Report subject to reporting at Executive Committee meetings and Board of Directors meetings.

The Integrated Report focuses on the “story” toward the enhancement of corporate value, with highly comprehensive information that could not be contained in the report included in various disclosure documents and posted on the TDK website as indicated in the positioning diagram above.

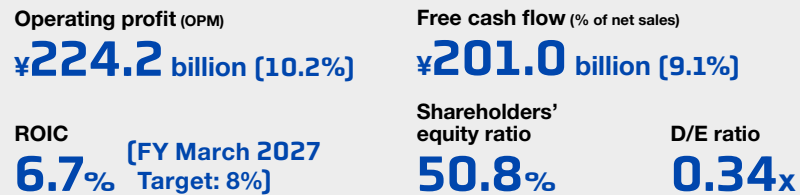
TDK at a Glance (FY March 2025)

A global electronics technology company and a world leader in electronic solutions for the smart society

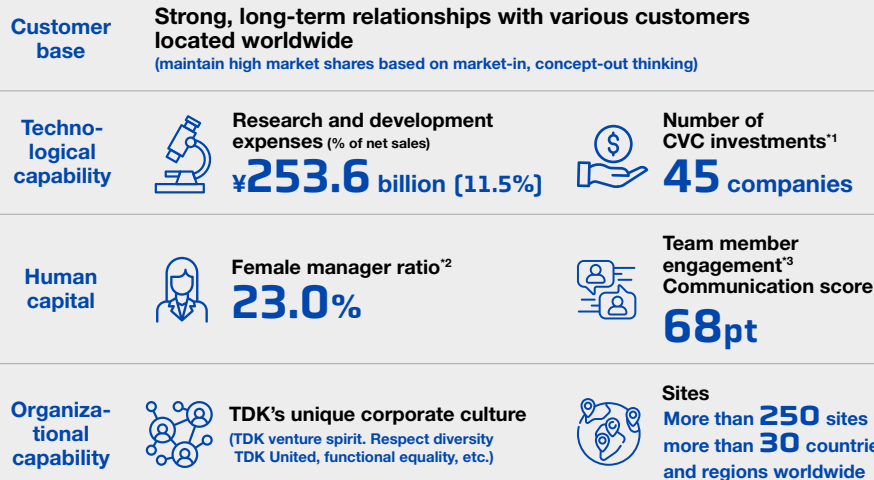
TDK leads the world in magnetic technology and operates in the four business segments of Passive Components, Sensor Application Products, Magnetic Application Products, and Energy Application Products, as well as Other business. We focus on three markets: automotive, ICT, and industrial equipment.



Financial capital ensuring TDK's growth

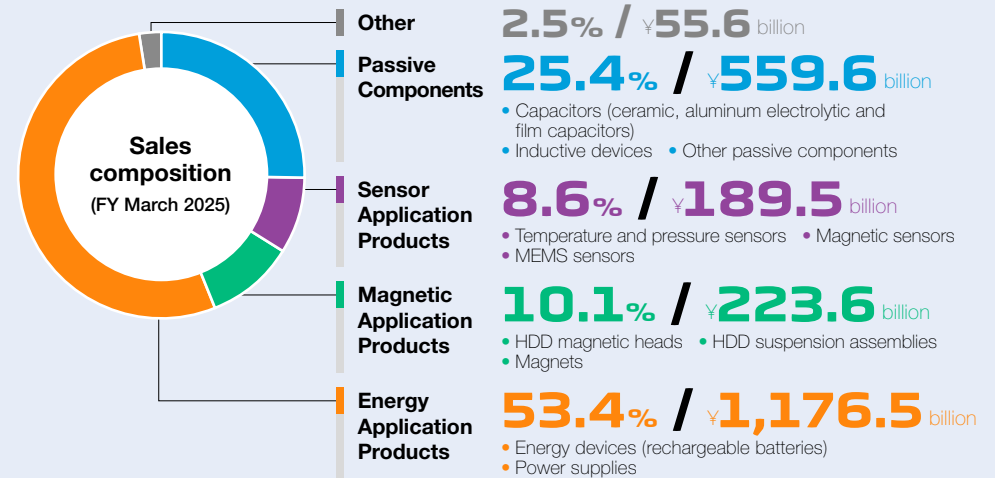


Pre-financial capital supporting TDK's growth

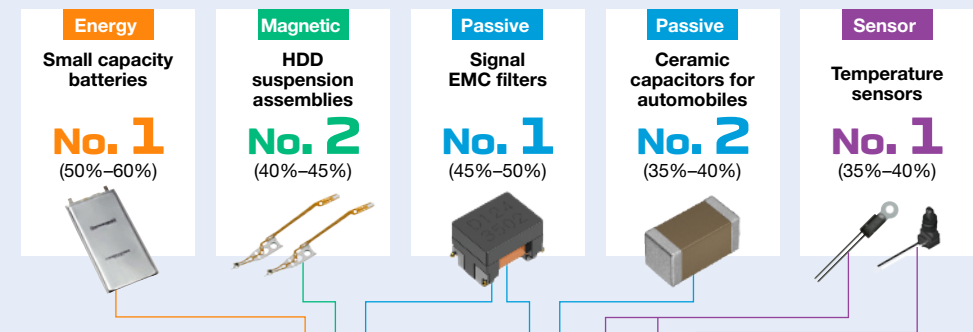


*1 As of June 2025 *2 TDK Group *3 As of September 2024

Business Overview



Main high market share products



Sales by market



* Please refer to TDK's Current Businesses for business performance trends by segment. (▶ P. 27)

Founding Story

TDK's founding story goes back to 1930, when founder Kenzo Saito encountered ferrite, the world's first oxide magnetic material, invented by Dr. Yogoro Kato and Dr. Takeshi Takei of the Tokyo Institute of Technology currently known as the Institute of Science Tokyo. Saito was born in an isolated village where people survived mainly by farming rice and fishing during the winters, and he had an ambition to create a new industry in his impoverished hometown and enrich people's lives. However, he faced a series of challenges and failures, and later when looking back on his life, he said he had "two successes and 98 failures."

An Angora fur business was one of Saito's many early endeavors. However, this business did not go smoothly and he was unable to find any customers.

Saito asked Shingo Tsuda, president of Kanegafuchi Boseki, Japan's largest company at the time, whom he had met through the Angora rabbit wool business, one of his 98 failures, to provide the startup capital. Tsuda was unable to

use company capital for a purpose outside Kanegafuchi Boseki's business, so he provided his personal funds to Saito.

In the midst of these repeated failures, Saito had a fortuitous encounter with Dr. Kato and Dr. Takei through a connection. Dr. Kato showed him ferrite, a previously unknown magnetic material. Dr. Kato's statement that "innovative work is the source of true industry," inspired Kenzo Saito to found TDK Corporation (originally known as Tokyo Denki Kagaku Kogyo K.K.) on December 7, 1935, with the purpose of marketing this original material invented in Japan.

At the time, as it was yet unclear whether "ferrite" would have a future or not, this act demanded "courage" and the will to pursue a "vision." As a result of joint research by the Tokyo Institute of Technology and TDK, a product called ferrite core was produced and applied for the first time worldwide in 1937 in a number of Japanese wireless communication units and radios. By the end of the World War II, as many as 5 million units had been shipped by TDK,

thereby creating a foundation of trust in the company. The two major wins that Saito staked his career on were the founding of TDK and the creation of the Science and Technology Agency. Saito's spirit of creativity from the time of TDK's founding, expressed as "creating values that do not yet exist in the world from the level of materials," was adopted as the Corporate Motto in 1967.



Founder Kenzo Saito



Dr. Yogoro Kato (left) and Dr. Takeshi Takei (right) facing each other with a ferrite core



A coil that uses a ferrite core

TDK Value Structure

"Contribute to culture and industry through creativity" is TDK's Corporate Motto, and "Vision, Courage, Trust" are the Corporate Principles. Based on this unchanging spirit, we revised the existing TDK Value Structure in FY March 2025 and formulated a Long-term Vision, key issues (materiality), and Medium-term Plan.

社是創造に
よつて
文化産業に
貢献する

Contribute to culture and industry through creativity

"Vision, Courage, Trust"

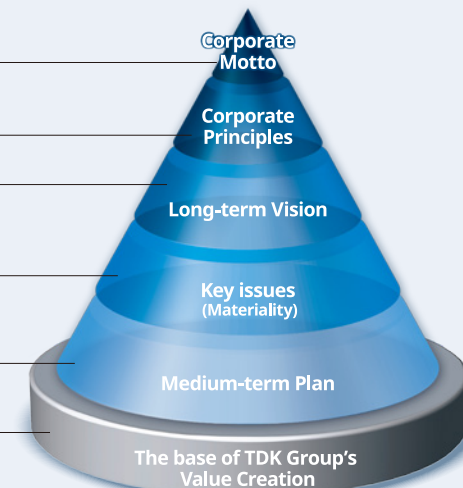
TDK Transformation

Accelerating transformation for a sustainable future

Key issues (materiality) which should be addressed toward the realization of Long-term Vision

Action plan for the next 3 years to realize the Long-term Vision

Values/codes/rules that serve as the base of TDK Group's Value Creation



Management Philosophy of Past Presidents

TDK has team members (employees) from many different backgrounds. “TDK United” is our organizational culture of creating value through teamwork with collaboration of different personalities.

We feel that this supports our sustainable growth. In the words of past presidents on their management philosophies, we find many instances that convey our corporate culture, such as respecting individuality and valuing teamwork.

I feel that people learn and train themselves rather than needing to be trained.

That is why our job is all about how we motivate our researchers to excel.



Kenzo Saito (1st)
12/1935 to 12/1947

People should be able to just go for it.

I feel that the bosses need to take overall responsibility and tell their subordinates to just go ahead and follow their passion. Without that release, members are not going to make any strides forward.



Teiichi Yamazaki (2nd)
12/1947 to 01/1969



Fukujiro Sono (3rd)
01/1969 to 02/1983

Intangible assets are the lifeblood of a company. You need to develop human resources, with or without money.

A company is built on its people. It's a dojo for both nurturing talent and for individuals to develop their own skills.



Yutaka Otoshi (4th)
02/1983 to 02/1987

They say there's no place like TDK where you can work without strict boundaries.

We tend to take that freedom for granted, but I want people to take advantage of that freedom and be proactive in what they do.



Hiroshi Sato (5th)
02/1987 to 06/1998

The important thing is to constantly be on the lookout for creative solutions.

In whatever you do, true creativity depends on keeping the question “why” alive in your mind at all times.

Everyone has a role to play in the company, and we stand as equals when discussing how to fulfill those roles. I often spoke of **“functional equality”** when I was president to maintain that culture.



Hajime Sawabe (6th)
06/1998 to 06/2006

We established three action guidelines: Take on challenges without fear of failure; engage in quick decision-making and trust-building; and **discuss things openly across boundaries of position, organizational structure, and division.**



Takehiro Kamigama (7th)
06/2006 to 06/2016

After acquiring a company, we never forced it to conform to a TDK-centric approach. Rather, we respected the company's different way of thinking and its culture, and let them lead their own business. We cultivated **“strength in diversity”** to empower talented individuals to use their unique abilities to the fullest. This has become the driving force behind our nonlinear self-transformation.



Shigenao Ishiguro (8th)
06/2016 to 03/2022



Noboru Saito (9th)
04/2022 to present

We are not looking for Integration. I personally never use the term “One TDK” and don't think it is ideal vision for us.

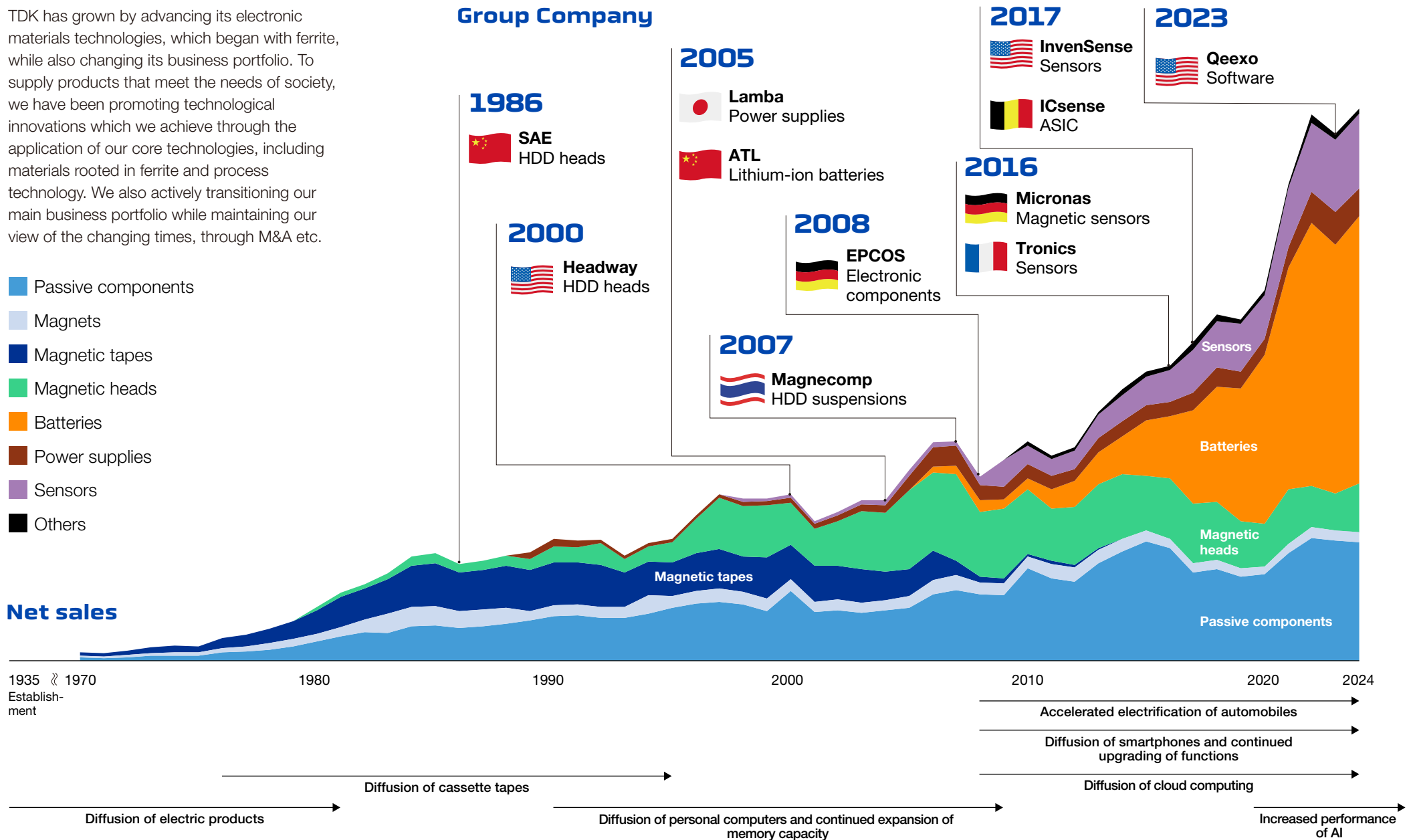
Our company's goal is, rather, to become “TDK United,” a coming together of independent individuals and organizations.

Trajectory of Growth

TDK has grown by advancing its electronic materials technologies, which began with ferrite, while also changing its business portfolio. To supply products that meet the needs of society, we have been promoting technological innovations which we achieve through the application of our core technologies, including materials rooted in ferrite and process technology. We also actively transitioning our main business portfolio while maintaining our view of the changing times, through M&A etc.

- Passive components
- Magnets
- Magnetic tapes
- Magnetic heads
- Batteries
- Power supplies
- Sensors
- Others

Net sales



Message from the President & CEO

Noboru Saito

Representative Director,
President & CEO

**In these turbulent times,
we will enhance our own
capabilities and strengthen
the collective efforts of
TDK United.**

Q1

What is your overall impression of performance from the previous fiscal year (FY March 2025)?

A1

We achieved initial targets for all the financial KPIs outlined in the Medium-term Plan. In particular, free cash flow (FCF) significantly outperformed initial assumptions.

In May 2024, we published TDK Transformation as our Long-term Vision and the position we aim to establish for the TDK Group in 10 years. Furthermore, we released a Medium-

term Plan that represents our three-year action plan (FY March 2025 to FY March 2027) for achieving that vision. This Medium-term Plan was formulated based on backcasting from our Long-term Vision. (► P. 21)

During the previous fiscal year, the initial year of the Medium-term Plan, we achieved record high performance with consolidated net sales improving by 4.8% year on year to ¥2,204.8 billion and operating profit increasing by 29.7% year on year to ¥224.2 billion. We also achieved initial assumptions for all financial KPIs, including ROE of 9.5%, ROIC of 6.7%, and operating profit margin of 10.2%.

Looking at free cashflow (FCF), which we position as an

important management indicator, year-end FCF was ¥201.0 billion, which was significantly higher than initial assumptions (¥15.0 billion). This is the result of increased profit as well as benefits of reductions to capital expenditures (CAPEX) and working capital. To put it another way, I view this performance as the result of our capability to recognize that there are elements of our external environment that we cannot change. Thus, while we do pay close attention to external factors, we focused on capitalizing on our own capabilities in areas that we can control, such as CAPEX and inventory management.

Financial KPI progress

		FY3/25 Result	FY3/27 Plan
Growth	Net sales (¥ billion) (CAGR)	2,204.8	2,500.0 (approx. 5%)
	ROE	9.5%	10% or more
Efficiency	ROIC (BizROA) (>WACC)	6.7% (<7.0%)	8% or more
	OP margin	10.2%	11% or more
Financial soundness	Shareholders' equity ratio	50.8%	50% level
	D/E ratio	0.34x	0.3-0.4x
	Exchange rate assumptions	¥152.66/US\$	¥135/US\$

Since assuming the role of CEO three years ago, I have continuously promoted the importance of enhancing our own capabilities by focusing on the things we can do ourselves and the things we should do ourselves. Just in the past year, the environment influencing our business has seen incredible uncertainty and dynamic change. Amid such an environment, I believe that being able to achieve that performance was the result of our global team members (employees) identifying changes in our external environment while steadily working to enhance their own capabilities in their respective roles.

Message from the President & CEO

Looking at our current environment, there is great uncertainty concerning the outlook for the global economy. While we cannot change our external environment, we do have significant room to improve our quality, productivity, and technological capabilities; our fundamental capability as a manufacturing business. This is why I challenge our team members around the world to “Control the Controllable;” the idea that we should focus our efforts on grasping our current situation and using our own capabilities to control what we can. For our manufacturing sites as well, we promote the concept of “China plus,” through which we address geopolitical risks by dispersing manufacturing to sites in India and countries in Southeast Asia.



To strengthen our dialogue with investors, this year's TDK United Report is configured based on our formula for enhancing corporate value. The current Medium-term Plan outlines three key points – “Strengthen management focusing on cash flows,” “Enhance business portfolio management (Emphasizing ROIC),” and “Evolve the Ferrite Tree (pre-financial capital)” – regarding which we are proactively implementing measures. The key points reflect our approach that maximizing FCF generation, reducing costs of capital, and increasing expected growth rate are critical to enhancing

corporate value. In relation to first point, strengthening management focusing on cash flows, as previously noted, the first year of the Medium-term Plan was successful to our assumption at the beginning of the FY March 2024 outlining three-year cumulative FCF of ¥260.0 billion. We are also making steady progress on the remaining two key points.

Q2 You promote proactive business portfolio management but did you make progress on measures directed at businesses to be intensively monitored?

A2 Of the 27 CBUs to be intensively monitored, we successfully turned around one CBU and decided to sell or terminate operations for seven CBUs. We will continue to strengthen activities with our primary focus on advancing our growth strategy.

We also made progress on the second key point of our Medium-term Plan, enhancing business portfolio management, during FY March 2025. Based on our approach that the most important element of business portfolio management is promoting growth strategy, we hold discussions with the heads of each of the nearly 80 cash-flow business units (CBUs) to determine what each unit needs to do for the TDK Group to achieve growth.

To address the 27 CBUs to be intensively monitored with low BizROA (ROIC) and business potential, since May 2024 we conducted discussions on 27 CBUs and examined and implemented measures for early turnaround. As a result, during FY March 2025 we successfully turned around one CBU, HDD suspensions, and profits are also improving for HDD heads.

On the other hand, as of the end of April 2025 we decided on the sale or termination of business for seven CBUs. Among these, we decided that the continuation of business under new ownership was the optimal course for magnet application

products (mag rolls), which were a part of the magnets business, and camera module micro actuators, and reached an agreement of business transfer. We also decided on the termination of business for a total of three CBUs: photovoltaic (PV) and Semiconductor Embedded in SUBstrate (SESUB) for high-frequency (HF) components, which fall under the Passive Components segment, and Electric Double-layer Capacitors (EDLC) in the Other segment.

For the remaining 19 CBUs, we will continue to implement measures internally towards achieving a turnaround while also advancing discussions on strategic options from various perspectives. For the magnets business, we are working to reduce quality costs, which has been an ongoing issue. In addition to conventional products for the automotive market, we are also reevaluating our product composition to capture demand related to renewable energy as we work to improve our revenue structure.

Q3 How will you strengthen the businesses you position as growth areas?

A3 We are proactively investing in the AI ecosystem market, which we position as our highest-priority growth driver.

As proactive business portfolio management, we will work to turn around businesses to be intensively monitored while also aggressively implementing measures for businesses in the key growth areas with strong growth potential.

We view AI-related markets as incredibly powerful growth drivers towards realizing our Long-term Vision, TDK Transformation. Currently, the macro-trend of transformation driven by AI is developing rapidly in various domains.

Looking at this trend from our perspective, we anticipate that the permeation and expansion of AI will have a positive influence on numerous business domains in which the TDK Group is involved.

Message from the President & CEO

TDK contributes to the entire AI ecosystem



For example, our electronic components are expected to contribute power savings and address increasing power consumption by data centers. Increasing data accumulation at data centers is also expected to serve as a tailwind for HDD heads and suspensions. Additionally, the silicon anode batteries we launched to market roughly two years ago provided higher energy density compared to existing products and demand is increasing with the growth of AI smartphones, which require batteries with high energy density. The expanding adoption of AI will also lead to increased data utilization, which is expected to lead to increased demand for sensors as well.

In this sense, we expect to see significant growth not only for data centers and servers, but also for edge AI devices, AI-powered vehicles and infrastructure, and

domains such as semiconductor manufacturing equipment. The permeation and expanded adoption of AI in society will serve as a growth driver for various TDK businesses. As such, we define this broad range of AI-related markets as the “AI ecosystem market.” In our business portfolio management, we already position many of the businesses related to this AI ecosystem market as key growth areas. Moving forward, we will also utilize our strategic investment budget towards aggressively investing in such businesses.

In addition to current businesses, we also plan to invest proactively in various new domains that will contribute to the development of the AI ecosystem, including M&A as described below.

One such domain is predictive maintenance for the

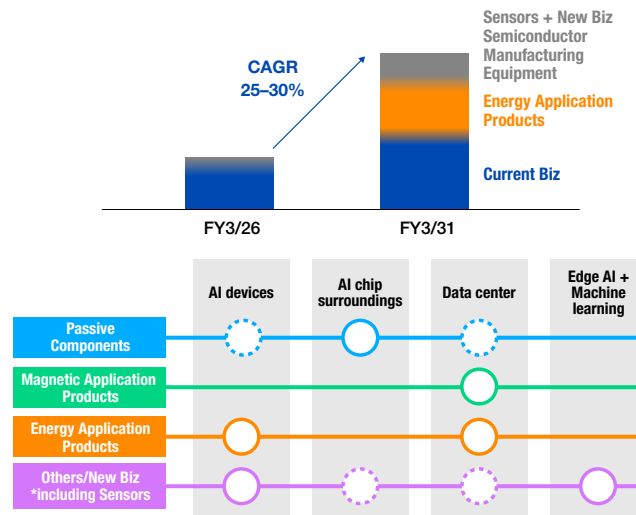
industrial equipment market. In March 2025, we released edgeRX, a new product targeting this domain. Offered by TDK SensEI, a new company established in July 2024, edgeRX provides real-time monitoring of machinery and equipment malfunctions in manufacturing and logistics operations.

We will also strengthen our technology development for AR glasses, a market that is projected to see medium- and long-term growth. We will offer diverse solutions targeting this market that will contribute to the size and weight reductions for and the increased efficacy of AR glasses. Planned solutions include ultra-compact full color laser modules, which are one-tenth the size of conventional modules, Piezo Haptics for bone conduction speakers, lithium-ion batteries, and all-solid-state batteries.

Message from the President & CEO

In addition to these current products, to further strengthen the AR glasses-related technology, we acquired SoftEye, Inc., based in the US, as announced in June 2025. SoftEye brings

Sales for AI Market (FY3/26 Forecast-FY3/31 Target)



*Note: Solid circles indicate net sales total value in the graph above. The dotted circles indicate businesses that have recorded net sales but that are not included in the graph above.

Products	Major application and functionality
Current Biz	
Passive Components	<ul style="list-style-type: none"> Contribute to semiconductor performance and respond to designs based on higher speeds and redundancy Power unit systems
HDD heads and suspensions	<ul style="list-style-type: none"> Ensure data reliability, contribute to increased data storage density, and low power consumption
Medium capacity batteries	<ul style="list-style-type: none"> Secure redundancy for data center electricity Size reductions for Battery Backup Units
Semiconductor manufacturing equipment	<ul style="list-style-type: none"> Contribute to process innovation in semiconductor manufacturing Strengthen load ports, etc., and enhance materials and manufacturing technology
Sensors + New Biz	<ul style="list-style-type: none"> Provide the extra added value of AI-enhanced sensors Launch software business featuring SensEi, etc.

expertise in algorithms, camera, and low-power chip design, and it enables low-power eye tracking and object recognition.

* TDK acquires SoftEye to enable artificial intelligence within smart glasses and grow its AI ecosystem business

https://www.tdk.com/en/news_center/press/20250619-01-acquisition-of-SoftEye.html

We also have high expectations for the semiconductor manufacturing equipment domain. While we have not particularly highlighted our efforts thus far, we are building a strong position in this domain based on the factory automation (FA) technology which we have cultivated through our work on automatic mounting machines for electronic components and clean technology. Moving forward, we plan to increase strategic investments, particularly for post-process products such as flip-chip bonding, a domain that is expected to increase in importance with further advancements in AI.

At present (as of April 2025), sales from the AI ecosystem market only represent a little over 10% of total net sales. However, we project that we can achieve an annual growth rate of 25% to 30% over the medium- to long-term. Offering a diverse range of products, services, and solutions that contribute to the development of the AI ecosystem market will contribute to social transformation and drive sustainable growth for TDK. In that sense, I believe these efforts are directly linked to the realization of the TDK Transformation outlined in our Long-term Vision.

Q4 What initiatives are you implementing to strengthen pre-financial capital?

A4 To strengthen pre-financial capital, we created a new CHRO position to focus on human capital. We also established a new Sustainability Committee to implement Group-wide initiatives in the various sustainability fields as a core corporate undertaking.

Borrowing from the growth process of a single tree, TDK uses the term “Ferrite Tree” to refer network of technology that started with the magnetic material ferrite and has expanded since our founding. I view non-financial capital, our technological capabilities, human capital, organizational capabilities, and customer base, as representing the roots of this Ferrite Tree, roots that grow into thick trunks above ground and enable the branches and leaves to expand. This non-financial capital goes on to support the growth of financial capital, which leads to the creation of new value. Based on this thinking, we define them as “pre-financial capital.”

Among all pre-financial capital, I focus most on people. Since assuming the role of CEO, I have consistently stressed, both internally and externally, that people are at the root of TDK’s sustainable growth. TDK’s strength is not simply that we have diverse human resources. I believe our true strength lies in our capability to maximize the potential of that diversity. 80% of TDK’s nearly 100,000 employees joined the Group through M&A and nearly 90% are of a nationality other than Japan. Showing mutual respect for culture, proactively incorporating good ideas, and learning from each other is a mentality that has permeated throughout the entire Group.

As a measure related to people, we repositioned the HR Division as a core function for promoting Group-wide corporate strategy and in April 2025 we created a new Chief Human Resources Officer (CHRO). We appointed Andreas Keller to the position of CHRO. Keller, who up to the previous fiscal year was in charge of HR and sustainability, has a broad perspective and vast experience. I expect that fully incorporating his talents into corporate strategy will enable us to further enhance the human resource management of our global enterprise.

In addition to people (human capital), we are looking to overall enhance the strength of our core pre-financial capital. To this end, we redefined TDK sustainability as the pursuit of

Message from the President & CEO

achieving long-term enhancements in corporate value by providing value to customers and society through our business operations. From the perspective of long-term enhancements in corporate value, we positioned initiatives related to the various sustainability fields (human capital, climate change, human rights, etc.) that influence our Group, both internally and externally, as key issues. To identify the impact of risks and opportunities of each field and formulate appropriate strategy and business model capable of responding to those impacts, we developmentally dissolved the Sustainability Promotion HQ, which previously operated separately from the Corporate Strategy HQ. In April 2025, we established Sustainability Promotion Group as an entity that operates within the Corporate Strategy HQ. Furthermore, to address the need for a Group-wide approach to engaging in a wide range of sustainability fields, in April 2025 we also established a Sustainability Committee composed of members from multiple organizations.

Q5 You embrace TDK United as TDK's ideal organizational culture but what type of value is created through this culture?

A5 There is the benefit of being able to take an approach through which we provide value as a package across all our businesses and products. Instead of striving for uniform to our diverse members, we incorporate the beneficial elements of each other to form connections. Through this mentality, we work together on corporate activities towards the realization of TDK Transformation.

The term TDK United represents an organizational culture that aims for a unique fusion that creates value through teamwork by promoting mutual understanding while developing the strengths of each individual and company. Instead of striving for conformity from our diverse members,

we incorporate the beneficial elements of each other to form connections through which we engage in corporate activities.

Under a governance policy of "Empowerment & Transparency" we have established basic rules that we apply worldwide as "Global Common Regulations (KITEI)" to enforce governance. At the same time, we actively promote the empowerment to regional headquarters and core subsidiaries to enable members to maximize their individuality and capabilities on the front lines of business. I believe that the interaction and fusion of different cultures and personalities under such an organizational structure and corporate culture is what leads to the creation of innovative technologies and products.

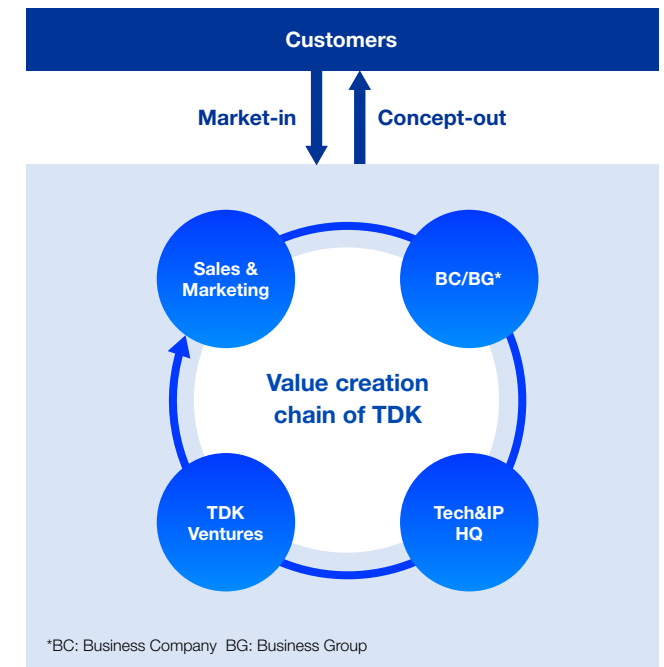
I myself worked overseas for nearly 20 years in countries such as Germany, Hungary, and the USA. Having been involved in business expansion and organizational development in each location, I had many opportunities to experience the strengths of TDK first-hand from a perspective other than the Global HQ. From my current position in the Global HQ, I continue to communicate one-on-one with executive members around the world on a monthly basis.

The realization of TDK United will not only change how we develop technologies and products, but also how we approach customers. For example, the AR glasses in the AI ecosystem I mentioned earlier incorporate a variety of our products. By offering them as a package rather than as individual components, we should be able to create more value. Moving forward, we hope to create new approaches like this that leverage the strengths of TDK United for more customers.

TDK Ventures, which serves as a corporate venture capital (CVC), makes strategic investments and collects information in a timely manner on technologies that expected to see long-term growth. Both the Corporate Marketing & Incubation (CM&I) HQ and Corporate R&D continuously evaluate how technology trends will affect our business.

When we identify information that could benefit our business, we work with business companies (BCs) towards achieving rapid commercialization. We refer to such dynamic Group-wide and cross-border initiatives as our "value creation chain." In cases where initiatives transcend the boundaries of a current business division, then we may create a new organization to move the project forward, like we did with TDK SensEI.

Responding to market potential/needs in a cross-sectional manner



Message from the President & CEO

Q6 Lastly, please discuss your commitment to stakeholders.

A6 As the lead manager of TDK United, I will support TDK team members in enhancing our own capabilities through “the endless pursuit of something better” to realize TDK Transformation. We hope you will continue to hold high expectations for TDK’s growth potential.

This December (2025), TDK will celebrate our 90th anniversary. Even after 90 years, our Corporate Motto of “Contribute to culture and industry through creativity” and our Corporate Principles of “Vision, Courage, Trust” remain unchanged. We also strive to pass down the corporate culture rooted in this motto and principles. One aspect of this corporate culture is the “TDK Venture Spirit.” The spirit of boldly taking on new challenges and learning from failure has been shared and passed down through the Group since our founding, and is something we hope to pass on to the future. We also strive to pass on the importance of “diversity” as a driving force for TDK. To maximize the strengths of diversity, it is important that we embrace a culture of “functional equality.” This means that although there are hierarchical positions, there are no hierarchical roles or functions; everyone is on an equal footing and able to speak freely about what they think is right, regardless of their position. I want to ensure that this open organizational culture is valued and passed to future generations.

At the same time, there are many things we must change as a corporation aiming for sustainable growth. The “TDK Transformation” outlined in our Long-term Vision also refers to a transformation for TDK itself. Our operating environment is continuously subject to dynamic change. However, if we carefully analyze the conditions we are facing, we should be able to identify many things that can be changed by tapping into our own capabilities. My own

transformation is centered on communication. We have increased the amount of dialogue with shareholders and investors by 30% and the number of people with whom we meet by 60% compared to the previous fiscal year.

Internally, we proactively hold town hall meetings and group meetings in various locations to convey our Long-term Vision, the “TDK Transformation,” to team members around the world. This promotes team members embracing our vision as something that applies to them on a personal level. I see my role not as an orchestra conductor, but as the lead manager of a jazz band called TDK United who has gathered an ensemble of players with a wide variety of talents, techniques and personalities. My mission is to achieve our Long-term Vision by creating an environment in which all members, who are full of diversity and embrace the TDK Venture Spirit, are highly motivated to pursue the TDK Transformation as if it were their own goal.

We also want to transform the strength of the TDK corporate brand. Since withdrawing from the cassette tape business more than 10 years ago and fully becoming a B2B enterprise, we have recognized the need to increase recognition of the TDK brand among the general public. We are a global company that supplies essential parts in various

domains that support the development of society, so addressing how we increase our brand recognition and elevate our presence within society is a core corporate issue for TDK. To this end, we have begun Group-wide branding activities to revamp TDK’s brand identity and foster a new brand image. Rather than pursuing this as a standalone project, we are linking this initiative with other corporate activities such as recruitment, investor relations, and sales and marketing. As my own project, I launched a task force that included leaders from not only public relations but also various other functional departments.

To put it another way, one could say that unresolved issues are challenges that we can change by applying our own capabilities. In other words, those challenges represent potential. TDK still has room to improve its own capabilities. Evolution stops the moment you think you have achieved the best. More than ever, I intend to convey this message to our 100,000 TDK United team members around the world and encourage them to engage in “the endless pursuit of something better” rather than simply aiming for the best. I would also like to ask all stakeholders for their understanding of the great growth potential that TDK holds, and I look forward to your continued long-term support and expectations.



President & CEO Saito and “TDK United” team members

Detailed explanation page of main topics

- Medium-term Plan: Key Points (▶ P. 22)
- Message from the CFO (▶ P. 23)
- Contribution to the AI Ecosystem Market (▶ P. 13)
- Message from the CHRO (▶ P. 39)
- Human Resources Strategy (▶ P. 40)
- Sustainability Committee (▶ P. 18)
- Brand Identity Renewal (▶ P. 17)

Special Feature: Contribution to the AI Ecosystem Market

TDK defines the AI-related market as the AI ecosystem market, that will be a major driver in realizing our Long-term Vision "TDK Transformation." (▶P. 9) We see significant growth in the entire AI ecosystem in the future, from Edge AI devices, and AI-powered vehicles and infrastructures, to manufacturing processes and equipment for AI semiconductors.

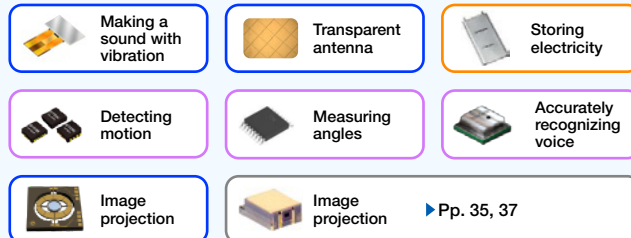
Here, we introduce three examples of applications in this market for which TDK products are expected to play active roles.



1 AR glasses

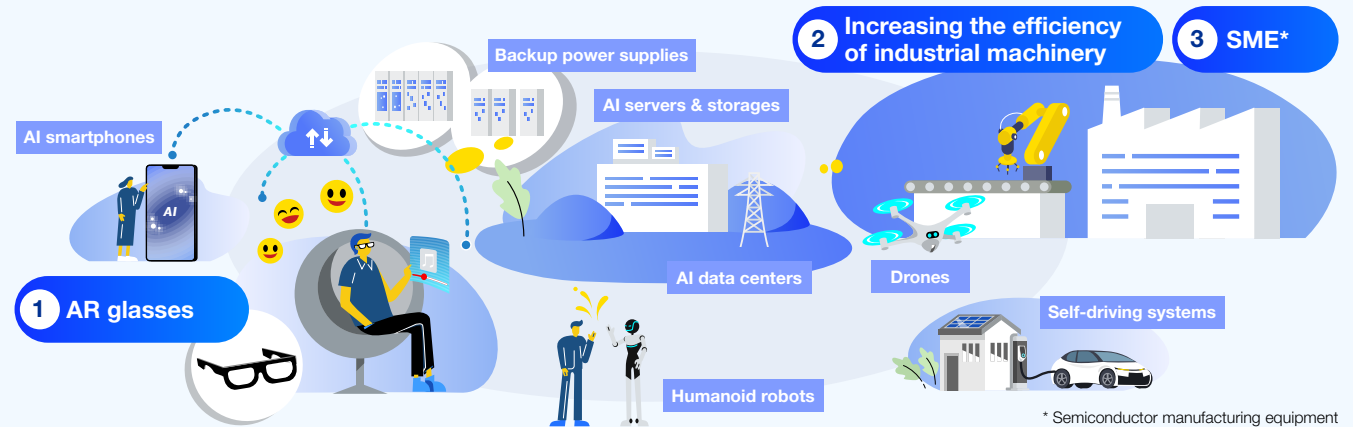
Envisioning the future of AR glasses through TDK's augmented reality solutions

TDK has started providing a wide range of solutions for AR glasses including ultra-compact full-color laser modules, MEMS sensors that detect motion and are equipped with a high-performance microphone, high-capacity small rechargeable batteries, and piezo speakers for bone conduction audio. This is expected to lead to the development of AR devices that are even lighter, have higher performance, and have excellent cost performance.



* TDK acquires SoftEye to enable artificial intelligence within smart glasses and grow its AI ecosystem business

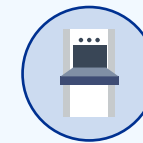
https://www.tdk.com/en/news_center/press/20250619-01-acquisition-of-SoftEye.html



2 Increasing the efficiency of industrial machinery

edgeRX: New platform for predictive maintenance for industrial machinery

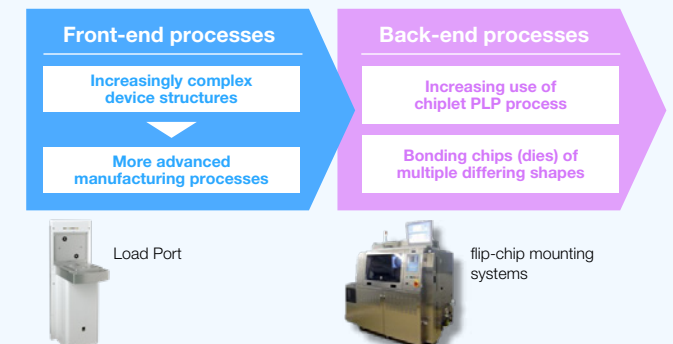
edgeRX, which was developed by TDK SensEI, is a platform that monitors the health of industrial machinery using edge sensor devices equipped with AI. edgeRX is an essential tool for maximizing machinery uptime and increasing overall operational efficiency by detecting potential problems. (▶P. 38)



3 Semiconductor manufacturing equipment

By combining manufacturing and materials technologies, TDK will contribute further to back-end processes.

TDK's FOUNDRY Load Ports have continuously met challenges such as improving yield rates with high reliability and advanced specifications, establishing a solid position within this section. Our policy for the future is to make even more active strategic investment with a focus on back-end-processing products, which are expected to be even more important with advances in AI.



Chapter 1

TDK's Long-term Vision

- 15 Long-term Vision
- 16 Value Creation Process to Realize the Long-term Vision
- 17 Brand Identity Renewal
- 18 Key Issues (Materiality)
- 19 Relationship between Materiality and Corporate Value
- 20 Key Issues (Materiality) List

TDK Transformation, Our Long-term Vision

TDK has established a Long-term Vision “TDK Transformation”, from FY March 2025, as what we want to be over the next 10 years.

This Long-term Vision embodies our will to accelerate contribution to the transformation of society and continuously transforming TDK itself to contribute to the realization of a sustainable future.

In accordance with this Long-term Vision, we will accelerate the transformation of society and advancements in technology enabled by electronic devices developed through leveraging cutting-edge innovation in materials, processes, and software technology, contributing to the transition toward a sustainable future. We will also continue our own transformation to become the No. 1 partner growing alongside our worldwide customers.

TDK Transformation

Accelerating transformation for a sustainable future

- Contribute to the transition towards a sustainable future by **accelerating the transformation of society and advancements in technology** enabled by electronic devices developed through leveraging cutting-edge innovation in **materials, processes, and software technology**.
- **Become the No.1 partner** growing alongside our worldwide customers by **pursuing continuous “transformation”**.

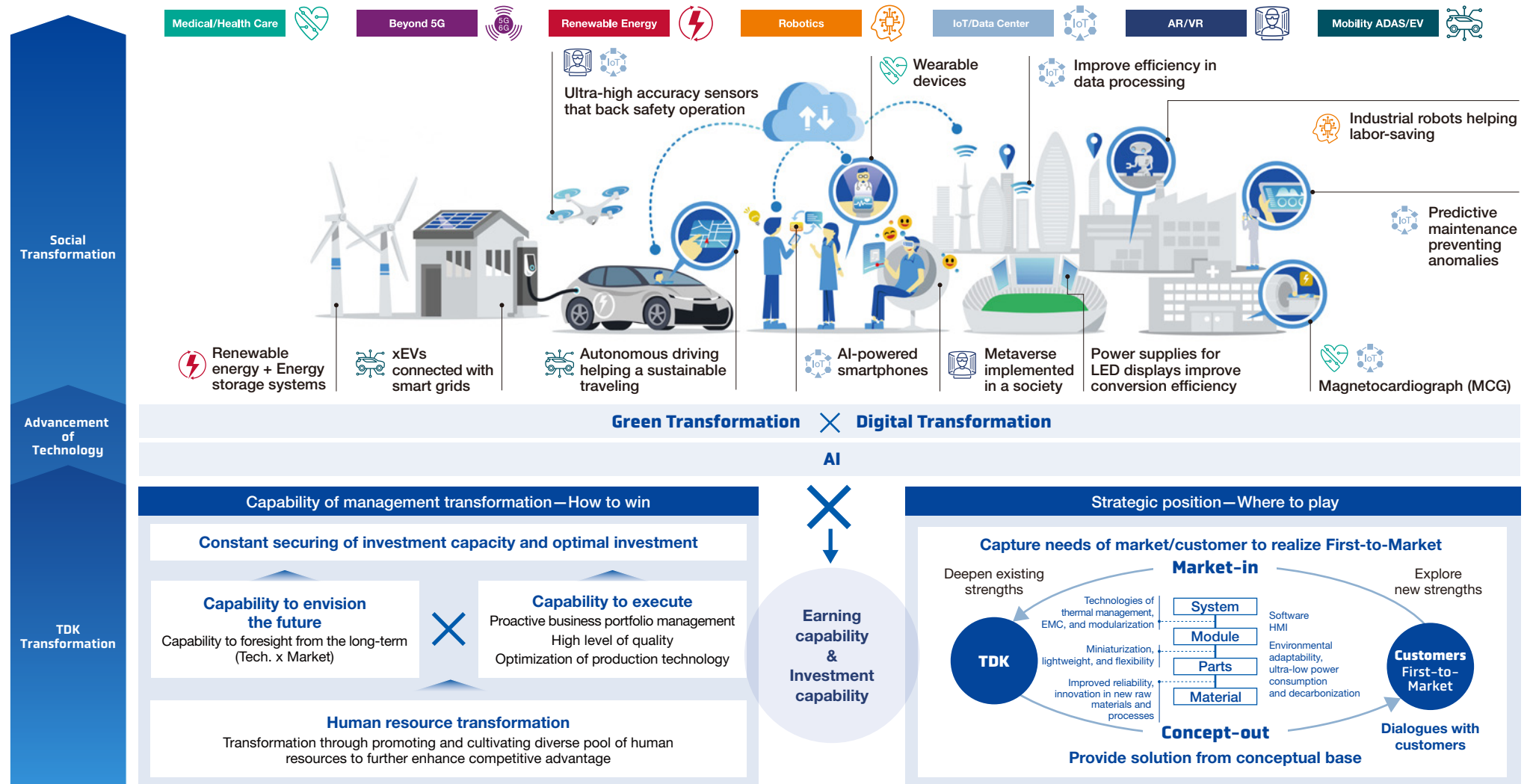


Long-term Vision

Going forward, social transformations such as green transformation (GX) and digital transformation (DX) are expected to accelerate and evolve even further. Consequently, we believe that the areas in which we can contribute will continue to expand.

To continue contributing to social transformation, we believe it is important to accelerate our own transformation, and we have established the necessary business model to achieve this.

Image of social transformation TDK projects



Value Creation Process to Realize the Long-term Vision

In order to realize our Long-term Vision “TDK Transformation,” our value creation process begins with our pre-financial capital, which corresponds to the root of the Ferrite Tree (the Tree), then makes full use of our business model as the trunk, and finally grows our products and services as the brunches and leaves of the Tree. Through this growth and transformation, we will contribute to the transformation of society, including the AI ecosystem. The feedback from the transformation of society will further grow the roots of the Tree and accelerate TDK’s own transformation.

Output

Products and services

Ferrite Tree ▶ P. 32



Activity

Business model

Capability of management transformation

Strategic position

INPUT

Pre-financial capital

Materials x Process technology x Software technology

Human capital

Organizational capability

Customer base

TDK at a glance ▶ P. 3

Outcome

Impact



Green Transformation



Digital Transformation

AI

- Realize a zero-carbon society
- Improve energy efficiency
- Industrial revolution of the skies

- Close the digital divide
- New experiences through the social implementation of metaverse
- Predictive maintenance preventing anomalies
- Improve data efficiency for a wealthy life
- Extension of healthy life expectancy

Brand Identity Renewal

Renewing Our Brand Identity to Realize “TDK Transformation”

At TDK, we have established our Long-term Vision as “TDK Transformation.” This Long-term Vision incorporates our desire to accelerate the transformation of society and to pursue continuous transformation of TDK itself, in order to contribute to the transition towards a sustainable future.

As a part of this transformation, we are renewing the TDK brand identity to capture the essence of TDK and the value we bring, today and into the future.

It's an evolution, where we keep the iconic TDK corporate mark, while making the brand identity more dynamic and energetic.

The new gradient colors, rooted in the classic TDK Blue, symbolize TDK Transformation.

The “In” graphic system, derived from the triangle shape in the TDK “diamond” symbol, expresses how we create impact from within.

At the core of the identity is our new corporate tagline “In Everything, Better”, reflecting our inner spirit and contribution to culture, industry, and society.



- ▶ TDK is in **everything, everywhere**
driving innovation and progress
- ▶ Creating impact from **within**
through our technology and venture spirit

In Everything, Better

- ▶ Strive to be **better**, every day
transforming TDK
- ▶ Make the world **better**
transforming society

Key Issues (Materiality)

Key issues (materiality) of TDK

From the perspective of achieving our long-term vision based on our Corporate Motto and Corporate Principles, we took into consideration our long-term strategies as well as risks and opportunities and reviewed the key issues (materiality) that have a real impact on the value creation capability of the TDK Group. In the past, materiality was positioned and selected as CSR key issues, but the new materiality was extracted from our long-term strategy for enhancing corporate value, and the action strategy is reflected in our Medium-term Plan, which started in FY March 2025.

The materiality of the TDK Group is premised on the long-term creation of value for not only investors, but all stakeholders including customers, suppliers, and team members (employees) and focuses on issues that help maximize TDK's corporate value.

Materiality identification process

TDK's key issues (materiality), which plot the enhancement of corporate value and adopt the concept of synchronizing the sustainability of both society and company, comprise financial materiality (important items for TDK) and impact materiality (important items for stakeholders). After deriving financial materiality and impact materiality, we closely examined the two and selected our materiality.

Details about the identification process are available in the Sustainability Website

https://www.tdk.com/en/sustainability/tdk_sustainability/tdk-materiality/definition

Establishment of the Sustainability Committee for strengthen the promotion and management of key issues (materiality)

The TDK Group newly established the Sustainability Committee in April 2025. With the aim of synchronizing the sustainability of society and the sustainability of the Group (the long-term enhancement of corporate value), the Sustainability Committee identifies sustainability-related risks and opportunities, establish and manage company-wide material issues, review them as internal and external environments change, and address sustainability-related regulations.

Positioning of the Sustainability Committee

The various sustainability fields that exist both within and outside our company (such as human capital, climate change, and human rights) is not something that can be address by individual organizations, must be addressed through company-wide efforts. Therefore, we established the Sustainability Committee, comprising members from across multiple organizations, in April 2025 under the Executive Committee Meeting (ECM), which consists of corporate officers.



Corporate Governance Structure (▶ P. 54)

Message from the Chair



Taro Ikushima

Corporate Officer
General Manager,
Corporate Strategy HQ

The various sustainability fields (human capital, climate change, human rights, etc.) have the potential to exert a major impact on TDK both internally and externally, and it is expected that they will pose both risks and opportunities in the execution of business. By identifying these risks and opportunities, we need to properly understand their impact on TDK's corporate value and connect this impact to the enhancement of corporate value by building the optimum company-wide strategy and business model to deal with it. Therefore, we promote management that synchronizes the sustainability of society and the sustainability of the TDK Group (the long-term enhancement of corporate value).

To promote management with such purpose, we developmentally dissolved the Sustainability Promotion HQ, which was a separate body from the Corporate Strategy HQ and placed it within the Corporate Strategy HQ as the Sustainability Promotion Group in April 2025. Furthermore, we established Sustainability Committee in April 2025, composed of cross-functional members. By forming this committee with members from multiple organizations, we will address the diverse sustainability fields as a group-wide initiative.

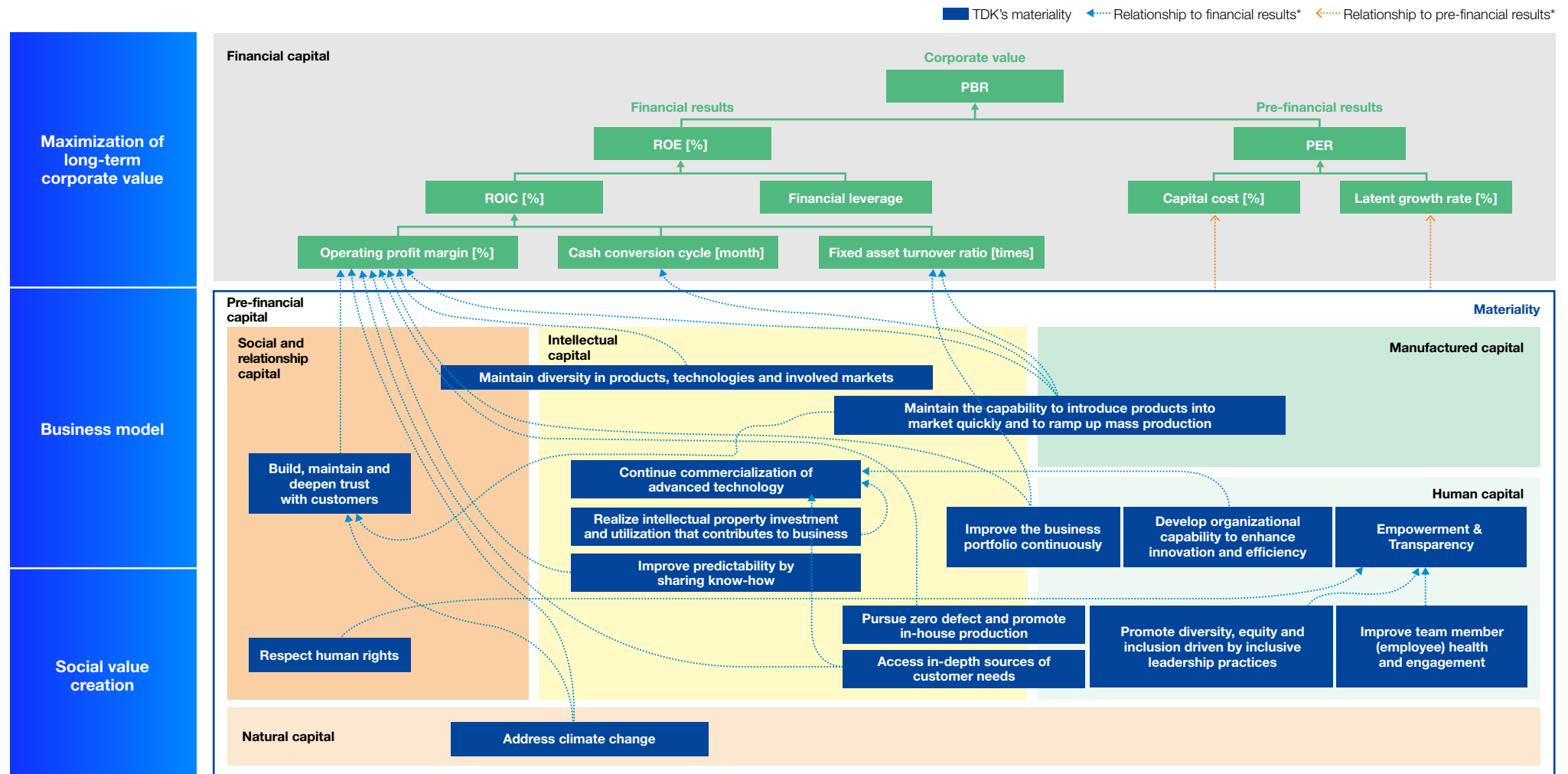
Key Issues (Materiality)

Relationship between Materiality and Corporate Value

In endeavoring to maximize long-term corporate value, TDK emphasizes PBR as an indicator of corporate value. Following this approach, we studied and formulated a tree showing how activities linked to each materiality theme

impact corporate value. The tree also indicates which of the six capitals defined by the International Integrated Reporting Council (IIRC) corporate activities linked to each theme contribute to. (These six types of capital are financial,

manufactured, intellectual, human, social and relationship, and natural.) In addition, we monitor the degree of achievement of KPIs set for each materiality theme by contrasting planned figures and achieved figures.



Key Issues (Materiality)

Key Issues (Materiality) List

The following have been set as KPIs for materiality.

Area		Theme	Background of materiality setting and vision	Main KGIs/KPIs* for long/mid- term	Target* for mid-term KPI	Progress as of FY March 2025
Human Resources	Transformation through promoting and cultivating diverse pool of human resources to further enhance competitive advantage (▶ Pp. 39, 40)	Promote diversity, equity and inclusion driven by inclusive leadership practices	Ensure the diversity of the TDK Group's human resources and promote leadership practices that enable each individual to fully develop their abilities and strengths.	<div>L</div> Improve diversity in management team <div>M</div> Female ratio of participants in Global Management Development Programs	30%	26%
		Develop organizational capability to enhance innovation and efficiency	Develop business entrepreneurs who can identify market needs and propose value to our customers to maximize the use of the TDK Group's assets and enhance the organization's ability to create new businesses.	<div>L</div> No. of business entrepreneurs developed ** <div>M</div> Number of overall participants in Global Management Development Programs	500 participants or more per 3 years	179 participants per year
		Improve team member (employee) health and engagement	Promote an environment in which team members (employees) can work enthusiastically to ensure the diversity of the TDK Group's human resources by enhancing team members (employees) engagement and health so that each individual can fully demonstrate their abilities.	<div>L</div> Improve Engagement survey score <div>M</div> 1) Engagement survey measurement (communication) 2) Participant rate of engagement survey	1) 75 points or more 2) 80% or more	1) 68 points 2) 90%
Governance	Advance group governance (▶ P. 44)	Improve the business portfolio continuously	Optimize the corporate-wide business portfolio by identifying areas that need to be put in place.	<div>L</div> Weighted average score of business portfolio <div>M</div> The amount of loss reduction in a business with operating losses that is to be intensively monitored.	Target achieved: 100%	Target achieved: 32%
		Empowerment & Transparency	Strengthen risk management by strengthening group governance and introducing a new ERM system, which TDK's governance is based on a policy of Empowerment & Transparency.	<div>L</div> No. of significant Global Common Rule (GCR) violations <div>M</div> No. of follow-ups for significant GCR violation	100%	– (For the first year, follow-up targets were identified.)
Environmental and Social Issues	Address environmental and social issues (▶ Pp. 45, 47)	Respect human rights	Respect the human rights of our stakeholders based on the values of the Code of Conduct, recognize the potential impact of all corporate activities on human rights, and promote activities to mitigate such impact.	<div>L</div> Mitigated/corrected significant risks from supplier audits <div>M</div> Ratio of progress in planning annual onsite audits	100%	100%
		Address climate change	Strengthen our activities to reduce greenhouse gas emissions and promote measures to address climate change in order to realize a net-zero CO ₂ emissions society by 2050.	<div>L</div> net-zero CO ₂ <div>M</div> 1) Scope 1+2 emissions reduction 2) Basic unit for energy reduction	1) 42% (Progress toward FY March 2031 target as of FY March 2022) 2) 30.5% (Progress toward FY March 2027 target as of FY March 2021)	1) 47.7% (Progress toward FY March 2031 target as of FY March 2022) 2) 30.5% (Progress toward FY March 2027 target as of FY March 2021)
Customer	Create customer value and build strong relationships (▶ P. 35)	Build, maintain and deepen trust with customers	Aim to increase customer satisfaction and expand our market share by building, maintaining, and deepening relationships of trust with our customers, taking advantage of our extensive track record of business with industry-leading customers.	<div>L</div> Customer satisfaction survey score** <div>M</div> Resolved and feedbacked rate for issues identified from the survey**	100%	100%
		Access in-depth sources of customer needs	Through strengthening our ability to envision the future, enhance our ability to create businesses from both technology and market perspectives, and expand sales in new applications.	<div>L</div> No. of future pillar businesses to be created through collaboration with related divisions <div>M</div> Launch of new business divisions	Target achieved: 100%	Target achieved: 50%
R&D	Contribute to social Transformation through R&D (▶ P. 33–)	Continue commercialization of advanced technology	Create future core businesses through collaboration with related divisions to search for technological seeds that will create new markets and cultivate new customers for the realization of social transformation.	<div>L</div> No. of themes transferred for the creation of future pillar businesses by promoting collaboration with related divisions <div>M</div> No. of theme selected and started	4 cases per 3 years	2 cases per year
		Realize intellectual property investment and utilization that contributes to business	Create value by linking our intellectual property investment strategy to the goals of our business and R&D strategies: business success and R&D strategy success.	<div>L</div> Percentage of intellectual assets (patents) tied to IP strategy for business and R&D themes <div>M</div> Elaborating IP strategy	Target achieved: 100%	Target achieved: 100%
Design Production	Stabilize supply of high-quality products and increase production efficiency (▶ P. 42)	Maintain and improve the capability to introduce products into market quickly and to ramp up mass production	Maintain and improve the ability to bring products to market quickly and increase our competitive advantage by creating innovative ideas and ramping up mass production system based on an aggressive culture.	<div>L</div> Success rate for new product introduction** <div>M</div> Completion rate of quality improvement activities of new product samples**	100%	100%
		Improve predictability by sharing know-how	Continuously improve predictability up to mass production to enhance manufacturing capabilities for launching new products and improve the new product launch rate.	<div>L</div> Percentage of new products launches achieved** <div>M</div> Progress on new product development plan**	Progress rate against the plan: 100%	Progress rate against the plan: 97%
		Pursue zero defect and promote in-house production	Improve our competitive advantage by making it difficult for other companies to enter the market and imitate us, through improvement activities aimed at achieving a zero defect rate and thorough in-house production of production tools and jigs, as well as in-house production of product components.	<div>L</div> Total failure cost ratio <div>M</div> No. of completed various types of quality compliance training	3 sessions per year	4 sessions per year
		Maintain diversity in products, technologies and involved markets	Aim to expand the range of our proposals by maintaining a wide variety of markets and product lineups, as well as the diversity of process technologies. Further promotes collaboration strategically and proactively.	<div>L</div> Market share of specific business** <div>M</div> Score of customer satisfaction survey**	Target achieved: 100%	Target achieved: 101%

* KGIs for

L

=Long-term, KPIs for

M

=Mid-term, Unless otherwise specified, long-term is assumed to be for approx. 10 years and mid-term approx. 3 years.

** A certain business company only

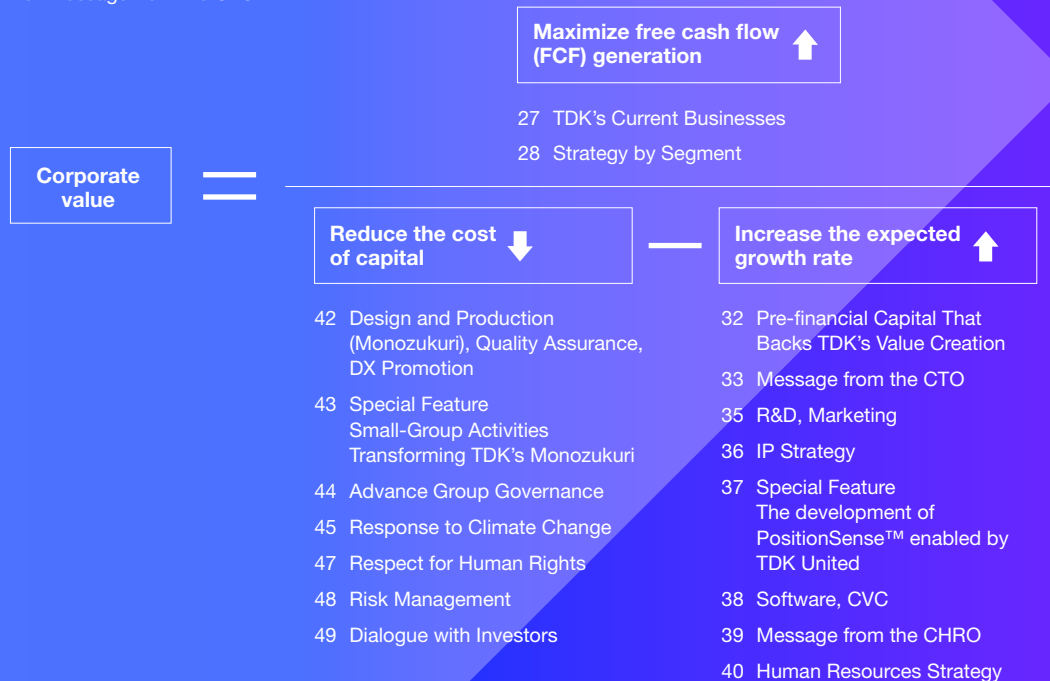
Chapter 2

TDK's Growth Strategies

Medium-term and growth strategies

22 Medium-term Plan: Key Points

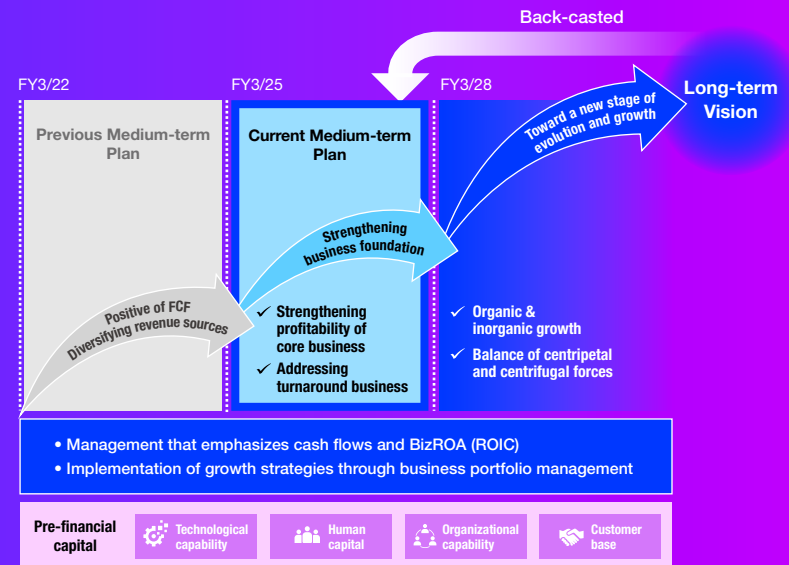
23 Message from the CFO



Medium-term Plan

The Medium-term Plan from the FY March 2025 was formulated by outlining what we want to be and future vision in light of the long-term social transformation ahead, and bask-casting from that point. As we work towards achieving our Long-term Vision, we view the period of this Medium-term Plan as a time to strengthen our business foundation. We believe that issues that need to be addressed during this period include strengthening profitability of core businesses and addressing turnaround businesses.

Back-casted from the Long-term Vision



Medium-term Plan: Key Points

It is vital for enhancing our corporate value to **maximize free cash flow (FCF) generation, reduce the cost of capital, and increase the expected growth rate.**

Based on this thinking, the current Medium-term Plan, which is positioned as a period for strengthen business foundations, has three pillars.

1. Strengthen management focusing on cash flows
2. Enhance business portfolio management (Emphasizing ROIC)
3. Evolve the Ferrite Tree (Pre-financial capital)

Financial/pre-financial KPIs

Medium-term Plan has set the pre-financial KPIs in addition to the conventional financial KPIs; it is based on the ways of thinking to enhance our corporate value through pursuing not only the financial value but the pre-financial value, the source of future financial value, and balancing between the achievement of the short to medium-term target and the activities to continuously generate value in the long term.

We aim to achieve beyond these KPIs by strengthening the business portfolio transformation, including addressing turnaround businesses, and the pre-financial capital, in addition to ensuring the growth strategies of core businesses.

Our company-wide performance indicators will be operating profit margin and ROE, unchanged from before, and ROIC with the aim of improving profitability. To achieve these targets, we will continue to invest actively in priority growth businesses to improve our earning capability and accelerate the implementation of appropriate measures for turnaround businesses, thereby improving capital efficiency further and engaging in proactive business portfolio management with a heightened awareness of the cost of capital.

Corporate value

Maximize FCF generation ↑

Cost of capital (WACC) ↓

Expected growth rate ↑

			FY3/24 Result	FY3/25 Result	FY3/27 Plan	How we want to be in the medium-to long-term
Financial indicator	Growth	Net sales [¥ billion] (CAGR)	2,103.9	2,204.8	2,500.0 (approx. 5%)	(10% or more)
	Efficiency	ROE	7.9%	9.5%	10% or more	15% or more
		BizROA (ROIC) (>WACC)	5.3% (<7.0%)	6.7% (<7.0%)	8% or more	12% or more
		Operating profit margin	8.2%	10.2%	11% or more	15% or more
	Financial soundness	Shareholders' equity ratio	50.0%	50.8%	50% level	
		D/E ratio	0.40x	0.34x	0.3–0.4x	
Pre-financial indicator	KPIs	Team member engagement survey				
		Communication score	67 pts.	68 pts.	75 pts. or more	
		Response rate	80%	90%	80% or more	
		CO ₂ emission reductions* (SBTi Scope1+2, vs. FY3/22)	51.2%	47.7%	23.3%	42.0%
	Exchange rate assumptions		¥144.48/US\$	¥152.66/US\$	¥135/US\$	¥135/US\$

* SBTi is an initiative that supports companies in setting scientifically based environmental goals. In order to achieve the goal stated in the Paris Agreement of limiting the rise in global average temperature to within 1.5°C compared to pre-industrial levels, SBTi provides companies with criteria that can be used in goal setting. We have set the gradually required CO₂ emission reduction rate calculated based on these criteria as the target for FY March 2027 Plan. However, this target has achieved ahead of schedule in FY March 2025. This is because of the proactive introduction and promotion of renewable energy (Scope 2). We are currently planning significant production increases and expansion of sites in our Medium-term Plan, and at this point, we consider the target to be reasonable. TDK received SBT certification by SBTi in June 2024.

Message from the CFO



To achieve sustainable enhancements to corporate value, we will strengthen our own capabilities and focus on developing management human resources as we aim for an ROE of 10% or higher.

Tetsuji Yamanishi

Representative Director, Senior Executive Vice President, and Chief Financial Officer

Q1 Please provide an overview of FY March 2025, the first fiscal year of the Medium-term Plan.

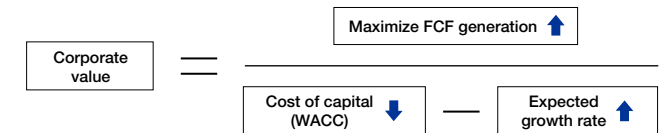
A1 We achieve record high net sales and profits thanks to continued efforts aimed at improving and strengthening profitability.

FY March 2025 saw difficult demand environments in multiple business domains as demand for automobiles, particularly BEVs, declined and the recovery of the industrial equipment market was stagnant. At the same time, it was also a year in which we saw the benefits of various initiatives, including working to expand sales of high-value-added small capacity batteries and improve profitability for HDD heads and suspensions. For example, our high-function small capacity batteries, which boast high energy density, are praised for the superior performance. We are successfully providing proposals that are in step with customer new product development and that incorporate the latest technology and the necessary timing. This is enabling us to achieve to build mass production system smoothly and rapidly. With HDD heads and suspensions, we were able to improve profitability significantly. In addition to a recovery in data center demand, we also saw the benefits of the dynamic restructuring we have implemented thus far, including the optimization of operating sites. As a result, we achieved record highs for both net sales and profit. On the other hand, passive components and sensor application products saw increased depreciation expenses due to capital expenditures and decreased demand, that directly impacted profits. I believe we must further enhance our own capabilities, including reducing quality costs and promoting efficient site operations, to increase our resilience against fluctuations in our operating environment.

Q2 You are pursuing corporate value management, but how will you seek to enhance corporate value?

A2 We will link strengthening management focusing on cash flows and reducing cost of capital to enhancements in corporate value.

The main characteristic of our most recent Medium-term Plan is the dynamic shift towards corporate value management. We view corporate value management as enhancing corporate value by growing and fortifying financial capital, implementing initiatives to strengthen pre-financial capital, which we define as our technological capabilities, human capital, organizational capabilities, and customer base, and accelerating new value creation. This corporate value equation reflects that approach. This involves not only the CEO and CFO, but all team members (employees) taking ownership to identify what we can to contribute to enhancing corporate value, and then taking action towards achieving results.



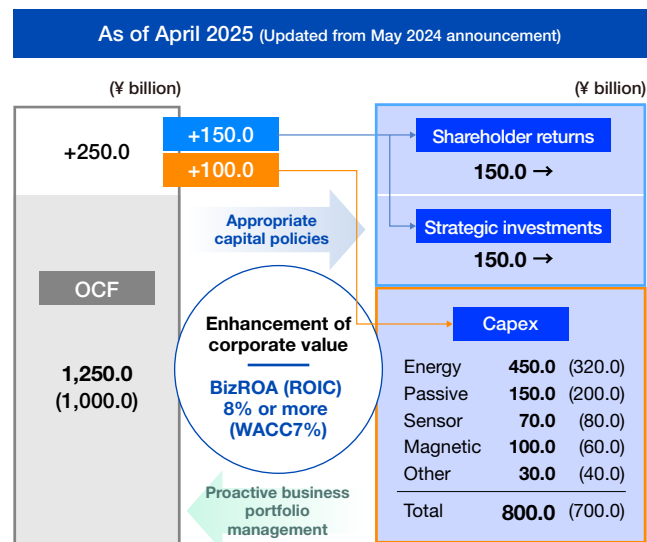
Strengthening management focusing on cash flows

To enhance corporate value, it is critical that we maximize free cash flow (FCF) generation, the numerator in this equation. We position “strengthening management focusing on cash flows” as the first of the three key points in our Medium-term Plan and are working to maximize FCF. During FY March 2025, we improved earnings, particularly for small capacity batteries, and also were successful in optimizing working capital. As a result, FCF reached ¥201.0 billion to significantly outperform our initial assumptions. With operating cash flow for the cumulative three-year period of this Medium-term Plan

Message from the CFO

projected to increase by ¥250.0 billion up from our initial Plan target of ¥1,000.0 billion, we decided to reevaluate our capital allocation. However, this does not mean we can be careless in how we use generated cash. We are using business portfolio management that is conscious of cost of capital, an awareness that exceeding our hurdle rate is a prerequisite to business expansion.

Capital allocation plan (FY3/25 to FY3/27 accumulated)



*The figures within parentheses are the initial plan announced in May 2024.

Management that is conscious of cost of capital

We recognize our cost of capital as 8% in cost of shareholder's equity and 7% for WACC (we set an ROIC of 10% at the hurdle rate when evaluating capital efficiency). We are mainly implementing the policies indicated in the list right to reduce cost of capital, the denominator in this equation. I will take this opportunity to touch on a few of those policies.

Critical to reducing cost of capital is being able to

minimize earnings volatility and uncertainty. The electronic components industry in which we operate has a rapid technological innovation cycle and is generally viewed as being highly susceptible to major fluctuations in demand and prices. In such an environment, I believe the key point is how to achieve value creation while limiting volatility. Needless to say, controlling cost of capital requires timely and appropriate information disclosure, and it is also necessary to increase the precision and reliability of earnings projections. For Q4, we recorded one-time expenses, including restructuring costs not reflected in initial projections. This led to feedback from investors and analysts concerning the high volatility of our financial results. We will work to ensure highly transparent information disclosure to avoid such negative surprises.

In addition to the rapid sharing of information with investors, it is also important that we minimize the impact of restructuring costs on results. The second key point of our Medium-term Plan is "strengthening business portfolio management," a policy through which we are working to reinforce the awareness that successfully exceeding our hurdle rate, an ROIC of 10%, is a prerequisite to business expansion. From 2024, we started deliberations concerning a plan to rebuild the 27 businesses to be intensively

monitored. Of those, for 7 CBUs we decided to sell to the best owner or withdraw from the business. We also achieved a turnaround for the HDD suspensions business. Among the remaining 19 CBUs, we have already achieved profitability for the HDD heads business and the outlook for improvement is promising. For other CBUs, we have outlined the KPI we will monitor through restructuring plans. We will monitor the businesses during the period of the current Medium-term Plan while deciding on the future direction for those businesses. As we also have a number of businesses with sites located around the globe, business restructuring and withdrawal will also involve the consolidation or elimination of certain sites. To promote the efficient utilization of Group management resources, the restructuring of businesses to be intensively monitored will need to be promoted simultaneously with new business development.

We have already reduced our investment budget to the bare minimum for businesses subject to monitoring and investments for the purpose of business turnaround are governed by rules: it is required to establish separate KPI for return on investment and additional investment will not be approved if those KPI cannot be achieved. Not limited to the 27 businesses to be intensively monitored, we will expand

Initiatives to reduce cost of capital

We recognize our Cost of shareholders' equity : 8% WACC : 7%	Controlling performance volatility	We will reflect one-time expenses such as restructuring costs early in earnings projections, ensure highly transparent information disclosures, and strengthen the IR disclosures. (▶ P. 49)
	Implementation of proactive business portfolio reforms	We make the utmost effort to stabilize performance by quickly devising turnarounds.
	Expansion of the investor class	Through our stock split, we lowered the bar to investment and created an environment in which it is easier for all investors to make an investment. (TDK split one share of its common stock into five shares on effective date of October 1, 2024.)
	Expansion of the investor class	We aim for a D/E ratio of 0.3 to 0.4 times (as of March 31, 2025: 0.34 times). We will continue making our utmost effort to maintain a stable financial position.

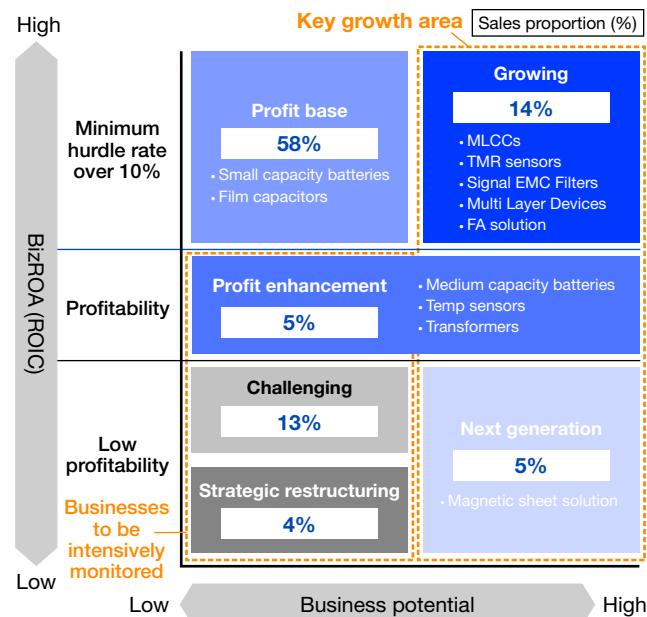
Message from the CFO

the scope of monitoring to include other businesses in target domains. We will engage in these activities to promote proactive business portfolio management.

Increasing the expected growth rate

Another variable in the corporate value equation is the expected growth rate. In terms of improving PER, I think we can increase our growth potential by evolving the Ferrite Tree, which we will achieve by strengthening pre-financial capital. A driving force in strengthening our pre-financial capital is TDK's unique corporate culture, the concept of functional equality, an approach that we have embraced for many years. At

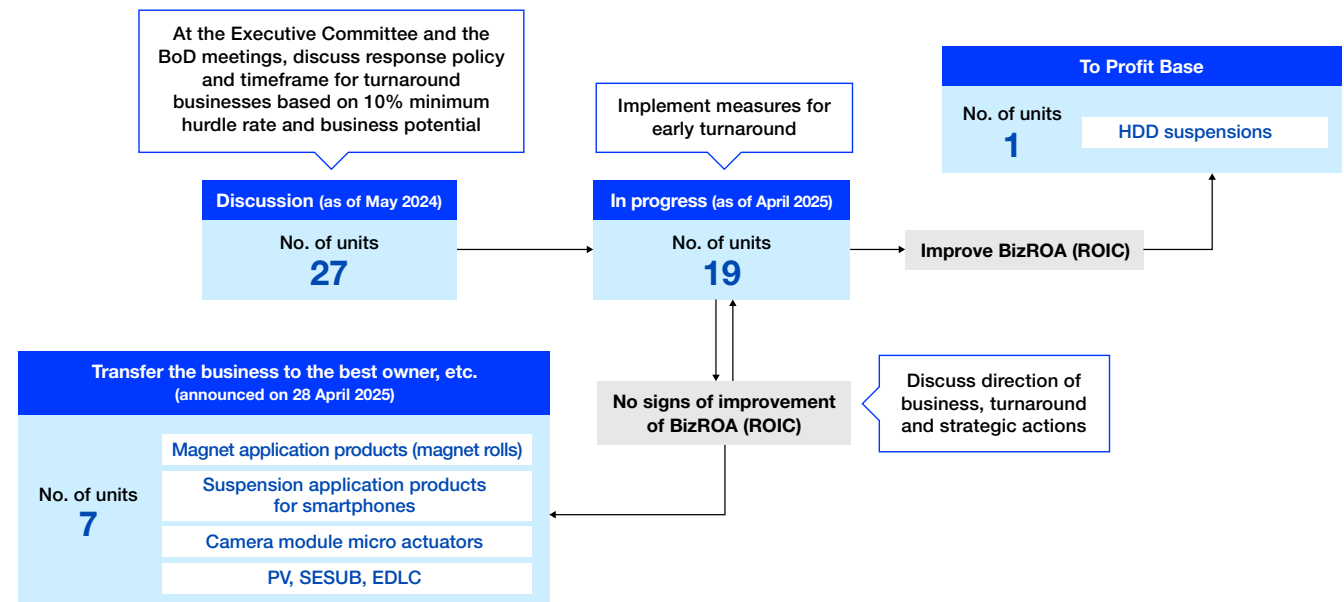
Business portfolio map



- BizROA = Business OP after tax and before distribution of corporate expenses divided by business assets.
- The 10% minimum hurdle rate is calculated, considering the 7% corporate WACC and corporate expenses.

TDK, everyone is equal and is enabled to freely exchange opinions while maintaining mutual respect. This is true regardless of role, position, or the function of one's respective department, including all of our business, development, and corporate divisions. When evaluating medium and long-term growth scenarios aimed at evolving the Ferrite Tree, we expand discussions beyond relevant business to include members from various divisions such as corporate planning and finance and accounting. This organizational culture of promoting the free exchange of opinions by everyone regardless of departmental boundaries or position is the true driving force of value creation in TDK. I believe this is what gives us the flexible response capabilities necessary to turn around businesses to be intensively monitored.

Progress of proactive business portfolio management



Q3 How will you use the cash generated?
Are there plans to allocate cash towards share buybacks?

A3 In addition to capital expenditures, we will allocate cash dynamically towards strategic investments and enhancing shareholder returns.

How we will use cash is as indicated in the capital allocation chart. However, as we significantly outperformed assumed FCF levels for FY March 2025, we are projecting an upward swing of roughly ¥250.0 billion compared to initial plans for operating cash flow for the cumulative three-year period of this Medium-term Plan. Of that ¥250.0 billion, we are considering allocating ¥100 billion towards capital

Message from the CFO

expenditures. As for the remaining ¥150.0 billion, we will evaluate the market environment and allocate cash dynamically towards strategic investments and further enhancing shareholder returns.

The largest portion of the increase towards capital expenditures will be investments related to small capacity batteries. How we catch up to battery technology demands and how we advance technological innovation are important issues. I believe that enhancing our technological capabilities to prevent the competition from catching up will lead to continued high profitability.

One of the factors behind increasing the strategic investment budget is the growth of AI ecosystems. Specifically, developments in the solutions business, which combines software with components. Our view is that we will need to pursue technology development or M&A in this domain, thus we plan to invest aggressively.

Next, I want to touch on enhancing shareholder returns. The strategic investments I just mentioned include projects for which specifics have not been finalized at this point. As such, I want to allocate any surplus capital resulting from a lack of opportunities to fully utilize the strategic investment budget towards enhancing shareholder returns. In addition to issuing stable dividends based on a dividend payout ratio of 35%, share buybacks can be one of our options.

Q4 As CFO, what areas will you focus on moving forward?

A4 Through business portfolio management, I will work to develop the next generation of human resources for management and accounting and finance.

Through the business portfolio management monitoring we started in 2024, the head of applicable CBUs directly provided explanations of their restructuring plans to Executive

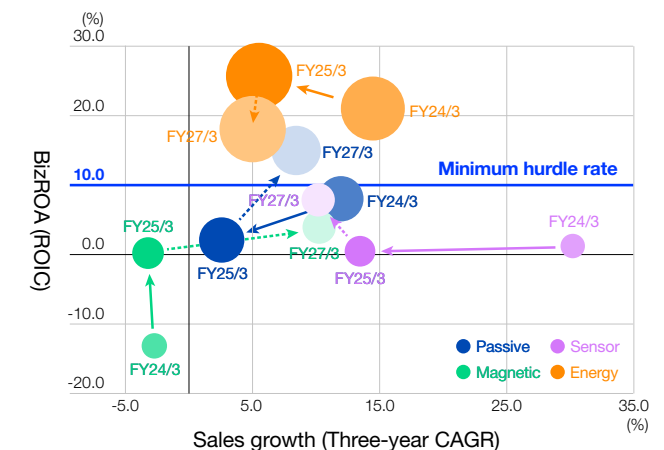
Committee Meeting (ECM) members, GMs, and the Business Company (BC) CEOs, after which discussions were held on plan efficacy and feasibility. By experiencing this process from strategy proposal to decision-making, we will instill in CBU managers an ownership mindset to help develop them into future candidates for senior management.

Portfolio management presents an opportunity to develop not only the human resources involved in business management, but also human resources for accounting and finance. For example, when a proposal for a business restructuring plan is necessary, the accounting and finance department not only identifies issues and requests improvements, but also collaborate with business divisions to outline a path towards business rehabilitation. In a sense, they fulfill a role similar to financial planning and analysis (FP&A). I believe that, moving forward, refining our accounting and finance functions will only grow in importance in terms of enhancing the Group's overall management and capital efficiency. The practical experience gained through business rehabilitation and other aspects of business portfolio management will not only contribute to the development of accounting and finance specialists, but it will also enable us to increase human resources with both a feel for management and business planning capabilities. As a real-world example, Group company ATL implemented reforms led by accounting and finance to optimize inventory and significantly increased their capability to generate cash flow.

We recognize that the effort to optimize head office costs is an issue for which accounting and finance need to take the lead in addressing. Our WACC is 7% and we have set an ROIC of 10% as a business portfolio management hurdle rate. The 3% difference is due to the addition of indirect costs such as our Global HQ and other regional headquarters. If we can optimize head office costs, then it will be possible to lower that hurdle rate. In other words, the question of how we go about lowering the hurdle rate can be

considered a question of how we go about optimizing head office costs. As an initiative being led by accounting and finance, we are reviewing redundant functions between the Global HQ, regional headquarters, and the various business divisions. We are also engaging in more strict expenditure management and clarifying investment accountability for strategic projects led by corporate management divisions.

Growth and capital efficiency by segment



To our shareholders and investors

The accelerating adoption of advanced technology AI-related markets represents increased business opportunities for the TDK Group. We will accelerate our cash flow generation and work to meet the needs of our shareholders. We will strengthen our capability to generate FCF, pursue sustainable growth for existing businesses, and proactively conduct capital expenditures in growth businesses and M&A. At the same time, we will ensure sufficient funds for investments in pre-financial capital. We also remain committed to achieving stability for investors by reducing cost of capital, and ask for your continued understanding, guidance, and support.

TDK's Current Businesses (FY March 2025)

Corporate value

Maximize FCF generation ↑

Cost of capital (WACC) ↓

Expected growth rate ↑

	Passive Components	Sensor Application Products	Magnetic Application Products	Energy Application Products
Net sales OP margin BizROA (ROIC) trends and targets	<div><div>Net sales (¥ billion)</div><div>OP margin (%)</div><div>BizROA (ROIC) (%)</div></div> <div><div><div>507.8</div><div>578.8</div><div>565.6</div><div>559.6</div><div>15.0</div></div><div><div>16.4</div><div>17.0</div><div>9.5</div><div>6.1</div><div>15.0</div></div><div><div>15.1</div><div>16.3</div><div>7.7</div><div>3.3</div><div>15.0</div></div></div> <div><div>CAGR 5–8%</div></div>	<div><div>Net sales (¥ billion)</div><div>OP margin (%)</div><div>BizROA (ROIC) (%)</div></div> <div><div><div>130.8</div><div>169.5</div><div>180.5</div><div>189.5</div><div>8.0</div></div><div><div>-0.2</div><div>6.3</div><div>3.3</div><div>2.6</div><div>8.0</div></div><div><div>-1.2</div><div>3.5</div><div>1.2</div><div>0.2</div><div>8.0</div></div></div> <div><div>CAGR 8–11%</div></div>	<div><div>Net sales (¥ billion)</div><div>OP margin (%)</div><div>BizROA (ROIC) (%)</div></div> <div><div><div>248.4</div><div>200.6</div><div>184.2</div><div>223.6</div><div>4.0</div></div><div><div>3.3</div><div>-22.0</div><div>-12.2</div><div>1.5</div><div>4.0</div></div><div><div>1.8</div><div>-28.1</div><div>-19.3</div><div>1.0</div><div>4.0</div></div></div> <div><div>CAGR 8–11%</div></div>	<div><div>Net sales (¥ billion)</div><div>OP margin (%)</div><div>BizROA (ROIC) (%)</div></div> <div><div><div>965.3</div><div>1,173.4</div><div>1,121.7</div><div>1,176.5</div><div>18.0</div></div><div><div>15.1</div><div>15.6</div><div>21.5</div><div>27.3</div><div>18.0</div></div><div><div>12.8</div><div>12.6</div><div>17.4</div><div>19.9</div><div>18.0</div></div></div> <div><div>CAGR 2–5%</div></div>
Priority products and estimated market share	<div><div>Ceramic capacitors for automobiles</div><div>35–40%</div><div>Share No. 2</div></div> <div><div>Film capacitors</div><div>15–20%</div><div>Share No. 2</div></div> <div><div>Inductors EMC filters</div><div>45–50%</div><div>Share No. 1</div></div> <div><div>Varistors</div><div>55–60%</div><div>Share No. 1</div></div> <div><div>PTC Thermistors</div><div>50–55%</div><div>Share No. 1</div></div>	<div><div>Temperature sensors</div><div>35–40%</div><div>Share No. 1</div></div> <div><div>Magnetic sensors</div><div>20–25%</div><div>Share No. 3</div></div> <div><div>MEMS Motion sensors</div><div>15–20%</div><div>Share No. 3</div></div>	<div><div>HDD heads</div><div>15–20%</div><div>Share No. 3</div></div> <div><div>HDD suspension assemblies</div><div>40–45%</div><div>Share No. 2</div></div>	<div><div>Small capacity batteries</div><div>50–60%</div><div>Share No. 1</div></div> <div><div>Power supplies for industrial use</div><div>10–15%</div><div>Share No. 1</div></div>
Products	<div><div>Capacitors</div><div>Multilayer ceramic chip capacitors, aluminum electrolytic capacitors, film capacitors, etc.</div><div>Inductive devices</div><div>SMD power supply inductors, signal EMC filters, transformers, ferrite cores, etc.</div><div>Other passive components</div><div>High-frequency components (high-frequency filters, etc.), Piezoelectric material products and circuit protection components (varistors, arresters, etc.)</div></div>	<div><div>Sensors</div><div>Temperature sensors, pressure sensors, magnetic sensors (Hall sensors and TMR sensors) MEMS sensors (MEMS motion sensors and MEMS microphones)</div></div>	<div><div>HDD-related devices</div><div>HDD heads, HDD suspension applications, etc.</div><div>Magnets</div><div>Ferrite magnets for small motors, neodymium magnets for xEV drive motors, neodymium magnets for industrial equipment motors, etc.</div></div>	<div><div>Energy devices</div><div>Small capacity batteries (for smartphones, tablet devices, notebook computers, wearable devices, game consoles, etc.), medium capacity batteries (for residential energy storage systems, commercial energy storage systems, electric motorcycles, drones, power tools, etc.)</div><div>Power supplies</div><div>Programmable power supplies (DC, AC), switching power supplies (AC-DC, DC-DC), bidirectional DC-DC converters, automotive DC-DC converters, etc.</div></div>
Competitors	<div><div>Capacitors</div><div>Murata Manufacturing, TAIYO YUDEN, SEMCO (Korea), Yageo (Taiwan), etc.</div><div>Inductive devices</div><div>Murata Manufacturing, TAIYO YUDEN, SEMCO (Korea), Cyntec (Taiwan), etc.</div><div>Other passive components</div><div>Murata Manufacturing, Panasonic, SUNLORD (China), etc.</div></div>	<div><div>Sensors</div><div>Bosch Sensortec (Germany), STMicroelectronics (Switzerland), Infineon (Germany), Allegro (USA), Melexis (Belgium), Asahi Kasei Microdevices, Shibaura Electronics, Amphenol Corporation (USA), Sensata Technologies (USA), Murata Manufacturing, etc.</div></div>	<div><div>HDD magnetic heads^{*1}</div><div>Seagate Technology (USA), Western Digital Technologies (USA)</div><div>HDD suspension applications</div><div>NHK SPRING, etc.</div><div>Magnets</div><div>Shin-Etsu Chemical, Proterial, ZHONG KE SAN HUAN (China), etc.</div></div>	<div><div>Energy devices</div><div>Samsung SDI (Korea), LG Energy Solution (Korea), Murata Manufacturing, Panasonic, BYD (China), etc.</div><div>Power supplies</div><div>Delta Electronics (Taiwan), Advanced Energy (USA), XP Power (Singapore), MEAN WELL (Taiwan), Cosel, etc.</div></div>

*1 TDK is the world's only specialized manufacturer of HDD magnetic heads. HDD magnetic head production is currently concentrated at three companies: TDK, Seagate, and Western Digital.

Strategy by Segment

Passive Components



Shigeki Sato

CEO, Electronic
Components
Business Company
(ECBC)

Company CEO Message

At ECBC, we view the development of the AI ecosystem as an opportunity to supply a wide range of electronic devices and thereby contribute to the development of our customers, industries, and society. Demand for enhanced performance is set to continue not only for AI servers, but also for the infrastructure to support AI, edge devices in which AI will be implemented. In response to this trend, we enhance our diverse product portfolio cultivated through our businesses for the ICT, automotive, and industrial equipment markets. We also enhance our basic technologies, including materials, process, and production technologies, that enable us to realize to manufacture high-performance, high-reliability electronic devices. We take on new markets and applications created as part of the AI ecosystem while continuing to grow our current businesses. Through TDK United, we will utilize the teamwork of our diverse members to enhance activities for the development, manufacture, and sales of electronic devices.

Maximize free cash flow (FCF) generation

- Expand business in growth markets. In the AI-related market, promptly identify and take on customer needs not only for IC peripheral circuit components but also for infrastructure such as power supply, to thereby create business opportunities.
- Enhance sales in the rapidly growing Chinese EV market. Launch to market high-reliability products for powertrains, launch products for rapid battery chargers and autonomous driving applications.
- Review the product portfolio (convert unprofitable businesses into profitable ones.)
- Utilize DX to reduce quality costs. Implement small-group activities (SGA) at sites around the world.

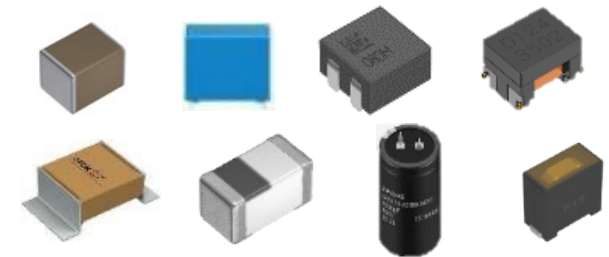
Improve productivity of inspection work through small-group activities

At TDK, small teams engage in small-group activities, (▶ P. 43), to independently institute improvements on and address issues, thereby facilitating enhancements in quality. As part of this initiative, female operators have been leading small group-activities across sites in Japan, and we also held SGA conference to report on “activities to improve the productivity of inspection work.” Over one year, each team participated in inspection tours at other sites, held repeated discussions, and identified not only group themes but also issues specific to their own processes. Members said that their participation in this activity gave them a heightened awareness of improvement activities.



Increase the expected growth rate

- Enhance basic technologies including materials, process, and production technology.
- Encourage diversity in support of growth (internationally diverse management teams and manufacturing sites, and a wide-ranging product portfolio.)
- Abundant business experience and local management in India, and respond rapidly to acquisition of market growth opportunities in that country.
- Develop and launch new products to market for new markets such as photoelectric conversion and robotics.
- Creation of electronic components to support solutions provided by TDK.
- Enhance basic technologies through joint development with internal and external partners, and apply cutting-edge technologies through collaboration with start-ups in which the TDK Ventures invests.



Enhance our product lineup by unique materials and process technologies.

Reduce the cost of capital

- Respond to geopolitical risks by optimizing manufacturing sites by enhancing supply chain functions and diversification of manufacturing sites.
- Enhance domestic recruitment activities by consolidating manufacturing subsidiaries in Japan (TDK Electronics Factories Corporation.)
- Review the product portfolio (withdraw from unprofitable businesses and products.)

Strategy by Segment

Sensor Application Products

Takao Tsutsui

CEO, Sensor
Systems Business
Company (SSBC)

Company CEO Message

SSBC was formed through the coming together of a group of companies with different cultures and, under our Long-term Vision, we will seek to transform from an organizational structure of product-oriented business operations to a management system which allows customer- and market-oriented business operations in the guise of “SSBC Transformation” for the current Medium-term Plan. We will also optimize our production systems from single-product factories for each product line to mixed-product factories that handle multiple sensors.

We focus on apprehending the essence of customer needs by implementing the company-wide “market-in/concept-out (proposal-based)” PDCA cycle and expedite our first-to-market activities. We think SSBC Transformation means creating a new SSBC, and we are committed to link this into our creation of a uniquely TDK business model as a driving force for the creation of new value.

Maximize free cash flow (FCF) generation

- Strive to enhance customer value through distinctive product development and high-level manufacturing capabilities.

Development capabilities

- Capability to propose distinctive magnetic application products cultivated as the premier independent manufacturer of magnetic heads for recording devices.
- TMR product development capability derived from long accumulated magnetic and thin-film technologies.
- Composite product development capability combining MEMS and magnetic sensors.
- IC design capabilities to satisfy customer needs by ICsense and InvenSense.
- Product development capabilities by combining sensors and software.

Manufacturing capabilities

- Our unique production methods, materials and process technologies.
- Leading market share temperature sensors that satisfy automotive quality requirements.
- Expansion of vertically integrated production system for magnetic sensors (TMR, Hall.)

Optimize internal resources through transformation of organizational structure

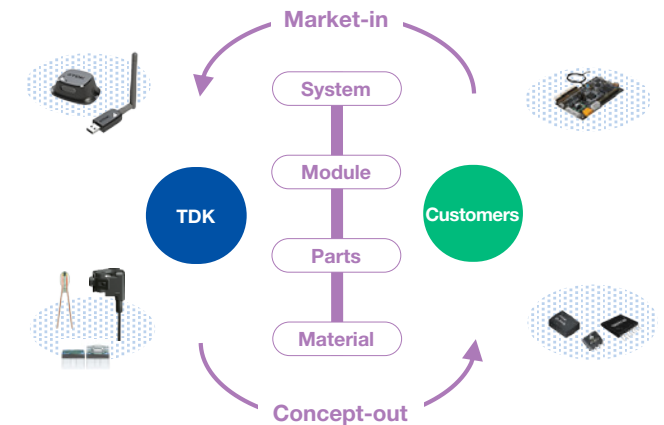
We endeavored to create an organizational structure oriented around the market, to achieve prompt market-in. We conduct our business in the three categories of ICT, automotive, and modules.



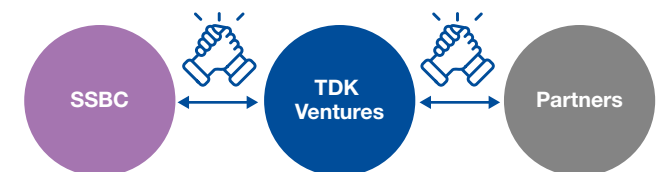
Increase the expected growth rate

- Establish a “market-in” business approach, which captures market/customer needs to achieve “first-to-market,” and a “concept-out” approach, which provides solutions based on concepts.

Market-in/concept-out business approach



- Expand collaboration with technology leaders and game changers that drive the industry forward in collaboration with the TDK Ventures.



Reduce the cost of capital

- Optimize manufacturing site from a BCP perspective.
- Consider supply chains responsive to geopolitical risks.

Strategy by Segment

Magnetic Application Products



Albert Ong

CEO, Magnetic Heads
Business Company
(MHBC)

Company CEO Message

MHBC's mission is clear: to maintain its status as the premier independent manufacturer in magnetic head storage, meeting the demands of the large-capacity data storage era. We aim to improve profitability and enhancing business sustainability and advancing innovative technologies. This will enhance our corporate value through financial improvement and also making our products an essential part of global data storage community. As part of TDK United, our business is very diverse with facilities in USA, China, Philippines and Thailand. We have a diverse membership and are constantly enhancing our "United" culture through constant and close communications and group sessions. Through these efforts, we will enhance our own capability and realize what we aim to be.

Maximize free cash flow (FCF) generation

- Maintain its status as the premier independent manufacturer in magnetic head storage.
- Increase the mass production ratio of high-value-added products for the next generation of high-capacity HDDs to improve profitability.
- Continuously promote automation of manufacturing processes through in-house DX initiatives, including the use of big data.

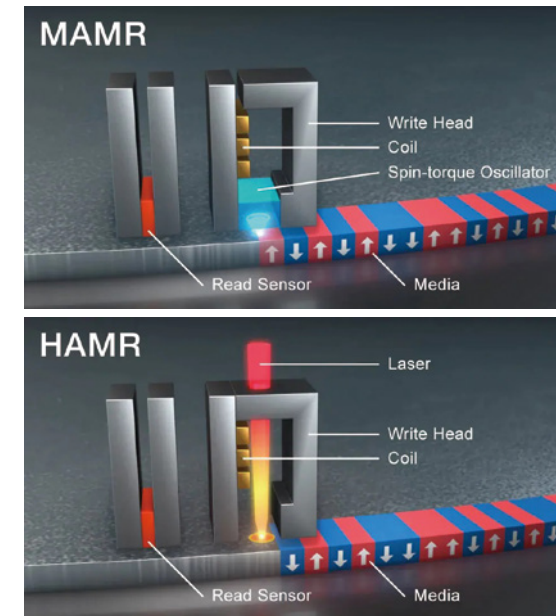
Expansion of customer base through development of next-generation technologies

SAE Magnetics (H.K.) Ltd. is a Hong Kong-based magnetic head manufacturing company that joined the TDK Group through M&A in 1986. SAE has evolved from a small manufacturing plant into a leading specialized manufacturer of magnetic recording heads in the HDD industry. Since its establishment, the company has pursued quality, technology, and efficiency with a priority on flexibility, enabling it to effectively navigate market and industry changes. By leveraging AI, robotics, automation, and cloud data storage, we have developed smart factories that reduce errors and enhance operational efficiency. We have also significantly increased productivity by implementing deep learning in production inspection and automation in material handling. Looking ahead, we are focused on developing cutting-edge technologies.



Increase the expected growth rate

- Maintain microwave-assisted magnetic recording (MAMR) technology leadership, accelerate development of heat-assisted magnetic recording (HAMR) technology, and prepare for mass production.
- Strive to increase market share of Tri-SA suspensions to support high capacity nearline drives.
- Increase in demand for data storage due to the progress of AI technologies and the spread of cloud services.



MAMR and HAMR, next generation magnetic recording technologies

Reduce the cost of capital

- Optimization of production capacity through consolidation of sites, etc.
- Optimization of operation system for BCP.
- Expansion of customer base through development of next-generation technologies.

Strategy by Segment

Energy Application Products



Fumio Sashida

CEO, Energy Solutions
Business Company
(ECBC)

Company CEO Message

ESBC will actively contribute to making people's lives more comfortable and efficient through our energy businesses and products. We will continue to strive to create new value and better user experiences just as technological innovations in small capacity batteries have contributed to improving the convenience of smartphones.

Furthermore, with energy utilization set to undergo a shift from a consumption-based model to a circular model, we will also seek to contribute to social transformations such as the transition to renewable energy and the electrification of vehicles. A variety of business risks exist in this era of volatility, uncertainty, complexity, and ambiguity ("VUCA"). We are, however, also committed to undertaking initiatives on such challenging issues while leveraging the wisdom and experience of ESBC's global talent. Meanwhile, we will continuously strive to convert emerging risks into opportunities and aim to achieve further business growth.

Maximize free cash flow (FCF) generation

Continuously create high value-added products ahead of competitors and maintain a high market share through cutting-edge technology development

TDK and ATL have formed a united team for battery development, based on their strong mutual trust, and are developing next-generation batteries that cater to customer needs.



Expand medium capacity battery business through joint ventures with CATL

We create products enhance customer satisfaction by differentiation through various technical capabilities. Ampac, which develops and produces storage battery products, is working in close partnership with TDK's sales, technology, quality, SCM, and after-sales service to provide better products.

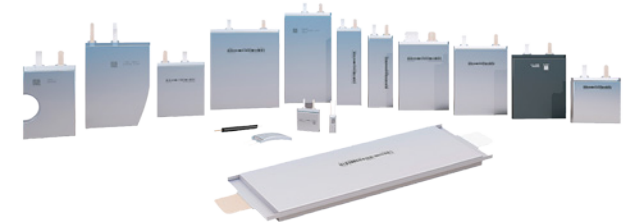


Establishment of a new manufacturing site

Establish a new factory in India to capture local market demand which is anticipated to grow going forward

Increase the expected growth rate

- Actively enter markets in which future growth is expected, such as smart glass and AI data centers.
- In addition to technology development from a long-term perspective aimed at enhancing competitive advantages, expedite the pace of development by integrating development and related departments.
- Create materials, processes, and products with new concepts through R&D with partner companies, universities, and research institutions.
- Further enhance customer evaluations and trust in TDK's technology, delivery, and quality to establish a position as a peerless partner.



Extensive product lineup for various applications

Reduce the cost of capital

- Actively utilize the integrated management system (digital transformation) to understand and analyze situations in real time, thereby improving management speed.
- Enhance and continue initiatives to identify, eliminate, and minimize business interruption risks through business continuity management (BCM) activities involving employees and business partners.
- Establish production systems and supply chains that take geopolitical risks into consideration.

Pre-financial Capital That Backs TDK's Value Creation

The Ferrite Tree

The Ferrite Tree is a concept that expresses the history and transitions that TDK's business has continuously undergone since its establishment with ferrite as its founding business, in other words, the Ferrite Tree represents TDK's growth trajectory. TDK's generations of products are shown linked by the technology connections of its four major innovations—ferrite, audio cassette tapes, fine multilayering technology, and thin-film head technology. Since the commercialization of ferrite, TDK's founding business, the Ferrite Tree has grown technology branches and leaves through the development of materials, process, and derivative technologies and the expansion of TDK's business portfolio through M&A.

Even if we divest or withdraw from businesses, the technologies are accumulated at TDK and applied to current products.

Pre-financial Capital That Backs Evolution of the Ferrite Tree

Just as its roots below the ground are vital for a tree to grow, so the enhancement of pre-financial capital, such as technological capability, human capital, organizational capability, and customer base, are important for the further substantial evolution and growth of the ferrite tree. The technological capability, organizational capability, and customer base we cultivate for the success of a single business, including some failures, are shared across the company and inherited for the next opportunities.

Also, at the foundation of the pre-financial capital is our Group's culture we have embraced since our founding, our venture spirit and a functional equality. Functional equality is one of our values to encourage discussions in an open and equal atmosphere, based on functions (roles) rather than hierarchy. Have the courage to take on new challenges and embracing a functional equality. Encourage open discussion as equals regardless of title and respect the existing cultures of the companies we acquire. Learn from each other globally and generate a unique synergy. By valuing this culture, we have successfully created innovative new products throughout the years.

Our thinking regarding pre-financial capital

TDK considers technological capability, human capital, organizational capability, and customer base and so on, which are called "non-financial capital" in general, to be capital that generates future cash flows and expresses it "pre-financial capital."

● Ferrite ● Music cassette tapes ● Fine multilayering technology ● Thin-film head technology

TDK's unique corporate culture

- TDK Venture Spirit
- Respect diversity TDK United
- Functional equality

Technological capability

- Continuously evolving the Ferrite Tree

▶ P. 33

New Business



Human capital

- Over 100,000 team members, about 90% of whom work outside Japan
- Appointing members to important positions, including came from acquired and other companies

▶ Pp. 39, 40

Organizational capability

- Advance group governance

▶ P. 44

Customer base

- Deep connections to the world's leading customers (High share of the global market)

▶ P. 35

Message from the CTO



By applying the collective strengths of TDK United, we offer TDK's unique value to our customers and society through our technology driven by a market-in/concept-out development style.

Shuichi Hashiyama

Director, Corporate Officer,
Chief Technology Officer, and General Manager of
Technology and Intellectual Property HQ

PROFILE

After starting with TDK in the R&D Center, Mr. Hashiyama has taken on a wide range of responsibilities, including involvement in overseas sales and corporate planning. Most recently, Mr. Hashiyama led the formulation of the Long-term Vision as the General Manager of the Corporate Strategy HQ. He was appointed to the position of CTO in April 2025. Mr. Hashiyama states that, through his work experience worldwide, he came to realize that TDK's true strength lies in collaborations between human resources with diverse attributes and skills.

Q1

As CTO, what policies are you pursuing to “become the No.1 partner growing alongside our worldwide customers” as is outlined in the Long-term Vision?

A1

We want to provide new value to customers by maximizing our strengths to accelerate development and promote crossover collaborations.

I joined the Company as an engineer but later was assigned overseas to work in sales. Prior to assuming my current role, I also served as a head of business group and General Manager of the Corporate Strategy HQ. Through these experiences, I came to understand that the source of TDK's competitiveness was the diverse core technologies, including proprietary materials and process technologies, managed under a global R&D structure and the diverse team members (employees) responsible for that R&D. Another strength of TDK is its solid customer base, which includes global leaders of various domains, in key markets such as automotive, ICT, and industrial equipment. We will aim to become a No.1 partner by maximizing these strengths to work with customers to envision the future and create new value. I believe that, as CTO, my mission is to further enhance our capability to envision the future and to execute value creation. As someone with a long track record of working with customers and markets, in my support of technology development efforts by our members, I will apply a broad approach that is rooted in evaluating what we can do to resolve the world's problems. My hope is that we can link the market injection of TDK technology to enhancing our corporate value.

As the development of new technology and products capable of driving social transformation requires significant time, I believe it is important to start work on development as early as possible. To achieve this, TDK will adopt a bi-directional approach. We will implement a market-in

strategy that enables us to quickly identify the issues facing customers and society and provide solutions. At the same time, we will engage in the practice of concept-out, through which we engage with customers from the concept phase to advance technology development. This approach will enable us to rapidly provide appropriate value to customers.

At TDK, this development approach will not be centered on any single business division. Instead, we will transcend business and industry borders by proactively promoting crossover collaborations between multiple divisions within TDK. To rapidly respond to increasingly complex and advanced technological demands, it is necessary that we traverse existing business domains to effectively incorporate superior technology, products, and ideas from around the world.

For example, TDK acquired the US venture company Qeexo, which is involved in the development of an ML automation platform. We then consolidated the company into our existing sensor business to launch a new company, TDK SenseI. This company is developing edge AI devices, which incorporate ML automation functions into modules comprised of multiple sensors, to provide solutions such as predictive maintenance for factory equipment. Other examples include collaborations with the Corporate Marketing & Incubation (CM&I) HQ, a Group organization for researching wide-ranging market information and product applications, and TDK Ventures, which invests in startups in Silicon Valley and other regions, to provide new technology and solutions required by customers and society.

TDK will expand and enhance this market-in/concept-out development style throughout the Company as we aim to become the No.1 partner growing alongside our worldwide customers by actively promoting collaborations across divisions and business domains.

Message from the CTO

Q2 TDK invested 11.5% of net sales (for FY March 2025) in R&D but will you continue with investments moving forward?

A2 TDK's policy is to prioritize R&D investments as a path to achieving sustainable growth.

Since our founding, TDK has achieved growth by being a technology company. Through our market-in/concept-out development approach, which involves engaging with customers from the early stages of development, projects cannot be successful if our solutions or technological concepts lack appeal. This is why our policy will be to conduct continued investments, not only towards the development of new products and technology, but also on long-term R&D focused on the future. I believe that, by further enhancing our technological capabilities, we can achieve sustainable growth and create a positive growth cycle through which the cash generated through investments is then invested into the next round of R&D.

A major theme going forward will be the strengthening of AI-related development. To contribute to social transformations such as GX and DX, we will advance our development of technology and devices that are aligned with the evolution and permeation of AI. At the same time, we are also focused on creating new products and businesses that incorporate AI. A leading example of this are the predictive maintenance solutions based on edge AI that I mentioned earlier. Moving forward, we will continue to embrace the challenge of developing solutions that offer new value by incorporating AI into our technological resources. Another core theme is using AI to optimize internal workflows and increase R&D productivity. We have already established a structure for utilizing AI chat services in our closed internal network environment and are also holding online seminars to promote the effective utilization of generative AI in workflows.

TDK will continue to prioritize R&D investments in AI and

other core technology domains as we strive to provide value to customers and society, and work to enhance our long-term corporate value. At the same time, we will also enhance our information disclosure to shareholders, investors, and other stakeholders and we strive to promote further understanding of TDK's technology and R&D activities.

Q3 Moving forward, how do you plan to strengthen your IP strategy?

A3 We will strengthen collaborations between divisions to promote the global sharing of best practices and accelerate both technology development and business creation.

One of the major themes outlined in the Medium-term Plan we started in FY March 2025 is achieving innovation for TDK's proprietary Ferrite Tree, which entails strengthening the pre-financial capital that leads to future improvements in financial value. As intellectual property is a core structural element of our pre-financial capital, we must promote an IP strategy that is linked to TDK's overall management and business strategy. As such, we combine patent information with a diverse array of information, including market technology trends, competitor trends, and our own business and product roadmaps, and proactively adopt the latest information analysis tools. In addition to corporate management using this information during strategy formulation, we also incorporate such information into the business and technology management of each division.

We will further enhance this IP intelligence to incorporate it into the R&D and business activities of each division. We implement these activities globally through IP Summit, which are held to bring together IP staff from around the globe. We also work to strengthen collaborations across a wide range of divisions, including the technology and marketing, to further spread these activities throughout the Group. By

sharing best practices and the technological issues facing each division and region, I hope to effectively utilize each other's experience and knowhow, and accelerate our technology development and business creation.

Q4 What do you view as important to TDK achieving continuous global growth moving forward?

A4 I think the most important thing is having diverse human resources engaged in co-creation towards common goals.

Today, TDK has over 100,000 team members of various nationalities. Our R&D structure is comprised of the development functions of major sites in Japan, USA, and Europe. R&D members possessing a diverse of expertise advance our R&D based on the technological strengths and market characteristics of each region. While conducting business across differing cultures and perspectives presents challenges, I believe that overcoming those challenges and achieving success as TDK United enables us to enhance our value even further. To maximize the capabilities of such diverse members, we have adopted a governance policy of Empowerment & Transparency. Under this policy, we proactively delegate authority and work to create an open organizational culture to ensure highly transparent management.

As CTO, I will continue to value communication with team members from all regions and provide support so that each member can embrace the challenges of new technology and business development with freedom and creativity. I will also encourage a mentality of each member striving to use technology to contribute to customers and society. In the spirit of my personal motto, "One for all, All for one," I want to make TDK a company at which we all embrace a common goal and work towards the co-creation of new value.

R&D, Marketing

To strengthen the market-in approach, the TDK's Technology & Intellectual Property HQ, in cooperation with the Corporate Marketing & Incubation (CM&I) HQ and other divisions, is exploring the development of new product technologies in response to the business environment.

Example of Initiatives Development of full color laser module for AR glasses that provide users with new experiences



Tsuyoshi Komaki

Advanced Products
Development Center
Technology &
Intellectual Property HQ
TDK Corporation

Until now, full-color laser light sources had the issues of using a large number of parts and being large in size. To create more natural, high quality visual experiences, we focused on planar lightwave circuits that do not use lenses or mirrors and successfully miniaturized laser modules using TDK's high-precision production technologies.

The Technology & Intellectual Property HQ has often focused on technology development until now but has worked with the CM&I HQ and other divisions to introduce the potential of this technology to customers. By having technology developers themselves undertake these activities with a sense of marketing, it was possible to conduct development from the perspectives of customers and markets.

Our ultra-compact full-color laser modules are devices that display images on smart glasses for AR/VR. This method projects images directly onto the retina, eliminating the need for the eye to focus on the image, thus always ensuring a clear field of vision.

Realization of the ultra-small laser module involved utilization of manufacturing technologies TDK has developed throughout the years. The technology employed to secure and meticulously polish an extremely small laser element (approximately 100 μm in width) on a tiny board called a carrier, was derived from methods involved in the precision processing of HDD heads. Additionally, techniques used to join laser elements, nanometers in size, were adopted from the manufacturing process of HDD thermal-assisted magnetic recording heads.



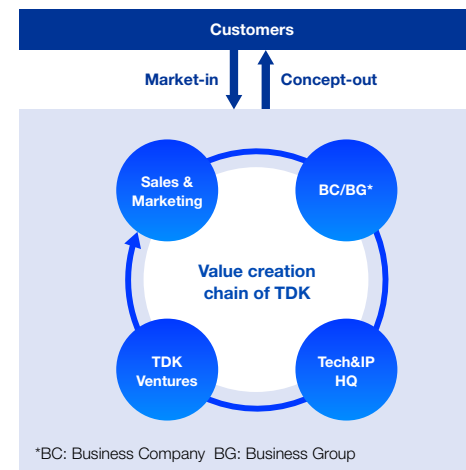
Yanlei Ma

Corporate Marketing &
Incubation (CM&I) HQ
TDK Corporation

Corporate Marketing & Incubation (CM&I) HQ is committed to quickly identifying market and customer needs and quickly responding to potential seeds/needs from society. As an antenna function of TDK, we combine technologies and create new value by collaborating with other internal and external divisions across the organization.

I have a background as a former engineer from China, working at the Global HQ in Tokyo, as a team leader of the ICT, Antenna Department in the CM&I. From Tokyo, I contribute to new product development by surveying customer trends not only in Japan but also in China and other global customers, while collaborating with the Technology & Intellectual Property HQ and other to collect specific requests from customers.

Responding to market potential/needs in a cross-sectional manner



Team members of CM&I. Explore megatrends and create new products and solutions not yet available at TDK.

IP Strategy

Focusing on alignment with business strategies toward achieving sustainable growth

Alignment of intellectual property strategy with business strategies

TDK conducts intellectual property activities focused on the alignment of intellectual property strategy with business strategies. This approach is also consistent with the “clarification of intended causal paths” advocated by the Cabinet Office’s Intellectual Property and Intangible Assets Governance Guidelines, and aims to directly link investment in intellectual property activities with returns in the form of enhanced business competitiveness and resulting business growth. To this end, our intellectual property activities extend beyond the acquisition of intellectual property rights and the protection of know-how to encompass the realization of strong contracts with a background in intellectual property; market analyses from an intellectual property perspective; and engagement with stakeholders, including investors.

We are continuously transforming our intellectual property activities to realize our Long-term Vision “TDK Transformation.” We will protect intellectual property as the

foundation of TDK’s technological capabilities, while positioning it as a compass for our business through IP intelligence and sharing best practices through our global network to allow us to actively implement the best intellectual property activities possible.

Strengthening IP intelligence

Intelligence generally refers to the process of collecting, analyzing, and interpreting information to obtain knowledge and insights that are useful for decision-making. However, the IP intelligence which TDK is strengthening goes one step further, aiming to understand the needs of the business divisions, who constitute the customers of the intellectual property divisions, and promptly deliver information, discern the insights of these business divisions, proactively disseminate information, and as a result of which lead the way to improved decision-making on business challenges.

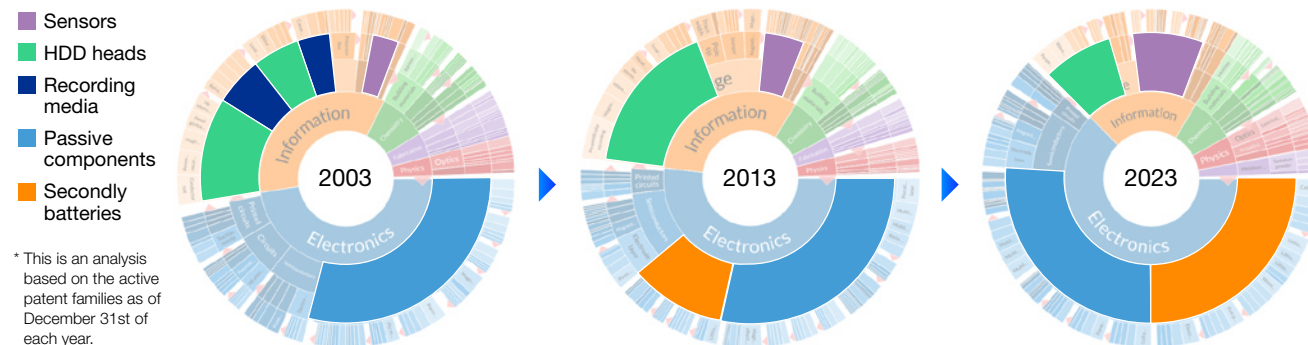
Through the normalization of IP intelligence, we aim to ensure that intellectual property information is always available for utilization as an important resource for considering business strategies. IP landscapes for the collection and analysis of data related to intellectual

property, centered on patent information, and the analysis of trends in technology and markets as well as the activities of competitors, constitute the core activity of IP intelligence. We are also actively undertaking initiatives to reform business processes in intellectual property activities, such as considering the introduction of AI into IP landscapes.

Strengthening our global network

TDK implements IP management that respects the characteristics of respective localities as well as the unique features of each company while achieving a balance between delegation of authority to respective global sites and increasing the transparency of the activities of each site toward the achievement of optimal IP management on a global level. In 2024, we held the Global IP Summit, at which intellectual property personnel from each global site came together to mutually exchange their insights. It intends to share best practices around the world throughout the Group and enhance the quality of intellectual property activities. This event represented the first by TDK’s IP function to be held within the Group. We are now further strengthening our global intellectual property network through the Global IP Summit.

TDK is building an intellectual property portfolio tailored to our business portfolio to realize intellectual property investment and utilization that contributes to our business.



Information regarding intellectual property is also included on the TDK website. https://www.tdk.com/en/about_tdk/intellectual_property/index.html

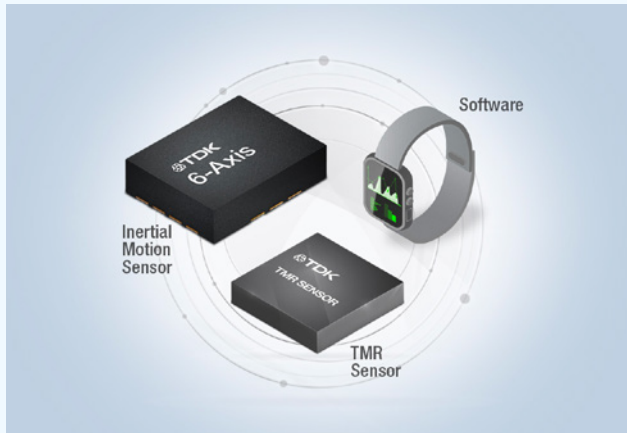


Scene from the Global IP Summits

Special Feature: The development of PositionSense™ enabled by TDK United

PositionSense™, a nine-axis sensor system developed by TDK's group company InvenSense, enables reliable, power-efficient motion sensing. This development was made possible through a collaboration between InvenSense and TDK, which have different strengths. TDK's PositionSense™ overcomes the challenges of conventional sensors by integrating TMR technology, a 6-axis IMU, and an enhanced eDMP*1.

*1 eDMP A digital processor is embedded to enable more efficient data processing by motion sensors. The processor also plays a role in reducing the load on the device's CPU, cutting power consumption, and improving response speed.



PositionSense™ integrates a 6-axis IMU with a TMR sensor

PositionSense™ solves the challenges of motion sensors, such as magnetic interference, increased power consumption, etc. It is expected to enhance the performance and usability of various devices currently in use.

For example, in smartphones, even in urban areas with weak GPS signals or interference from magnetic fields, PositionSense™ provides instant recalibration and precise heading estimation, ensuring accurate navigation.

“United” teamwork with strong ties

Open communication, cultural awareness, and a shared commitment to learn from each other are the keys to success

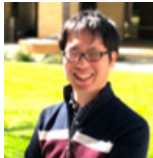


Rosa Chow

Vice President of
Software Engineering
InvenSense, Inc.

We learn so much in the process by bringing together teams with different expertise and diverse backgrounds. Often, we tend to solve problems within our own domain, relying on what we know and our past experiences. Together, we find common ground to share and learn about challenges we never knew before. We bring the best of each perspective and explore wider and more innovative solutions.

Certainly, effective collaboration does not come overnight. To me, it is very much about communication, and ineffective communication can cause technical errors, longer resolution times, and lower team morale. I often remind myself and the team to be mindful of cultural differences, always give the benefit of the doubt, and put ourselves in the other person's shoes.



Hayato Miyashita

Division Head
MSBG ICT Product Division
TDK Corporation

This project involved many members from diverse cultures and environments. I believe we were able to overcome various challenges and succeed because we respected each other and moved towards a common goal. When issues arose, we worked together to find solutions and overcome them. Through these experiences, we have become a team bonded with strong ties, like those of family and friends. It is precisely because of this diverse group of members that we were able to unite as one team, allowing everyone to maximize their potential.

We sincerely hope that PositionSense™, which combines our cutting-edge technology and passion, can contribute to society. Moving forward, we will continue to respect each other and grow together, pursuing further innovation.



Pankaj Aggarwal

VP & GM Consumer &
Industrial Motion BU
InvenSense, Inc.

PositionSense™ brought out the unique values of our navigational system solution in power, accuracy and latency. These results were achieved by combining magnetic sensor and motion sensor with integrated on-chip software through a deeply collaborative and truly cross-functional team effort.

By focusing on the end consumer use case of not getting lost while navigating in complex urban environments, we brought together teams with diverse skills and perspectives. While integrating magnetic and motion sensors with on chip software was critical, the true foundation of our success was open communication, cultural awareness, and a shared commitment to learning from one another. These elements not only accelerated issue resolution and reduced errors, but also fostered a strong, resilient team, all contributing to a navigation experience that consumers can trust when it matters most.

Software, CVC

TDK is exploring new fields while strengthening its current business to grow the Ferrite Tree (►P. 32).

Combining software technology for further growth

In addition to materials and process technologies, we are now combining software to contribute to our customers as their No. 1 partner. In software, we establish the new company TDK SensEI in July 2024, to address the growing market of the intersection of artificial intelligence (AI) and sensor fusion at the edge. It aims to facilitate Industry 4.0 by combining TDK products and technologies with AI and sensor fusion in the Edge AI domain.

TDK SensEI <https://sensei.tdk.com/>

Initiatives of software



Sandeep Pandya

CEO
TDK SensEI Pte. Ltd.

TDK SensEI derives its strength from the diversity and talent of the various TDK teams merged to form the new entity. Our team includes talented engineering and business leaders experienced in the commercialization of AI/enterprise software solutions. The group has about 90 members, mostly from Japan, China, and the USA. In just a few months we have become one organization that is singularly focused on transforming the industrial machine health market globally.

Through patient collaboration and frequent communications among all team members, and an emphasis on the vision of what TDK SensEI's potential can be from our leadership, TDK

SensEI is now fully integrated as one global entity.

TDK SensEI includes essential hardware sensor technology as well, and TDK's leadership position in this area has accelerated TDK SensEI's ability to develop a world class Edge AI Industrial IoT solution that combines the best software and hardware solutions at the industrial edge.



Members of TDK SensEI

Profile of Sandeep Pandya
<https://sensei.tdk.com/board-of-directors/>

United with CVC to explore cutting-edge areas

TDK Ventures, CVC (Corporate Venture Capital), approaches cutting-edge technologies and applications that are beyond the reach of TDK's current businesses, and focuses on creating synergies with TDK's current businesses. It has launched Fund 3, a \$150 million commitment to catalyzing the next generation of iconic deeptech startups.

TDK Ventures <https://tdk-ventures.com/>

Initiatives of TDK Ventures



Nicolas Sauvage

President
TDK Ventures Inc.

TDK Ventures conducts "deep explorations," in-depth research to identify potential "king of the hill" companies—startups with standout leadership potential in their markets. By aligning these investments with TDK's core technology areas, the firm fosters mutual value creation and enables direct collaboration between startup innovators and TDK business units. This approach grants startups access to TDK's extensive R&D capabilities, advanced manufacturing, and global supply chain, helping them refine and scale their innovations. In turn, TDK gains early exposure to breakthrough technologies, new business models, and emerging market trends, strengthening its competitive

edge and innovation pipeline. As a bridge between deep-tech startups and TDK's global R&D ecosystem, TDK Ventures ensures that cutting-edge innovations contribute to TDK's technology roadmap.

The collaborations and synergies created through TDK Ventures' investments fosters a dynamic exchange of expertise, a true equal-win situation where entrepreneurs gain insights from TDK's decades of experience while infusing fresh perspectives into TDK's R&D roadmapping.



Members of TDK Ventures

Message from the CHRO



TDK United's Human Resources Strategy to Enhance Corporate Value

Andreas Keller

Executive Vice President
Chief Human Resources Officer and General Manager,
Human Resources HQ

TDK's Diversity, Its Strengths, and What Is the Big Jazz Band?

Among the different types of pre-financial capital, TDK Group considers human capital to be important. TDK's competitive advantage lies not only in the diversity of human resources, but also in its organizational culture that maximizes the potential of this diversity. Of the approximately 100,000 team members we currently have, 80% joined us through M&A activities. Different talents and personalities coming together has sparked innovation through connection, harmony and collaboration, which has led to the commercialization of cutting-edge technologies. We do not see ourselves as an orchestra, but as musicians in a big jazz band with unique

talents, skills, and personalities. The diversity of the big "TDK United" jazz band embodies a crucial part of our Human Resources strategy—Diversity, Equity and Inclusion (DE&I).

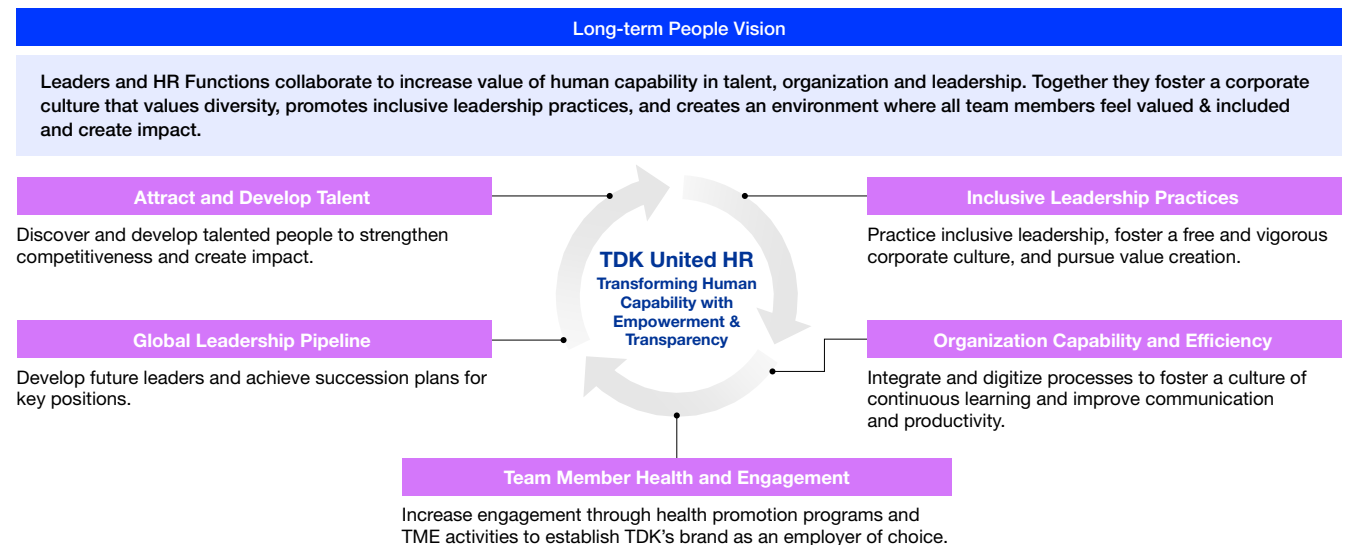
By nurturing an organizational culture which respects the existing culture of acquired companies, values innovation born from the coming together of different perspectives, and encourages both self-initiative and co-creation which is the best expression of our team members' creativity, passion, and drive, we can say that diversity has become the source of TDK's competitive advantage. With empowerment and transparency as our governance policy, we believe that strengthening ties across the boundaries of TDK's diverse businesses and human resources, one of our core strengths, will enhance our ability to envision the future and to bring it to life. Without the shared responsibility and collaboration among TDK Group team members (employees) to work together across departmental and organizational boundaries,

we risk falling into silos within the organization.

Structure for Promoting the Global Human Resources Strategy

In order to further enhance our unique competitive advantage, we believe it is important to have an organizational structure that allows us to develop and promote HR strategies across TDK globally. Although TDK is headquartered in Japan, its global HR function is located in Munich, Germany, and its members, including leaders, come from different operating companies and regions. This not only avoids a biased approach but also enhances the effectiveness of collaborations between the global, regional and the local subsidiary HR teams. Our global initiatives act as a platform to unite our diverse businesses and enhance our ability to innovate through the creativity and collaboration of our diverse talents.

Human Resources Strategy



Human Resources Strategy

The link between investing in human capital and value creation

In order to continue to contribute to the transformation of society under our Long-term Vision, TDK will accelerate its own transformation through its ability to envision the future, its ability to execute, and its ability to transform its human resources. We have defined key issues (materiality) in human resources as shown in Figure (1), (2), and (3) below which will be our main focus during the period of the Medium-term Plan.

Materiality (1)

Promote diversity, equity and inclusion driven by inclusive leadership practices

After launching DE&I promotion activities in 2020, TDK established a global DE&I team in 2023 with the aim of

promoting inclusive leadership and creating accountability of individuals and organizations by developing activities both globally and regionally. As the current ratio of female leaders in managerial positions globally within the TDK Group is 23.0%, there is still work to do and we are working to close the gender gap.

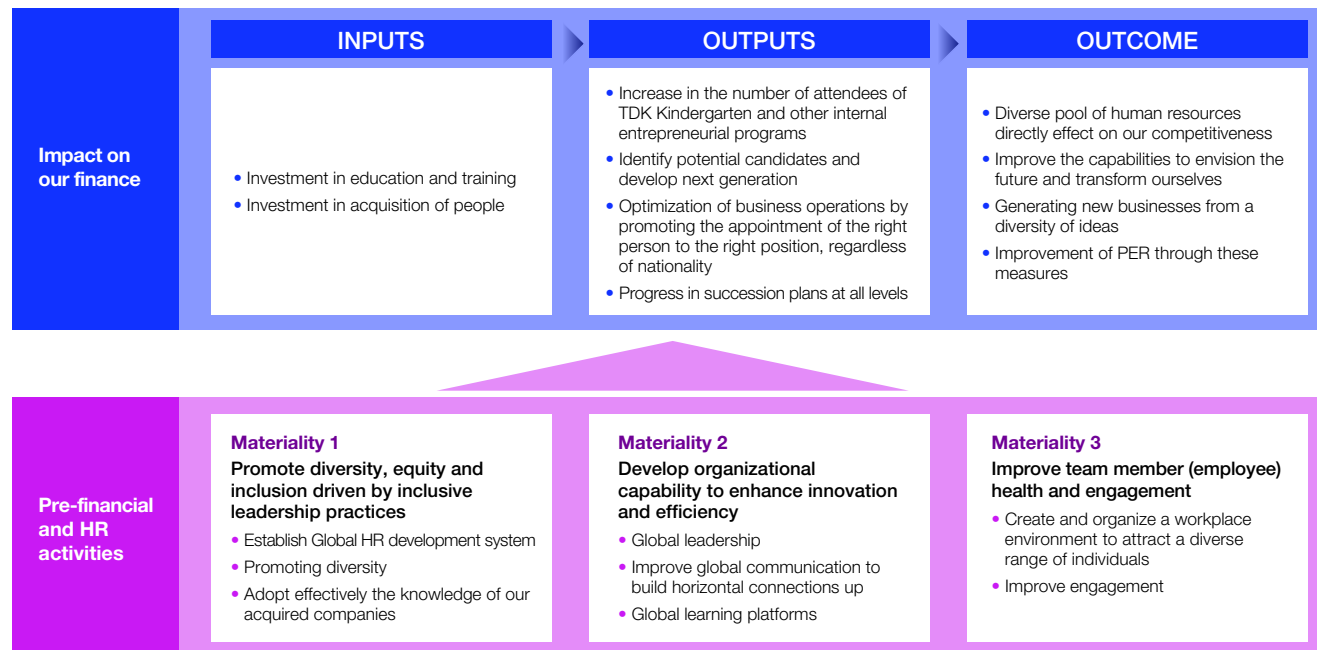
At our headquarter, TDK Corporation, we have set a target of achieving a 15% ratio of female managers by 2035. Through continued efforts such as implementing career development seminars, networking sessions, and other activities, the ratio has increased to 5.3% as of April 2025, more than 2.5 times the ratio of when we first started.

In our Global Management Development Programs, we have set a target of 30% female participation and are accelerating the career advancement and skill development

of female team members. In addition, on International Women's Day in March 2025, the CEO and Corporate Officers delivered a video message to the entire company, and TDK Group companies held various events around the world to raise awareness of the promotion of women's participation and advancement in the workplace to create opportunities for concrete actions (#AccelerateAction).

We continue to promote understanding of the LGBTQ+ community, and have received a "Gold" award in the Pride Index 2024, an evaluation index for initiatives for sexual minorities certified by the Japan-based initiative Work with Pride.

Human capital disclosure indicators and initiatives



#TDKAcceleratingAction - IWD 2025 EMEA

Heike Wetzchewald

Deputy Head of Diversity, Equity & Inclusion
Human Resources HQ
TDK Corporation

During the week of March 3rd, TDK celebrated IWD with robust communications and in-depth discussions that reinforced our long-range commitment. IWD is not only a time to honour the remarkable women driving innovation and success but also a call to action—How can we continue to create a more inclusive, equitable future.

"I'm thrilled to see our IWD 2025 activities come to life in Europe, and I was moved by the inspiring feedback and engagement we received. Let's keep the energy flowing to make sure every team member feels appreciated every single day."



(right in the picture)

Human Resources Strategy

Materiality (2)

Develop organizational capability to enhance innovation and efficiency

TDK is continuing to invest in its Global Management Development Programs with the aim of nurturing the next generation of leaders, promoting diversity in leadership positions, and propelling succession planning to meet the business needs. The program is divided into four levels ranging from executive officers to emerging leaders. While the program for emerging leaders are held separately in four regions - Asia (including Japan), the Americas, Europe, and Greater China, the rest are held globally. Participants with different languages and cultures, and from different regions form project teams and work on topics together. Through this program, several in-house ventures and new cutting-edge businesses have been created. A virtuous cycle has been set in motion in which many team members feel the value created by the interaction and collaboration with diverse

Global Management Development Programs -TCDP Participants' Voices

Aparajita Roy

TDK India

"I believe TCDP (Territorial Career Development Program) is a great learning platform to transform yourself; in each module, I learned something different. Before the first module, I thought it would be a high skilled/complicated training; however, after training, I understood that it grooms your mindset to think about others. Key learnings, which help me regularly in my day-to-day activities include Growth Mindset, Taking-on Challenges/new things, Coaching and Trust-building, develop my team members to work effectively on a common goal, and understanding project stakeholders."



(Second from the right in the picture)

teams, increasing their motivation to participate in the program and heightening their appetite for personal growth.

Materiality (3)

Improve team member (employee) health and engagement

TDK conducts the Team Member Engagement Survey (MyVoice) every year to measure engagement and promote the creation of a healthy work environment. In order to consistently increase engagement, the team member engagement index is incorporated into the performance-linked stock-based remuneration (performance share unit) index of all Corporate Officers, including those overseas, and all executives regularly share their initiatives and progress with the CEO as one of their key focuses.

2nd Team Member Engagement Survey

The results of the second Team Member Engagement Survey (MyVoice) conducted in 2024 showed a 9% increase in the survey participation rate compared to the previous year, and more than 47,000 comments and suggestions were received from team members. The high participation rate and the volume of comments reflect the strong awareness and expectations for engagement. On the other hand, the communication score, which we are focusing on as an important indicator, has improved by only 1 percentage point from the previous survey, and the entire company has reaffirmed that there is room for development. To further improve engagement based on the team members' valuable feedback, the ownership of the action plan derived from the

Team Member Engagement Survey score trends

	1st (2023)	2nd (2024)	Medium-term target (FY3/27)
Communication score	67 pts.	68 pts.	75 pts. or more
Response rate	80%	90%	80% or more

survey results has been cascaded down to the individual departments and sections, and we are promoting the improvement of the workplace environment with the acronym ACT (Acknowledge, Collaboration, Take one step forward).

MyVoice-An Initiative to Improve Engagement

Ryo Kobayashi

DGM (at the time) of Piezo & Protection Devices BG
TDK Corporation

What I wanted to create was an atmosphere where anyone could freely express their opinions. To realize it, I asked Group and Team leaders to organize informal meetings with their team members so that we could hear everyone's thoughts and feelings directly. We could utilize their voices as valuable clues for workplace improvements, and I responded to them in my own words during morning meetings. I believe that this exchange cycle of voices and feelings leads to improved communication and organizational revitalization.



(pictured front row, second from right)

Well-being Management

TDK corporation defined a "Health Declaration" and aims to improve the physical and mental health of its team members, enhance not only the quality of their work but also their quality of life, and contribute to the realization of a sustainable and healthy society. To realize it, TDK has appointed the CHRO as its health promotion officer and established a Health Promotion Section within its Human Resources Development Division in Japan, which collaborates with other relevant departments.

Please refer to the Sustainability Website for details.

<https://www.tdk.com/en/sustainability/social/health-and-productivity>

Design and Production (Monozukuri), Quality Assurance, DX Promotion

Improving production efficiency and achieving high-quality Monozukuri

TDK is implementing the following initiatives to improve production efficiency and achieve high-quality Monozukuri (manufacturing excellence).

Improving quality and production efficiency through process automation and the utilization of new technologies

We are endeavoring to promote the deployment of automation initiatives to our global sites following the thorough streamlining of human operations. Specifically, we are verifying in advance the effects of automation as well as operating conditions by utilizing DX technologies such as simulation technology, digital twin technology, and plant simulation, etc. Technologies that have already been introduced include, for example, between-process transport robots, between-device handling robots, and collaborative robots that replicate human operations, the introduction of which has yielded the following effects.

QDC (Quality, Delivery, Cost) effects of automation

- Elimination of human error (Q)
- Reduction in variation in human operations (Q)
- Improved productivity (D, C)
- Reduction in operators (C)

In addition to improving current processes, we are actively introducing innovative new technologies. We are resolving product quality issues and enabling the creation of new products by developing and introducing new processes based on principles that differ from traditional processes. These initiatives not only improve product competitiveness but also contribute to the reduction of environmental impacts by reducing energy consumption throughout the manufacturing process.

Developing elemental technologies for autonomous control equipment

We are developing technologies for autonomous control equipment utilizing AI as part of our activities to prevent defects from occurring in processes. Autonomous control equipment refers to equipment that is capable of independently determining quality statuses and automatically optimizing processes. Specifically, we utilize DX technologies such as big data analysis and deep learning to allow equipment to learn quality trends in processes from information such as inspection data and monitoring data as detected by various sensors during these processes. If, for example, a trend indicating the occurrence of defects is then detected, this equipment will feed back information to the preceding process and adjust or optimize manufacturing conditions to circumvent the original occurrence of any defects.

Development of new reliability test technologies

In recent years, the use of AI-enabled devices and systems has spread, and customer applications are changing. Accordingly, we are developing proactive reliability testing technologies to satisfy our customers' new requirements specifications for the future. Divisions involved in reliability test and sales divisions work in partnership to confirm customer requirements and verify and establish testing methods appropriate for those requirements.

Promoting Internal DX in Three Areas

In addition to the DX (i.e. enhancing manufacturing processes) to improve production efficiency and realize high-quality manufacturing described so far, TDK has launched company-wide DX projects in three key areas since 2023, aiming to improve operations and create new value by leveraging cutting-edge digital technologies. Through these DX projects, we aim to maximize the performance of existing businesses and enhance corporate sustainability by integrating next-generation digital technologies, upskilling and

reskilling team members (employees), and transforming business processes. This initiative was recognized, and TDK was selected as a DX-certified company by the Ministry of Economy, Trade and Industry in October, 2024.

1. Reinforcing sales & marketing capabilities

- Enhancing sales and marketing capabilities through market analysis.
- Based on sales insights, we utilize AI to analyze CRM data to improve the accuracy of sales approaches.
- By combining new business creation activities with generative AI platforms, we are realizing the rapid and concrete creation of business ideas.

2. Enhancing manufacturing processes

- Improving operational efficiency and streamline processes in electronic equipment manufacturing.
- Dedicated AI automatically collects measurement data from manufacturing sites, centrally manages and analyzes key operational metrics such as equipment downtime and quality data, contributing to efficiency improvements.

3. Strengthening our commitment to sustainability

- Promoting decarbonization of the entire value chain through digitalization.
- By automating CO₂ emission traceability and improving data accuracy, we contribute to achieving decarbonization goals.

DX/IT Infrastructure supporting our initiative

We aim to transform ourselves into an organization with independent IT development capabilities by promoting in-house development and enhancement of DX/IT infrastructure, including AI. Additionally, we have initiated efforts to more flexibly streamline individual operations through the development and utilization of AI agents. At the same time, we are working on user training and upskilling & reskilling education to use AI effectively and ethically.

Special Feature: Small-Group Activities Transforming TDK's Monozukuri

What are the small-group activities that began in Japan?

TDK was a comparatively early adopter of the concept of quality control (QC) in Japanese industry. In 1953, a quality control team was set up in the Akita region and, in 1965, total quality control (TQC) commenced, in an endeavor to improve quality not only in given divisions but throughout the company. In the following year of 1966, QC Club activities, involving activities carried out in small groups, saw the light of day in the Akita region factories as one component of TQC. Later, the activities spread to other areas, and these activities were the starting point for the small-group activities of today.

Today TDK sites are implementing small-group activities (SGA) in which small teams are organized to portray how something should be and to independently solve issues and make improvements. These activities aim to create manufacturing sites which both satisfy and impress our customers by actively enhancing Monozukuri (manufacturing excellence) and quality through on-site improvement activities, while increasing the knowledge, skills, and motivation of the participating members.

Furthermore, regional SGA Conference are held so that operators and other members who are actually participating can summarize their activities and report the results to top management (the president, factory managers, general managers of the Quality Assurance HQ and Production HQ, etc.). Opportunities are also provided for best-practice information exchange and communication, with some teams that have been commended for their outstanding activities participating in the Conferences of other regions too. Through these activities, factory-floor members engage in friendly competition transcending the boundaries between sites and divisions in an effort to transform TDK's Monozukuri.



Gold-winning team in the 2022 SGA Conference

From Japan to China, ASEAN, and India; SGAs expanding globally

SGA Conference are now being held not only in Japan but also globally with the aim of enlivening SGAs throughout the TDK Group. Such Conferences took place for the first time in China in 2024 and in the ASEAN region and India in 2025. These conferences emphasized communication and network building among the participants. Through not only activity reports but also team-building activities, factory visits, and other programs, they were good opportunities for the participants to deepen their ties as TDK United.



A presentation at the 2024 China SGA Conference



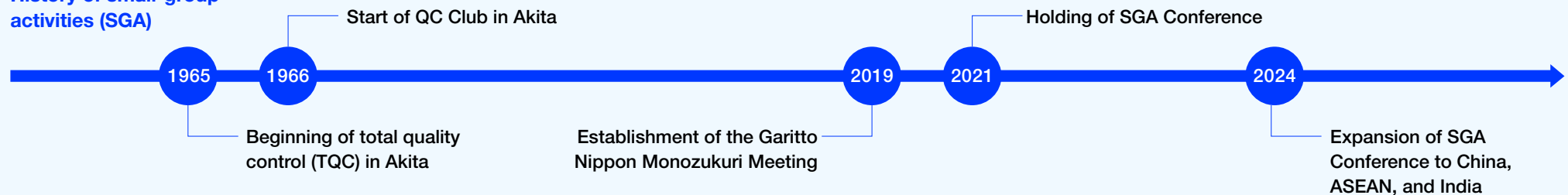
Scene from the 2025 SGA Conference in the ASEAN and India area



Establishment of the Garitto Nippon Monozukuri Meeting

The Garitto Nippon Monozukuri Meeting was a part of activities launched within TDK with the aim of once again raising the level of Japanese Monozukuri. Garitto means "earnest" or "thorough" in the Akita dialect.

History of small-group activities (SGA)



Advance Group Governance

TDK's group governance

With approximately 140 subsidiaries in approximately 30 countries, the TDK Group recognizes the importance of group governance and has established the “Global Common Regulations,” which provide for the responsibilities and authorities of each organization of TDK, the rules to be complied with by all members of TDK, etc. Each company of TDK, including the Company, applies and operates these Global Common Regulations as its own rules. Also, based on the Global Common Regulations, the Executive Committee, which is held twice a month as a general rule, discusses about policies and measures with respect to business execution of TDK and monitors the targets and implementation plans of operating departments and headquarters and the progress of each department in relation to such targets by regularly receiving reports from each department.



Scene of the Executive Committee Meeting

Group Governance Basic Policy

In order to realize the growth in the rapidly changing environment, it is necessary to build up the management system focusing on agility. Under the governance policy of “Empowerment and Transparency”, we are going to realize the agile management system by establishing the group governance that respects diversity, while complying with corporate ethics, laws and regulations, and business practices.

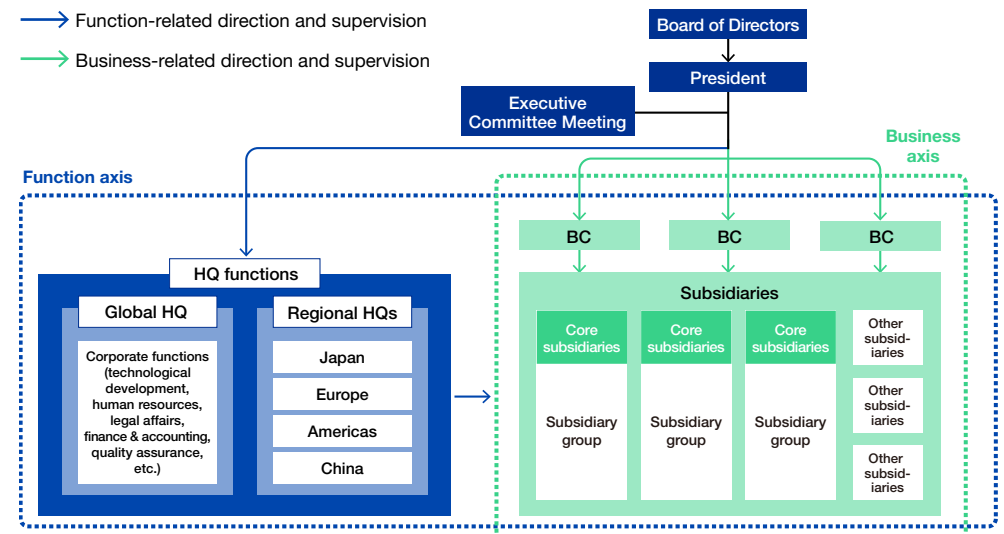
Given the above idea, the TDK Group will establish and disseminate within the Company the Group Governance Basic Policy that defines the basic concept of our group governance, and the TDK Group will enhance corporate value in accordance with this policy.

Organization building to display diverse strengths

One of TDK's strengths is our diversity. To further demonstrate those strengths, we are working to transform ourselves into an autonomous and decentralized organization based on a governance policy of “Empowerment and Transparency” that will also serve to guarantee transparency for our stakeholders, while also working to speed up decision-making by trusting the people who share our goals and principles and delegating them authority. We are adopting a matrix management system based on two axes—the business axis, which is the chain of command for the execution of work, and the function axis, which involves the support of business operations and monitoring of the state of operations by headquarters functions. We are also setting up regional headquarters in Europe, the Americas, and China that, in cooperation with the global headquarters, will implement support and monitoring of our subsidiaries in each region. We have also established R&D and marketing functions in tune with the special characteristics of each region, thus forming setups capable of responding to regional needs and technological trends in a timely manner.

Furthermore, regarding M&A, rather than controlling acquired companies, we adopt a policy of post-merger integration (PMI) by which respect one another's corporate culture. In this way, we position acquired companies as partners and accept their technologies, strengths, and values, thereby creating synergy on a global scale.

Group management structure with the policy of Empowerment and Transparency



Response to Climate Change

Working to achieve net zero by 2050

TDK has identified “address environmental and social issues” as a key issue (materiality) that it must act on and is taking company-wide action in response to environmental issues, including linking CO₂ reduction targets with remuneration of directors and Audit & Supervisory Board members.

TDK has set a goal to ensure that 100% of the electricity used at all of its manufacturing sites worldwide comes from renewable energy and to achieve CO₂ net zero by 2050. Specifically, the aim is to improve CO₂ emissions intensity by 30% by 2025 and 50% by 2035 compared to FY March 2015, and to achieve net zero by 2050.

Additionally, to comply with the Paris Agreement, TDK sets reduction targets for total CO₂ emissions, and those targets were certified as science-based targets by the international Science Based Targets initiative (SBTi) in June 2024.

The following TDK targets have been certified:

Target 1	Reducing absolute scope 1 and 2 GHG emissions by 42% within FY March 2031 from a FY March 2022 base year.
Target 2	Reducing absolute scope 3 GHG emissions from purchased goods and services and use of sold products by 25% within FY March 2031 from a FY March 2022 base year.
Target 3	Encouraging 5% of its suppliers by amount spent covering purchased goods and services to have science based targets by FY March 2029.

Summary of TDK's CO₂ emissions-related targets

	Reference year	Target year	Target value
Scopes 1, 2 & 3 CO ₂ emission intensity improvement target	FY3/15	FY3/36	50%
Scopes 1 & 2 CO ₂ total emissions reduction target (SBTi certified)	FY3/22	FY3/31	42%
Scope 3 CO ₂ total emissions reduction target (SBTi certified)	FY3/22	FY3/31	25%

TDK's leadership in performance and transparency of information disclosure has been recognized, and TDK was

selected as an A list company with the highest ratings in the CDP's Climate Change and Water Security measures in FY March 2025. This is the first time that TDK has been selected for the A list in climate change.

Scope1, 2

Reducing CO₂ emissions from manufacturing sites

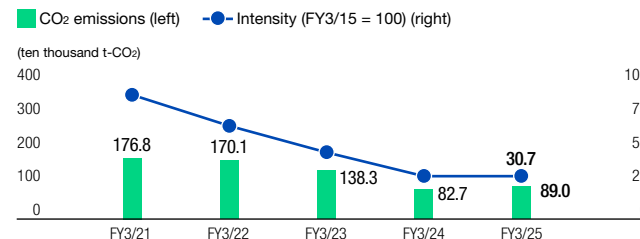
To achieve its company-wide targets, TDK is reducing CO₂ emissions from manufacturing sites in particular. In addition to promoting a transition to renewable energy (RE), TDK has also pursued energy productivity (EP) activities to increase energy productivity and achieve its CO₂ reduction targets. In FY March 2025, although we proceeded with the adoption of renewable energy, manufacturing sites' CO₂ emissions rose by 7.6% from the previous year to 890,000 tons due to increase energy use. CO₂ missions were up compared to the previous fiscal year, but progress is being made as planned toward achieving the target of cutting CO₂ emissions by 42% (compared to FY March 2022) by FY March 2031.

Scope1, 2

Concrete measure 1: Transition to renewable energy

TDK participates in the RE100 initiative as a measure for introducing renewable energy and seeks to use 100% RE-derived electric power at all manufacturing sites in Japan and overseas by 2050.

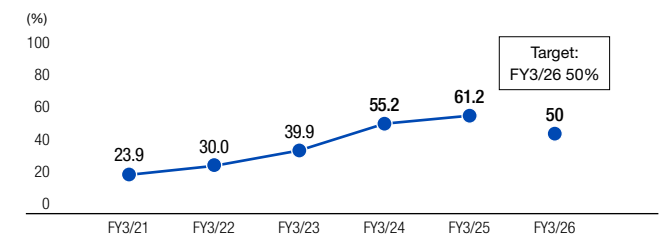
CO₂ emissions at manufacturing sites (global)*



* The measurement and calculation methods, as well as the numerical results for FY March 2020 and beyond, have been verified by a third party.

This challenge is not only a response to demands from society and stakeholders, but also an effort to fulfill our social responsibilities. TDK is actively promoting the introduction of RE globally, and in 2023 successfully achieved 100% RE-derived electricity at all manufacturing sites in Japan. Thanks to these achievements, we achieved our 55% target for RE-derived electricity consumed worldwide in FY March 2024, two years ahead of the original schedule.

Percentage of electricity from renewable energy sources introduced



TCFD and TNFD related initiatives

In May 2019, TDK expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD), which recommends analysis and disclosure of information on the impact of climate change on corporate finances.

In response to the final recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) and in accordance with the guidance, we began an assessment of our dependencies, impacts, risks, and opportunities relating to natural capital in general, including biodiversity.

Please refer to the Sustainability Website for details:
TCFD/TNFD

https://www.tdk.com/en/sustainability/environmental_responsibility/tcfd_tnfd

Response to Climate Change

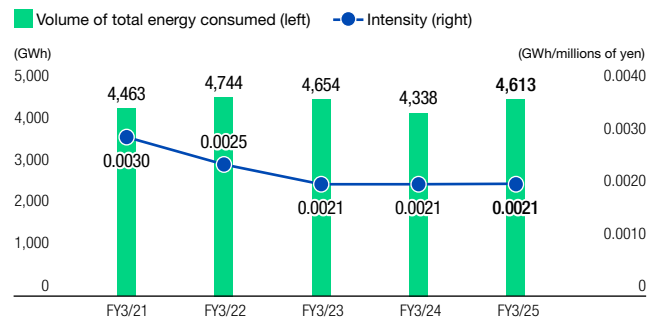
Scope1, 2

Concrete measure 2: Energy productivity activities

TDK has been undertaking energy productivity (EP) activities with the target of doubling energy productivity (Figure below, halved as energy intensity), which is defined as net sales divided by energy used, over a 25-year period from 2020 to 2045. In FY March 2025, we expanded activities globally using Japan as a model and set model plants for EP activities in multiple regions including China, Europe, and Asia. During workshops held at each model plant, numerous five-year improvement targets and improvement topics were formulated, and EP activities are spreading globally. TDK is developing innovative process technologies with the objective of improving energy productivity and is accelerating new Monozukuri (manufacturing excellence) that incorporates energy perspectives.



Volume of total energy consumption and intensity



Scope 3

Reduction of CO₂ emissions through initiatives by Scope 3 category

Initiatives to reduce logistics CO₂ emissions

In FY March 2025, TDK began activities to reduce logistics CO₂ emissions at overseas sites and has been considering systems to accurately reflect emission reductions. We will continue to promote reduction activities across the entire TDK Group.

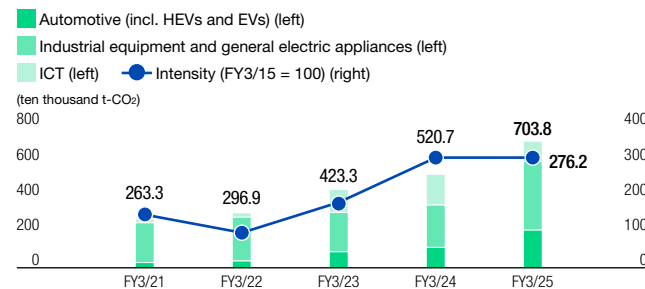
Scope 3

Expansion of contributions to reduction of CO₂ emissions through products

TDK calculates and discloses its contributions to the reduction of CO₂ emissions from the use of its products. This initiative is one of the important measures for promoting CO₂ reductions across the entire value chain while strengthening the international competitiveness of our products and contributing to the creation of a low-carbon society.

The contribution to CO₂ reduction by products in FY March 2025 was 7,038,000 tons, a year-on-year increase of

CO₂ emission reductions by products*



* The calculation method was reviewed by a third party.

* The product contributions have been calculated based on internal guidelines compliant with "TR62716 Guidance on Quantifying Greenhouse Gas Emission Reductions from the Baseline for Electrical and Electronic Products and Systems" formulated by the International Electrotechnical Commission (IEC); and the "Guidance on Calculating GHG Emission Reductions Contribution of Electronic Components" (Version 2) formulated by the Japan Electronics and Information Technology Industries Association (JEITA)

35.2%. In terms of intensity, it was a 29.0% improvement compared the previous fiscal year, and so we were able to achieve our target by a wide margin.

First sustainability event for suppliers held

TDK held its first Supplier Sustainability Summit (SSS) in March 2025. Approximately 200 of TDK's key global suppliers participated (182 participants from 22 countries). TDK establishes this summit as a forum to explain its sustainability, supply chain resilience, and CSR targets and requirements to the suppliers and encourage suppliers to cooperate with its efforts.

Supplier Environmental Award <procurement>

As part of our supplier engagement, TDK has been presenting the "Supplier Environmental Award" since FY March 2022. This award was established to raise awareness of environmental activities among all suppliers by recognizing exemplary suppliers who actively disclose information about their environmental activities and promote reduction efforts. In FY March 2025, the territorial scope of the award was expanded to include suppliers in both Japan and overseas, and in addition to two suppliers in Japan, awards were presented to one supplier in China area and one supplier in Asia, for a total of four recipients.

This fiscal year, we are again conducting webinars for domestic and overseas suppliers of production materials in an effort to strengthen supplier engagement.

	FY3/25 result (kt-CO ₂)
Total emissions	21,954.5
Scope1	134.2
Scope2	756.0
Scope3	21,064.4

Respect for Human Rights

Our policies for respecting human rights

[TDK Code of Conduct](#) states that “The TDK Group will continue to respect human rights, comply with relevant laws and regulations and international rules, and discharge its social responsibility with a strong sense of ethical values for the purpose of creating a sustainable society.”

[TDK Group Policy on Human Rights](#) was formulated in 2016. We respect and support international norms on human rights including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the Children’s Rights and Business Principles. Based on the framework of the UN Guiding Principles (UNGPs) on Business and Human Rights, TDK promotes the correct understanding of potential human rights issues and takes steps to address them, not only within the business operations of the TDK itself but also throughout the value chain. The TDK Group Human Rights Policy is published on our website and communicated to internal and external stakeholders. We expect all stakeholders, including our business partners and suppliers, to understand and support this policy, and we request that their responses be in compliance with the TDK Group Business Partner Code of Conduct.

Governance

At TDK, the Sustainability Promotion Group promotes day-to-day human rights responses while coordinating with related functions. The Sustainability Promotion Group issues reports at Board of Directors meetings at least twice a year regarding the status of sustainability initiatives for the entire Group including those with respect to human rights. The Board of Directors reviews and decides on these reports as necessary.

Risk management (Due diligence process)

The TDK undertakes human rights due diligence processes and promotes its due diligence activities in line with the procedures set out in the UNGP on Business and Human

Rights. We also continue to dialogue with internal/external parties including human rights specialists and stakeholders to make our activities more effective.

Initiatives for preventing and reducing human rights risks

TDK identified the three human rights risks listed to the right as priority issues to be addressed and is working to prevent and reduce these risks by making reference to the UNGP and the Responsible Business Alliance (RBA) Code of Conduct, evaluation items, and auditing frameworks.

- Responsible sourcing of minerals
- Respecting human rights of employees at our manufacturing sites
- Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)

For information on specific measures include metrics and goals, please see the Sustainability Website.

Responsible Sourcing of Minerals

<https://www.tdk.com/en/sustainability/governance/responsible-minerals>

Social and Environmental Consideration at Manufacturing Sites

<https://www.tdk.com/en/sustainability/governance/environmental-issues-manufacturing>

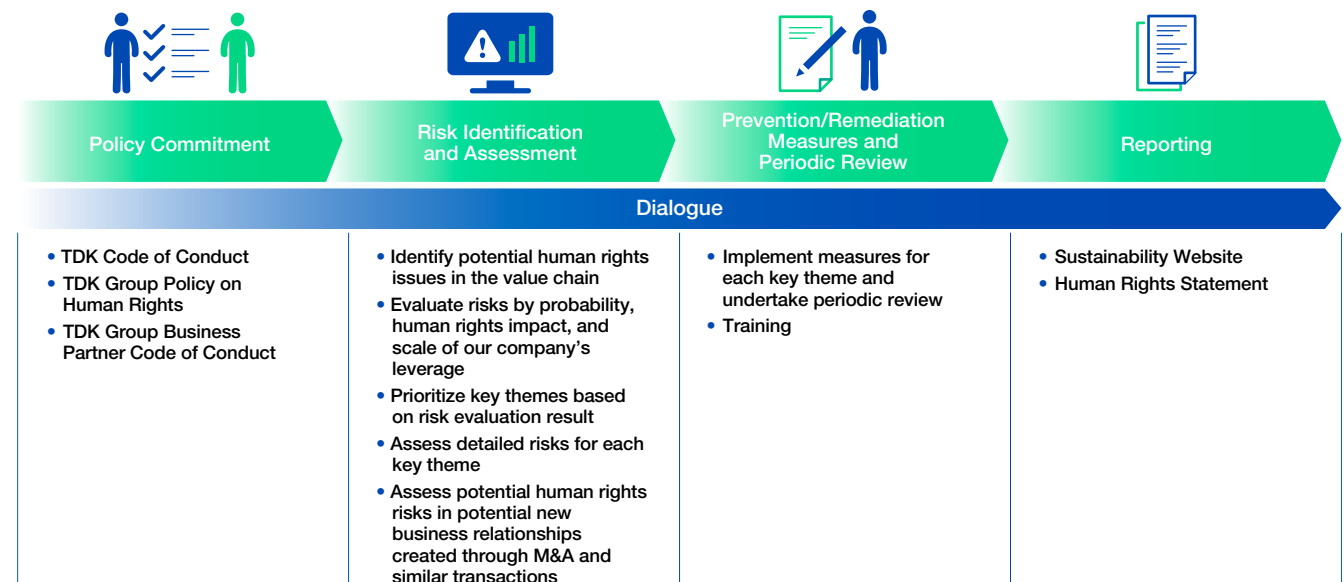
Sustainable Procurement

<https://www.tdk.com/en/sustainability/governance/sustainable-procurement>

Respect for Human Rights

https://www.tdk.com/en/sustainability/social/human_rights

Human rights due diligence process of TDK Group



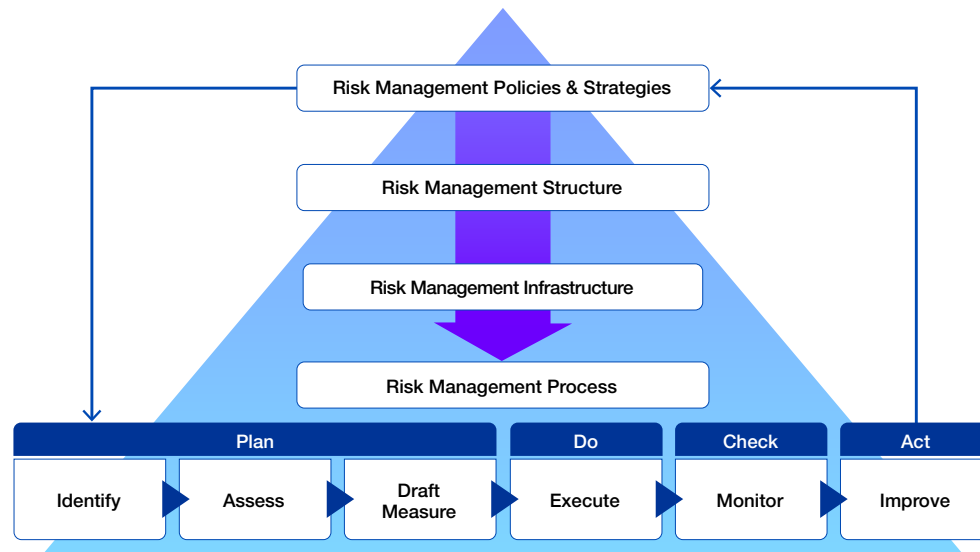
Risk Management

Risk management structure

In aiming for sustainable growth, the TDK Group promotes company-wide measures against factors (risks) that hinder the achievement of organizational goals and implements enterprise risk management (ERM) activities to appropriately manage them. TDK's basic policy for risk management is to ensure that each organization within the TDK Group takes appropriate risks in order to create corporate value and prevent damage to corporate value by appropriately identifying and responding to opportunities and risks.

In order to consider and implement measures related to ERM activities and strengthen risk management activities, we have established an ERM Committee under the direct control of the Executive Committee, which is chaired by a corporate officer appointed by the president. The ERM Committee clarifies the role of each organization in risk management activities and promotes the PDCA cycle of a series of risk management activities, from identification of risks to evaluation, consideration of countermeasures, implementation, monitoring, and improvement. The appropriateness of these risk management activities is confirmed through oversight by the Board of Directors and the Executive Committee, as well as through the participation of the Management Audit group as an observer in ERM Committee meetings and audits by full-time corporate auditors.

Risk management structure

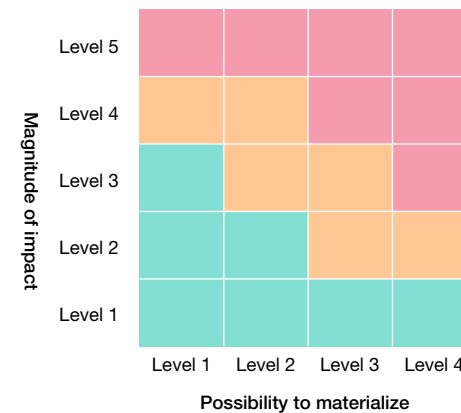


Risk assessment

As a risk assessment, each term the residual risk (i.e., after control by the measures taken so far) is estimated from the perspective of the three elements of management resources (people, goods, and money), relationships with internal and external stakeholders, reputation, and BCP. We calculate the magnitude of the impact on the TDK Group from the above and combine it with the possibility of the risk materializing to create a residual risk heat map to identify critical risks.

In addition, we have identified risks that may hinder the implementation of measures to achieve the TDK Group's important issues (materiality) set for this fiscal year and have designated these as critical risks as well. Among these critical risks, those for which it is considered possible to reduce the likelihood of occurrence or mitigate the impact in the event they materialize through the enhancement of our internal control systems are evaluated by each risk owner and the ERM Committee to determine whether the risk management systems are sufficient. The results of these risk assessments and the status of countermeasures are deliberated at the Executive Committee and reported to the Board of Directors. In addition, the validity of the heat map is verified at least once during the period, and the assessment of residual risk is reviewed if necessary.

"Residual risk" heatmap



Potential risks over the term of the Medium-term Plan

Category	Contents
Economic/Market trends	Slowdown of global economy, changes in social trends, soaring prices and personnel costs, hikes in raw material purchase costs and energy resource prices
Technological trends	Delay in the use of digital technologies, acceleration in technological transformation
Geopolitical risks	Geopolitical tensions, tightening regulations for technology export
Compliance	Deficiencies in compliance system, deficiencies in contract signing, insufficient legal due diligence, information leakage due to misconduct
Supply chain	Quality deficiencies in supply chains, soaring raw material and logistic costs, inadequate human rights efforts in value chains

Dialogue with Investors

Objectives of investor relations activities

The TDK Group believes that it is important to fully its accountability to its stakeholders, including investors and analysts, and gain their confidence and trust through bilateral communication. In order to pursue this objective, we held new IR events during the following periods in addition to the regular performance briefing.

New events conducted between July 2024 and June 2025

	Item	Main contents explained/Q&A/matters of concern
November 2024	Factory tours and business strategy meeting Speakers: CEO, Sensor Systems Business Company Takao Tsutsui CEO, Energy Solutions Business Company Fumio Sashida	Business company CEOs engaged in direct dialogue with investors and analysts and conducted a briefing that delved into the future potential and competitive advantages of each business. Material https://www.tdk.com/en/ir/ir_events/strategy/20241126/index.html
	Online briefing of individual investor (Rakuten Securities, Inc.) Speakers: President & CEO Noboru Saito	Held TDK's first individual investor briefing since 2021. Along with an introduction to the TDK, the presentation focused on the personality of President & CEO Saito.
May 2025	Small sell-side meeting Speakers: President & CEO Noboru Saito Senior Executive Vice President, CFO Tetsuji Yamanishi	Delved into the content of full-year financial results announcement held in April 2025 and also discussed progress of the TDK Group's Medium-term Plan.
	Small outside directors' meeting Speakers: Outside Director Mutsuo Iwai (Chair of the Board) Outside Director Shoei Yamana	Had a frank exchange of opinions with investors and analysts on topics such as TDK's management issues and Board of Directors as seen from outside directors. Attendees praised TDK's initiatives aimed at evolving upon management.

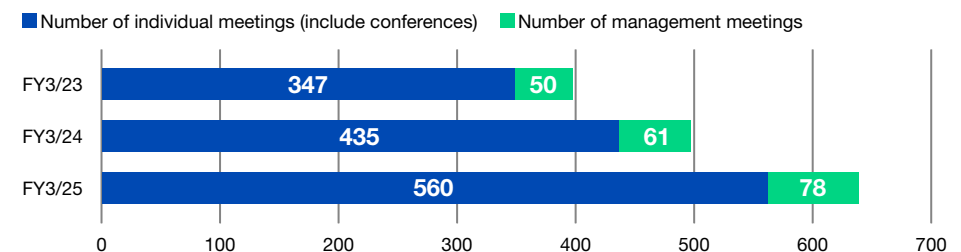
State of implementation of dialogue with shareholders

Item	Content
Main respondents in dialogue with shareholders	Mainly the President & CEO, Senior Executive Vice President CFO; executives; and the IR & SR Group, a dedicated team handling shareholder and investor response.
Profile of shareholders with whom dialogue conducted	Dialogue is conducted with active and passive institutional investors both in Japan and overseas; investors with various investment styles, such as growth and value investing and diverse shareholders.
Main dialogue topics and matters of interest to shareholders	Constructive and lively dialogue takes place on such topics as management policy, problem awareness, financial strategy, progress of individual business strategies, progress of initiatives involving ESG and other pre-financial activities, and response to geopolitical risks.
State of feedback of shareholder opinions and concerns to the management team and Board of Directors	In-house feedback is being strengthened. For example, the numerous opinions and issues raised in the dialogue with shareholders and investors are sorted in the IR & SR Group and reported to the Board of Directors every quarter. Number of reports in FY March 2025: 4
Matters introduced as a result of feedback	Create opportunities for dialogue between investors and outside directors Disclosure on progress of business portfolio management
Issues currently under consideration as a result of feedback	Initiatives for the AI ecosystem market Disclosure on progress of business portfolio management Holding of briefings on sustainability

Number of times events held

	FY3/23	FY3/24	FY3/25
Financial statement briefings for analysts and institutional investors	4	4	4
IR events	—	1	3
Conferences hosted by securities companies	7	7	8
Overseas roadshow	2	4	5

Number of annual discussions



Chapter 3

TDK's Governance

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Activities Toward an Open Board

In 2023 the Board of Directors began so-called “Open Board” activities to strengthen engagement with team members (employees). These activities are deepening exchange between members of the Board of Directors and team members at TDK sites.



A meeting of the Board of Directors held at TDK-Lambda's Nagaoka Technical Center

A Talk with Outside Directors

We expect that TDK will accelerate its growth by creating synergy among its business divisions through TDK United.

Mutsuo Iwai

Outside Director, Chair of the Board, Member of Nomination Advisory Committee, Member of Compensation Advisory Committee, Member of Corporate Governance Committee



Toru Katsumoto

Outside Director, Member of Nomination Advisory Committee, Member of Compensation Advisory Committee, Member of Corporate Governance Committee



Q1 As the chair of the Board, how do you view the past year?

Iwai: In FY March 2025, which was the first fiscal year of the current Medium-term Plan, in order to firmly achieve our targets, the Board of Directors worked to thoroughly monitor the state of progress of growth strategies and initiatives at each business. The change from the past was that we started having the person in charge of each business attend a Board meeting each half-term to report on and answer questions about the situation and issues at those businesses, which enabled us to carry out more effective monitoring. Also, from June 2024, Mr. Katsumoto, who worked at Sony as its CTO, joined our Board, which I feel made much more active our discussion of areas such as business evaluation and future business development based on a technical perspective, upgrading the Board to enable it to discuss with greater precision.

Katsumoto: TDK's technology covers a very wide area. After my appointment, the CTO at the time, Mr. Sato, gave me a

lecture about the overview of it, which enabled me to understand the overall situation. After that, too, at the Technical Center in Ichikawa, Chiba Prefecture, I received detailed explanations of individual technologies from the engineers in charge of them, which deepened my understanding. Mr. Iwai, you said that the level of discussion increased compared with before, but I wonder what you regard the issues to be in terms of governance?

Iwai: One issue is the strengthening of group governance. TDK has been setting up new businesses one after another, and has actively used M&A in that process. Currently, it is an aggregation of companies that have a great variety of products and technologies. With the concept of "TDK United," President Saito is aiming to utilize the characteristics and features of these individual Group companies and is advancing structural transformation into an autonomous, decentralized organization. But from an operational level, I think there are some areas that, from the viewpoint of overall optimization, would be best managed in a unified way. To achieve that, it is probably necessary to take the time now to

review the role of the corporate management division within the Group. In addition, geopolitical risks, such as the ongoing separation between the United States and China in the economic field, are very high. So, also regarding the research of these risks and consideration of measures to deal with them, we want to continue our thorough monitoring of them.

Q2 Mr. Katsumoto, how do you evaluate TDK's businesses and technologies?

Katsumoto: Actually, since my time at Sony, I have various connections with TDK, including working with TDK engineers on the development of video equipment and the use of various TDK components in the products. Since I have felt some familiarity with the company from quite some time ago, I gladly accepted the position of outside director when it was offered to me. Back in the 1980s, when I worked with the company, I had an image of it as being a Japanese company based in the Akita region that had strong technical capabilities. But after taking up my current post, I realized that it has become a global company in the true sense, that has diverse personnel active at Group companies in various countries and regions. On the technical side also, TDK is applying core technologies that it has built up in magnetic recording to launch new businesses one after another, which has me feeling yet again that TDK is technology. For example, it has combined magnetic recording technology with thin-film process technology to develop HDD magnetic heads, and it further explored that thin-film technology to develop advanced passive components and application in the field of batteries. In the sensor field also, TMR sensors for automotive electrical equipment and industrial equipment are being applied to practical use, and I think these products also could not have been achieved without the technical experience gained over many years in relation to the development and application of magnetic materials.

A Talk with Outside Directors

Iwai: We asked Mr. Katsumoto to inspect various Group factories in order to give us some advice about manufacturing processes. What did you think?

Katsumoto: So far I have inspected almost 10 factories in Japan and overseas. Each of them has positive aspects, but I was particularly deeply impressed by ATL, which is manufacturing lithium-ion batteries in China. I felt that its steadfast belief toward Monozukuri (manufacturing excellence) is not just an ideal, but is firmly rooted in both theory and practice. It has gathered superior personnel from around the world who hold doctor's degrees in physics, mathematics, chemistry, and other fields, and while daily working together and refining their capabilities, from materials to structure and the manufacturing process—from all angles—they pursue the world's greatest performance and quality. I think this is a corporate culture that is based in the philosophy of the founder, and even within the TDK Group, it has inherited that in its original form and continues to refine it, which I think is wonderful.

Iwai: Originally, ATL's business model was to secure profit mainly from high-value-added products. But a few years ago, when the smartphone market deteriorated, they decided to firmly maintain the operating rate of its production lines even if that meant dropping prices a little, and it took a flexible approach to business operations by observing market conditions while it worked out its next strategy. The speed of this pivot is exceptional.

Katsumoto: As you say, sales and production management are both advanced. The flow from orders to procurement, production, and shipping has undergone sophisticated digital transformation (DX) and there is no sign of any waste in the supply chain. Furthermore, the yield rate in the manufacturing process is high, and labor saving is also progressing. I was impressed that it is indeed a factory that is actually achieving world top-level quality and performance.

Iwai: The executive side is considering how to go about introducing those outstanding aspects of ATL to other

factories, such as by implementing horizontal expansion to Group companies, or some other measures. Of course, within the Group there are many examples that should be learned from, not just ATL, and sharing those best practices should raise the entire Group to a whole new level.

Q3 What do you think TDK should do going forward in order to accelerate growth?

Katsumoto: Since my appointment, what I have often debated about with the executive side is where to set the target for research and development. For example, for passive components, while we can expect greater demand in fields such as ICT, robots, and AI also going forward, competition with rival manufacturers in East Asia, which includes Japan, is becoming more severe. To beat the competition in these growth areas it is essential that we differentiate our products from those of other companies. To do that, we need to plan that differentiation not just at the level of structure and design, but fundamentally, from the level of materials. So, I think we need to prioritize investment in materials development.

Iwai: You believe there is still plenty of room for improvement in the manufacturing process, too, right?

Katsumoto: Yes. This is not limited to passive components, but the manufacturing process of electronic devices is the product of a whole range of knowhow. Manufacturing processes that have been thoroughly refined are not something that can be recreated through reverse engineering from the product. That is how important it is to further refine our current technology to achieve a level of manufacturing technology that rival companies cannot reverse engineer. With the executive side, I am talking about these two areas of materials technology and manufacturing technology as being our likely areas of offense going forward.

Iwai: At our company, I think there was a tendency until now, in order to handle customer's orders precisely, to set up a

separate, optimum line. I think it is an indication of TDK's commitment to Monozukuri and the enthusiasm of our engineers, but from a business perspective perhaps it would be better to set up a line that is a bit more versatile.

Katsumoto: As you say, if we do not ensure that a single line can handle various types of products, production efficiency will not increase. Our current discussions include the importance of that kind of flexible production system.

Iwai: From your perspective, Mr. Katsumoto, with your experience as a CTO, are there any further issues in any other areas?

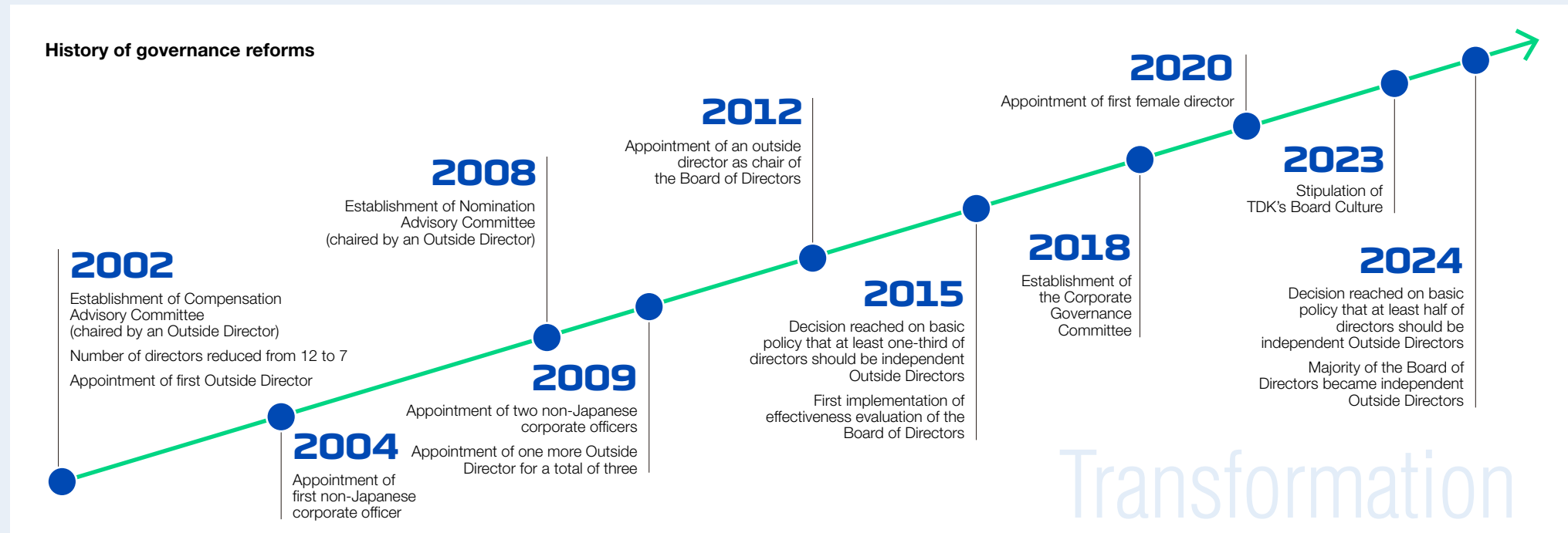
Katsumoto: There are many other businesses within the TDK Group that have potential, so I think perhaps the next step is to combine these so that they create some synergy. I think that with collaboration across business borders, the Group will be able to try for new industrial areas and create its next growth businesses.

Iwai: I have heard that, when you assumed the post of CTO at Sony, Mr. Katsumoto, you pulled down any actual divisions between businesses.

Katsumoto: Yes. I implemented that after being told by the leader at the time, "I want you to build a community that connects engineers from all around the world." Once I did that, it created immense synergy. When that synergy started to emerge, the speed of business growth accelerated dramatically. It has only been about one year since I became an outside director, but I am sure that TDK will be able to create huge synergy. Going forward, I want to support that as I continue discussions with the executive side.

Iwai: The executive side recognizes the importance of creating synergy among the business divisions, and they plan to strengthen the sharing of the best practices of individual Group companies, which we mentioned earlier. I anticipate that this kind of initiative will enable us, as TDK United, to achieve even greater performance going forward than we have so far. The Board of Directors will continue to thoroughly monitor these initiatives.

Changes in TDK's Governance/TDK's Board Culture



TDK has established the culture that should be passed down across generations, even if composition of the Board of Directors changes, on the TDK Basic Policy on Corporate Governance.

TDK's Board Culture

Board members consisting of Directors and Audit & Supervisory Board Members and the executive side such as Corporate Officers, based on their respective responsibilities, endeavor toward the common purpose of achieving sustainable corporate growth and enhancing the medium- to long-term corporate value of the TDK Group. The philosophy and culture shared by the Board of Directors to achieve this purpose are as follows.

- Board members and the executive side build and maintain a relationship of deep mutual trust and a sound tension.
- Board members and the executive side achieve both the delegation of authority to encourage prompt and autonomous decision-making and the transparency in business execution (Empowerment & Transparency).
- Based on the premise that discussions at the Board of Directors meetings should be essential discussions that contribute to corporate value, Board members actively and diversely make remarks and engage in discussions from each member's standpoint and from a broad point of view, regardless of whether they are inside or outside members or whether they are Directors or Audit & Supervisory Board Members.
- The executive side takes the opinions of the Board of Directors sincerely as an opportunity to improve management and implements necessary measures. Directors and Audit & Supervisory Board Members supervise and audit from an objective standpoint. Through these efforts, they aim to further improve the TDK Group's corporate value.

Continuation

Corporate Governance Structure

Basic stance and structure

Emphasis on enhancing corporate value

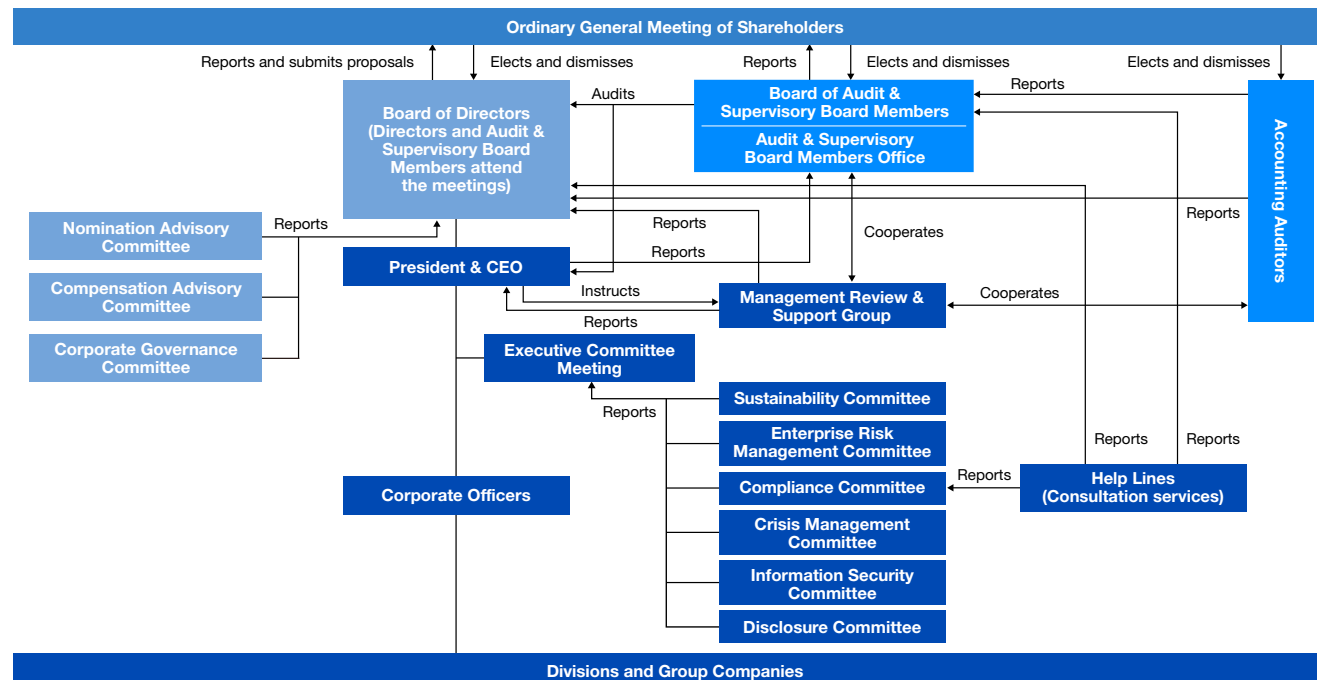
As a company with an Audit & Supervisory Board, TDK strives to ensure the soundness, compliance, and transparency of management through the introduction of various mechanisms to strengthen corporate governance with the aim of enhancing long-term corporate value.

Regarding the Board of Directors, we strive for swift management decision-making by having a small number of members, and we actively appoint independent outside directors with no conflicts of interest so as to strengthen monitoring functions. Discussions are conducted from a long-term perspective. In addition, to strengthen supervisory functions over management, three committees have been

established as advisory bodies to the Board of Directors (the Nomination Advisory Committee, Compensation Advisory Committee, Corporate Governance Committee).

Regarding the execution of business, TDK endeavors to ensure swift decision-making and to clarify responsibility and authority in business execution through the adoption of a corporate officer system. In addition, regarding global Group management, TDK trusts people who share the same goals and principles and delegates authority to them. Furthermore, to ensure transparency toward stakeholders, TDK advocates a policy of Empowerment and Transparency and is promoting reforms to realize an autonomous and decentralized organization.

Corporate governance structure chart



Roles and authorities of the Board of Directors, ECM, and BCs/BGs “Empowerment & Transparency”



Corporate governance at TDK is based first of all on conducting rigorous discussions within the ECM on the business execution side. The Board of Directors then issues its management decisions based on even more thorough discussion of the conclusions presented by the ECM that also incorporate outside perspectives. This not only increases management transparency and ensures trust, but also speeds management decision-making by advancing the delegation of authority to the business execution side. In this way, the Board of Directors and the executive side maintain an appropriate relationship of both tension and trust and an ongoing cycle of rigorous discussion, ensuring transparency, and delegation of authority, creating a balance between effective governance and management speed. Note that the number of members on both the Board and the ECM is limited to achieve active, effective discussions while also ensuring diversity. To ensure fairness in these discussions, both groups are comprised of members that do not include the individuals responsible for the respective businesses.

Activities of the Board of Directors/Advisory Committees

Operational policy of the Board of Directors

The Board of Directors formulates the basic policy for operation of the Board of Directors as well as key items for discussion on an annual basis based on the results of the effectiveness evaluation of the Board of Directors. The operational policy for the previous term (T129) was as follows.

Basic policy for operation of Board of Directors for T129

Directors, Audit & Supervisory Board Members, and executive officers work together towards the common goal of TDK's sustainable growth and the improvement of its medium to long-term corporate value. In the first year of the current Medium-term Plan, T129, the Board of Directors will engage in discussions regarding the business portfolio strategy and risk management, which are crucial elements for achieving the Medium-term Plan. They will also consider the optimal governance structure in line with the medium-term period.

Key discussion items of Board of Directors in T129

1. Business Portfolio Strategy
2. Risk Management
3. Governance Structure

From the T130, we will focus on discussing the following themes.

Approach to future meetings of the Board of Directors themes	
1. Long-term growth strategy	
1-1 Company-wide issues	Discussions aimed at achievement of the company-wide long-term Plan, business portfolio strategy, etc.
1-2 Financial strategy	Capital policy, etc.
1-3 Pre-financial strategy	Key issues (materiality), sustainability, human resource, stakeholder engagement, etc.
1-4 Business strategy	Business plan progress and growth strategy
2. Risk management	ERM activities (geopolitical risk, procurement risk, climate change risk, etc.)
3. Technology development strategy	Capability to envision the future and capability to execute (R&D, CVC, marketing, IP, production technology, quality assurance, DX)

Members of Advisory Committees (FY March 2025)

◎ Chair of the board-Chairperson ○ Members

	Board of Directors	Nomination Advisory Committee	Compensation Advisory Committee	Corporate Governance Committee
Number of times held	13 times	12 times	10 times	4 times
Noboru Saito (Representative Director)	○ 13 out of 13	○ 12 out of 12	—	○ 4 out of 4
Tetsuji Yamanishi (Representative Director)	○ 13 out of 13	—	○ 10 out of 10	◎* 3 out of 3
Shigeki Sato (Director)	○ 13 out of 13	—	—	—
Kozue Nakayama (Outside Director)	○ 13 out of 13	◎ 12 out of 12	○ 10 out of 10	○ 4 out of 4
Mutsuo Iwai (Outside Director)	◎ 13 out of 13	○ 11 out of 12	○ 9 out of 10	○ 4 out of 4
Shoei Yamana (Outside Director)	○ 13 out of 13	○ 12 out of 12	◎ 10 out of 10	○ 4 out of 4
Toru Katsumoto (Outside Director)	○* 10 out of 10	○* 7 out of 9	○* 6 out of 8	○* 3 out of 3

* following appointment in June 2024

Discussions outside the Board of Directors

Members	All Directors and all Audit & Supervisory Board members
Number of times held	2 times
Theme	Open discussions are regularly held with the aim of deepening and improving the effectiveness of discussions at meetings of the Board of Directors. For T129, discussions were held on risk management, portfolio strategy, sustainability disclosure, and other topics.

Meetings of outside directors only

Members	All outside directors and all outside Audit & Supervisory Board members
Number of times held	4 times (including 1 time with full-time Audit & Supervisory Board members)
Theme	From the perspective of ensuring that outside directors actively contribute to discussions at the Board of Directors, meetings exclusively attended by outside directors and outside Audit & Supervisory Board members are held on a regular basis. These meetings are intended to facilitate exchanges of information and shared perceptions based on the attendee's independent and objective positions.

The Corporate Governance Committee

Members	4 outside directors, 2 inside directors, and 1 corporate officer
Number of times held	4 times
Theme	The Committee is an organization which undertakes considerations on the ideal configurations of TDK's medium- to long-term corporate governance. For T129, discussions were held on the operational policy of the Board of Directors and recommendations made to the Board. The Committee also undertook a review on the pursuit of an optimal governance structure; formulated a plan for the Board of Directors evaluation; confirmed the operational status of the internal control system; and verified the status of compliance with the Corporate Governance Code.

Succession Plan



Kozue Nakayama

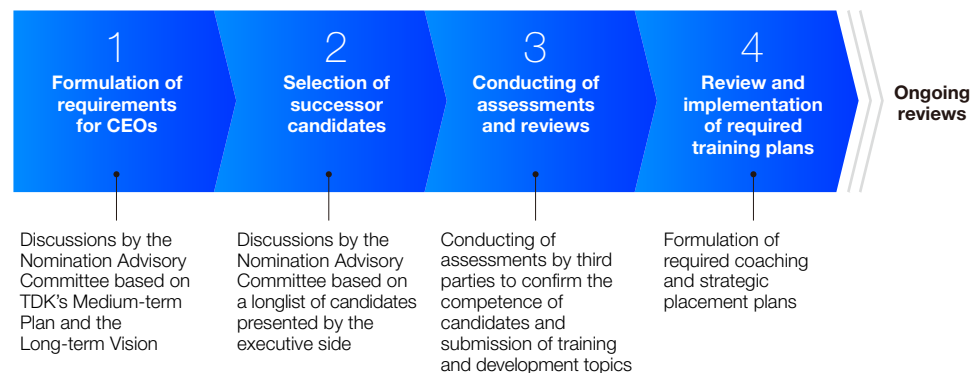
Outside Director,
Chair of Nomination
Advisory Committee

Activities of the Nomination Advisory Committee

The Nomination Advisory Committee continues to advance improvements in governance in concert with the Corporate Governance Committee and the Compensation Advisory Committee. Proceeding forward after having clarified the policies and procedures for election of Directors and Audit & Supervisory Board Members, the Committee is discussing the requirements demanded of both the CEO and the incoming management team and carrying out investigations regarding succession as a team starting with CxOs. Working with global succession planning led by the Human Resources HQ, we are expanding our pool of human resource by selecting a diverse range of candidates from various countries. Aside from discussions in the Committee, each member gets evaluations from third parties and holds offsite interviews with candidates. We are striving through this to get a broad-based sense of conditions on the ground and improve effectiveness even as we keep eye on the future.

CEO Succession Planning

The Nomination Advisory Committee undertakes considerations on CEO succession planning. The Committee agrees on the required criteria for CEOs in terms of their skills, experience, and distinguishing characteristics, with the potential CEOs identified from among the pool of candidates in succession planning for key positions as well as graded training conducted by the Human Resources HQ. The training and experiences necessary to assume the role of CEO is then provided and the appropriate candidate is selected.



Policy and procedures for election of Directors and Audit & Supervisory Board Members

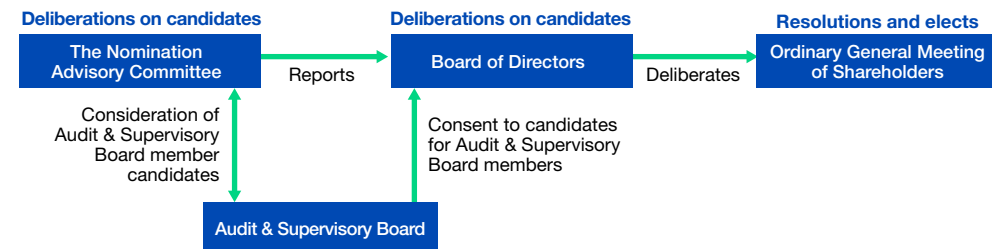
Policy for election of Directors and Audit & Supervisory Board Members

The Company's policy for election of Directors and Audit & Supervisory Board Members is as follows.

- (1) The candidate must be able to understand the Company's board culture and share its values.
- (2) The candidate must have excellent character and insight, as well as experience and abilities to contribute to the sustainable growth of TDK and the enhancement of its corporate value over the medium to long term.
- (3) The candidate must have a high sense of legal compliance and ethics.
- (4) The Company shall strive to balance diversity, including gender, internationality, and professional experience, with appropriate size for the Board of Directors as a whole, including Directors and Audit & Supervisory Board Members.
- (5) Outside Directors and Outside Audit & Supervisory Board Members must satisfy the requirements provided in the items to be verified regarding independence established by the Company.
- (6) Independent Outside Directors must include those with management experience at other companies.
- (7) At least one (1) of the Audit & Supervisory Board Members must have sufficient knowledge of finance and accounting.

Procedures for election of Directors and Audit & Supervisory Board Members

In selecting candidates for Directors and Audit & Supervisory Board Members, the Nomination Advisory Committee, the Chair and more than half of the members of which are Independent Outside Directors, shall thoroughly deliberate on the candidates and report to the Board of Directors. The Board of Directors shall respect and deliberate the contents of the report, decide on the candidates for Directors and Audit & Supervisory Board Members, and submit them to the General Meeting of Shareholders. In selecting candidates for Audit & Supervisory Board Members, the Audit & Supervisory Board shall review the candidates in advance, and with the consent of the Audit & Supervisory Board, the Board of Directors shall select the candidates.



Skills Matrix (As of the end of June 2025)

In selecting candidates possessing the respective skills, consideration is given to the overall balance and diversity of the directors and Audit & Supervisory Board Members taken as an integrated whole as the constituent members of the Board of Directors.

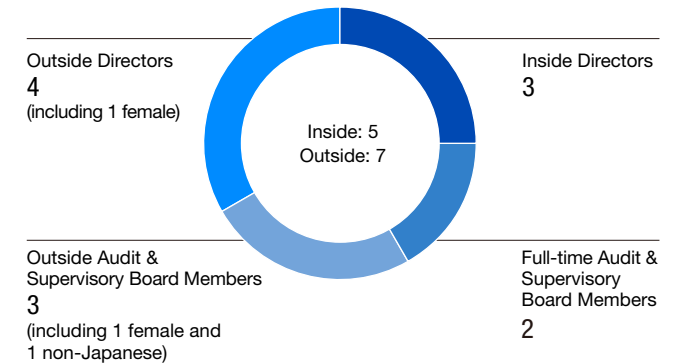
	Name	Position	Corporate Management	Global Business Experience	Sales/Marketing	ESG/Sustainability	Technology/Research & Development	Manufacture/Production Technology	Finance/Accounting	Legal/Compliance/Risk Management
Directors	Noboru Saito	Representative Director, President & CEO	●	●	●	●				
	Tetsuji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

* "Global business experience" includes practical experience in global business as well as experience related to overseas business.

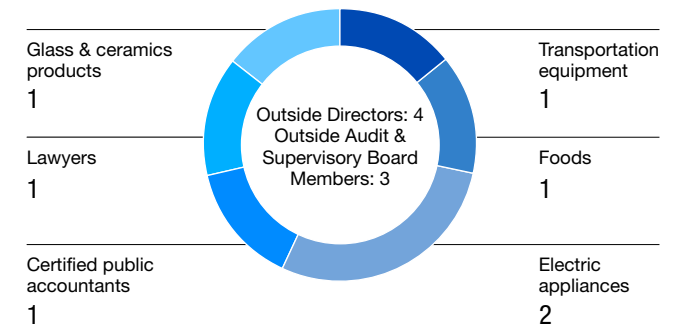
Fields where the Company especially expects Directors and Audit & Supervisory Board Members to demonstrate their skills

Skills the Company expect	Reasons for selecting the skills in question
Corporate Management	To contribute to a sustainable society and increase corporate value, the ability to perform in corporate management and to manage and supervise executive divisions is required.
Global Business Experience	Experience and knowledge in global business are essential in TDK where over 90% of net sales is recorded outside of Japan.
Sales/Marketing	Sales and marketing skills are necessary to understand market demands and create new business opportunities from the conception of both technology-out and market-in.
ESG/Sustainability	In order to align and advance both the sustainability of society and the sustainability of TDK (i.e., the long-term enhancement of corporate value), an adequate understanding of ESG and sustainability is an essential element in the effective oversight of corporate management.
Technology/Research & Development	As under the Corporate Motto "Contribute to culture and industry through creativity", the Company aims to be a company that contributes to the realization of a sustainable future by accelerating the advancements in technology and the transformation of society.
Manufacture/Production Technology	An adequate understanding and passion for Monozukuri (manufacturing excellence) is required as quality and reliability of products are the foundation of TDK's business.
Finance/Accounting	To aim for sustainable growth and carry out necessary investments, knowledge in finance and accounting, which supports a sound and solid financial basis, is required.
Legal/Compliance/Risk Management	Legal, compliance and risk management skills are necessary to respond to the trust of all stakeholders and to increase corporate value in a sound and sustainable manner.

Composition of directors and Audit & Supervisory Board Members (as of the end of June 2025)



Backgrounds of Outside Directors and outside Audit & Supervisory Board Members



Remuneration for Executives



Shoei Yamana

Outside Director,
Chair of Compensation
Advisory Committee

Activities of the Compensation Advisory Committee

The Compensation Advisory Committee deliberates on the framework and level of remuneration for directors and corporate officers and on the remuneration decision-making process. Lately, however, it feels to me like more substantial discussions that go beyond just that framework and level to cover areas such as ideal forms of remuneration as proper incentives for executives are actively taking place. Following previous term's major revisions to our executive remuneration system, this term, we especially dedicated time to discussing and refining the ideal nature of the linkage of remuneration with business performance and our approach to evaluation indicators for Corporate Officers. With TDK being a global company, nearly half of Corporate Officers are non-Japanese who reside outside Japan. As such, we also engage in ongoing discussions of how to establish remuneration and evaluation systems that factor into differences in regional and market levels, but are simultaneously fair and consistent for executives overall.

Governance for remuneration

Decision-making process

TDK has in place a Compensation Advisory Committee acting as an advisory body to the Board of Directors, which is chaired by an independent outside director and of which a majority of the members are composed of independent outside directors. The Committee examines the remuneration system and the level of remuneration pertaining to Directors and corporate officers of TDK, submits a report to the Board of Directors, and thereby contributes to the securement of transparency of the remuneration decision-making process and appropriateness of individual remunerations in light of corporate business performance, individual performance and general industry standards, among other factors. The remuneration of Directors and corporate officers of TDK is discussed by the Compensation Advisory Committee and then resolved by the Board of Directors.

Clawback and malus provision

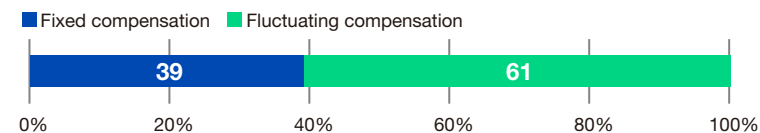
TDK has adopted a clawback and malus provision that allows the company to forfeit the right to be issued payment or shares, or to demand a reduction or recoupment of remunerated sums based on deliberations by the Compensation Advisory Committee and a resolution passed by the Board of Directors in the event of a sudden and dramatic deterioration in performance, malfeasance, or violations of the law.

Structure of remuneration for directors and Audit & Supervisory Board members, eligible for payment

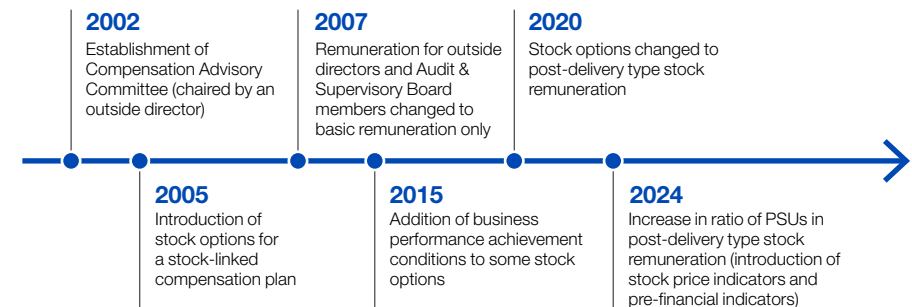
Type of remuneration	Details of remuneration	Fixed/ Fluctuating	Eligible for payment			
			Directors concurrently serving as corporate officers	Directors not concurrently serving as corporate officers	Outside directors	Audit & Supervisory Board members
Basic remuneration	Monetary compensation paid monthly	Fixed	●	●	●	●
Results-linked bonus	Monetary compensation which is paid at predetermined times each year with an emphasis on the linkage with short-term performance. The amount of the bonus fluctuates within a range of 0% to 200% of the standard payment amount depending on the degree of attainment of the consolidated results for the fiscal year under review and the targets set for each division.	Fluctuating (single fiscal year)	●	—	—	—
Post-delivery type stock remuneration	RSU ^{*1}	Fixed	●	●	—	—
	PSU ^{*2}	Fluctuating (medium- to long-term)	●	—	—	—

*1 Restricted stock unit *2 Performance share unit

Ratio of fixed compensation and fluctuating compensation



Major initiatives to date

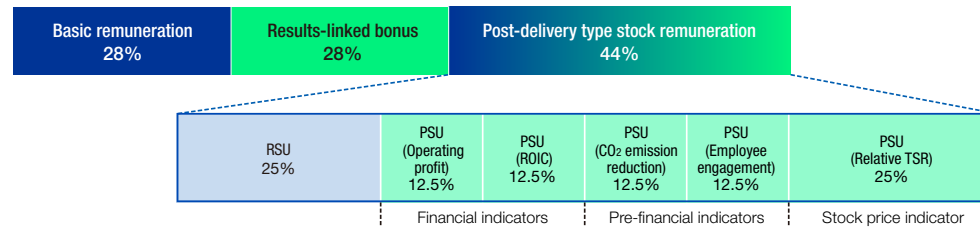


Remuneration for Executives

Increasing the ratio of results-linked stock remuneration

In June 2024, TDK revised its post-delivery stock remuneration system to increase the ratio of stock remuneration linked to business performance while maintaining the current level of basic remuneration (fixed compensation). As evaluation indicators for PSUs, the Company has introduced environmental and social indicators in order to increase the willingness to contribute to the realization of a sustainable society, and to introduce stock price indicators in order to further motivate management practices that are conscious of the cost of capital and stock price.

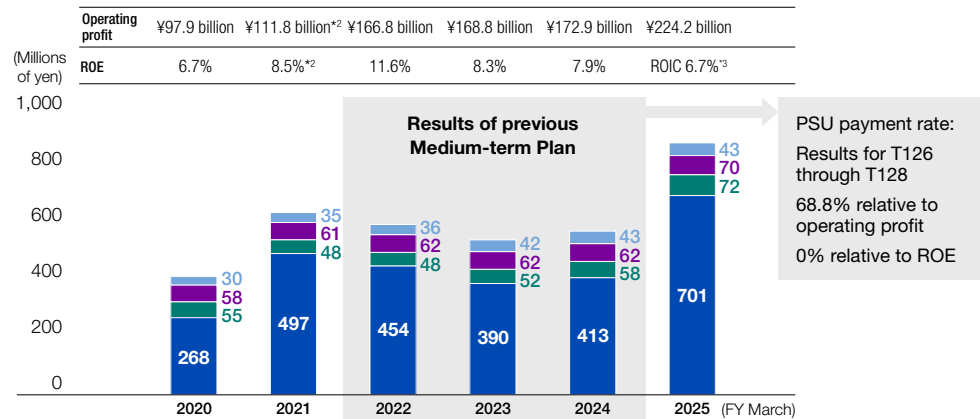
Breakdown of remuneration



* In the case that the Representative Director, President & CEO achieves 100% of performance targets, etc.

Trends in total amount of remuneration for directors and Audit & Supervisory Board members

■ Outside Audit & Supervisory Board Members ■ Inside Audit & Supervisory Board Members
■ Outside Directors ■ Inside Directors



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

*2 TDK has adopted the IFRS on its consolidated financial statements in the annual Securities Reports from the FY March 2022 in place of the US-GAAP. The figures for the FY March 2021 are also presented in accordance with IFRS.

*3 TDK has adopted ROIC as an indicator for results-linked bonus from the FY March 2025.

Progress against PSU evaluation indicators

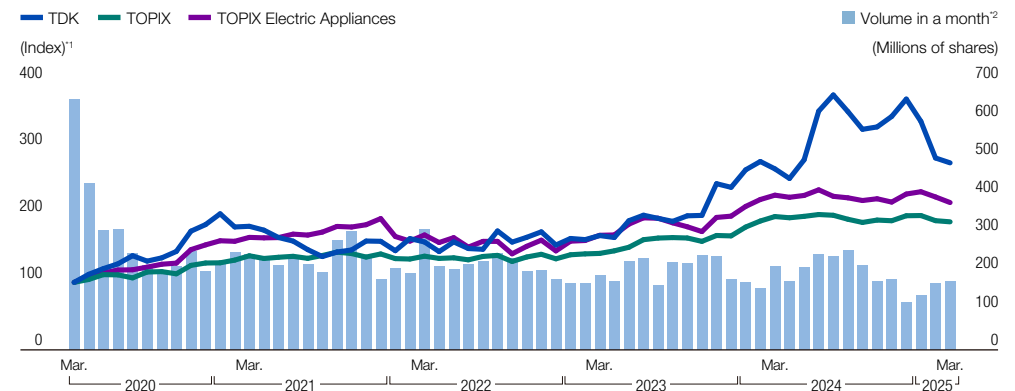
Classification	Evaluation indicators	Percentage of payment	Plan	Results of FY March 2025
Financial indicators	Operating profit targets in the Medium-term Plan	0-100%	(3 year cumulative) 668.4 billion yen	224.2 billion yen
	ROIC targets in the Medium-term Plan		8.1%	6.7%
Pre-financial indicators	Targets for CO2 emission reduction in the Medium-term Plan		Target for CO2 emission reduction ratio in the Medium-term Plan 23.3% (SBTi Scope 1 + 2, vs FY March 2022)	47.7% reduction
	Targets for employee engagement in the Medium-term Plan		· Communication score 75pt · Response rate 80%	· Communication score 68pt · Response rate 90% (as of September 2024)
Stock price indicator	Relative TSR (vs. TOPIX)	0-200%		See figure below

Total shareholder return (TSR)*

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Total shareholder return (%)	185.1	164.6	177.9	280.7	295.0
(Benchmark: TOPIX index)	142.1	145.0	153.4	216.8	213.4

* The formula for calculating total shareholder return for each fiscal year is as follows. (Stock price at the end of each fiscal year + accumulated amount of dividends per share from 4 fiscal years prior to the current fiscal year to each fiscal year) / Stock price at the end of 5 fiscal years prior to the current fiscal year.

Stock price and volume



*1 The stock price data on the last day of March 2020 is set as 100.

*2 Effective October 1, 2024, TDK implemented a share split at a ratio of five shares per common share. Figures are calculated assuming that the share split was implemented at the last day of March 2020.

Effectiveness Evaluation of the Board of Directors (Process)

Continuous improvement based on effectiveness evaluation

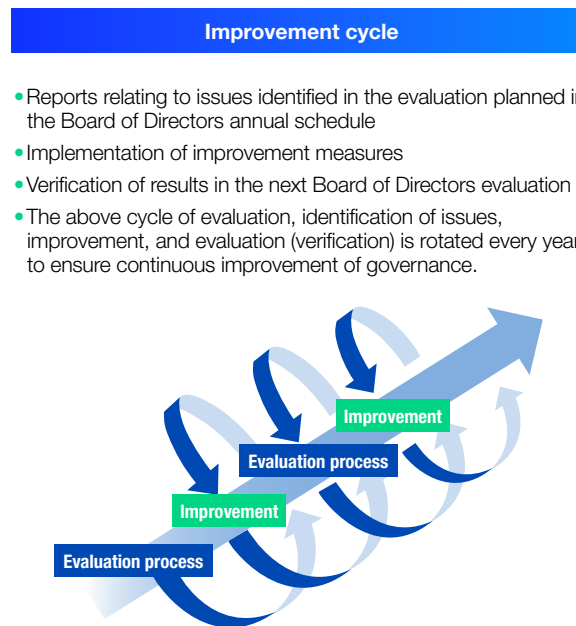
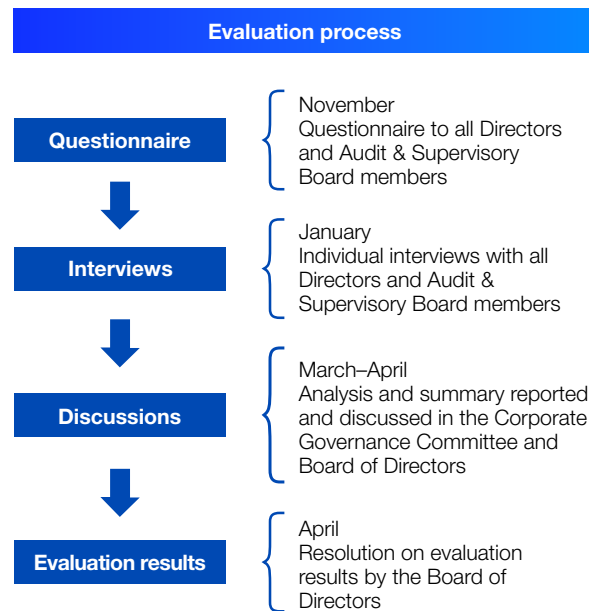
TDK conducts an effectiveness evaluation of the Board of Directors each year in order to verify whether the functions expected of the Board of Directors are properly performed and enhance such functions. Also, TDK requests a third-party evaluation institution to evaluate the effectiveness of the Board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

In the Board of Directors evaluation for the FY March

2025, the Company requested a preliminary evaluation from a third-party evaluation institution (conducting surveys and interviews and performing a third-party evaluation based on the results), and after discussions by the Corporate Governance Committee and the Board of Directors, the Company conducted a final evaluation.

As for the issues identified in the evaluation for the previous fiscal year, TDK implements remedial measures and verifies their results, thereby creating a cycle for continuous improvement of governance.

The Board of Directors evaluation process and governance improvement cycle



Questionnaire Items (Major Items)

- (1) Formulation of Long-term Vision, etc., and management issues and risks (questions and free answers)
- (2) Role and function of the Board of Directors (questions and free answers)
- (3) Size and composition of the Board of Directors (questions and free answers)
- (4) Operation of the Board of Directors (questions and free answers)
- (5) Discussions at the Board of Directors meetings (questions and free answers)
- (6) Composition and role of the Nomination Advisory Committee (questions and free answers)
- (7) Operation of the Nomination Advisory Committee (questions and free answers)
- (8) Composition and role of the Compensation Advisory Committee (questions and free answers)
- (9) Operation of the Compensation Advisory Committee (questions and free answers)
- (10) Composition and role of the Corporate Governance Committee (questions and free answers)
- (11) Operation of the Corporate Governance Committee (questions and free answers)
- (12) Support system for Outside Directors (questions and free answers)
- (13) Role of the Audit & Supervisory Board Members and expectations of the Audit & Supervisory Board Members (questions and free answers)
- (14) Relationship with investors and shareholders (questions and free answers)
- (15) Governance structure of TDK and effectiveness of the Board of Directors in general (free answers)
- (16) Self-evaluation by Directors and Audit & Supervisory Board Members (free answers)

* The survey is multifaceted, with detailed sub-items underneath the major items described above. While certain question items are not changed in the effective evaluation questionnaire in order to enable continuous measurement each year, the other question items are reviewed each year in order to enhance the quality of the evaluation. Also, many "free comment fields" are provided in order to collect different and various opinions and suggestions without regard to the questionnaire items.

Effectiveness Evaluation of the Board of Directors (Results)

Primary Evaluation by the third-party evaluation institution

Summary of Evaluation Results

General comment

- It is recognized that TDK's Long-term Vision and Medium-term Plan were formulated after considering TDK's ideal form from a long-term perspective and after sufficient discussions at the Board of Directors meetings, and it is highly regarded that the most important role of the Board of Directors, which is to discuss long-term management plans and strategies, is appropriately fulfilled.
- In light of the rapid and significant growth of the TDK Group and the expectation of further expansion in the future through the growth strategy, it is considered necessary to further exercise the role and functions of the Board of Directors in the future, and at the same time, it is considered necessary to consider a wide range of measures, such as strengthening the structure of the executive side, including the corporate functions and the internal audit department.

Evaluation of the effectiveness of the Board of Directors and future issues

- The Chair of the Board, Outside Directors, Internal Directors, and Audit & Supervisory Board Members appropriately participate in discussions from their respective standpoints and contribute to discussions at the Board of Directors, and the current composition of members is highly regarded as appropriate. It has been pointed out that it is still important to ensure diversity.
- There is a need to concretize a long-term growth strategy that looks beyond the Medium-term Plan. In doing so, it is considered necessary to have a company-wide perspective, taking into account the characteristics of the Company's business and risks, and keeping in mind strategic thinking that is conscious of the trends and needs of the end customer.
- In order to realize and achieve the Long-term Vision and the Medium-term Plan, it is considered necessary to deepen discussions at the Board of Directors on the following important issues.
 - Ideal Business Portfolio
 - Understanding and Responding to Business Risks
 - Enhancement of corporate functions
 - Group Governance
 - Particularly important themes for pre-financed capital, such as the development of management and the promotion of diversity
- From the point of view of delegation of authority to the executive side, it is considered appropriate to set the agenda of the Board of Directors meeting. In the future, it is expected that the Board of Directors will clarify the points to be discussed and set flexible agendas in light of the importance of the content.
- The Nomination Advisory Committee and the Compensation Advisory Committee are evaluated as being operated appropriately. There is a need to further share with the Board of Directors the nomination process and the issues related to management development.

Relative evaluation of TDK's Board of Directors (compared to other companies)

Compared to other companies, TDK's Board of Directors is evaluated as having a high level of discussion among internal and Outside Directors and Audit & Supervisory Board Members, and the discussions are future-oriented and conducive to corporate value while maintaining a deep mutual trust and healthy tension.

Progress in addressing issues identified in the effectiveness evaluation of the previous fiscal year

The following issues reported in the previous fiscal year were addressed in the annual plan of the Board of Directors, and efforts for improvement were recognized.

Issue 1, Decision-making by the Board of Directors to achieve the Medium-term Plan

In order to monitor the execution of the Medium-term Plan (FY March 2025 – FY March 2027) and support its achievement, the Board of Directors deepened discussions and confirmed the direction of "Business Portfolio Strategy" and "Risk Management at the Management Level", which are important elements of the Medium-term Plan.

<Business Portfolio Strategy>

- The Board of Directors has set the strengthening of business portfolio management as a priority measure in the formulation of the Medium-term Plan.
- The executive side has revised the business portfolio evaluation process, which will be applied from FY March 2025.
- At the off-site meeting in December 2024 and the Board of Directors meeting in February 2025, business portfolio management was discussed.

<Risk management at the management level>

- At the off-site meeting in August 2024, the direction of future discussions on group risk management was discussed.
- From the FY March 2025, the executive side introduced vulnerability assessments linked to materiality and improved company-wide risk management.
- In October 2024, an outside expert was invited as a lecturer and a study session was held for executives on geopolitical risks.
- At the off-site meeting in December 2024, a study session was held for board members on sustainability disclosure requirements.
- At the Board of Directors Meeting in December 2024, company-wide risk management was discussed.

Issue 2, Strengthen engagement activities with stakeholders

In order to contribute to corporate value by the Board of Directors, we have strengthened stakeholder engagement activities as in the previous fiscal year and expanded the scope of "Open Board" activities to external stakeholders (shareholders, investors, etc.). In addition, the Board of Directors held a discussion on strengthening PR and brand capabilities and promoted the strengthening of communication with stakeholders by the executive side.

- The Chair of the Board (Outside Director) participated in the briefing for institutional investors in June 2024.
- The Board of Directors meeting in September 2024 was held at the Group's site (Nagaoka, Niigata Prefecture) and a town hall meeting was held with local employees (an "open board" activity).
- At the Board of Directors meeting in November 2024 and January 2025, Branding and PR strategies were discussed.
- Information was regularly disseminated through the Board of Directors newsletter "The Board" on the company intranet.
- Outside directors are scheduled to participate in IR events scheduled to be held in the FY March 2026 multiple times.

Issue 3, Pursuit of an optimal governance system with an eye on the period of the Medium-term Plan

While Board members recognize that the effectiveness of the Board of Directors is sufficiently ensured, we have repeatedly discussed the optimal governance system for TDK with the aim of further improving its effectiveness. In addition, the Skills Matrix was verified, the nomination process was clarified, independent outside directors with the necessary skills were invited, and shifted to a system in which independent outside directors make up the majority of directors.

- At the Ordinary General Meeting of Shareholders in June 2024, Mr. Katsumoto outside director was appointed, and the majority of the directors were made up of independent outside directors.
- The Board of Directors, the Corporate Governance Committee, and off-site meetings discussed the optimal governance system on multiple occasions.

Results of the Effectiveness Evaluation (Conclusion)

In this evaluation, the Board of Directors considered the effectiveness of the Board of Directors to be the "appropriate fulfillment of the roles and functions (management supervision, decisions on important matters, etc.) expected of the Board of Directors in realizing the company's sustainable growth" and conducted an evaluation in terms of whether there is a mechanism to guarantee this, whether appropriate deliberations and active and substantive discussions take place, and whether the results of these deliberations and discussions lead to improved management.

Based on the primary evaluation by the third-party evaluation institution, the Board of Directors, as a result of conducting deliberations several times, confirmed that the effectiveness of the Board of Directors and its Advisory Committees (Nomination Advisory Committee, Compensation Advisory Committee and Corporate Governance Committee) was sufficiently secured in terms of their size and composition, the content of the agenda items and deliberations, the status of discussions, their reflection in management, etc.

In addition, the Board of Directors confirmed that it continues to enhance its effectiveness by making improvements based on the results of the Board of Directors evaluation in the previous fiscal year.

Future Issues

As a result of the effective evaluation of the Board of Directors this time, the following two items are recognized as the main issues that the Board of Directors should address in the future.

Item 1, Continued discussion of medium- to long-term strategies at the Board of Directors meetings

The Board of Directors needs to continue discussions on how to materialize a long-term growth strategy that looks beyond the Medium-term Plan. Specifically, we will delve into discussions on the following themes. In addition, attention should be paid to clarifying the points that should be discussed by the Board of Directors and to adding clarity to the content of the report.

- Business Portfolio Strategy
- Enhancement of corporate functions
- Company-wide Risk Management
- Group Governance
- Particularly important themes for pre-financed capital, such as the development of management and the promotion of diversity

Item 2, Pursuit of an optimal governance system, including further strengthening of the audit system

In order to further improve the governance function, we will continue to pursue the optimal governance system and the composition of the Board of Directors. In order to respond to the expansion of the global scale of business and changes in social conditions, we will further strengthen the organizational audit system based on strengthening the structure of the internal audit department and strengthening cooperation with the Audit & Supervisory Board.

Directors, Audit & Supervisory Board Members, and Corporate Officers (As of the end of June 2025)

Directors



Noboru Saito
Representative Director

Jun. 2022 Representative Director of the Company
Apr. 2024 President & CEO of the Company
General Manager of Humidifier Countermeasures HQ of the Company



Tetsuji Yamanishi
Representative Director

Jun. 2018 Representative Director of the Company
Apr. 2024 Senior Executive Vice President of the Company
Chief Financial Officer of the Company



Shuichi Hashiyama
Director

Apr. 2021 Corporate Officer of the Company
Jun. 2023 Outside Director of TODA KOGYO CORP.
Apr. 2025 CTO of the Company
General Manager of Technology & Intellectual Property HQ of the Company
Jun. 2025 Director of the Company



Kozue Nakayama
Outside Director

Jun. 2019 Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd.
Jun. 2020 Outside Director of the Company
Jun. 2022 Outside Director of The Nanto Bank, Ltd.



Mutsuo Iwai
Outside Director

Jun. 2021 Outside Director of the Company
Mar. 2022 Member and Chairperson of the Board of JT



Shoei Yamana
Outside Director

Jun. 2022 Outside Director of the Company
Jun. 2023 Senior Advisor of Konica Minolta, Inc.
Outside Director of Zensho Holdings Co., Ltd.
Jun. 2024 Outside Director of JAPAN POST INSURANCE Co., Ltd.
Outside Director of SCSK Corporation



Toru Katsumoto
Outside Director

Apr. 2022 Senior Executive Vice President of Sony Group Corporation (resigned in Jun. 2022)
Jun. 2024 Outside Director of the Company

Audit & Supervisory Board Members



Takakazu Momozuka
Full-time Audit & Supervisory Board Member

Jun. 2019 Full-time Audit & Supervisory Board Member of the Company



Masato Ishikawa
Full-time Audit & Supervisory Board Member

Jun. 2023 Full-time Audit & Supervisory Board Member of the Company



Douglas K. Freeman
Outside Audit & Supervisory Board Member

Sep. 2007 Principal of Law Offices of Douglas K. Freeman (current Freeman & Partners)
Apr. 2019 Professor of Keio University Law School
Jun. 2019 Outside Audit & Supervisory Board Member of the Company



Chizuko Yamamoto
Outside Audit & Supervisory Board Member

Jun. 2020 Principal of Chizuko Yamamoto CPA Office
Aug. 2020 Outside Audit & Supervisory Board Member of Ozu Corporation
Jun. 2021 Outside Director of Tokyo Rope Mfg. CO., Ltd.
Jun. 2023 Outside Audit & Supervisory Board Member of the Company



Takashi Fujino
Outside Audit & Supervisory Board Member

Jun. 2021 Outside Director of Kyokuto Boeki Kaisya, Ltd.
Jun. 2023 Outside Audit & Supervisory Board Member of the Company

Corporate Officers

President & CEO

Noboru Saito

Senior Executive Vice President

Tetsuji Yamanishi

Executive Vice Presidents

Andreas Keller

Shigeki Sato

Senior Vice President

Michael Pocsatko

Corporate Officers

Albert Ong

Fumio Sashida

Ji Bin Geng

Werner Lohwasser

Taro Ikushima
Shuichi Hashiyama

Roshan Thapliya

Ludger Trockel

Takao Tsutsui

Ikuo Fukuchi

Joe Kit Chu Lam

Jim Tran

Takeshi Takahashi

* Only present post are listed in the career summary.

Data Section

Key Financial Data for the Past 10 Years

TDK has adopted the IFRS on its consolidated financial statements in the annual Securities Reports from the FY March 2022 in place of the US-GAAP. The figures for the FY March 2021 are also presented in accordance with IFRS. Account titles are presented in accordance with the IFRS.

Consolidated business highlights	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21 (IFRS)	FY3/22 (IFRS)	FY3/23 (IFRS)	FY3/24 (IFRS)	Millions of yen FY3/25 (IFRS)
Net sales	1,152,255	1,178,257	1,271,747	1,381,806	1,363,037	1,479,008	1,902,124	2,180,817	2,103,876	2,204,806
(Overseas sales)	1,061,203	1,073,024	1,158,004	1,268,437	1,252,634	1,361,803	1,753,086	2,004,381	1,919,245	2,030,391
Cost of sales	831,123	855,948	928,525	985,321	959,714	1,052,410	1,338,276	1,596,295	1,500,858	1,516,764
Selling, general and administrative expenses	227,185	239,446	257,630	287,561	289,771	328,217	410,568	434,803	452,520	494,029
Operating profit	93,414	208,660	89,692	107,823	97,870	111,814	166,775	168,827	172,893	224,192
Profit before tax	91,839	211,717	89,811	115,554	95,876	117,263	172,490	167,219	179,241	237,808
Net profit attributable to owners of parent	64,828	145,099	63,463	82,205	57,780	74,681	131,298	114,187	124,687	167,161
Purchase of tangible and intangible assets	160,674	167,631	178,612	173,592	173,429	212,196	291,337	275,709	218,589	225,290
Depreciation and amortization	83,224	87,491	92,171	106,631	124,984	148,356	177,031	206,285	190,546	196,228
Research and development expenses	84,920	91,254	102,641	115,155	117,489	127,409	165,250	179,467	188,860	253,586
Cash flows from operating activities	151,563	160,136	91,310	140,274	222,390	230,855	178,987	262,772	447,007	445,839
Cash flows from investing activities	(140,585)	(71,111)	(246,099)	(140,179)	(41,964)	(231,418)	(281,546)	(234,402)	(216,592)	(244,842)
Cash flows from financing activities	29,305	(37,753)	110,088	9,435	(121,769)	21,082	113,743	14,947	(146,368)	(143,333)
Free cash flow	10,978	89,025	(154,789)	95	180,426	(563)	(102,559)	28,370	230,415	200,997
Cash and cash equivalents at end of period	285,468	330,388	279,624	289,175	332,717	380,387	439,339	506,185	649,998	697,307
Total assets	1,450,564	1,664,333	1,905,209	1,992,480	1,943,379	2,359,663	3,041,653	3,147,027	3,415,304	3,541,415
Total equity attributable to owners of parent	675,361	793,614	824,634	877,290	843,957	958,929	1,300,317	1,458,446	1,707,332	1,800,070
Interest-bearing debt	335,737	334,132	483,019	520,268	424,690	521,822	679,813	752,158	685,736	608,400
Working capital	289,760	388,542	296,899	208,165	247,577	202,547	470,814	603,000	711,085	738,398
Number of shares issued (thousands)	129,591	129,591	129,591	129,591	129,591	388,772*1	388,772	388,772	388,772	1,943,860*2
										Yen
Per-share data										
Net profit attributable to owners of parent (basic)	514.2	1,150.2	502.8	651.0	457.5	628.1*1	346.4	301.2	328.7	88.1*2
Total equity attributable to owners of parent	5,355	6,289	6,532	6,947	6,681	7,944*1	3,431	3,845	4,500	949*2
Dividends*3	8.0	8.0	8.7	10.7	12.0	12.0	15.7	21.2	23.2	30.0
Payout ratio (%)	23.3	10.4	25.9	24.6	39.3	30.4	22.6	35.2	35.3	34.1
Key financial ratios										
Overseas sales ratio (%)	92.1	91.1	91.1	91.8	91.9	92.1	92.2	91.9	91.2	92.1
R&D expenses to net sales ratio (%)	7.4	7.7	8.1	8.3	8.6	8.6	8.7	8.2	9.0	11.5
OP margin (%)	8.1	17.7	7.1	7.8	7.2	7.6	8.8	7.7	8.2	10.2
Return on equity (ROE) (%)	9.2	19.8	7.8	9.7	6.7	8.5	11.6	8.3	7.9	9.5
Return on assets (ROA) (%)	4.7	9.3	3.6	4.2	2.9	3.5	4.9	3.7	3.8	4.9
Return on invested capital (ROIC) (%)	6.7	13.4	5.2	5.7	4.3	5.2	7.4	5.5	5.3	6.7
Equity ratio (non-consolidated) (%)	46.6	47.7	43.3	44.0	43.4	40.6	42.8	46.3	50.0	50.8
D/E ratio (times)	0.50	0.42	0.59	0.59	0.50	0.54	0.52	0.52	0.40	0.34

*1 TDK split one share of its common stock into three shares with the effective date of October 1, 2021.

*2 TDK split one share of its common stock into five shares with the effective date of October 1, 2024.

*3 Figures have been converted to align with the post-share split standard of one for five share split, effective from October 1, 2024.

Data Section

Corporate Information

(As of March 31, 2025)

Corporate name	TDK Corporation
Corporate headquarters	Nihonbashi Takashimaya Mitsui Building, 2-5-1, Nihonbashi, Chuo-ku, Tokyo 103-6128
Date of establishment	December 7, 1935
Authorized number of shares	7,200,000,000 shares
Number of shares issued	1,943,859,885 shares
Number of shareholders	57,065


Common stock	¥32,641,976,312
Securities traded	Tokyo Stock Exchange
Securities code	6762
Number of Employees (consolidated)	105,067
Transfer agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233
Independent registered public accounting firm	KPMG AZSA LLC (the Japan member firm of KPMG International)

Principal shareholders (10 largest shareholders)

Name of shareholder	Number of shares held* (thousands of shares)	Percentage of number of shares held in the total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	510,320	26.89
Custody Bank of Japan, Ltd.(Trust account)	240,451	12.67
JP MORGAN CHASE BANK 385632	63,944	3.37
STATE STREET BANK AND TRUST COMPANY 505001	48,599	2.56
STATE STREET BANK WEST CLIENT - TREATY 505234	40,618	2.14
CITIBANK,N.A. -NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	34,444	1.82
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	31,714	1.67
GOVERNMENT OF NORWAY	30,367	1.60
JP MORGAN CHASE BANK 385781	26,869	1.42
JPMorgan Securities Japan Co., Ltd.	24,873	1.31


* Other than the above, the Company holds 46,225 thousand shares of treasury stock.

External evaluation




TDK Corp.
MOST HONORED COMPANY
2025 Japan Executive Team
extel

Extel Japan Executive Team Survey
Most Honored Company (2025)




SX Brand 2025
SX Brands 2025

Integrated report




WICI Japan
Integrated Report Award
Gold Award (2024)




NIKKEI
Integrated Report Award
Award for Excellence (2022-2024)

Government Pension Investment Fund (GPIF)
the Excellent Integrated Reports
(receiving 3 votes)
the Most-improved Integrated Reports
(receiving 2 votes)
by the GPIF's Domestic Equity Managers

IR website



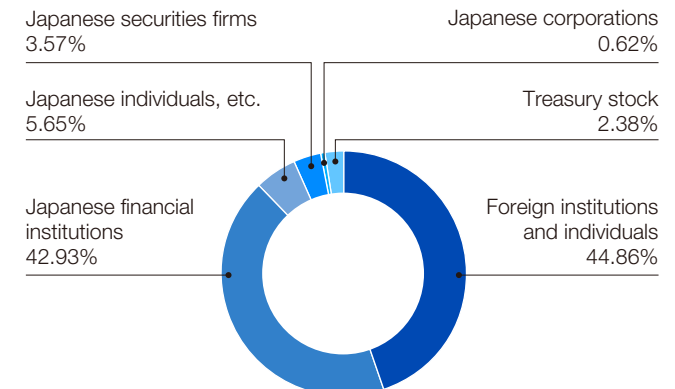
BroadBand Security, Inc.
Gomez IR Site Ranking 2024
Silver Prize



Daiwa Investor Relations Co. Ltd.
Internet IR 2024,
Commendation Award

Nikko Investor Relations Co., Ltd.
All Japanese Listed Companies'
Website Ranking 2024
All Markets Ranking, AAA Website

Status of ownership





TDK Corporation

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