Semi-annual Securities Report

(The First Half of the 131th Term)
From April 1, 2026 to September 30, 2026

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.]

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Company name (English):	TDK Corporation
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Financial Conditions

1. Preparation methods of condensed interim consolidated financial statements

As TDK Corporation (“TDK”) satisfies the requirements for a "Specified Company Complying with Designated International Accounting Standards" as stipulated in Article 1-2, No.2 of the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No.28 of 1976, "the Ordinance on Consolidated Financial Statements"), 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 Ordinance on Consolidated Financial Statements.

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 Ordinance on Consolidated Financial Statements.

2. Audit certification

The accompanying condensed interim consolidated financial statements of TDK for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026) 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

	Note	March 31, 2026	September 30, 2026
		Amount (Millions of yen)	Amount (Millions of yen)
Assets			
Current assets			
Cash and cash equivalents		842,775	851,034
Trade receivables		780,580	954,812
Other financial assets	6	159,587	66,423
Inventories		585,448	632,452
Income taxes receivables		5,134	2,638
Other current assets		81,707	86,475
Total current assets		2,455,232	2,593,833
Non-current assets			
Investments accounted for using the equity method		48,664	47,438
Other financial assets	6	226,803	239,345
Property, plant and equipment	5	1,225,762	1,331,113
Right-of-use assets		72,619	83,818
Goodwill		188,481	190,324
Intangible assets		49,683	48,737
Long-term advances to suppliers		90,080	93,668
Deferred tax assets		43,798	44,230
Other non-current assets		14,054	14,006
Total non-current assets		1,959,944	2,092,678
Total assets		4,415,175	4,686,511

	Note	March 31, 2026	September 30, 2026
		Amount (Millions of yen)	Amount (Millions of yen)
Liabilities			
Current liabilities			
Bonds and borrowings	6	210,953	287,382
Lease liabilities		12,405	11,821
Trade payables		706,729	727,179
Other financial liabilities	6	165,890	197,189
Income taxes payables		52,333	34,956
Provisions		15,094	18,094
Other current liabilities		411,140	409,997
Total current liabilities		1,574,545	1,686,618
Non-current liabilities			
Bonds and borrowings	6	332,678	356,916
Lease liabilities		59,934	60,621
Other financial liabilities	6	1,031	1,017
Retirement benefit liabilities		97,957	95,939
Provisions		10,639	9,877
Deferred tax liabilities		111,528	109,698
Other non-current liabilities		23,317	18,285
Total non-current liabilities		637,086	652,354
Total liabilities		2,211,630	2,338,972
Equity			
Equity attributable to owners of parent			
Share capital		32,641	32,641
Capital surplus		273	—
Retained earnings		1,409,670	1,546,553
Other components of equity		760,315	764,978
Treasury shares		(15,665)	(15,604)
Total equity attributable to owners of parent		2,187,234	2,328,567
Non-controlling interests		16,311	18,971
Total equity		2,203,545	2,347,539
Total liabilities and equity		4,415,175	4,686,511

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

Condensed consolidated statements of profit or loss

(Millions of yen)

	Note	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	4,8	1,183,363	1,560,579
Cost of sales		(798,959)	(1,071,223)
Gross profit		384,404	489,356
Selling, general and administrative expenses		(250,192)	(304,223)
Other operating income	9	13,692	24,459
Other operating expenses	9	(277)	(1,435)
Operating profit		147,627	208,156
Finance income		15,650	25,238
Finance costs		(15,040)	(18,935)
Share of profit/(loss) of investments accounted for using the equity method		(760)	(1,377)
Profit before tax		147,477	213,082
Income tax expense		(34,114)	(33,657)
Net profit for the period		113,363	179,425
Net profit attributable to:			
Owners of parent		111,406	176,421
Non-controlling interests		1,957	3,004
Net profit for the period		113,363	179,425

(Yen)

	Note	Six months ended September 30, 2025	Six months ended September 30, 2026
Earnings per share	10		
Basic earnings per share		58.70	92.94
Diluted earnings per share		58.63	92.83

Condensed consolidated statements of comprehensive income

(Millions of yen)

	Note	Six months ended September 30, 2025	Six months ended September 30, 2026
Net profit for the period		113,363	179,425
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		(1,216)	(101)
Remeasurements of defined benefit plans		(827)	5
Share of other comprehensive income of investments accounted for using the equity method		142	538
Total		(1,901)	443
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		34,470	4,964
Share of other comprehensive income of investments accounted for using the equity method		78	(354)
Total		34,548	4,609
Total other comprehensive income, net of tax		32,647	5,052
Comprehensive income for the period		146,010	184,478
Comprehensive income attributable to:			
Owners of parent		143,088	180,916
Non-controlling interests		2,922	3,561
Comprehensive income for the period		146,010	184,478

(3) Condensed interim consolidated statements of changes in equity

(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

(Millions of yen)

Six months ended September 30, 2026	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, 2026		32,641	273	1,409,670	760,315	(15,665)	2,187,234	16,311	2,203,545
Comprehensive income for the period									
Net profit for the period		—	—	176,421	—	—	176,421	3,004	179,425
Other comprehensive income, net of tax		—	—	—	4,495	—	4,495	557	5,052
Total comprehensive income for the period		—	—	176,421	4,495	—	180,916	3,561	184,478
Transactions with owners									
Equity transactions with non-controlling interests		—	(2,081)	—	191	—	(1,890)	(1,393)	(3,283)
Dividends paid	7	—	—	(37,963)	—	—	(37,963)	(101)	(38,064)
Transfer from retained earnings to capital surplus		—	1,599	(1,599)	—	—	—	—	—
Purchase of treasury shares		—	0	—	—	(1)	(1)	—	(1)
Sale of treasury shares		—	—	—	—	0	0	—	0
Share-based payment transactions		—	271	—	—	—	271	593	864
Exercise of share options		—	(5)	—	—	5	0	—	0
Delivery of share under post-delivery type share remuneration plan		—	(57)	—	—	57	—	—	—
Total transactions with owners		—	(273)	(39,562)	191	61	(39,583)	(901)	(40,484)
Transfer from other components of equity to retained earnings		—	—	24	(24)	—	—	—	—
Balance as of September 30, 2026		32,641	—	1,546,553	764,978	(15,604)	2,328,567	18,971	2,347,539

(4) Condensed consolidated statements of cash flows

(Millions of yen)

	Note	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities			
Net profit for the period		113,363	179,425
Depreciation and amortization		96,576	120,780
Impairment losses (reversal of impairment losses)		1,670	705
Finance income		(15,650)	(25,238)
Finance costs		15,040	18,935
Share of (profit)/loss of investments accounted for using the equity method		760	1,377
Income tax expense		34,114	33,657
Changes in assets and liabilities:			
Decrease (increase) in trade receivables		(138,582)	(183,862)
Decrease (increase) in inventories		(57,036)	(35,663)
Decrease (increase) in long-term advances to suppliers		6,187	(2,364)
Decrease (increase) in other current assets		(20,222)	(13,578)
Increase (decrease) in trade payables		153,558	17,840
Increase (decrease) in other current liabilities		14,315	18,346
Increase (decrease) in retirement benefit liabilities		(151)	(2,099)
Decrease (increase) in other financial assets		(2,277)	2,518
Increase (decrease) in other financial liabilities		4,787	198
Other		(3,063)	3,129
Subtotal		203,389	134,105
Interest and dividends received		9,825	18,351
Interest paid		(3,957)	(18,841)
Income taxes paid		(19,878)	(55,034)
Cash flows from operating activities		189,379	78,581

(Millions of yen)

	Note	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from investing activities			
Purchase of tangible and intangible assets		(112,739)	(166,399)
Proceeds from sale of tangible and intangible assets		9,078	9,386
Proceeds from withdrawal of time deposits		59,588	134,546
Payments into time deposits		(62,638)	(40,458)
Proceeds from sale and redemption of securities		6,827	231
Payment for purchase of securities		(12,527)	(5,493)
Purchase of investments in associates		(3,966)	—
Acquisition of businesses		(1,343)	—
Proceeds from sale of businesses, net of cash transferred		—	2,633
Acquisition of subsidiaries, net of cash acquired	11	(10,241)	(36,761)
Other		(330)	706
Cash flows from investing activities		(128,291)	(101,610)
Cash flows from financing activities			
Proceeds from long-term borrowings		6,771	38,653
Repayment of long-term borrowings		(36,172)	(46,996)
Net increase (decrease) in short-term borrowings		15,048	11,115
Proceeds from issuance of bonds		50,000	25,000
Redemption of bonds		(30,000)	—
Net increase (decrease) in commercial papers		59,902	59,778
Repayment of lease liabilities		(6,333)	(13,664)
Dividends paid	7	(30,360)	(37,839)
Payments for acquisition of interests in subsidiaries from non-controlling interests		—	(3,322)
Other		(635)	(140)
Cash flows from financing activities		28,221	32,585
Effect of exchange rate changes on cash and cash equivalents		8,423	(1,297)
Net increase in cash and cash equivalents		97,732	8,259
Cash and cash equivalents at beginning of period		697,307	842,775
Cash and cash equivalents at end of period		795,039	851,034

(5) Notes to the condensed 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 Ordinance on Consolidated Financial Statements, and have been prepared in accordance with IAS 34 pursuant to Article 312 of the Ordinance on Consolidated Financial Statements.

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, 2026.

The condensed interim consolidated financial statements were approved on November 12, 2026 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. Totals may not equal the sum of the individual amounts.

(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, 2026.

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, 2026.

The income tax expense for the six months ended September 30, 2026 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), 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, 2025 and September 30, 2026 are as follows:

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

Six months ended September 30, 2026

(Millions of yen)

	Reportable segment				Other	Adjustments	Consolidated
	Passive Components	Sensor Application Products	Magnetic Application Products	Energy Application Products			
Net sales							
External customers	358,011	127,693	176,873	867,657	30,344	—	1,560,579
Intersegment	4,124	305	442	18	2,309	(7,199)	—
Total	362,136	127,998	177,315	867,676	32,654	(7,199)	1,560,579
Segment profit (loss)	39,630	18,250	33,110	150,139	(721)	(32,253)	208,156

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, 2025 and September 30, 2026 are 151,679 million yen and 179,114 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, 2026		September 30, 2026	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds (including current portion)	239,514	229,144	264,511	251,811
Long-term borrowings (including current portion)	171,967	170,704	163,101	161,396

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, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets				
Forward foreign exchange contracts	—	473	—	473
Non-deliverable forward contracts	—	181	—	181
Currency swap contracts	—	1,095	—	1,095
Currency option contracts	—	8	—	8
Equity index option contracts	—	22	—	22
Commercial paper	—	27	—	27
SAFE investments	—	—	3,798	3,798
Convertible bonds	—	—	1,216	1,216
Shares	356	—	194,039	194,395
Mutual funds	2,140	—	—	2,140
Rabbi trust investments	12,037	—	—	12,037
Total	14,533	1,806	199,053	215,392
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	—	2,002	—	2,002
Non-deliverable forward contracts	—	37	—	37
Equity index option contracts	—	22	—	22
Total	—	2,061	—	2,061

(Millions of yen)

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets				
Forward foreign exchange contracts	—	412	—	412
Non-deliverable forward contracts	—	124	—	124
Currency swap contracts	—	985	—	985
Currency option contracts	—	25	—	25
Equity index option contracts	—	28	—	28
Commercial paper	—	26	—	26
SAFE investments	—	—	2,485	2,485
Convertible bonds	—	—	1,230	1,230
Shares	255	—	206,861	207,116
Mutual funds	2,282	—	—	2,282
Rabbi trust investments	13,357	—	—	13,357
Total	15,894	1,600	210,576	228,070
Financial liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	—	1,191	—	1,191
Non-deliverable forward contracts	—	1	—	1
Currency swap contracts	—	165	—	165
Equity index option contracts	—	28	—	28
Total	—	1,385	—	1,385

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, 2026 and September 30, 2026, the weighted average of enterprise value to revenue multiples are both 0.9 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, 2025 and September 30, 2026.

(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, 2025	Six months ended September 30, 2026
Opening balance	153,817	199,053
Gains or losses		
Profit or loss	1,287	7,057
Other comprehensive income	(2,904)	219
Acquisition	12,349	5,116
Sales	(6,813)	(223)
Other	900	(646)
Ending balance	158,636	210,576

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:

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

Six months ended September 30, 2026

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2026	Common shares	37,963	20	March 31, 2026	June 22, 2026

Dividends with a record date within the six months ended September 30, 2025 or the six months ended September 30, 2026, and an effective date after the end of the respective period, are as follows.

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

Six months ended September 30, 2026

Resolution	Share class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors Meeting on October 30, 2026	Common shares	47,458	25	September 30, 2026	December 2, 2026

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, 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

(Millions of yen)

	Six months ended September 30, 2026					
	Japan	Americas	Europe	China	Asia and others	Total
Capacitors	16,106	26,329	25,275	63,066	30,516	161,292
Inductive devices	15,782	12,146	27,023	52,759	19,122	126,832
Other passive components	5,602	5,236	18,035	27,795	13,220	69,888
Passive Components	37,490	43,711	70,332	143,620	62,858	358,011
Sensor Application Products	11,427	11,255	16,259	68,430	20,322	127,693
Magnetic Application Products	18,657	415	2,787	31,649	123,365	176,873
Energy Application Products	28,578	30,737	14,931	630,722	162,689	867,657
Other	15,618	1,155	625	4,332	8,614	30,344
Net sales total	111,770	87,273	104,935	878,753	377,849	1,560,579

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.....Vietnam, Philippines, India, 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, 2025	Six months ended September 30, 2026
Other operating income		
Government grants	1,457	2,558
Compensation income	2,246	3,065
Proceeds from sale of tangible and intangible assets	1,948	5,745
Consumption taxes refund and other	1,092	805
Proceeds from sale of businesses	—	1,091
Other	6,949	11,195
Other operating income	13,692	24,459
Other operating expenses		
Loss on sale of tangible and intangible assets	277	65
Other	—	1,370
Other operating expense	277	1,435

10. Earnings per Share

The basic and diluted earnings per share are as follows:

(Millions of yen)

	Six months ended September 30, 2025		Six months ended September 30, 2026	
	Basic	Diluted	Basic	Diluted
Net profit attributable to owners of parent	111,406	111,406	176,421	176,421
				Number of shares (thousands)
Weighted average number of common shares issued	1,897,734	1,897,734	1,898,231	1,898,231
Incremental shares arising from exercise of share options	—	1,902	—	1,676
Incremental shares arising from delivery under restricted share unit plan	—	318	—	328
Incremental shares arising from delivery under performance share unit plan	—	120	—	306
Weighted average number of common shares issued – Total	1,897,734	1,900,074	1,898,231	1,900,541
				(Yen)
Earnings per share	58.70	58.63	92.94	92.83

For the six months ended September 30, 2025 and September 30, 2026, 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, 2025 and September 30, 2026, as the achievement of the conditions is not probable.

11. Business combinations

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. On June 18, 2025, TDK Group acquired all shares of SoftEye, Inc.

(1) Overview of the business combination

I. 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

II. Acquisition date

June 18, 2025

III. Percentage of voting rights acquired

100%

IV. 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.

V. 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 (73 million US dollars)
Acquisition cost		¥10,586 million

(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	1,086
Current liabilities	11
Net assets	1,420
Goodwill (Note)	9,166

(Note) The amount of goodwill that arose during the six months ended September 30, 2025, as well as the amounts of acquired assets and assumed liabilities at the acquisition date, were accounted for on a provisional basis in the six months ended September 30, 2025 but were finalized in the fiscal year ended March 31, 2026. As a result, non-current assets increased by ¥1,083 million, while goodwill decreased by the same amount. The amounts presented in the above table reflect the finalized allocation of the acquisition cost. Goodwill mainly reflects excess earning power and is not expected to be 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."

Six months ended September 30, 2026

TDK Group resolved, at a meeting of the Board of Directors held on May 19, 2026, to acquire all shares of Linergy Power Sdn Bhd (hereinafter "Linergy") and make it a wholly-owned subsidiary. On May 19, 2026, TDK Group acquired all shares of Linergy.

(1) Overview of the business combination

I. Name and business description of the acquired company

Name of the acquired company: Linergy Power Sdn Bhd

Business description: Manufacture of lithium-ion rechargeable batteries

II. Acquisition date

May 19, 2026

III. Percentage of voting rights acquired

100%

IV. Main purpose of business combination

In the core Energy Solution Business, TDK Group has continually introduced high value adding new products to the market through cutting edge technological development of small and medium capacity batteries, building trust among a diverse customer base. Notably, in the middle capacity battery business, TDK Group has leveraged its accumulated technologies and know how to develop and supply products tailored to customer needs, thereby differentiating itself and expanding the business. Through the acquisition of shares, TDK Group will be able to offer a flexible global supply structure capable of responding to the diverse needs of customers. This will further strengthen customer trust, propel further growth in the business, and accelerate the realization of "TDK Transformation."

V. 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 (Note)	¥38,158 million (240 million US dollars)
Acquisition cost		¥38,158 million

(Note) In addition to the cash consideration, the share purchase agreement includes a contingent consideration arrangement. The contingent consideration will be calculated in accordance with the agreed terms, based on the extent to which Linergy achieves its performance targets. There is no upper limit on the amount payable. The fair value of the contingent consideration at the acquisition date is still being determined. Accordingly, as of September 30, 2026, the business combination has been accounted for on a provisional basis, and the contingent consideration has not been included in the acquisition cost.

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

(Millions of yen)

Item	Amount
Current assets	17,243
Non-current assets	50,911
Current liabilities	35,918
Net assets	32,236
Goodwill (Note)	5,922

(Note) The amounts of goodwill, the assets acquired and the liabilities assumed at the acquisition date have been accounted for on a provisional basis, because the identification and measurement of the identifiable assets and liabilities at the acquisition date remain under review and the allocation of the acquisition cost has not yet been completed. Goodwill mainly reflects excess earning power and is not expected to be deductible for tax purposes.

(4) Cash flow associated with the acquisition

(Millions of yen)

Item	Amount
Cash and cash equivalents paid for the acquisition	38,158
Cash and cash equivalents held by the acquired company at acquisition	1,397
Expenditure for acquisition of subsidiary	36,761

(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, 2026.

(6) Acquisition-related costs

Acquisition-related costs of 268 million yen have been recorded as “Selling, general and administrative expenses.”

12. Significant Subsequent Events

(Significant Capital Investment)

On October 30, 2026, the Board of Directors of TDK resolved to make strategic investments to strengthen the development of new magnetic sensors, particularly tunnel magnetoresistance (TMR) sensors, and establish a full-scale mass-production system. Designed primarily for Physical AI applications, these sensors are compact and consume little power, while also delivering high-performance and fast response for next-generation power semiconductors.

The total investment is expected to be approximately 100 billion yen at TDK Shinano River Techno Factory in Ojiya City, Niigata Prefecture, Japan. Operations are scheduled to commence in 2029. This investment is not expected to have a material impact on the consolidated financial results for the fiscal year ending March 31, 2027.