

# **Semi-annual Securities Report**

(The First Half of the 130th Term)

From April 1, 2025 to September 30, 2025

**TDK Corporation**

2-5-1, Nihonbashi, Chuo-ku, Tokyo, Japan

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

**[Cover]**

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## Financial Conditions

### **1. Preparation methods of condensed interim consolidated financial statements**

As TDK Corporation ("TDK") satisfies the requirements for a "Specified Company Complying with Designated International Accounting Standards" as stipulated in Article 1-2, No.2 of the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" ("Regulation of Consolidated Financial Statements") (Ministry of Finance No.28 of 1976), the accompanying condensed interim consolidated financial statements of TDK have been prepared in accordance with International Accounting Standards 34, "Interim Financial Reporting" ("IAS 34") pursuant to Article 312 of the Regulation.

TDK falls under the category of companies listed in the upper column of Article 24-5, Paragraph 1, No.1 of the Financial Instruments and Exchange Act and prepares the type-I interim consolidated financial statements in accordance with Article 1 and 5 of the Regulation.

### **2. Audit certification**

The accompanying condensed interim consolidated financial statements of TDK for the six months ended September 30 (from April 1 to September 30, 2025) have been reviewed by KPMG AZSA LLC as prescribed in Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

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

(Millions of yen)

	Note	March 31, 2025	September 30, 2025
Assets			
Current assets			
Cash and cash equivalents		697,307	795,039
Trade receivables		583,133	728,370
Other financial assets	6	77,304	79,117
Inventories		410,038	475,599
Income taxes receivables		5,852	5,659
Other current assets		63,224	85,558
Total current assets		1,836,858	2,169,342
Non-current assets			
Investments accounted for using the equity method		42,186	45,601
Other financial assets	6	183,840	190,604
Property, plant and equipment	5	1,030,122	1,100,341
Right-of-use assets		73,230	70,416
Goodwill		164,868	177,837
Intangible assets		49,159	47,941
Long-term advances to suppliers		93,850	88,747
Deferred tax assets		54,651	54,821
Other non-current assets		12,651	11,743
Total non-current assets		1,704,557	1,788,051
Total assets		3,541,415	3,957,393

(Millions of yen)

	Note	March 31, 2025	September 30, 2025
Liabilities			
Current liabilities			
Bonds and borrowings	6	187,145	242,295
Lease liabilities		12,654	12,122
Trade payables		392,502	546,793
Other financial liabilities	6	114,502	162,644
Income taxes payables		41,093	56,467
Provisions		12,329	11,742
Other current liabilities		338,235	355,444
Total current liabilities		1,098,460	1,387,507
Non-current liabilities			
Bonds and borrowings	6	346,001	356,107
Lease liabilities		62,600	59,788
Other financial liabilities	6	4,719	3,643
Retirement benefit liabilities		95,368	101,125
Provisions		13,124	12,438
Deferred tax liabilities		94,678	93,821
Other non-current liabilities		15,211	15,870
Total non-current liabilities		631,701	642,792
Total liabilities		1,730,161	2,030,299
Equity			
Equity attributable to owners of parent			
Share capital		32,641	32,641
Capital surplus		264	400
Retained earnings		1,273,453	1,354,784
Other components of equity		509,555	540,950
Treasury shares		(15,843)	(15,734)
Total equity attributable to owners of parent		1,800,070	1,913,041
Non-controlling interests		11,184	14,053
Total equity		1,811,254	1,927,094
Total liabilities and equity		3,541,415	3,957,393

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

(Millions of yen)

	Note	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	4, 8	1,089,501	1,183,363
Cost of sales		(735,388)	(798,959)
Gross profit		354,113	384,404
Selling, general and administrative expenses		(237,989)	(250,192)
Other operating income	9	17,320	13,692
Other operating expenses	9	(142)	(277)
Operating profit		133,302	147,627
Finance income		13,664	15,650
Finance costs		(8,191)	(15,040)
Share of profit (loss) of investments accounted for using the equity method		(1,471)	(760)
Profit before tax		137,304	147,477
Income tax expense		(29,847)	(34,114)
Net profit for the period		107,457	113,363
Net profit attributable to:			
Owners of parent		105,710	111,406
Non-controlling interests		1,747	1,957
Net profit for the period		107,457	113,363

(Yen)

	Note	Six months ended September 30, 2024	Six months ended September 30, 2025
Earnings per share	10		
Basic earnings per share		55.72	58.70
Diluted earnings per share		55.64	58.63

Condensed interim consolidated statements of comprehensive income

(Millions of yen)

	Note	Six months ended September 30, 2024	Six months ended September 30, 2025
Net profit for the period		107,457	113,363
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Net change in fair value of equity instruments measured at fair value through other comprehensive income		4,728	(1,216)
Remeasurements of defined benefit plans		3	(827)
Share of other comprehensive income of investments accounted for using the equity method		26	142
Total		4,757	(1,901)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(73,905)	34,470
Share of other comprehensive income of investments accounted for using the equity method		(1,612)	78
Total		(75,517)	34,548
Total other comprehensive income, net of tax		(70,760)	32,647
Comprehensive income for the period		36,697	146,010
Comprehensive income attributable to:			
Owners of parent		34,896	143,088
Non-controlling interests		1,801	2,922
Comprehensive income for the period		36,697	146,010



## (3) Condensed interim consolidated statements of changes in equity

(Millions of yen)

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

(Millions of yen)

Six months ended September 30, 2025	Note	Equity attributable to owners of parent						Non- controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Other components of equity	Treasury shares	Total		
Balance as of April 1, 2025		32,641	264	1,273,453	509,555	(15,843)	1,800,070	11,184	1,811,254
Comprehensive income for the period									
Net profit for the period		-	-	111,406	-	-	111,406	1,957	113,363
Other comprehensive income, net of tax		-	-	-	31,682	-	31,682	965	32,647
Total comprehensive income for the period		-	-	111,406	31,682	-	143,088	2,922	146,010
Transactions with owners									
Equity transactions with non-controlling interests		-	(1)	-	-	-	(1)	-	(1)
Dividends paid	7	-	-	(30,362)	-	-	(30,362)	(110)	(30,472)
Purchase of treasury shares		-	-	-	-	(0)	(0)	-	(0)
Sale of treasury shares		-	-	-	-	0	0	-	0
Share-based payment transactions		-	245	-	-	-	245	57	302
Exercise of share options		-	(36)	-	-	37	1	-	1
Delivery of share under post-delivery type share remuneration plan		-	(72)	-	-	72	-	-	-
Total transactions with owners		-	136	(30,362)	-	109	(30,117)	(53)	(30,170)
Transfer from other components of equity to retained earnings		-	-	287	(287)	-	-	-	-
Balance as of September 30, 2025		32,641	400	1,354,784	540,950	(15,734)	1,913,041	14,053	1,927,094

## (4) Condensed interim consolidated statements of cash flows

(Millions of yen)

	Note	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities			
Net profit for the period		107,457	113,363
Depreciation and amortization		94,957	96,576
Impairment losses (reversal of impairment losses)		2,480	1,670
Finance income		(13,664)	(15,650)
Finance costs		8,191	15,040
Share of profit of investments accounted for using equity method		1,471	760
Income tax expense		29,847	34,114
Changes in assets and liabilities:			
Decrease (increase) in trade receivables		(49,771)	(138,582)
Decrease (increase) in inventories		(15,204)	(57,036)
Decrease (increase) in long-term advances to suppliers		6,766	6,187
Decrease (increase) in other current assets		(13,634)	(20,222)
Increase (decrease) in trade payables		70,621	153,558
Increase (decrease) in other current liabilities		3,448	14,315
Increase (decrease) in retirement benefit liabilities		(1,603)	(151)
Decrease (increase) in other financial assets		(11,838)	(2,277)
Increase (decrease) in other financial liabilities		4,652	4,787
Other		(895)	(3,063)
Subtotal		223,281	203,389
Interest and dividends received		9,863	9,825
Interest paid		(4,285)	(3,957)
Income taxes paid		(22,997)	(19,878)
Cash flows from operating activities		205,862	189,379

(Millions of yen)

	Note	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from investing activities	12		
Purchase of tangible and intangible assets		(93,451)	(112,739)
Proceeds from sale of tangible and intangible assets		16,248	9,078
Proceeds from withdrawal of time deposits		33,719	59,588
Payments into time deposits		(46,028)	(62,638)
Proceeds from sale and redemption of securities		150	6,827
Payment for purchase of securities		(4,958)	(12,527)
Purchase of investments in associates		(5,975)	(3,966)
Acquisition of businesses		-	(1,343)
Acquisition of subsidiaries, net of cash acquired		-	(10,241)
Other		294	(330)
Cash flows from investing activities		(100,001)	(128,291)
Cash flows from financing activities	7		
Proceeds from long-term borrowings		13,660	6,771
Repayment of long-term borrowings		(73,874)	(36,172)
Net increase (decrease) in short-term borrowings		54,920	15,048
Proceeds from issuance of bonds		-	50,000
Redemption of bonds		-	(30,000)
Net increase (decrease) in commercial papers		-	59,902
Repayment of lease liabilities		(6,734)	(6,333)
Dividends paid		(21,963)	(30,360)
Other		1,199	(635)
Cash flows from financing activities		(32,792)	28,221
Effect of exchange rate changes on cash and cash equivalents		(26,355)	8,423
Net increase in cash and cash equivalents		46,714	97,732
Cash and cash equivalents at beginning of period		649,998	697,307
Cash and cash equivalents at end of period		696,712	795,039

## 5) Notes to the condensed interim consolidated financial statements

### 1. Reporting Entity

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

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

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

### 2. Basis of Preparation

#### (1) Compliance with IAS 34

The condensed interim consolidated financial statements of TDK Group satisfy the requirements for a "Specified Companies Complying with Designated International Accounting Standards" defined in Article 1-2 of the Regulation of Consolidated Financial Statements, and have been prepared in accordance with IAS 34 pursuant to Article 312 of the Regulation.

These condensed interim consolidated financial statements do not contain all the disclosures required for the annual consolidated financial statements and hence should be read in conjunction with the consolidated financial statements for the fiscal year ended March 31, 2025.

The condensed interim consolidated financial statements were approved on November 12, 2025 by Noboru Saito, Representative Director, President & CEO and Tetsuji Yamanishi, CFO, Representative Director & Senior Executive Vice President.

#### (2) Functional and presentation currencies

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

#### (3) Significant accounting estimates and judgements

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

The estimates and judgements that have a material impact on the amounts reported in the condensed interim consolidated financial statements are the same as those in the consolidated financial statements for the fiscal year ended March 31, 2025.

### 3. Material Accounting Policies

The material accounting policies adopted in the condensed interim consolidated financial statements are consistent with those adopted in the financial statements for the fiscal year ended March 31, 2025.

The income tax expense for the six months ended September 30, 2025 is calculated based on the estimated annual effective income tax rates.

#### 4. Segment Information

##### (1) Description of reportable segments

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

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

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

Segment	Principal businesses and products
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils, Ferrite Cores and Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components
Sensor Application Products	Temperature and Pressure Sensors, Magnetic Sensors, MEMS Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Magnets
Energy Application Products	Energy Devices (Rechargeable Batteries), Power Supplies
Other	Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, etc.

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

##### (2) Information about reportable segments

The reportable segment information for the six months ended September 30, 2024 and 2025 are as follows:

Six months ended September 30, 2024

(Millions of yen)

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

Six months ended September 30, 2025

(Millions of yen)

	Reportable segment				Other	Adjustments	Consolidated
	Passive Components	Sensor Application Products	Magnetic Application Products	Energy Application Products			
Net sales							
External customers	285,652	107,916	115,753	648,138	25,904	-	1,183,363
Intersegment	2,337	10	29	1	2,262	(4,639)	-
Total	287,989	107,926	115,782	648,139	28,166	(4,639)	1,183,363
Segment profit (loss)	14,792	12,082	11,905	137,661	(3,972)	(24,841)	147,627

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

The adjustments in the table above mainly represents corporate expenses for company-wide operational and administrative purposes that are not allocated to operating segments.

#### 5. Property, plant and equipment

The increases in carrying amounts of "Property, plant and equipment" due to acquisition in the six months ended September 30, 2024 and 2025 are 126,171 million yen and 151,679 million yen, respectively.

#### 6. Fair Value Measurement of Financial Instruments

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

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

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

	(Millions of yen)			
	March 31, 2025		September 30, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds (including current portion)	219,578	212,174	239,441	231,863
Long-term borrowings (including current portion)	193,610	192,332	163,902	162,976

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

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

(2) Categorization by level of fair value hierarchy

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

(Millions of yen)

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets				
Forward foreign exchange contracts	-	575	-	575
Non-deliverable forward Contracts	-	53	-	53
Currency swap contracts	-	5	-	5
Currency option contracts	-	1	-	1
Commercial papers	-	26	-	26
SAFE investments	-	-	2,479	2,479
Convertible bonds	-	-	359	359
Shares	2,267	-	150,979	153,246
Mutual funds	3,393	-	-	3,393
Rabbi trust investments	10,183	-	-	10,183
Total	15,843	660	153,817	170,320
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	1,199	-	1,199
Non-deliverable forward contracts	-	156	-	156
Currency option contracts	-	558	-	558
Total	-	1,913	-	1,913



(Millions of yen)

September 30, 2025				
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets				
Forward foreign exchange contracts	-	450	-	450
non-deliverable forward contracts	-	162	-	162
Currency swap contracts	-	93	-	93
Currency option contracts	-	2	-	2
Commercial papers	-	27	-	27
SAFE investments	-	-	4,015	4,015
Convertible bonds	-	-	134	134
Bonds				
Shares	2,951	-	154,487	157,438
Mutual funds	4,799	-	-	4,799
Rabbi trust investments	11,491	-	-	11,491
Total	19,241	734	158,636	178,611
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	513	-	513
non-deliverable forward contracts	-	2	-	2
Total	-	515	-	515

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

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

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

For financial assets measured at fair value on a recurring basis that are classified as Level 3, significant unobservable inputs used in fair value measurement of equity instruments are primarily enterprise value to revenue multiples. As of March 31, 2025 and September 30, 2025, the weighted average of enterprise value to revenue multiples are both 0.5 times. If enterprise value to revenue multiples increase, fair values of shares increase. Changes in fair value resulting from changing unobservable inputs to reflect reasonably possible alternative assumptions are not material.

Transfers between levels of the fair value hierarchy are recognized as if they occurred at the end of each reporting period. There are no transfers between Level 1 and Level 2 during the six months ended September 30, 2024 and 2025.

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

#### I. Valuation process

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

## II. Reconciliation of financial instruments classified as Level 3

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

Financial assets	(Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Opening balance	145,519	153,817
Gains or losses		
Profit or loss	1,864	1,287
Other comprehensive income	(147)	(2,904)
Acquisition	4,007	12,349
Sales	-	(6,813)
Other	(6,688)	900
Ending balance	144,555	158,636

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

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

## 7. Dividends

Dividends paid are as follows:

Effective October 1, 2024, TDK implemented a share split at a ratio of five shares per common share. The amounts presented in Dividends per share for which record date is on or before September 30, 2024 represent the amounts before the share split.

### Six months ended September 30, 2024

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 21, 2024	Common shares	22,005	58	March 31, 2024	June 24, 2024

### Six months ended September 30, 2025

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 20, 2025	Common shares	30,362	16	March 31, 2025	June 23, 2025

Dividends for which the effective date is after September 30, 2024 and 2025, which record date belongs to the six months ended September 30, 2024 and 2025, are as follows:

### Six months ended September 30, 2024

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

### Six months ended September 30, 2025

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors Meeting on October 31, 2025	Common shares	30,367	16	September 30, 2025	December 2, 2025

## 8. Revenue

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

(Millions of yen)

	Six months ended September 30, 2024					
	Japan	Americas	Europe	China	Asia and others	Total
Capacitors	13,298	19,675	23,992	40,004	22,536	119,505
Inductive devices	13,181	9,977	23,011	43,219	14,117	103,505
Other passive components	5,220	6,729	14,477	22,962	12,568	61,956
Passive Components	31,699	36,381	61,480	106,185	49,221	284,966
Sensor Application Products	10,706	6,727	14,532	42,802	20,092	94,859
Magnetic Application Products	13,227	606	1,798	20,391	74,923	110,945
Energy Application Products	21,325	24,427	12,475	404,493	109,253	571,973
Other	7,749	2,046	659	12,273	4,031	26,758
Net sales total	84,706	70,187	90,944	586,144	257,520	1,089,501
	Six months ended September 30, 2025					
	Japan	Americas	Europe	China	Asia and others	Total
Capacitors	13,811	21,600	21,717	40,938	23,770	121,836
Inductive devices	13,585	10,799	22,934	41,434	15,370	104,122
Other passive components	5,272	5,365	13,943	22,253	12,861	59,694
Passive Components	32,668	37,764	58,594	104,625	52,001	285,652
Sensor Application Products	10,583	7,308	14,066	57,237	18,722	107,916
Magnetic Application Products	14,347	436	1,686	12,423	86,861	115,753
Energy Application Products	22,061	25,236	11,846	460,784	128,211	648,138
Other	6,966	977	601	13,388	3,972	25,904
Net sales total	86,625	71,721	86,793	648,457	289,767	1,183,363

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

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

Major countries in each geographical area are as follows:

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

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

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

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

## 9. Other Operating Income and Other Operating Expenses

Other operating income and other operating expenses comprise the following:

	(Millions of yen)	
	Six-months ended September 30, 2024	Six-months ended September 30, 2025
Other operating income		
Government grants	1,410	1,457
Compensation income	4,490	2,246
Proceeds from sale of tangible and intangible assets	2,766	1,948
Consumption taxes refund and other	1,224	1,092
Other	7,430	6,949
Other operating income	17,320	13,692
Other operating expenses		
Loss on sale of tangible and intangible assets	142	277
Other operating expense	142	277

## 10. Earnings per Share

The basic and diluted earnings per share are as follows:

	(Millions of yen)			
	Six months ended September 30, 2024		Six months ended September 30, 2025	
	Basic	Diluted	Basic	Diluted
Net profit attributable to owners of parent	105,710	105,710	111,406	111,406
				Number of shares (thousands)
Weighted average number of common shares issued	1,897,195	1,897,195	1,897,734	1,897,734
Incremental shares arising from exercise of share options	-	2,103	-	1,902
Incremental shares arising from delivery under restricted share unit plan	-	384	-	318
Incremental shares arising from delivery under performance share unit plan	-	123	-	120
Weighted average number of common shares issued – Total	1,897,195	1,899,805	1,897,734	1,900,074
				(Yen)
Earnings per share	55.72	55.64	58.70	58.63

For the six months ended September 30, 2024 and 2025, certain restricted stock units issued by TDK and all of stock options issued by subsidiaries of TDK were excluded from the calculation of diluted earnings per share as the effect would have been antidilutive.

Certain performance share units that vest upon the achievement of certain performance conditions are excluded from the calculation of diluted earnings per share for the six months ended September 30, 2024 and 2025, as the achievement of the conditions is not probable.

TDK split one share of its common stock into five shares on effective date of October 1, 2024. “Weighted average number of common shares issued”, “Incremental shares arising from exercise of share options”, “Incremental shares arising from delivery under restricted share unit plan”, “Incremental shares arising from delivery under performance share unit plan” and “Earnings per share” are calculated assuming that the stock split was implemented at the beginning of the fiscal year ended March 31, 2025.

## 11. Significant Subsequent Events

None.

## 12. Business combinations

Six months ended September 30, 2024

None.

Six months ended September 30, 2025

TDK group resolved at the Board of Directors meeting held on June 13, 2025, to acquire all shares of SoftEye, Inc. and make it a subsidiary, and acquired all shares as of June 18, 2025.

### (1) Overview of the business combination

#### ① Name and business description of the acquired company

Name of the acquired company: SoftEye, Inc.

Business description: Provides integrated hardware and software technologies utilizing innovative eye-tracking technology for the emerging smart glasses market.

#### ② Acquisition date

June 18, 2025

#### ③ Percentage of voting rights acquired

100%

#### ④ Main purpose of business combination

The purpose of this acquisition is to accelerate development toward providing comprehensive systems for smart glasses and to realize a new human-machine interface (HMI) that enables interaction with AI through eye gaze.

#### ⑤ Method of obtaining control of the acquired company

Acquisition of shares for cash consideration

### (2) Acquisition cost of the acquired company as of the acquisition date and details by type of consideration

Consideration for acquisition	Cash	10,586 million yen (73 million US dollars)
Acquisition cost		10,586 million yen

### (3) Fair value of acquired assets and assumed liabilities and goodwill as of the acquisition date

(Millions of yen)	
Item	Amount
Current assets	345
Non-current assets	3
Current liabilities	11
Net assets	337
Goodwill (Note)	10,249

(Note) The amounts of goodwill arising during the six months ended September 30, 2025 and the assets and liabilities accepted as of the acquisition date are subject to review of identifiable assets and liabilities as of the acquisition date, and the allocation of the acquisition cost has not been completed. Therefore, provisional accounting treatment has been applied. Goodwill mainly reflects excess earning power and is not deductible for tax purposes.

### (4) Cash flow associated with the acquisition

(Millions of yen)	
Item	Amount
Cash and cash equivalents paid for the acquisition	10,586
Cash and cash equivalents held by the acquired company at acquisition	345
Expenditure for acquisition of subsidiary	10,241

### (5) Impact on business results

Profit and loss information from the acquisition date onward and profit and loss information assuming the business combination had been conducted at the beginning of the period are not disclosed, as the impact on the condensed interim consolidated statements of profit or loss is not material.

In addition, the profit and loss information assuming the business combination had been conducted at the beginning of the period has not been reviewed by the auditing firm during the six months ended September 30, 2025.

### (6) Acquisition-related costs

Acquisition-related costs of 161 million yen have been recorded as "Selling, general and administrative expenses."