

[Translation]

NOTICE OF CONVOCATION
OF
THE 124TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

- Notes: 1. This is a translation from Japanese of a notice distributed to shareholders in Japan.
The translation is prepared solely for the convenience of foreign shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.
2. There are no English translations of the following: Non-Consolidated Balance Sheet, Non-Consolidated Statement of Operations, Non-Consolidated Statement of Changes in Net Assets and Certified Copy of Accounting Auditors' Report for Non-Consolidated Financial Statements.

TDK Corporation
Tokyo, Japan

[Translation]

Securities Code No. 6762

Attention All Shareholders

June 5, 2020

Shigenao Ishiguro
President & Representative Director
TDK Corporation
2-5-1, Nihonbashi, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 124TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

Thank you for your continued interest in TDK Corporation (the "Company").

You are hereby notified that the 124th Ordinary General Meeting of Shareholders will be held as stated below.

In the event that you are unable to attend the meeting, you may exercise your votes using either of the methods described below. Please vote by 5:20 P.M. on June 22, 2020 (Monday), after carefully reading the attached Reference Documents for Shareholders Meeting.

[Voting by Mail]

Please indicate your approval or disapproval of the proposals to be resolved on the voting form enclosed herewith and return it to the Company by the deadline specified above.

[Voting via the Internet, etc.]

Please enter your approval or disapproval of the proposals to be resolved by the deadline specified above.

Details

1. Date and Time: 10:00 A.M. on June 23, 2020 (Tuesday)
2. Place of the Meeting: Toranomon Hills Forum Hall A
Toranomon Hills Mori Tower 5th Floor
23-3, Toranomon 1-chome, Minato-ku, Tokyo
3. Purposes of the Meeting:
Matters to be Reported
 1. Report on the Business Report and the Consolidated Financial Statements for the 124th Fiscal Year (from April 1, 2019 to March 31, 2020), and Report on the Audit Results of the Consolidated Financial Statements for the 124th Fiscal Year by the Accounting Auditor and the Audit & Supervisory Board

2. Report on the Non-Consolidated Financial Statements for the 124th Fiscal Year (from April 1, 2019 to March 31, 2020)

Matters to be Resolved

- First Item: Appropriation of Retained Earnings
Second Item: Election of Seven (7) Directors
Third Item: Revision of Remuneration in accordance with the Introduction of Post-delivery Type Stock Remuneration Plan for Directors
Fourth Item: Revision of the Amount of Remuneration for Audit & Supervisory Board Members

4. Validity of Votes:

- 1) If you vote both by mail and via the Internet, etc., then the vote via the Internet, etc. will be counted as the valid vote.
- 2) If you vote multiple times via the Internet, etc., your last vote will be counted as the valid vote.

End

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- If you are attending the meeting, kindly submit the voting form enclosed herewith at the reception. Also, please bring this Notice of Convocation with you to the meeting.
 - If you are attending by proxy, you are entitled to one (1) proxy who is also a shareholder of the Company entitled to votes at the meeting. Please have the proxy present written proof of his/her right of proxy along with your voting form at the reception.
 - Any person who is not a shareholder of the Company entitled to votes at the meeting (including, but not limited to, any proxy who is not a shareholder of the Company and any accompanying person) is not allowed to enter the place of the meeting.
 - In accordance with the law and Article 16 of the Company's Articles of Incorporation, the following items of the Company's Consolidated Financial Statements and Non-Consolidated Financial Statements, as audited by the Accounting Auditor and the Audit & Supervisory Board Members, are available on the Company's Internet website instead of being attached to this Notice of Convocation:
 - Consolidated Statement of Equity and List of Notes to the Consolidated Financial Statements; and
 - Non-Consolidated Statement of Changes in Net Assets and List of Notes to the Non-Consolidated Financial Statements.
 - In the event that there are amendments made to the Reference Documents for Shareholders Meeting, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements, such amendments will be found on the Company's Internet website.

The Company's Internet website <https://www.jp.tdk.com/>

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Information

First Item: Appropriation of Retained Earnings

The Company proposes that the appropriation of retained earnings be as provided below:

Matters concerning year-end dividends

The Company recognizes that achieving increase in corporate value over the medium- and long-term ultimately translates into higher shareholder value. In line with this understanding, the Company's fundamental policy is to work to consistently increase dividends through growth in earnings per share. By actively investing for growth, mainly in the development of new products and technologies in strategic fields so as to respond precisely to rapid technological innovation in the electronics industry, the Company is aiming to increase a medium- and long-term corporate value. Accordingly, the Company actively reinvests the Company's earnings in business activities and determines its dividends taking into consideration comprehensive factors, including return on equity (ROE) and dividends on equity (DOE) on a consolidated basis, as well as changes in the business environment, among other factors.

The Company intends to pay year-end dividends for the fiscal year under review as follows:

1. Item concerning the allotment of dividend assets and the total amount thereof:

¥90 per share of common stock of the Company

Total amount of dividends: ¥11,368,721,970

* Together with the interim dividend of ¥90 per share paid on December 3, 2019, the annual dividend is ¥180 per share.

2. Effective date of payment of dividends from retained earnings:

June 24, 2020

《Reference》 Trends in cash dividends per share and dividend payout ratio on a consolidated basis

	121st (Apr. 1, 2016 to Mar. 31, 2017)	122nd (Apr. 1, 2017 to Mar. 31, 2018)	123rd (Apr. 1, 2018 to Mar. 31, 2019)	124th (Apr. 1, 2019 to Mar. 31, 2020)
Interim dividend (¥)	60	60	80	90
Year-end dividend (¥)	60	70	80	(forecast) 90
Annual dividend (¥)	120	130	160	(forecast) 180
Dividend payout ratio on a consolidated basis (%)	10.4	25.9	24.6	(forecast) 39.3

Second Item: Election of Seven (7) Directors

The Company's Articles of Incorporation provides that the term of each Director shall last one (1) year. Each of the seven (7) Directors' terms of office will expire at the closing of this Ordinary General Meeting of Shareholders. Accordingly, you are requested to elect seven (7) Directors (including three (3) Outside Directors). The Company has adopted a basic policy that one-third (1/3) or more of the Directors shall be Independent Outside Directors.

The Director candidates are as follows:

Candidate No.	Name	Position and Duties, etc. at the Company	Nomination Advisory Committee	Compensation Advisory Committee	Attendance at Meetings of the Board of Directors
1	Shigenao Ishiguro Reelection Male	President & Representative Director • General Manager of Humidifier Countermeasures HQ	Member	-	100% (13 out of 13 meetings)
2	Tetsuji Yamanishi Reelection Male	Executive Vice President & Representative Director • Global Chief Compliance Officer • General Manager of Finance & Accounting HQ	-	-	100% (13 out of 13 meetings)
3	Makoto Sumita Reelection Male	Chairman & Director • Chairman of Corporate Governance Committee	Member	Member	100% (13 out of 13 meetings)
4	Seiji Osaka Reelection Male	Executive Vice President & Director • General Manager of Corporate Strategy HQ	-	Member	100% (13 out of 13 meetings)
5	Kazuhiko Ishimura Reelection Outside Director Independent Director Male	Director	Member	Member	100% (13 out of 13 meetings)
6	Kazunori Yagi Reelection Outside Director Independent Director Male	Director • Chair of the Board of Directors	Chairman	Member	100% (13 out of 13 meetings)
7	Kozue Nakayama New Candidate Outside Director Independent Director Female	-	-	-	-

Candidate No. 1	Shigenao Ishiguro (Date of Birth: Oct. 30, 1957)	<ul style="list-style-type: none"> ➤ Candidate for reelection ➤ Number of Shares of the Company Owned: 5,500 shares ➤ Attendance at Meetings of the Board of Directors during the fiscal year ended March 31, 2020 (“Fiscal 2020”): 13 of the 13 meetings 	
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Jan. 1982 Apr. 2002 Jul. 2004 Apr. 2007 Apr. 2011	Entered the Company Senior Manager of Planning Group of Europe Sales Group of Recording Media & Solutions Business Group of the Company Leader of Planning Group of Japan Operation of HDD Head Business Division of Data Storage & Thin Film Technology Components Business Group of the Company Leader of Japan Operation of HDD Head Business Division of Data Storage & Thin Film Technology Components Business Group of the Company Deputy General Manager of Data Storage & Thin Film Technology Components Business Group of the Company	Jun. 2012 Jun. 2014 Apr. 2015 Jun. 2015 Jun. 2016	General Manager of Data Storage & Thin Film Technology Components Business Group of the Company Corporate Officer of the Company CEO of Magnetic Heads and Sensors Business Company of the Company Senior Vice President of the Company President & Representative Director of the Company (present post) General Manager of Humidifier Countermeasures HQ of the Company (present post) General Manager of Manufacturing HQ of the Company
<ul style="list-style-type: none"> ➤ The reasons why the Company recommends Mr. Shigenao Ishiguro as a candidate for Director <p>After having served as the head of the HDD (Hard Disk Drive) Head Business of the Company, Mr. Shigenao Ishiguro has been serving as President & Representative Director of the Company since 2016 and strongly promoting the creation of new business and management reform. The Company believes that Mr. Ishiguro can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his adequate management experience and knowledge which he has accumulated domestically and overseas, and requests that the shareholders elect him as a Director of the Company.</p> ➤ Other <p>Mr. Shigenao Ishiguro currently serves as a member of the Nomination Advisory Committee.</p> 			

Candidate No. 2	Tetsuji Yamanishi (Date of Birth: May 29, 1960)	<ul style="list-style-type: none"> ➤ Candidate for reelection ➤ Number of Shares of the Company Owned: 3,000 shares ➤ Attendance at Meetings of the Board of Directors during Fiscal 2020: 13 of the 13 meetings 	
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
<p>Apr. 1983 Jan. 2005</p> <p>Jul. 2008</p> <p>Jun. 2013</p>	<p>Entered the Company</p> <p>Senior Manager of Managerial Accounting Department of Finance & Accounting Department of Administration Group of the Company</p> <p>Head of Managerial Accounting Department of Finance & Accounting Department of Administration Group of the Company</p> <p>General Manager of Finance & Accounting Department of the Company</p>	<p>Apr. 2015</p> <p>Jun. 2015</p> <p>Jun. 2016</p> <p>Apr. 2017</p> <p>Jun. 2017</p> <p>Jun. 2018</p> <p>Apr. 2019</p> <p>Apr. 2020</p>	<p>General Manager of Finance & Accounting Group of the Company</p> <p>Corporate Officer of the Company</p> <p>Director of the Company</p> <p>General Manager of Finance & Accounting HQ of the Company (present post)</p> <p>Senior Vice President of the Company</p> <p>Representative Director of the Company (present post)</p> <p>Global Chief Compliance Officer of the Company (present post)</p> <p>Executive Vice President of the Company (present post)</p>
<p>➤ The reasons why the Company recommends Mr. Tetsuji Yamanishi as a candidate for Director</p> <p>Mr. Tetsuji Yamanishi has experience in accounting and finance in the Company's domestic and overseas business, and currently serves as Representative Director, Global Chief Compliance Officer and the head of the Finance and Accounting Department. The Company believes that Mr. Yamanishi can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his experience and insight as well as his high level of expertise and capabilities which he has accumulated in the Company's financial and managerial administrative aspect on a global basis, and requests that the shareholders elect him as a Director of the Company.</p>			

Candidate No. 3	Makoto Sumita (Date of Birth: Jan. 6, 1954)	<ul style="list-style-type: none"> ➤ Candidate for reelection ➤ Number of Shares of the Company Owned: 0 shares ➤ Attendance at Meetings of the Board of Directors during Fiscal 2020: 13 of the 13 meetings 	
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1980	Entered Nomura Research Institute, Ltd.	Apr. 2013	Chairman & CEO of INNOTECH CORPORATION
Jun. 1996	Director of INNOTECH CORPORATION	Jun. 2013	Resigned as Outside Audit & Supervisory Board Member of the Company
Apr. 2005	Executive Vice President & Representative Director of the said company		Outside Director of the Company
Jun. 2005	Director of IT Access Co., Ltd.	Feb. 2015	Chairman & CEO of INNOTECH FRONTIER, Inc.
Apr. 2007	President & CEO of INNOTECH CORPORATION	Jun. 2018	Chairman & Director of INNOTECH CORPORATION (present post)
Jun. 2011	Outside Audit & Supervisory Board Member of the Company		Chairman & Director of the Company (present post)
[Situation regarding Significant Concurrent Posts] Chairman & Director of INNOTECH CORPORATION			
<ul style="list-style-type: none"> ➤ The reasons why the Company recommends Mr. Makoto Sumita as a candidate for Director <p>Mr. Makoto Sumita has a broad perspective as well as an abundance of experience and knowledge in management as a manager of operating companies. Also, he has been working on strengthening corporate governance as Chairman & Director of the Company since 2018 after serving as an Outside Audit & Supervisory Board Member and Outside Director of the Company from 2011 to 2018. The Company believes that Mr. Sumita can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his experience and insight, and requests that the shareholders elect him as a Director of the Company.</p> <ul style="list-style-type: none"> ➤ Other <p>Mr. Makoto Sumita currently serves as the Chairman of the Corporate Governance Committee, a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee.</p>			

Candidate No. 4	Seiji Osaka (Date of Birth: Oct. 28, 1958)	<ul style="list-style-type: none"> ➤ Candidate for reelection ➤ Number of Shares of the Company Owned: 3,000 shares ➤ Attendance at Meetings of the Board of Directors during Fiscal 2020: 13 of the 13 meetings
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts		
<p>Apr. 1982 Apr. 2003 Jun. 2009 May 2011 Jun. 2012</p>	<p>Entered the Company Senior Manager of Corporate Planning Dept. of the Company Corporate Officer of the Company General Manager of Corporate Planning Dept. of Corporate Strategy Group of the Company General Manager of Corporate Planning Group of the Company General Manager of Corporate Planning Dept. of Corporate Planning Group of the Company Senior Vice President of the Company Senior Executive Vice President & COO of TDK-EPC Corporation</p>	<p>Apr. 2015 Apr. 2017 Jun. 2017</p> <p>General Manager of Electronic Components Sales & Marketing Group of the Company General Manager of ICT Group of Electronic Components Sales & Marketing Group of the Company General Manager of Corporate Strategy HQ of the Company (present post) In charge of Human Resources Executive Vice President & Director of the Company (present post) Outside Director of Tabuchi Electric Co., Ltd.</p>
<p>➤ The reasons why the Company recommends Mr. Seiji Osaka as a candidate for Director</p> <p>After working at the operating and sales departments, Mr. Seiji Osaka is currently working on the preparation and implementation of the Company's business strategies as the head of the department responsible for corporate planning, corporate communications and the Board of Directors Office. The Company believes that Mr. Osaka can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his experience and insight, and requests that the shareholders elect him as a Director of the Company.</p> <p>➤ Other</p> <p>Mr. Seiji Osaka currently serves as a member of the Compensation Advisory Committee.</p>		

Candidate No. 5	Kazuhiko Ishimura (Date of Birth: Sept. 18, 1954)	<ul style="list-style-type: none"> ➤ Candidate for reelection ➤ Outside Director ➤ Independent Director ➤ Number of Shares of the Company Owned: 0 shares ➤ Attendance at Meetings of the Board of Directors during Fiscal 2020: 13 of the 13 meetings ➤ Term of office as Outside Director: Five (5) years as of the closing of this Ordinary General Meeting of Shareholders 	
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
<p>Apr. 1979</p> <p>Jan. 2006</p> <p>Jan. 2007</p> <p>Mar. 2008</p> <p>Jan. 2010</p>	<p>Entered Asahi Glass Co., Ltd. (currently AGC Inc.)</p> <p>Executive Officer and GM of Kansai Plant of the said company</p> <p>Senior Executive Officer and GM of Electronics & Energy General Division of the said company</p> <p>President & COO & Representative Director of the said company</p> <p>President & CEO & Representative Director of the said company</p>	<p>Jan. 2015</p> <p>Jun. 2015</p> <p>Jun. 2017</p> <p>Jan. 2018</p> <p>Jun. 2018</p> <p>Mar. 2020</p> <p>Apr. 2020</p>	<p>Chairman & Representative Director of the said company</p> <p>Outside Director of the Company (present post)</p> <p>Outside Director of IHI Corporation (present post)</p> <p>Chairman & Director of Asahi Glass Co., Ltd. (currently AGC Inc.)</p> <p>Outside Director of Nomura Holdings, Inc. (present post)</p> <p>Director of AGC Inc. (present post)</p> <p>President of the National Institute of Advanced Industrial Science and Technology (present post)</p>
<p>[Situation regarding Significant Concurrent Posts]</p> <p>Director of AGC Inc.</p> <p>Outside Director of IHI Corporation</p> <p>Outside Director of Nomura Holdings, Inc.</p> <p>President of the National Institute of Advanced Industrial Science and Technology</p>			
<p>【Candidate for Outside Director】</p> <p>➤ The reasons why the Company recommends Mr. Kazuhiko Ishimura as a candidate for Outside Director</p> <p>Mr. Kazuhiko Ishimura has an abundance of experience and knowledge regarding business management as well as a broad perspective. The Company believes that he is capable of giving advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company, and requests that the shareholders elect him as an Outside Director of the Company.</p> <p>Although the Company has a business relationship with AGC Inc., where Mr. Kazuhiko Ishimura is a Director, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020 the ratio of sales of TDK Group ("TDK") to the AGC Group represented less than 1% of the consolidated net sales of TDK.</p> <p>Also, although the Company has a business relationship with IHI Corporation, where Mr. Kazuhiko Ishimura is an Outside Director, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020, the ratio of sales of TDK to the IHI Group represented less than 1% of the consolidated net sales of TDK.</p> <p>In addition, the Company has research consignment and other relationships with the National Institute of Advanced Industrial Science and Technology ("AIST"), where Mr. Kazuhiko Ishimura is President, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020, the ratio of the amount of payment of research consignment fees, etc. by TDK to AIST represented less than 1% of the annual income amount of AIST.</p>			

- Independent Director (as such term defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.; the same applies hereinafter)

Mr. Kazuhiko Ishimura is currently an Independent Director. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, he will continue to be an Independent Director.

- Other

Mr. Kazuhiko Ishimura currently serves both as a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee.

Candidate No. 6	Kazunori Yagi (Date of Birth: Apr. 1, 1949)	<ul style="list-style-type: none"> ➤ Candidate for reelection ➤ Outside Director ➤ Independent Director ➤ Number of Shares of the Company Owned: 0 shares ➤ Attendance at Meetings of the Board of Directors during Fiscal 2020: 13 of the 13 meetings ➤ Term of office as Outside Director: Two (2) years as of the closing of this Ordinary General Meeting of Shareholders (Total term of office including Outside Audit & Supervisory Board Member is seven (7) years.) 	
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1972	Entered Yokogawa Electric Works Ltd. (currently Yokogawa Electric Corporation)	Jul. 2005	Director, Executive Vice President and General Manager of Management Administration Headquarters of the said company
Oct. 1999	Vice President (Officer) and General Manager of Finance & Business Planning, in charge of Corporate Marketing of the said company	Jun. 2011	Advisor to the said company, Outside Audit & Supervisory Board Member of Yokogawa Bridge Holdings Corp. (present post)
Apr. 2001	Senior Vice President and General Manager of Finance & Business Planning of the said company	Jun. 2012	Outside Director of JSR Corporation
Jun. 2001	Director, Senior Vice President and General Manager of Finance & Business Planning of the said company	Jun. 2013	Outside Audit & Supervisory Board Member of the Company
Jul. 2002	Director, Executive Vice President and General Manager of Finance & Business Planning of the said company	Mar. 2014	Outside Director of OYO Corporation
		Jun. 2017	Outside Audit & Supervisory Board Member of Sojitz Corporation (present post)
		Jun. 2018	Resigned as Outside Audit & Supervisory Board Member of the Company Outside Director of the Company (present post)
[Situation regarding Significant Concurrent Posts]			
Outside Audit & Supervisory Board Member of Yokogawa Bridge Holdings Corp.			
Outside Audit & Supervisory Board Member of Sojitz Corporation			
【Candidate for Outside Director】			
<ul style="list-style-type: none"> ➤ The reasons why the Company recommends Mr. Kazunori Yagi as a candidate for Outside Director <p>Mr. Kazunori Yagi has an abundance of experience and knowledge concerning management of companies related to the electronics industry and has knowledge and insight into finance and accounting. The Company believes that he is capable of giving advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company, and requests that the shareholders elect him as an Outside Director of the Company.</p>			

Although the Company has a business relationship with Sojitz Corporation, where Mr. Kazunori Yagi is an Outside Audit & Supervisory Board Member, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020, the ratio of sales of the Sojitz Group to TDK represented less than 1% of the consolidated net sales of the Sojitz Group.

➤ Independent Director

Mr. Kazunori Yagi is currently an Independent Director. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, he will continue to be an Independent Director.

➤ Other

Mr. Kazunori Yagi currently serves as the Chair of the Board of Directors, the Chairman of the Nomination Advisory Committee and a member of the Compensation Advisory Committee.

Candidate No. 7	Kozue Nakayama (Date of Birth: Feb. 25, 1958)	<ul style="list-style-type: none"> ➤ New Candidate ➤ Outside Director ➤ Independent Director ➤ Number of Shares of the Company Owned: 0 shares
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts		
Apr. 1982 Sep. 2010	Entered Nissan Motor Co., Ltd. Deputy General Manager of Global Branding Division of the said company	Apr. 2012 Jun. 2018
Mar. 2011 Apr. 2011	Retired from the said company Entered Yokohama City	Director General of Culture and Tourism Bureau of the said city President and Representative Director of Pacific Convention Plaza Yokohama (present post) Jun. 2019 Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. (present post)
[Situation regarding Significant Concurrent Posts]		
President and Representative Director of Pacific Convention Plaza Yokohama (abbreviation company name: Pacifico Yokohama)		
Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd.		
【Candidate for Outside Director】		
<ul style="list-style-type: none"> ➤ The reasons why the Company recommends Ms. Kozue Nakayama as a candidate for Outside Director <p>Ms. Kozue Nakayama has an abundance of experience and knowledge concerning global business related to the automotive industry as well as knowledge and insight into corporate management. The Company believes that she is capable of giving advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company, and requests that the shareholders elect her as an Outside Director of the Company.</p> <p>Although the Company has a business relationship with Imperial Hotel, Ltd., where Ms. Kozue Nakayama is an Outside Audit & Supervisory Board Member, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020, the ratio of sales of the Imperial Hotel Group to TDK represented less than 1% of the consolidated net sales of the Imperial Hotel Group.</p>		
➤ Independent Director		
In the event that the proposal of election of Ms. Kozue Nakayama in this Item is approved by this Ordinary General Meeting of Shareholders and she becomes an Outside Director, she will become an Independent Director.		

- Notes:
1. None of the above seven (7) candidates have any special interest in the Company.
 2. The Company entered into contracts with each of the current Outside Directors pursuant to Article 427 paragraph 1 of the Companies Act of Japan to limit the liabilities of each such Outside Director to the Company under Article 423 paragraph 1 of the same Act to the amount set forth in each such contract, which shall be equal to the Minimum Liability Amount as provided for in Article 425 paragraph 1 of the same Act.
In the event that the proposal of election of Messrs. Kazuhiko Ishimura and Kazunori Yagi in this Item is approved by this Ordinary General Meeting of Shareholders and they become Outside Directors, such contracts will continue to be in effect.
Also, in the event that the proposal of election of Ms. Kozue Nakayama in this Item is approved by this Ordinary General Meeting of Shareholders and she becomes an Outside Director, the Company will enter into the same contract with her.
 3. IHI Corporation, where Mr. Kazuhiko Ishimura has been serving as an Outside Director since June 2017, received an order from the Ministry of Economy, Trade and Industry of Japan to carry out operations in accordance with the repair methods for aero engines that are approved under the Aircraft Manufacturing Industry Act of Japan in March 2019, and also received a business improvement order from the Ministry of Land, Infrastructure, Transport and Tourism of Japan under the Civil Aeronautics Act of Japan in April 2019, in connection with its Civil Aero Engine Maintenance Business.
Although Mr. Kazuhiko Ishimura was not aware of the said fact until it came to light, he had made recommendations in light of compliance at the Board of Directors meetings and in other occasions, and after such fact became known, has performed his duties as an Outside Director by, for example, requesting a reliable implementation of measures to prevent reoccurrence and further strengthening of the compliance system.
 4. Mr. Kazuhiko Ishimura has been serving as an Outside Director of Nomura Holdings, Inc. since June 2018, and the said company and its subsidiary, Nomura Securities Co., Ltd., received a business improvement order under the Financial Instruments and Exchange Act of Japan from the Financial Services Agency of Japan in May 2019. This was issued in response to the occurrence of incident where information related to the listing and delisting criteria for the upper market was handled improperly in the course of communicating information at Nomura Securities Co., Ltd. while such criteria were being reviewed by the “Advisory Group to Review the TSE Cash Equity Market Structure” of the Tokyo Stock Exchange.
Although Mr. Kazuhiko Ishimura was not aware of the said fact until it came to light, he had made recommendations in light of compliance at the Board of Directors meetings and in other occasions, and after such fact became known, has performed his duties as an Outside Director by, for example, requesting further strengthening and enhancing of the compliance and internal management structures to prevent a recurrence.
 5. The matters concerning Outside Directors (principal activities) in the fiscal year under review are set forth from page 38 through page 39 of the Business Report.

Third Item: Revision of Remuneration in accordance with the Introduction of Post-delivery Type Stock Remuneration Plan for Directors

Currently, the remuneration for Directors of the Company consists of basic remuneration, results-linked bonuses, and stock-linked compensation stock options.

This time, aiming that Directors of the Company (excluding Outside Directors, “Eligible Directors”) will share the benefits and risks of stock price fluctuation with shareholders of the Company and enhance the willingness to contribute to the improvement in medium-term performance and corporate value more than ever, the Company has reviewed a part of the remuneration system for Directors and proposes to revise the stock-linked compensation stock option plan to the post-delivery type stock remuneration plan (the “Plan”). In particular, the Company proposes to revise the current stock-linked compensation stock options with no performance achievement condition attached to restricted stock units (“RSU”) and those with the performance achievement condition attached to them to performance share units (“PSU”), respectively.

1. Overview

(1) RSU

RSU is a type of stock remuneration which is issued based on continuous service. In case of RSU, subject to continuous service for a period of three years from the first day of the first year to the last day of the last year of the Medium-Term Plan (or a period of three years or more as determined by the Board of Directors of the Company, the "Target Period"), a pre-determined amount of the Company’s shares and money is delivered after the end of the Target Period.

(2) PSU

PSU is a type of stock remuneration which is issued based on performance. In case of PSU, an amount of the Company’s shares and money calculated in accordance with the degree of achievement of performance targets set by the Medium-Term Plan is delivered after the end of the Target Period.

2. Eligibility for the grant

(1) RSU

Directors excluding Outside Directors shall be eligible for the grant and the number of such Directors will be four in the event that the proposal in the Second Item is approved as originally proposed.

(2) PSU

Only Directors who also serve as Corporate Officers shall be eligible for the grant (Directors who do not concurrently serve as Corporate Officers and Outside Directors shall not be eligible for the grant) and the number of such Directors will be three in the event that the proposal in the Second Item is approved as originally proposed.

3. Upper limit of total amount of monetary remuneration claims and total number of shares

At the 119th Ordinary General Meeting of Shareholders held on June 26, 2015, it was

approved that the upper limit of the amount of remuneration for stock-linked compensation stock options for Directors of the Company shall be 457 million yen per year, and that approval has been effective to date. After the revision, the upper limit of the total amount of monetary remuneration claims for RSUs and PSUs shall be 457 million yen per year (no change from the current amount) and the upper limit of the total number of common shares of the Company to be issued or disposed of otherwise to Eligible Directors shall be 39,000 shares per year.

Please note that the above-mentioned total amount and total number of shares are in essence equivalent to the total amount of up to 196 million yen and total number of up to 16,700 shares per fiscal year, since PSUs for the Target Period will be delivered in a lump sum after the end of the Target Period.

4. Method of calculating the number of shares to be delivered, the amount of money to be paid, and the amount of monetary remuneration claims

(1) RSU

The Company will calculate the number of common shares of the Company to be delivered and the amount of money to be paid to each Eligible Director based on the following formula:

(i) Number of common shares of the Company to be delivered to each Eligible Director
(Base Amount (*1) ÷ Stock Price at Grant (*2)) x 50%

Any fraction of less than 100 shares resulting from the calculation will be rounded up to the nearest 100 shares.

(ii) Amount of money to be paid to each Eligible Director

{(Base Amount (*1) ÷ Stock Price at Grant (*2) - Number of common shares of the Company as calculated in (i) above} x Stock Price at Delivery (*3)

Any fraction of less than one yen resulting from the calculation will be rounded up to the nearest one yen.

(2) PSU

The Company will calculate the number of common shares of the Company to be delivered and the amount of money to be paid to each Eligible Director in accordance with the degree of achievement of performance targets set by the Medium-Term Plan (*4) based on the following formula:

(i) Number of common shares of the Company to be delivered to each Eligible Director
(Base Amount (*1) ÷ Stock Price at Grant (*2)) x Degree of Achievement of Performance Targets (*4) x 50%

Any fraction of less than 100 shares resulting from the calculation will be rounded up to the nearest 100 shares.

(ii) Amount of money to be paid to each Eligible Director

{(Base Amount (*1) ÷ Stock Price at Grant (*2)) × Degree of Achievement of Performance Targets (*4) - Number of common shares of the Company as calculated in (i) above} × Stock Price at Delivery (*3)

Any fraction of less than one yen resulting from the calculation will be rounded up to the nearest one yen.

The Company will calculate the amount of monetary remuneration claims to be paid to each Eligible Director based on the following formula:

<Common to RSU and PSU>

Amount of monetary remuneration claims = (i) above x Stock Price at Delivery (*3) + (ii) above

*1 The Base Amount shall be determined by the Board of Directors of the Company for each Eligible Director in accordance with the level of responsibility of each Eligible Director.

*2 The Stock Price at Grant shall be the average of the closing price of the common shares of the Company on the Tokyo Stock Exchange during the one-month period preceding the day before the date of the Ordinary General Meeting of Shareholders in the year of grant.

*3 The Stock Price at Delivery shall be the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors of the Company in relation to the issuance or disposition of the shares to be delivered under this Plan (or if no trades are executed on the same day, the closing price of the most recent trading day prior to the date of resolution).

*4 The Degree of Achievement of Performance Targets shall vary from 100% to 0% depending on the degree of achievement of performance in the Medium-Term Plan. Consolidated operating income and ROE will be used as performance indicators for the PSUs to be granted in the fiscal year 2021.

5. Delivery Requirements

Under this Plan, if the Target Period ends and the following requirements are met, the Company will deliver common shares of the Company and pay money to each Eligible Director. The delivery of common shares of the Company will be made by way of an issuance of shares or disposal of treasury shares by the Company, and the actual recipients of the shares to be delivered among the Eligible Directors and the subscription requirements in connection with such issuance of shares or disposal of treasury shares will be determined at a meeting of the Board of Directors of the Company after the expiration of the Target Period.

(i) The Eligible Director shall have continuously held the position of Director or Corporate Officer of the Company or any of its subsidiaries during the Target Period.

(ii) The Eligible Director shall not have committed any of the illegal acts determined by the Board of Directors of the Company.

(iii) Other requirements determined by the Board of Directors of the Company as necessary to achieve the purpose of this Plan.

The operations of RSU and PSU will begin from the 125th fiscal year (fiscal year ending March 2021) and 126th fiscal year (fiscal year ending March 2022), respectively, and the stock-linked compensation stock option plan will be abolished, except for those that have already been granted.

In addition, the Company plans to continue this Plan each time a new medium-term management plan is formulated, to the extent that it is approved by this Ordinary General Meeting of Shareholders.

In the event that the proposal in this Item is approved as originally proposed, the Company plans to introduce a similar post-delivery type stock remuneration plan for

Corporate Officers in addition to Directors, but the ratio of the total number of shares to be delivered to the total number of issued and outstanding shares of the Company is expected to be no more than 0.1% per year.

《Reference》

1. Remuneration System for Directors

In the event that the proposal in this Item is approved as originally proposed, the ratio of performance-linked remuneration (in case of the standard payment) to basic remuneration for Directors will be as provided below:

Basic Remuneration: Results-Linked Bonus: Post-delivery Type Stock Remuneration
1: 0.6: 0.8

2. Compensation Advisory Committee

The Company 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 the majority of the members are composed of Independent Outside Directors.

The basic policy, remuneration determination process and other information on remuneration for Directors and Audit & Supervisory Board Members of the Company are set forth from page 35 through page 37 of the Business Report.

Also, the proposals in this Item and the Fourth Item have been discussed by the Compensation Advisory Committee.

Fourth Item: Revision of the Amount of Remuneration for Audit & Supervisory Board Members

At the 106th Ordinary General Meeting of Shareholders held on June 27, 2002, it was approved that the upper limit of the amount of remuneration for the Company's Audit & Supervisory Board Members shall be 8 million yen per month (*i.e.*, 96 million yen on an annualized basis), and that approval has been effective to date.

Taking into consideration that the economic and social situation has changed significantly during this period and that the Company needs to maintain the competitiveness of its remuneration system in order to secure a diverse and talented workforce, the Company proposes to revise the upper limit of the annual amount of remuneration to 120 million yen.

At present, the number of Audit & Supervisory Board Members is five (including three Outside Audit & Supervisory Board Members).

Even after the revision, the remuneration for Audit & Supervisory Board Members will remain as basic remuneration only, with no performance-linked factors.

End

《Reference》 The Corporate Governance of the Company

(1) Basic Policy

The Company has established “TDK Basic Policy on Corporate Governance” for the purpose of enhancing sustainable corporate growth and increase of corporate value over the mid- to long-term of the corporate group of TDK.

This Basic Policy and other information on the corporate governance of the Company are available at the Company's website below.

https://www.tdk.com/corp/en/ir/tdk_management_policy/governance/

(2) Nomination of Directors, Audit & Supervisory Board Members and Corporate Officers

(i) Procedures for Nomination of Directors, Audit & Supervisory Board Members and Corporate Officers

The Nomination Advisory Committee discusses the conditions expected with regard to nominations for the posts of Director, Audit & Supervisory Board Member and Corporate Officer and makes nominations. In this way it helps ensure the appropriateness of the elections of Directors, Audit & Supervisory Board Members and Corporate Officers, and the transparency of the decision-making process.

In addition, the Nomination Advisory Committee discusses the independence of Outside Directors and Outside Audit & Supervisory Board Members. All candidates in the Second Item have been discussed by the Nomination Advisory Committee.

(ii) Composition of the Board of Directors

■ Basic Policy

- The Board of Directors shall be composed of a small number of Directors in order to expedite the management decision-making.
- One-third or more of the Directors shall be Independent Outside Directors.
- An Independent Outside Director serves as the Chair of the Board of Directors in principle from a standpoint of further separating supervision from execution.

- Status of appointment of Outside Directors and Outside Audit & Supervisory Board Members in the event that the proposal in the Second Item is approved as originally proposed
 - Directors: Three out of seven Directors are Independent Outside Directors (among which one is female)
 - Audit & Supervisory Board Members: Three out of five Audit & Supervisory Board Members are Independent Outside Audit & Supervisory Board Members (among which one is female)
 - Total: Six out of twelve Directors and Audit & Supervisory Board Members are Independent Outside Directors or Independent Outside Audit & Supervisory Board Members (among which two are female)

(iii) Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members

In order to secure the independence of the Outside Directors and Outside Audit & Supervisory Board Members it invites, the Company has established “items to be verified regarding independence” with reference to such criteria as Rule 436-2 of the Securities Listing Regulation regarding Securing Independent Directors/ Audit & Supervisory Board Members and Rule III. 5. (3)-2 of Guidelines Concerning Listed Company Compliance, both of which are stipulated by Tokyo Stock Exchange, Inc. The outline of these items is as follows.

【Items to be verified regarding independence】

- (1) In cases where the relevant Outside Director/Audit & Supervisory Board Member has a business relationship with the Company

An Outside Director/Audit & Supervisory Board Member shall be judged not to be independent if they are at present, or have been during the past three years, a party with a business relationship with the Company as described in (i) below, or a person who executes business for such a party, or if (ii) below applies to them.

(i) Where it is recognized, objectively and reasonably, that such business relationship is necessary for, or has a substantial influence on, the continued operation of TDK or the other party to such business relationship (where there is a high degree of dependence in the relationship, where the relationship is the source of 2% or more of consolidated net sales, or where the other party to the relationship receives money or other assets from TDK other than remuneration for officers)

(ii) Where it is recognized within TDK that the relevant Outside Director/Audit & Supervisory Board Member is involved in a business relationship with the other party to such business relationship

- (2) In cases where the relevant Outside Director/Audit & Supervisory Board Member is a consultant, an accounting professional or a law professional

An Outside Director/Audit & Supervisory Board Member shall be judged not to be independent if any of the following cases apply to such person at present or have applied to such person during the past three years.

(i) Where it is recognized, objectively and reasonably, that the relevant Outside Director/Audit & Supervisory Board Member (including candidates for such position; the same shall apply hereinafter) cannot perform duties as an Independent Director/Audit & Supervisory Board Member because they receive money or other assets from TDK other than remuneration for officers (where there is a high degree of dependence)

(ii) Where it is recognized, objectively and reasonably, that the relevant Outside Director/Audit & Supervisory Board Member cannot perform duties as an Independent Director/Audit & Supervisory Board Member because an organization to which such person belongs (hereinafter the “Relevant Organization”) receives money or other assets from TDK other than remuneration for officers (where this income is equivalent to 2% or more of total consolidated net sales)

(iii) Where TDK has a high degree of dependence on a professional or a Relevant Organization, such as a case where services, etc., rendered by such parties are essential to the corporate management of TDK or it would be difficult to find an alternative provider of the same services, etc.

(iv) Where it is recognized within TDK that the relevant Outside Director/Audit & Supervisory Board Member is involved in the services, etc., provided by the Relevant Organization

(3) In the case of a close relative of the relevant Outside Director/Audit & Supervisory Board Member

An Outside Director/Audit & Supervisory Board Member shall be judged not to be independent if either of the following cases apply to their close relative (meaning a relative within the second degree of kinship) at present or have applied to them during the past three years.

(i) A person to whom (1) or (2) above applies (except persons without material significance)

(ii) A person who executes business for the Company or a subsidiary of the Company (except persons without material significance)

(3) Evaluation of the effectiveness of the Board of Directors

The Company conducts an evaluation of the effectiveness 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 fiscal year ended March 2020, as a survey was conducted by a third-party evaluation institution in the previous fiscal year, the Corporate Governance Committee (Chairman: Makoto Sumita, Chairman & Director), which is an advisory body to the Board of Directors, took the lead in conducting the evaluation in a neutral position.

End

**(Documents Attached to the Notice of Convocation
of the Ordinary General Meeting of Shareholders)**

Attached Document (1)

BUSINESS REPORT

〔 From: April 1, 2019
To: March 31, 2020 〕

1. Business Conditions

(1) Business Conditions and Results of TDK Group (“TDK”)

In the fiscal year ended March 31, 2020 (“Fiscal 2020”), the global economy saw clear signs of deceleration in the Chinese economy due to factors such as the materialization of trade friction between the U.S. and China. The impacts of this economic downturn also rippled out to the European, U.S. and Japanese economies, which had been relatively firm. Moreover, in the fourth quarter, the global spread of coronavirus disease 2019 (COVID-19) caused governments to implement massive policy measures to prevent the spread of outbreaks. Notably, governments imposed lockdowns on cities in a variety of countries, such as China. These policy measures had a substantial impact on the real economy.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, trade friction between the U.S. and China and the spread of COVID-19 led to conditions such as a downturn in demand and restrictions on production activities. In the automotive market, global automobile sales volume decreased year on year, including in China, the world’s largest market, although the number of components installed per vehicle increased in step with advances in the electrification of automobiles. The Information and Communications Technology (ICT) market saw a rise in demand for products related to the fifth-generation mobile communication system (5G), but smartphone production volume decreased year on year. In addition, production of Hard Disk Drives (HDDs) for data center applications increased, while production of HDDs as a whole decreased year on year.

As a result, consolidated operating results for the Company for Fiscal 2020 were as follows.

(¥ in millions)

	Fiscal 2019	Fiscal 2020	YoY Change
Net sales	1,381,806	1,363,037	-1.4%
Operating income	107,823	97,870	-9.2%
Income before income taxes	115,554	95,876	-17.0%
Net income attributable to the Company	82,205	57,780	-29.7%
Net income attributable to the Company / Basic per common share (¥)	651.02	457.47	-193.55

(2) Segment Information of TDK

TDK's net sales are made up of four reporting segments—"Passive Components" (Capacitors, Inductive Devices, etc.), "Sensor Application Products," "Magnetic Application Products," and "Energy Application Products," as well as "Other" that are not included in any of these four reporting segments. Net sales by business section in each segment were as follows:

[Consolidated]

		(¥ in millions)			
Business Section	Main Applications	Net Sales	Share of Sales (%)	YoY Change (%)	
Capacitors	Communications, AV, office automation and other types of equipment, automobiles and industrial equipment, etc.	153,882	11.3	-11.2	
Inductive Devices		137,572	10.1	-8.3	
Other Passive Components		104,002	7.6	-5.5	
Passive Components		395,456	29.0	-8.8	
Sensor Application Products	Automobiles, industrial and communications equipment, etc.	77,938	5.7	1.9	
Magnetic Application Products	PCs and PC peripherals, automobiles and industrial equipment, etc.	219,668	16.1	-19.5	
Energy Application Products	Communications equipment, PCs, industrial equipment and automobiles, etc.	597,698	43.9	11.2	
Other	Communications and industrial equipment, etc.	72,277	5.3	17.3	
Consolidated total		1,363,037	100.0	-1.4	
Incl. Overseas sales		1,252,634	91.9	-1.2	

Note: In accordance with a redefinition of product categories, certain products in Inductive Devices were reclassified into Other Passive Components at the start of Fiscal 2020. The calculations of comparisons against the previous fiscal year are based on the net sales of the previous fiscal year reclassified to conform to the new segmentation.

[Passive Components Segment]

This segment is made up of (1) Capacitors, (2) Inductive Devices, and (3) Other Passive Components. Consolidated net segment sales were ¥395,456 million, down 8.8% year on year from ¥433,406 million.

The Capacitors business is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Consolidated net sales in the Capacitors business were ¥153,882 million, down 11.2% year on year from ¥173,331 million. Sales of Ceramic Capacitors increased to the automotive and the ICT markets, while decreasing to the industrial equipment market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors decreased mainly to the industrial equipment market.

Consolidated net sales of Inductive Devices business decreased by 8.3% year on year from ¥149,991 million to ¥137,572 million. Sales decreased mainly to the automotive and the industrial equipment markets.

Other Passive Components include High-Frequency Devices, Piezoelectric Material Products and Circuit Protection Components. Consolidated net sales of Other Passive Components decreased by 5.5%

year on year from ¥110,084 million to ¥104,002 million. Sales decreased mainly to the automotive and the ICT markets.

[Sensor Application Products Segment]

This segment is made up of Temperature and Pressure Sensors, Magnetic Sensors and MEMS Sensors. Consolidated net segment sales increased by 1.9% year on year from ¥76,467 million to ¥77,938 million.

Sales increased to the ICT and the industrial equipment markets, while decreased to the automotive market.

[Magnetic Application Products Segment]

This segment is made up of HDD Heads, HDD Suspension Assemblies, and Magnets. Consolidated net segment sales decreased by 19.5% year on year from ¥272,807 million to ¥219,668 million.

Sales of HDD Heads and HDD Suspension Assemblies decreased to the ICT market. Sales of Magnets decreased mainly to the industrial equipment market. Furthermore, as demand is expected to be sluggish over the long term in the automotive and industrial equipment markets and significant recover of earnings adjudged to be difficult in the short-term, and impairment loss of ¥14,445 million has been recorded for Production Equipment, etc. for Magnets.

[Energy Application Products Segment]

This segment is made up of Energy Devices (Rechargeable Batteries) and Power Supplies. Consolidated net segment sales increased by 11.2% year on year from ¥537,502 million to ¥597,698 million.

Sales of Energy Devices increased significantly, mainly to the ICT market.

[Other]

Other includes Mechatronics (Production Equipment) and Others. Consolidated net segment sales increased by 17.3% year on year from ¥61,624 million to ¥72,277 million.

(3) Capital Expenditures of TDK

TDK invested ¥173,429 million in capital expenditures in Fiscal 2020, down 0.1% year on year, in order to provide an accurate response to fast-paced technological innovation and escalating sales competition in the electronics market. Capital expenditures in the previous fiscal year were ¥173,592 million.

Main capital expenditures included expenditures for equipment to increase production and raise production efficiency of Rechargeable Batteries; equipment to increase production and raise production efficiency of Ceramic Capacitors and Inductive Devices; and equipment for producing next-generation HDD Heads with higher areal density and HDD Suspension Assemblies. In Fiscal 2020, TDK executed capital expenditures in the aforementioned core business operations.

(4) Research and Development of TDK

The expenditure for R&D activities in Fiscal 2020 was ¥117,489 million, up 2.0% from ¥115,155 million in Fiscal 2019. TDK invested in R&D to respond to the diversifying electronics market by strengthening and expanding new product development on an ongoing basis.

TDK is focusing on developing products where future growth is promising. This is in order to contribute to the development of a sustainable society through cutting-edge technology that supports digital transformation and energy transformation. Especially with Sensors, which are a vital device for the IoT (Internet of Things) era, TDK aims to offer solutions combining sensor technology and software.

Further, TDK has built a four-base system for global R&D (Japan, Americas, Europe, and Asia), and is developing products in collaboration with R&D organizations and leading companies around the world based on a first-to-market mindset.

(5) Fund Procurement of TDK

The balances of debt as of the end of Fiscal 2020 were as follows:

(¥ in millions)

Issue	Balance at March 31, 2020	YoY Change
Short- and long-term debt	424,690	-95,578

Assumption of short-term and long-term debt is mainly decided by and carried out by the Company. The Company's main lenders as of March 31, 2020 are as follows:

(¥ in millions)

Lender	Amount
Resona Bank, Limited	78,950
Sumitomo Mitsui Banking Corporation	74,500
MUFG Bank, Ltd.	74,500
Sumitomo Mitsui Trust Bank, Limited	56,000
Mizuho Bank, Ltd.	55,500
Development Bank of Japan Inc.	35,000

(6) Assignment of Businesses or Acceptance of Assignment of Businesses of Other Companies, or Acquisition or Disposition of Shares, etc., of Other Companies

Not applicable.

(7) Assets and Earnings in the Last Four Fiscal Years

[Consolidated Results]

(¥ in millions)

Term Item	121st (Apr. 1, 2016 to Mar. 31, 2017)	122nd (Apr. 1, 2017 to Mar. 31, 2018)	123rd (Apr. 1, 2018 to Mar. 31, 2019)	124th (Apr. 1, 2019 to Mar. 31, 2020)
Net sales	1,178,257	1,271,747	1,381,806	1,363,037
Operating income	208,660	89,692	107,823	97,870
Net income attributable to the Company	145,099	63,463	82,205	57,780
Net income attributable to the Company / Basic per common share (¥)	1,150.16	502.80	651.02	457.47
Total assets	1,664,333	1,905,209	1,992,480	1,943,379
Total equity	802,118	831,232	883,756	848,564
Total stockholders' equity	793,614	824,634	877,290	843,957
Total stockholders' equity per share (¥)	6,288.55	6,532.01	6,946.70	6,681.15
Annual dividends per share (¥)	120.00	130.00	160.00	180.00
Return on Equity (ROE) (%)	19.8	7.8	9.7	6.7
Return on Assets (ROA) (%)	9.3	3.6	4.2	2.9
Dividend on Equity (DOE) (%)	2.1	2.0	2.4	2.6

Notes: 1. Net income attributable to the Company / Basic per common share and total stockholders' equity per share are computed based on the weighted average number of the issued shares and the number of issued shares as of the end of the relevant fiscal year, respectively, after deducting treasury stock.

2. The total cash dividend for the 124th fiscal year is ¥180.00 per share, including a year-end dividend of ¥90.00 per share. The year-end dividend is scheduled for approval at the 124th Ordinary General Meeting of Shareholders on June 23, 2020.

3. Figures for the 122nd fiscal year are reclassified due to adoption of FASB's ASU 2017-07 "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." As a result of this reclassification, operating income increased by ¥4,059 million.

(8) Pressing Issues

1) Medium- and Long-Term Management Strategy of TDK

The business environment revolving around electronics is now standing on the threshold of a period of major upheaval. Transformation has begun in earnest, with an energy transformation (EX) driven by the shift from fossil fuels to renewable energy and a digital transformation (DX) driven by the permeation of digital technologies such as IoT and Artificial Intelligence (AI) to every aspect of society.

Under its medium- and long-term management strategy, TDK is pursuing two core priorities: (1) “contribute to the solution of energy and environmental issues” and (2) “contribute to making society more efficient through the use of data.”

The aforementioned trends of EX and DX will dramatically increase the demand for electronic components. With this in mind, TDK will strive to expand its four main businesses: Passive Components, Sensor Application Products, Magnetic Application Products, and Energy Application Products. TDK aims to achieve sustainable growth and increase corporate value by refining the materials and process technologies it has cultivated, and strengthening provision of solutions that respond to market needs. In addition, TDK will pursue a zero-defect quality strategy based on advanced technological capabilities, along with working to further globalize its business operations through speed-focused management.

In the three-year medium-term plan running through Fiscal 2021, TDK is targeting a return on equity (ROE) of over 14%. TDK will work to enhance its overall profitability and capital efficiency, while effectively investing in new product development and new businesses, in addition to investing in its main businesses.

TDK will continuously strive to contribute to the solution of various social issues on a global scale by implementing its corporate motto, “Contribute to culture and industry through creativity.”

2) Pressing Issues of TDK

The global economy is expected to suffer a substantial downturn that will likely persist over an extended period of time due to the global spread of coronavirus disease 2019 (COVID-19). As a result, the COVID-19 pandemic could have a lasting negative impact on the international community after it has ended, drastically reshaping the social and industrial landscape. The business environment surrounding TDK could also be altered tremendously.

However, even amid these changes in the social and industrial landscape, the trends of EX and DX should continue to grow in the electronics market. These trends are expected to bring about the creation of new markets in TDK’s business fields. Significant growth opportunities will be presented to TDK by trends that include the widespread adoption of renewable energy and electric vehicles in EX, the growing use of the fifth-generation mobile communications system (5G), and the practical use of Advanced Driving Assistance Systems (ADAS) in automobiles in DX. There will also be growing adoption of IoT, wearable products, and cloud services. It is imperative for TDK to steadily capture these growth opportunities without falling behind these major changes. To this end, TDK will actively conduct research and technological development, with a view to launching competitive new products in a timely fashion and expanding production capacity in line with demand.

TDK also recognizes that acquiring and appropriately allocating management resources is a pressing issue for realizing sustainable growth. Accordingly, TDK will revise the Group’s entire business portfolio as necessary. Human resources are one of TDK’s most important management resources. With non-Japanese employees accounting for more than 90% of TDK’s workforce, TDK believes that diverse and abundant human resources are a key source of its competitiveness. To enhance its human resources further, TDK is identifying talented human resources from across the entire Group, and working to train and make the most of these individuals.

The current medium-term plan positions improving the value TDK imparts to society as one of its high-priority issues. The Sustainability Promotion HQ established in April 2019 is taking the lead in bolstering initiatives toward this goal. TDK aims to drive further growth by bolstering its business initiatives using the SDGs—the international development goals listed in “The 2030 Agenda for Sustainable Development” adopted at a UN Summit in September 2015—as a framework, and contributes to society through sustainable business activities.

In line with the Group's globalization, TDK is working to strengthen Group governance by redeveloping rules that clearly delineate the responsibilities and authorities of each Group company and by continuously striving to make its corporate philosophy more widely and better known throughout the Group.

《Reference》 Consolidated forecasts for the fiscal year ending March 31, 2021 (as published on May 15, 2020)

(¥ in millions)

	Results for the fiscal year ended March 31, 2020	Forecasts for the fiscal year ending March 31, 2021	YoY Change
Net sales	1,363,037	1,290,000	-5.4%
Operating income	97,870	70,000	-28.5%
Income before income taxes	95,876	70,000	-27.0%
Net income attributable to the Company	57,780	48,000	-16.9%
Net income attributable to the Company / Basic per common share (¥)	457.47	379.99	-77.48
Annual dividends per share (¥)	180.00	160.00	-20.00

(9) Principal Businesses of TDK

TDK is principally engaged in the manufacture and sale of electronic components. Main businesses in the four reporting segments and others which are not included in such four segments are as follows:

Segment	Main Businesses
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils / Ferrite Cores / 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), Others

(10) Major Business Offices and Plants of TDK

1) The Company

Type of Office	Locations
Head Office	2-5-1 Nihonbashi, Chuo-ku, Tokyo
Business Offices	Sendai (Miyagi Pref.), Matsumoto (Nagano Pref.), Nagoya (Aichi Pref.), Osaka (Osaka Pref.), Fukuoka (Fukuoka Pref.)
Plants	Honjo Plant (Akita Pref.), Nikaho Plant (Akita Pref.), Inakura Plant (Akita Pref.), Narita Plant (Chiba Pref.), Kofu Plant (Yamanashi Pref.), Asama Techno Plant (Nagano Pref.), Chikumagawa Techno Plant (Nagano Pref.), Shizuoka Plant (Shizuoka Pref.), Mikumagawa Plant (Oita Pref.)
Research & Development	Ichikawa and Narita (Chiba Pref.)

2) Subsidiaries

The “1) Status of Principal Subsidiaries” of “(11) Principal Subsidiaries” is as follows.

(11) Principal Subsidiaries

1) Status of Principal Subsidiaries

Name of Company	Capital	Percentage of Votes Held by the Company (%)	Outline of Principal Business
TDK-Lambda Corporation (Chuo-ku, Tokyo)	¥2,976 million	100.0	Manufacture and sale of energy application products
TDK Akita Corporation (Yurihonjo-shi, Akita Pref.)	¥200 million	*100.0	Manufacture of passive components
TDK Shonai Corporation (Tsuruoka-shi, Yamagata Pref.)	¥110 million	*100.0	Manufacture of passive components
TDK China Co., Ltd. (Shanghai, China)	RMB260,973 thousand	100.0	Management and supervision of Chinese subsidiaries
TDK Hong Kong Company Limited (Hong Kong, China)	HK\$25,500 thousand	100.0	Manufacture and sale of passive components and magnetic application products
SAE Magnetics (Hong Kong) Limited (Hong Kong, China)	HK\$50 thousand	*100.0	Manufacture and sale of magnetic application products
TDK Xiamen Co., Ltd. (Xiamen, China)	RMB681,074 thousand	*100.0	Manufacture and sale of passive components
Amperex Technology Limited (Hong Kong, China)	US\$277,588 thousand	*99.7	Manufacture and sale of energy application products
TDK (Shanghai) International Trading Co., Ltd. (Shanghai, China)	RMB1,659 thousand	*100.0	Sale of passive components
TDK Taiwan Corporation (Taipei, Taiwan)	NT\$424,125 thousand	*95.4	Manufacture and sale of products classified in "Other"
Magnecomp Precision Technology Public Co., Ltd. (Ayutthaya, Thailand)	US\$96,333 thousand	99.8	Manufacture and sale of magnetic application products
TDK Singapore (Pte) Ltd. (Singapore)	US\$126 thousand	*100.0	Sale of passive components and magnetic application products
TDK U.S.A. Corporation (New York, U.S.A.)	US\$1,690,155 thousand	100.0	Management and supervision of U.S. subsidiaries
InvenSense Inc. (California, U.S.A.)	US\$1,499,623 thousand	*100.0	Manufacture and sale of sensor application products
TDK Corporation of America (Illinois, U.S.A.)	US\$3,800 thousand	*100.0	Sale of passive components
TDK Europe S.A. (Windhof, Luxembourg)	Euro 20,974 thousand	100.0	Management and supervision of European subsidiaries

Name of Company	Capital	Percentage of Votes Held by the Company (%)	Outline of Principal Business
TDK Electronics AG (Munich, Germany)	Euro 66,682 thousand	*100.0	Manufacture and sale of passive components
TDK Europe GmbH (Munich, Germany)	Euro 46,545 thousand	*100.0	Sale of passive components
TDK-Micronas GmbH (Freiburg, Germany)	Euro 500 thousand	*100.0	Manufacture and sale of sensor application products

Notes: 1. Capital and percentage of votes held by the Company have been rounded down to the nearest unit.
2. * denotes percentage of votes held by the Company including indirect holdings.
3. TDK-Lambda Corporation became a direct and wholly owned subsidiary of the Company as a result of a simplified share exchange executed on the effective date of October 1, 2019.

2) Business Combinations

Classification		No. of Companies	YoY Change
Consolidated subsidiaries	Domestic	13	—
	Overseas	128	2 companies (+7 companies, -5 companies)
	Total	141	2 companies (+7 companies, -5 companies)
Equity-method affiliates	Domestic	3	—
	Overseas	2	-2 companies (-2 companies)
	Total	5	-2 companies (-2 companies)

(12) Employees

Employees of TDK:

Number of Employees	YoY Change
107,138	2,357

Note: The number of employees represents the number of employees who work in offices. Part-time employees are not included in the figure above.

2. Matters Concerning Shares of the Company

(1) Total Number of Shares Authorized to Be Issued by the Company

480,000,000 shares

(2) Total Number of Issued Shares

129,590,659 shares (inclusive of 3,271,526 shares of treasury stock)

(3) Number of Shareholders

21,922 shareholders (533 less than at March 31, 2019)

(4) Top 10 Largest Shareholders

Name of shareholder	Number of shares held (thousands of shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	26,862	21.27
Japan Trustee Services Bank, Ltd. (Trust account)	14,670	11.61
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	3,334	2.64
Japan Trustee Services Bank, Ltd. (Trust account 9)	2,842	2.25
JPMC OPPENHEIMER JASDEC ACCOUNT	2,337	1.85
JP MORGAN CHASE BANK 385151	2,090	1.65
STATE STREET BANK WEST CLIENT - TREATY 505234	2,040	1.61
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,968	1.56
Nippon Life Insurance Company	1,640	1.30
Japan Trustee Services Bank, Ltd. (Trust account 7)	1,613	1.28

- Notes: 1. The 3,271,526 shares of treasury stock were not considered when calculating the percentage of shares held.
2. Shares of treasury stock are not considered in the number of shares held by the largest shareholders above.

3. Matters Concerning Stock Acquisition Rights, Etc.

(1) Stock Acquisition Rights, Etc., Granted to the Company's Directors and Audit & Supervisory Board Members as of the End of the Fiscal Year Under Review in Consideration for the Performance of Their Duties

Stock-Linked Compensation Stock Acquisition Rights

Issue	Issue resolution date	Number of stock acquisition rights	Class and number of shares to be issued upon the exercise of stock acquisition rights	Amount to be paid for stock acquisition rights (issue price)	Exercise period of stock acquisition rights (both days inclusive)	Directors' and Audit & Supervisory Board Members' holdings	
						Directors	Audit & Supervisory Board Members
2005	June 29, 2005	26	2,600 shares of common stock	Free of charge	From July 1, 2005 to June 30, 2025	—	—
2008	May 28, 2008	17	1,700 shares of common stock	¥5,967 (fair value)	From July 6, 2008 to July 5, 2028	—	—
2009	May 27, 2009	68	6,800 shares of common stock	¥4,021 (fair value)	From July 5, 2009 to July 4, 2029	—	—
2010	May 26, 2010	137	13,700 shares of common stock	¥4,213 (fair value)	From July 4, 2010 to July 3, 2030	1 person, 7 rights	—
2011	May 25, 2011	196	19,600 shares of common stock	¥3,925 (fair value)	From July 3, 2011 to July 2, 2031	1 person, 18 rights	1 person 3 rights
2012	June 21, 2012	184	18,400 shares of common stock	¥2,770 (fair value)	From July 8, 2012 to July 7, 2032	1 person, 25 rights	1 person 3 rights
2013	June 19, 2013	204	20,400 shares of common stock	¥3,112 (fair value)	From July 7, 2013 to July 6, 2033	1 person, 24 rights	1 person 15 rights
2014	June 18, 2014	297	29,700 shares of common stock	¥4,136 (fair value)	From July 6, 2014 to July 5, 2034	1 person, 24 rights	2 people 28 rights
2015	July 31, 2015	480	48,000 shares of common stock	¥6,806 (fair value)	From August 23, 2015 to August 22, 2035	3 people, 64 rights	2 people 42 rights
2016	June 17, 2016	400	40,000 shares of common stock	¥4,273 (fair value)	From July 10, 2016 to July 9, 2036	3 people, 126 rights	2 people 25 rights
2017	June 16, 2017	244	24,400 shares of common stock	¥6,584 (fair value)	From July 9, 2017 to July 8, 2037	3 people, 58 rights	2 people 17 rights
2018	March 23, 2018	812	81,200 shares of common stock	¥8,373 (fair value)	From April 8, 2018 to April 7, 2038	3 people, 286 rights	2 people 29 rights
2018	June 20, 2018	24	2,400 shares of common stock	¥10,410 (fair value)	From July 8, 2018 to July 7, 2038	1 person, 24 rights	—

Issue	Issue resolution date	Number of stock acquisition rights	Class and number of shares to be issued upon the exercise of stock acquisition rights	Amount to be paid for stock acquisition rights (issue price)	Exercise period of stock acquisition rights (both days inclusive)	Directors' and Audit & Supervisory Board Members' holdings	
						Directors	Audit & Supervisory Board Members
2019	March 26, 2019	187	18,700 shares of common stock	¥8,562 (fair value)	From April 7, 2019 to April 6, 2039	3 people, 39 rights	—
2019	June 19, 2019	32	3,200 shares of common stock	¥7,800 (fair value)	From July 7, 2019 to July 6, 2039	1 person, 32 rights	—

Notes: 1. The exercise price is ¥1 per share.

2. Stock acquisition rights have not been granted to Outside Directors and Audit & Supervisory Board Members.
3. Stock acquisition rights held by Directors include stock acquisition rights granted when they were Corporate Officers of the Company.
4. Stock acquisition rights held by Audit & Supervisory Board Members were granted during appointment as Corporate Officers of the Company.

(Reference) Stock acquisition rights, etc., held by Directors, Audit & Supervisory Board Members, Corporate Officers and employees, etc., of the Company and its subsidiaries as of March 31, 2020

Number of Stock-Linked Compensation Stock Acquisition Rights	Class and number of shares to be issued upon the exercise of stock acquisition rights	Percentage of the number of stock acquisition rights in the total number of the issued shares
3,308	330,800 shares of common stock	0.26%

(2) Stock Acquisition Rights, Etc., Granted to Employees, Etc., During the Fiscal Year Under Review in Consideration for the Performance of Their Duties

Issue	Corporate Officers of the Company		Employees of the Company		Officers and Employees of the Subsidiaries of the Company	
	Number of holders	Number issued	Number of holders	Number issued	Number of holders	Number issued
2019 Stock-Linked Compensation Stock Acquisition Rights	15	148 stock acquisition rights (14,800 shares)	—	—	—	—

4. Matters Concerning Directors and Audit & Supervisory Board Members

(1) Names and Other Details of Directors and Audit & Supervisory Board Members

Position	Name	Duties at the Company and situation regarding significant concurrent posts
Representative Director (President)	Shigenao Ishiguro	<ul style="list-style-type: none"> • General Manager of Humidifier Countermeasures HQ of the Company
Representative Director (Senior Vice President)	Tetsuji Yamanishi	<ul style="list-style-type: none"> • Global Chief Compliance Officer of the Company • General Manager of Finance & Accounting HQ of the Company
Director (Chairman)	Makoto Sumita	<ul style="list-style-type: none"> • Chairman & Director of INNOTECH CORPORATION
Director (Executive Vice President)	Seiji Osaka	<ul style="list-style-type: none"> • General Manager of Corporate Strategy HQ of the Company
Outside Director	Kazumasa Yoshida	<ul style="list-style-type: none"> • Outside Director of Onkyo Corporation • Outside Director of CYBERDYNE, INC. • Outside Director of Mamezou Holdings Co., Ltd. • Outside Director of Freebit Co., Ltd.
Outside Director	Kazuhiko Ishimura	<ul style="list-style-type: none"> • Director of AGC Inc. • Outside Director of IHI Corporation • Outside Director of Nomura Holdings, Inc.
Outside Director	Kazunori Yagi	<ul style="list-style-type: none"> • Outside Audit & Supervisory Board Member of Yokogawa Bridge Holdings Corp. • Outside Audit & Supervisory Board Member of Sojitz Corporation
Full-time Audit & Supervisory Board Member	Takakazu Momozuka	
Full-time Audit & Supervisory Board Member	Satoru Sueki	
Outside Audit & Supervisory Board Member	Jun Ishii	
Outside Audit & Supervisory Board Member	Douglas K. Freeman	<ul style="list-style-type: none"> • Principal of Law Offices of Douglas K. Freeman
Outside Audit & Supervisory Board Member	Michiko Chiba	<ul style="list-style-type: none"> • Principal of Chiba Certified Public Accountant Office • Outside Director, Audit & Supervisory Committee Member of CASIO COMPUTER CO., LTD. • Outside Audit & Supervisory Board Member of DIC Corporation

Notes: 1. Directors Messrs. Kazumasa Yoshida, Kazuhiko Ishimura, and Kazunori Yagi are Outside Directors pursuant to Article 2, item 15 of the Companies Act of Japan and also Independent Directors pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.

2. Audit & Supervisory Board Members Messrs. Jun Ishii and Douglas K. Freeman and Ms. Michiko Chiba are Outside Audit & Supervisory Board Members pursuant to Article 2, item 16 of the Companies Act of Japan and also Independent Audit & Supervisory Board Members pursuant to Article 436- 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.
3. After March 31, 2020, the following changes in position, duties and significant concurrent posts occurred:

Date of change	Position	Name	Duties at the Company and situation regarding significant concurrent posts
April 1, 2020	Representative Director (Executive Vice President)	Tetsuji Yamanishi	<ul style="list-style-type: none"> • Global Chief Compliance Officer of the Company • General Manager of Finance & Accounting HQ of the Company
April 1, 2020	Outside Director	Kazuhiko Ishimura	<ul style="list-style-type: none"> • Director of AGC Inc. • Outside Director of IHI Corporation • Outside Director of Nomura Holdings, Inc. • President of the National Institute of Advanced Industrial Science and Technology

4. Transactions between the Company and other parties where Outside Directors/Audit & Supervisory Board Members concurrently hold significant positions were as follows:
- Although the Company has a business relationship with AGC Inc., where Mr. Kazuhiko Ishimura is a Director, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020 the ratio of sales of TDK Group ("TDK") to the AGC Group represented less than 1% of the consolidated net sales of TDK.
 - Although the Company has a business relationship with IHI Corporation, where Mr. Kazuhiko Ishimura is an Outside Director, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020, the ratio of sales of TDK to the IHI Group represented less than 1% of the consolidated net sales of TDK.
 - Although the Company has a business relationship with the National Institute of Advanced Industrial Science and Technology ("AIST"), where Mr. Kazuhiko Ishimura is President, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020, the ratio of contracted research fees, etc. that TDK paid to AIST represented less than 1% of the total revenue of AIST.
 - Although the Company has a business relationship with Sojitz Corporation, where Mr. Kazunori Yagi is an Outside Audit & Supervisory Board Member, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020, the ratio of sales of the Sojitz Group to TDK represented less than 1% of the consolidated net sales of the Sojitz Group.
 - Although the Company has a business relationship with CASIO COMPUTER CO., LTD. where Ms. Michiko Chiba is an Outside Director and Audit & Supervisory Committee Member, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2020, the ratio of sales of TDK to the CASIO COMPUTER Group represented less than 1% of the consolidated net sales of TDK.
5. Audit & Supervisory Board Members, Mr. Takakazu Momozuka and Ms. Michiko Chiba both have considerable knowledge of financing and accounting as stated below:
- Full-time Audit & Supervisory Board Member Mr. Takakazu Momozuka has the experience of serving for many years in the field of financing and accounting of the Company; thus, he has considerable knowledge in this field.
 - Outside Audit & Supervisory Board Member Ms. Michiko Chiba is a certified public accountant; thus she has considerable knowledge in the field of financing and accounting.
6. The Company entered into contracts with all of the Outside Directors and Audit & Supervisory Board Members pursuant to Article 427, paragraph 1 of the Companies Act of Japan to limit their liabilities under Article 423, paragraph 1 of the same Act. The amount of liability set forth in each such contract, which shall be equal to the Minimum Liability Amount as provided for in Article 425, paragraph 1 of the same Act.

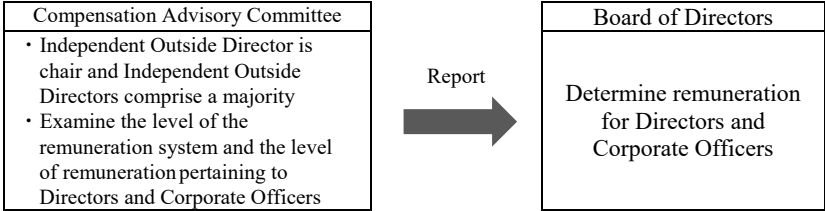
(2) Remuneration for Directors and Audit & Supervisory Board Members

1) Basic Policy

The Company has designed its remuneration system for the purpose of promoting as much as possible behavior on the part of Directors and Corporate Officers geared towards enhancing corporate results and stock value and constantly increasing the corporate value of the overall TDK Group by constantly pursuing the formulation of a competitive remuneration system to secure diverse and excellent human resources that focuses on linkage with short-term as well as medium- to long-term results.

2) Remuneration determination process

The Compensation Advisory Committee chaired by an Independent Outside Director and comprising a majority of Independent Outside Directors, examines the remuneration system and the level of remuneration pertaining to Directors and Corporate Officers and by reporting to the Board of Directors, contributes to ensuring the transparency of the remuneration determination process and the reasonability of individual remuneration.



3) Composition of remuneration

Item	Basic remuneration	Results-linked bonus	Stock-linked compensation stock options
Eligible for payment			
Directors concurrently serving as Corporate Officers	•	•	•
Directors not concurrently serving as Corporate Officers	•		•
Outside Directors	•		
Audit & Supervisory Board Members	•		
Fixed/fluctuating	Fixed	Fluctuating (single fiscal year)	Fluctuating (medium- to long-term)
Ceiling amount of remuneration	Directors: Less than ¥25 million per month Audit & Supervisory Board Members: Less than ¥8 million per month (Resolved at the 106th Ordinary General Meeting of Shareholders held on June 27, 2002)	Less than ¥350 million per year (Resolved at the 119th Ordinary General Meeting of Shareholders held on June 26, 2015)	Less than ¥457 million per year (Resolved at the 119th Ordinary General Meeting of Shareholders held on June 26, 2015)
Results linkage system	-	Remuneration fluctuates within a range of 0% to 200% of the standard payment amount depending on the consolidated results for the year (operating income, ROE) and the degree of attainment of targets set for each division in charge.	Some stock-linked compensation stock options have a results achievement condition attached to them. The results achievement condition takes consolidated results under the medium-term management plan (operating income, ROE) as an index, and varies the number of exercisable options within a range of 0% to 100% of the number of options granted, depending on the degree of attainment of targets.

4) Total Amount of Remuneration for the Fiscal Year Under Review

Classification	Total number of payees	Total amount of remuneration (¥ in millions)	Remuneration breakdown					
			Basic remuneration		Results-linked bonus		Stock-linked compensation stock options	
			Number of payees	Amount paid (¥ in millions)	Number of payees	Amount paid (¥ in millions)	Number of payees	Amount paid (¥ in millions)
Directors	7	323	7	263	3	48	4	12
(including Outside Directors)	(3)	(55)	(3)	(55)	Not eligible for the above remuneration			
Audit & Supervisory Board Members	9	87	9	87	Not eligible for the above remuneration			
(including Outside Audit & Supervisory Board Members)	(5)	(30)	(5)	(30)				
Total	16	410	16	350	3	48	4	12

Notes: 1. The number of Directors and Audit & Supervisory Board Members at the end of the fiscal year under review were 7 and 5, respectively. The total number of payees, the total amount of remuneration and the basic remuneration in the breakdown thereof regarding Audit & Supervisory Board Members as shown above include 4 Audit & Supervisory Board Members (of whom 2 were Outside Audit & Supervisory Board Members) who retired at the close of the 123rd Ordinary General Meeting of Shareholders held on June 27, 2019, and the amount of remuneration paid to them.

2. As for the amount of results-linked bonuses and stock-linked compensation stock options for Directors for the fiscal year under review, it has been recorded as an expense.

(3) Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members

1) Situation regarding Significant Concurrent Posts and Relationships between the Company and the Entities Concerned

Please refer to “(1) Names and Other Details of Directors and Audit & Supervisory Board Members” noted from page 33 through page 34.

2) Principal Activities of Outside Directors and Outside Audit & Supervisory Board Members during the Fiscal Year Under Review

Name (Position)	Attendance at Meetings of the Board of Directors and other meetings	Opinions in Meetings of the Board of Directors and other activities
Kazumasa Yoshida (Outside Director)	Meetings of the Board of Directors: 13 of the 13 meetings Nomination Advisory Committee: 10 out of the 10 meetings Compensation Advisory Committee: 8 out of the 8 meetings	Mr. Yoshida actively stated opinions regarding corporate management based on his extensive experience and knowledge, mainly on corporate management in the electronics industry and global and consumer businesses. Mr. Yoshida is the Chairman of the Compensation Advisory Committee. He therefore plays a key role in judging the transparency of the decision-making process of the remuneration to Directors, and Corporate Officers, and the appropriateness of the compensation. He is also a member of the Nomination Advisory Committee.
Kazuhiko Ishimura (Outside Director)	Meetings of the Board of Directors: 13 of the 13 meetings Nomination Advisory Committee: 10 out of the 10 meetings Compensation Advisory Committee: 8 out of the 8 meetings	Mr. Ishimura actively stated opinions regarding corporate management in general based on his extensive experience and knowledge regarding corporate management at a materials manufacturer and global business. Mr. Ishimura is a member of the Nomination Advisory Committee. He therefore plays an important role in judging the appropriateness of the selection of Directors, Audit & Supervisory Board Members and Corporate Officers, and the transparency of the decision-making process. He is also a member of the Compensation Advisory Committee.
Kazunori Yagi (Outside Director)	Meetings of the Board of Directors: 13 of the 13 meetings Nomination Advisory Committee: 10 out of the 10 meetings Compensation Advisory Committee: 8 out of the 8 meetings	Mr. Yagi is the Chair of the Board of Directors. Mr. Yagi actively stated opinions regarding corporate management in general based on his extensive experience regarding corporate management in the electronics field and on his professional accounting and financing viewpoint. Mr. Yagi is the Chairman of the Nomination Advisory Committee. He therefore plays a key role in judging the appropriateness of the selection of Directors, Audit & Supervisory Board Members and Corporate Officers, and the transparency of the decision-making process. He is also a member of the Compensation Advisory Committee.

Name (Position)	Attendance at Meetings of the Board of Directors and other meetings	Opinions in Meetings of the Board of Directors and other activities
Jun Ishii (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 10 of the 10 meetings Meetings of the Board of Directors: 10 of the 10 meetings (following appointment in June 2019)	Mr. Ishii actively states opinions based on his extensive experience and expertise regarding group governance, risk management and other matters.
Douglas K. Freeman (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 10 of the 10 meetings Meetings of the Board of Directors: 10 of the 10 meetings (following appointment in June 2019)	Mr. Freeman actively states opinions based on his specialized knowledge on law as a lawyer and extensive experience regarding international corporate legal affairs.
Michiko Chiba (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 9 of the 10 meetings Meetings of the Board of Directors: 9 of the 10 meetings (following appointment in June 2019)	Ms. Chiba actively states opinions based on her specialized knowledge of financing and accounting as a certified public accountant and extensive experience regarding auditing.

5. Accounting Auditor

(1) Name KPMG AZSA LLC

(2) Remuneration

(¥ in millions)

Classification	Amounts payable
The amount of remuneration payable to the Accounting Auditor by the Company with respect to duties provided under Article 2, paragraph 1 of the Certified Public Accountants Act	348
The aggregate amount of remuneration and other material benefits payable to the Accounting Auditor by the Company and its subsidiaries	431

Notes: 1. The Company's Audit & Supervisory Board has consented to the remuneration of the Accounting Auditor as required under the Article 399 paragraph 1 of the Companies Act, after examining the Accounting Auditor's audit plan, the status of duties conducted in previous fiscal years, and the basis for calculation of the remuneration estimate by receiving the necessary materials and hearing reports from Directors, relevant in-house departments, and the Accounting Auditor.

2. The amount of remuneration for audit pursuant to the Companies Act and the amount of remuneration for audit pursuant to the Financial Instruments and Exchange Act are not divided in the Auditing Agreement concluded between the Company and the Accounting Auditor. Therefore, the amount to be paid by the Company with respect to duties provided as stated in Article 2, paragraph 1 of the Certified Public Accountants Act represents the total amount to be paid by the Company.

3. The Company pays remuneration to the Accounting Auditor for advice regarding the application of accounting standards and other duties aside from those provided under Article 2, paragraph 1 of the Certified Public Accountants Act.

4. Of the Company's principal subsidiaries, TDK U.S.A. Corporation, SAE Magnetics (Hong Kong) Limited and other companies are audited by KPMG member firms overseas, and TDK Electronics AG is audited by another foreign audit firm.

(3) Policy for Decisions on Dismissal or Non-reappointment of Accounting Auditor

If all of the Audit & Supervisory Board Members acknowledge that the Company's Accounting Auditor falls under any of the conditions set forth in Article 340 paragraph 1 of the Companies Act of Japan and it is difficult for the Accounting Auditor to properly execute auditing, the Company shall dismiss the Accounting Auditor by a unanimous resolution of the Audit & Supervisory Board.

In addition to cases falling under any of the statutory reasons for dismissal of accounting auditors, if any fact occurs that is recognized as casting doubt upon important factors relating to the Accounting Auditor's execution of duties, such as the Accounting Auditor's qualifications, independency and ethics, the Audit & Supervisory Board will, in accordance with the Regulations of the Audit & Supervisory Board and Standards for Appointment, Dismissal, and Reappointment of Accounting Auditors, decide as to whether the Accounting Auditor shall be dismissed or shall not be re-appointed, comprehensively taking the facts into account.

6. TDK's System and Policy

[ESTABLISHMENT OF SYSTEMS FOR ENSURING THE EXECUTION OF DUTIES BY DIRECTORS COMPLIES WITH LAWS AND REGULATIONS AND THE ARTICLES OF INCORPORATION, AND OTHER SYSTEMS FOR ENSURING THE PROPERNESS OF OPERATIONS OF A STOCK COMPANY AND OPERATIONS OF A CORPORATE GROUP CONSISTING OF SUCH STOCK COMPANY AND ITS SUBSIDIARIES]

WITH RESPECT TO THE STATEMENT ABOVE, THE BOARD OF DIRECTORS OF THE COMPANY RESOLVED AS FOLLOWS:

(LATEST REVISION DATE: NOVEMBER 28, 2018)

(1) Systems for ensuring the execution of duties by Directors of the Company complies with laws and regulations and the Articles of Incorporation:

The Company was established in 1935 as the world's first company to industrialize a magnetic material called ferrite. In the ensuing years, the Company has unremittably pursued originality and increased corporate value through provisions of products and services which have created new value, based on the founding spirit "Contribute to culture and industry through creativity" as its Corporate Motto. In addition, TDK will continue to build satisfaction, trust, and support among all stakeholders (shareholders, customers, suppliers, employees and communities, among others), continue to be helpful by resolving social issues and contribute to the development of a more sustainable society. TDK clearly declares as "TDK Charter of Corporate Behavior" that TDK will continue to respect human rights; comply with relevant laws, regulations and international rules and the spirit thereof; and carry out its social responsibility with a strong sense of ethics, domestically and overseas. All Directors, Audit & Supervisory Board Members, Corporate Officers and employees constituting TDK seek to behave in strict compliance with the "Corporate Standards of Business Conduct" prescribed by the "TDK Code of Conduct".

In addition, the Company aims to achieve its management targets and further improve corporate value through the creation of products by adhering to the Corporate Motto. At the same time, the Company strives to foster a sound corporate culture and sincerely conduct business activities, always aware of its place as a member of society. Moreover, the Company will be accountable to stakeholders through comprehensive, accurate, timely and impartial disclosure of information.

As mentioned above, the Company sincerely and devotedly seeks to achieve its management philosophy and to establish the following effective and orderly corporate governance systems to continue to ensure soundness, compliance and transparency in its business operations.

① Adoption of the Audit & Supervisory Board Member System and Strengthening of the Supervisory Function:

The Company has adopted the Audit & Supervisory Board Member System pursuant to the Companies Act of Japan and has appointed independent Outside Audit & Supervisory Board Members who are disinterested in the Company to strengthen the supervision of the Company's management.

② Strengthening the Supervisory Function of the Board of Directors:

The Company has a small number of Directors to expedite the management decision-making process. At the same time, the Company appoints disinterested, independent Outside Directors in order to enhance the supervision of the Company's management. In addition, the Company's basic policy is to elect independent Outside Directors which account for one-third or more of the Directors and from the perspective of ensuring clear separation between management oversight and business execution, an independent Outside Director serves as the Chair of the Board of Directors in principle. Furthermore, the Directors' terms of office are set at one year to give shareholders an opportunity to cast votes of confidence regarding Directors' performance every

fiscal year.

③ Adoption of a Corporate Officer System for Expeditious Business Execution:

The Company has adopted a Corporate Officer system that separates the management decision making and Director supervisory functions of the Board of Directors from the execution of business. This aims to accelerate decision-making by delegation of authority and to clarify the authority and responsibility of business execution. Corporate Officers are in charge of business execution and carrying out decisions made by the Board of Directors and thereby expeditiously execute business operations in accordance with management decisions.

④ Establishment of Advisory Bodies to the Board of Directors (Nomination Advisory Committee, Compensation Advisory Committee, Corporate Governance Committee and Business Ethics Committee):

The Nomination Advisory Committee is chaired by an Outside Director of the Company and a half or more of the members are Outside Directors. The said Committee reviews the conditions expected for the post of Director, Audit & Supervisory Board Member, and Corporate Officer and makes nominations. In this way, the Nomination Advisory Committee ensures the appropriate election of Directors, Audit & Supervisory Board Members and Corporate Officers and provides transparency in the decision-making process.

The Compensation Advisory Committee is chaired by an Outside Director of the Company and a half or more of the members are Outside Directors. The said Committee examines the remuneration system and the level of remuneration pertaining to Directors and Corporate Officers, as well as presidents and qualifying officers of the Company's principal subsidiaries. It also reviews the transparency of the remuneration decision-making process and verifies whether such remuneration is reasonable in light of corporate business performance, individual performance and general industry standards.

The Corporate Governance Committee conducts deliberations on matters concerning corporate governance, internal control system and its operation, etc. and continuously strives to enhance corporate governance for the Company's sustainable growth and increase of its corporate value over the mid- to long-term.

The aim of the Business Ethics Committee is to ensure compliance with the TDK Corporate Motto, understanding of corporate ethics and improvement of awareness of corporate social responsibility (CSR). To achieve this aim, the Directors, Audit & Supervisory Board Members, Corporate Officers and all other members of TDK are made fully aware of the "TDK Code of Conduct", which stipulates concrete standards of business conduct in compliance with the TDK's management philosophy, including the TDK Corporate Motto, Corporate Principle and social norms, including relevant laws, regulations and international rules and the spirit thereof.

Under the foregoing corporate systems, the Audit & Supervisory Board Members in charge of supervising management, ensure soundness, compliance and transparency in the Company's business operations by executing their duties pursuant to the Regulations of the Audit & Supervisory Board, the Code of Audit & Supervisory Board Members' Auditing Standards and Audit Practice Standards for Internal Control Systems and by auditing whether the Directors' performance is appropriately and reasonably in compliance with relevant laws and regulations and the Articles of Incorporation.

Similarly, Directors in charge of management decision-making and supervision of business execution ensure soundness, compliance and transparency in the Company's business operations by executing their duties pursuant to the Regulations of the Directors' Business and the Regulations of the Board of Directors established in accordance with relevant laws and regulations and the Articles of Incorporation. In addition, Corporate Officers in charge of business execution ensure soundness, compliance and transparency in the Company's business

operations by executing their duties pursuant to the Regulations of the Corporate Officers' Business.

The Company establishes the Disclosure Committee as well as the following procedures and system to ensure compliance with all applicable securities and exchange laws and other similar laws and regulations of all relevant countries, as well as the rules and regulations of the stock exchange on which the Company's shares are listed (hereinafter collectively referred to as the "Securities Regulations").

- (i) Internal control and other procedures to collect, record, analyze, process, summarize and report all information required to be disclosed under the Securities Regulations and warrant timely disclosures within the deadlines stipulated by the Securities Regulations.
- (ii) System to ensure that the Company has procedures designed to obtain reasonable assurance that all the transactions that the Company conducts are properly authorized, that the Company's assets are protected from unauthorized or improper use and that all trading activities are appropriately recorded and reported for the purpose of enabling the Company to prepare financial statements in accordance with the accounting standards applied by the Company.
- (iii) System to ensure that the Company is in compliance with the requirements of the Securities Regulations with respect to corporate governance systems.

(2) System under which information regarding the execution of business by Directors of the Company shall be preserved and controlled:

The President, who is responsible for the business execution of the Company, has established the Document Control Regulations, which are applicable to TDK and provide basic rules for the preservation and control of information regarding the execution of business by Directors.

(3) Regulations and other systems for managing the risk of loss(es) of the Company and its subsidiaries:

To enhance the risk management system of TDK, the Company has established the following four committees (which is chaired by a Corporate Officer appointed by the President) under the direct control of the Executive Committee.

(i) Disclosure Committee

The Disclosure Committee deliberates on and examines important corporate information and disclosure materials of the Company that are required for investment decisions by shareholders and investors, to ensure that the Company discloses appropriate information in a comprehensive, accurate, timely and impartial manner, in accordance with various laws and regulations regarding securities transactions and the rules and regulations of the stock exchange on which the Company's shares are listed.

(ii) ERM* Committee

For the purpose of the company-wide treatment of factors that obstruct the achievement of the business targets and business operations of the Company, the Company has established the ERM Committee and promotes enterprise risk management.

Corporate regulations, bylaws, guidelines and departmental guidelines established in each department provide for operating rules for specific risks, including legal, financial and IT-related risks. These risks are managed by managers in charge of the particular areas of operation.

*ERM (Enterprise Risk Management)

(iii) Crisis Management Committee

In order to prepare for unexpected situations such as natural disasters, the Company has established the Crisis Management Committee, which developed the Business Continuity Plan (BCP). Accordingly, if such an unexpected situation arises, the Company will assess the situation immediately and respond appropriately.

(iv) Information Security Committee

In order to appropriately manage important information including information provided by customers, the Company has established the Basic Policy on Information Security and the Information Security Committee and appropriately takes risk-based security measures.

The Company has ensured that a structure for receiving advice in relation to enhancing the risk management system and increasing its effectiveness (including, but not limited to, identifying, evaluating and reviewing material management risks at TDK and establishing effective countermeasures) is in place through regular confirmation and audit by the Audit & Supervisory Board Members and the internal audit department of the management operations described above. In addition, the Company will seek advice from specialists, including outside legal counsel and other experts, as needed regarding risks surrounding TDK.

(4) System for ensuring Directors of the Company and Directors, etc. of the Company's subsidiaries execute their duties efficiently and system for reporting matters concerning the execution of duties of Directors, etc. of the Company's subsidiaries to the Company:

The Company has a small number of Directors and has adopted the Corporate Officer system to facilitate the Directors' ability to make quick and efficient management decisions.

At the same time, policies and measures with respect to business execution, such as development, manufacturing, marketing and financing of TDK, are deliberated and decided upon by the Executive Committee, which consists of Corporate Officers and General Managers designated by the President. All Corporate Officers perform their duties expeditiously pursuant to the decisions made by the Executive Committee. As to the status of the execution of their duties, the Company ensures efficient management via regular reports to the Board of Directors and regular reports from Corporate Officers to the Executive Committee.

In addition, the Company establishes midterm management targets shared by all members of TDK and strives to inform them of such targets. The Company also establishes systems that enable it to understand the targets and implementation plans of each department as well as the progress of each department in relation to such targets. With respect to the business management of subsidiaries, the Company establishes systems that enable it to understand their business conditions through quarterly reports submitted by each subsidiary.

(5) System for ensuring performance of duties by employees of the Company and Directors, etc. and employees of the Company's subsidiaries are in compliance with laws and regulations and the Articles of Incorporation:

The Company strives to ensure that all members of TDK are fully familiar with TDK's management philosophy, "TDK Code of Conduct" and "TDK Charter of Corporate Behavior" in order to ensure improved soundness, compliance and transparency of management, as well as compliance with laws, regulations and the Articles of Incorporation throughout the performance of duties by all members of TDK.

Furthermore, the Company has established a corporate ethics management system under the Business Ethics Committee, to regularly monitor the Company's compliance with corporate ethics, including the Company's subsidiaries worldwide. The Consultations and Help Lines also enable employees to directly report all relevant information and opinions concerning corporate ethics, etc. within TDK.

In addition, the Company appoints a Chief Compliance Officer from among Corporate Officers upon resolution of the Board of Directors and establishes a compliance promotion department under the direct control of the President. The Chief Compliance Officer and compliance promotion department, together with Regional Chief Compliance Officers appointed in each region of the world

as well as in Japan, operate in order to establish and strengthen a compliance system of TDK.

Especially as to compliance with cartel regulations in each country, the Company establishes a system of checks, monitoring, etc., achieves thorough compliance with the applicable code of conduct and ensures a strict performance of duties.

(6) System for ensuring proper business execution by the corporate group consisting of the Company and its subsidiaries:

Each Director, Corporate Officer and manager in charge of operations strives to achieve proper business operations by making decisions in compliance with the “TDK Code of Conduct”, the Job Authority Regulations and other applicable corporate regulations for the entire TDK, in order to maintain soundness, compliance, and transparency in business operations, and to achieve the business targets of TDK.

The Audit & Supervisory Board Members audit, on a regular basis, the condition of the business operations of each department of TDK by researching the departments, examining important documents, and attending important meetings. In addition, the internal audit department audits and supports each department of TDK in order to promote consistency in relation to business operations and management policies, efficiency of management, and compliance with relevant laws and regulations.

(7) Matters relating to employees who support the duties of Audit & Supervisory Board Members of the Company when Audit & Supervisory Board Members request such employees:

The Audit & Supervisory Board Members Office, consisting of designated full-time employees who do not perform any business execution duties, assists duties of the Audit & Supervisory Board Members.

(8) Matters regarding the independence of employees in the preceding item from Directors and the ensuring of the effectiveness of instructions of Audit & Supervisory Board Members of the Company to such employees:

The authority to instruct or order the employees who serve as members of the Audit & Supervisory Board Members Office belongs exclusively to the Audit & Supervisory Board Members. In addition, the Audit & Supervisory Board Members directly evaluate the performance of such employees and any transfer or discipline of these employees is determined pursuant to the operating rules of the Company subject to the consent of the Audit & Supervisory Board Members.

(9) System for ensuring Directors or employees of the Company report to Audit & Supervisory Board Members of the Company and system for ensuring Directors, Audit & Supervisory Board Members, employees of the Company’s subsidiaries or persons who have received reports from these persons report to Audit & Supervisory Board Members of the Company:

All members of TDK provide an appropriate report immediately, if an Audit & Supervisory Board Member requests a report regarding the execution of business. Information regarding management policies of TDK and conditions of business execution by Corporate Officers is timely provided to Audit & Supervisory Board Members who attend important meetings such as Executive Committee meetings and business plan review meetings, and minutes of such meetings are also provided to the Audit & Supervisory Board Members immediately. Furthermore, Audit & Supervisory Board Members may receive explanations directly from Corporate Officers and other personnel as necessary. Audit & Supervisory Board Members may review reports prepared by each department of the Company or company of TDK, and Audit & Supervisory Board Members may thereby confirm the conditions of the business operations of TDK.

In addition, all members of TDK may report any fact which may cause significant damage to TDK, such as violation of law or regulation, to the Business Ethics Committee through the Consultations or Help Lines established by the said Committee and covering the whole of TDK. In cases where the Business Ethics Committee finds any fact which may cause significant damage to TDK, such as violation of law or regulation, it will immediately report such fact to Audit & Supervisory Board Members or the Audit & Supervisory Board.

Furthermore, information regarding the activities of the ERM Committee and other committees is provided to Audit & Supervisory Board Members from time to time, enabling the Audit & Supervisory Board Members to confirm the overall status of corporate activities.

(10) System for ensuring persons who have reported as provided in the preceding item will not be treated unfavorably on grounds of such reporting

The Company prohibits any member of TDK who has reported to the Consultation or Help Line from being treated unfavorably on the grounds of such reporting, and stipulates to that effect in the “TDK Code of Conduct” and clearly informs all members of TDK of that fact.

(11) Matters concerning policies for disposal of expenses and obligations associated with the execution of duties by Audit & Supervisory Board Members

When Audit & Supervisory Board Members demand payment of expenses or obligations associated with execution of their duties from the Company pursuant to Article 388 of the Companies Act of Japan, the Company shall pay such expenses or obligations immediately after deliberation at the department in charge unless the expenses or obligations concerning such demand are proven to be unnecessary for the execution of such duties of the Audit & Supervisory Board Members.

(12) System for ensuring Audit & Supervisory Board Members of the Company conduct audits effectively:

The Audit & Supervisory Board Members and the Audit & Supervisory Board meet with the President on a regular basis to confirm management policies and exchange opinions on pressing issues and risks affecting TDK and other important matters from the perspective of the Audit & Supervisory Board Members’ audits. These meetings also strengthen the mutual understanding between the Audit & Supervisory Board Members and the President.

The Audit & Supervisory Board Members and the internal audit department meet regularly and receive regular audit reports from the Accounting Auditor. Audit & Supervisory Board Members conduct efficient audits by sharing information regarding initial audit plans and results. Furthermore, the Audit & Supervisory Board has entered into an advisory contract with an attorney who is independent from the business execution department and has established a system to ensure that it receives advice with respect to matters which need to be reviewed or confirmed from the perspective of the Audit & Supervisory Board Members or the Audit & Supervisory Board.

[Overview of operation of systems to ensure appropriate business operations]

(1) Internal audit and internal control over financial reporting

The Management Review & Support Group, which is an internal audit department of the Company, conducted hearings from the four committees under the direct control of the Executive Committee regarding their activities and verified compliance with relevant laws and regulations, internal regulations, etc. and the efficiency and effectiveness of the operation at operating departments and principal subsidiaries. Also, the Management Review & Support Group conducted the evaluation of the “effectiveness of internal controls over financial reporting” in accordance with

the Financial Instruments and Exchange Act of Japan at important bases and important subsidiaries in Japan and overseas. The Management Review & Support Group regularly reports about the results thereof to the President, the Board of Directors and the Audit & Supervisory Board Members.

The Management Review & Support Group and full-time Audit & Supervisory Board Members share information. The Management Review & Support Group submits internal audit reports to full-time Audit & Supervisory Board Members, receives results of Audit & Supervisory Board Members' audit from full-time Audit & Supervisory Board Members and seeks to conduct effective internal audits.

The Management Review & Support Group regularly confirms the Accounting Auditor's audit activities through quarterly financial statements, etc. and regularly exchanges opinions with the Accounting Auditor regarding status of evaluation of the "effectiveness of internal controls over financial reporting" in accordance with the Financial Instruments and Exchange Act of Japan.

(2) Corporate ethics

Basically, the Company's top management themselves stand at the forefront and demonstrate leadership in order to instill and enhance awareness of corporate ethics and compliance among Directors, Audit & Supervisory Board Members, Corporate Officers and employees constituting TDK, and in particular, the Chairman of the Business Ethics Committee from time to time creates occasions to directly educate and enlighten employees, etc. of TDK in order to notify them of TDK's management philosophy, "TDK Code of Conduct" and "TDK Charter of Corporate Behavior". Also, TDK implements collective education, e-learning, etc. regarding corporate ethics generally in overseas locations as well as in Japan each year.

Furthermore, under the corporate ethics management system that centers on the Business Ethics Committee and includes the Company's subsidiaries worldwide, compliance with corporate ethics is regularly monitored and the said Committee reports about the result thereof to the Board of Directors each quarter.

Moreover, the Consultations and Help Lines have been established as a system through which issues related to corporate ethics may be reported or consulted in a manner other than regular reporting lines. The Consultations and Help Lines directly collect information and opinions concerning corporate ethics, etc. within TDK. In addition to such internal reporting channel, another reporting channel using an outside law firm has been established in Japan, China, Asia (excluding Japan and China), Europe and Americas regions. An employee who wants to report may choose a channel which he/she thinks best among the multiple reporting channels mentioned above.

(3) Compliance

The Company has established the legal and compliance headquarters under the direct control of the President as well as appoints the Global Chief Compliance Officer and Regional Chief Compliance Officers in Japan and the other four regions around the world. The Company thereby fosters a sincere, fair and transparent corporate culture and meets the expectations and trust of its customers and society as well as further strengthens its system to ensure that all members of TDK act in compliance with a common standard around the world.

Furthermore, the Company identifies compliance risks of TDK which it deems material from the perspective of legal risk management, and among such risks, focuses on risks related to cartel, bribery, product quality fraud, etc. which may have a significant impact in developing its business globally. With respect to various issues arising in connection with corporate compliance, a department in charge verifies the facts regarding such issues, takes appropriate measures and provides timely reports to the Board of Directors. Also, such department in charge analyzes the causes of such issues and develops preventive measures for each company of TDK, in cooperation with the legal and compliance headquarters.

(4) Risk management

The Company has established the ERM Committee to promote countermeasures against risks which may prevent the achievement of an organizational goal and appropriately manage such risks on a company-wide basis in striving for sustainable growth. The ERM Committee analyzes and evaluates risks and promotes the company-wide risk management including identification of risks that need to be addressed on a cross-functional basis and introduction of countermeasures in cooperation with relevant departments. Such analysis and evaluation of risks and countermeasures are deliberated on at the Executive Committee and reported to the Board of Directors.

Also, the Crisis Management Committee conducts the regular check of operations and promotes the BCP training and other activities mainly at the domestic locations of TDK in order for the Business Continuity Plan (BCP) of each operating department established based upon the company-wide basic policy to work properly.

In addition, the Information Security Committee continuously verifies information security risks and implements appropriate countermeasures. For example, in preparation for cyber-attacks and other risks, the Information Security Committee provides information security education programs to employees and implements protection, detection, recovery and other countermeasures.

Furthermore, the Company has established the Disclosure Committee, which examines and deliberates on important disclosure materials that are required for investment decisions by shareholders and investors, including the Summary of Financial Reports, to ensure appropriate disclosure of information.

(5) Group business management

The Executive Committee 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. With respect to subsidiaries, the Company specifies departments responsible for each subsidiary and clarifies their authorities and responsibilities, and such departments manage and supervise subsidiary businesses. Also, headquarters manage and supervise a subsidiary in relation to their respective responsibilities.

Furthermore, TDK has established regional headquarters in Americas, Europe and China which are key areas and develops a more effective group governance system by managing and supervising subsidiaries within each region in accordance with the regional characteristics through the said regional headquarters as part of their headquarters functions.

Also, TDK reviewed and revised the roles of and matters to be implemented by each organization of TDK and established the “Global Common Regulations” as rules to be complied with by all members of TDK.

(6) Directors and Board of Directors

The Board of Directors of the Company consists of seven Directors including three Independent Outside Directors, and an Independent Outside Director presides over the procedures of the Board of Directors meetings as the Chair of the Board of Directors. The Board of Directors makes decisions on important management matters as well as matters specified in the applicable laws and regulations, the Articles of Incorporation and internal regulations based on careful discussions and supervises the conditions of business execution. Also, the Nomination Advisory Committee and the Compensation Advisory Committee have been established as advisory bodies to the Board of Directors and the Chairman and majority of the members of each Committee are Independent Outside Directors. This promotes the transparency and objectivity of decision-making process regarding nomination and compensation of Directors and Corporate Officers, etc. Furthermore, the Company has established the Corporate Governance Committee, which conducts

deliberations on matters concerning corporate governance, internal control system and its operation, etc. and seeks continuous enhancement of corporate governance.

In each fiscal year, the Board of Directors conducts the Board of Directors evaluation and evaluates the Board of Directors including its advisory committees (Nomination Advisory Committee and Compensation Advisory Committee) in order to further enhance its effectiveness.

During the fiscal year under review, the Board of Directors meetings were held 13 times.

(7) Audit & Supervisory Board Member and Audit & Supervisory Board

The Audit & Supervisory Board Members timely collect information regarding management policies of TDK and conditions of business execution by Corporate Officers, etc. by attending the Board of Directors meetings as well as through regular attendance at the Executive Committee meetings, business plan review meetings and other important meetings and inspection of management reports and applications for internal decision-making by the full-time Audit & Supervisory Board Members. The Audit & Supervisory Board Members share and deliberate such information among themselves. Also, the full-time Audit & Supervisory Board Members conducted hearings from operating department managers and headquarter function managers regarding the conditions of business execution and conducted onsite audit of the Company's operating departments and headquarters and the subsidiaries selected according to importance based on the audit policy setting forth the priority audit items in the fiscal year under review. The full-time Audit & Supervisory Board Members share the issues identified through such hearings and onsite audit and confirm the countermeasures therefor with the relevant operating department managers and headquarters. Furthermore, the Audit & Supervisory Board Members receive the internal audit report from the internal audit department and promote information sharing and collaboration with them through establishing regular meetings. These onsite audit results summary, identified issues, confirmed countermeasures and internal audit status are shared among all Audit & Supervisory Board Members at the Audit & Supervisory Board meetings, and the issues are deliberated at the Audit & Supervisory Board meetings and reported to the Directors when appropriate. In addition, the Audit & Supervisory Board Members have meetings with an attorney with whom the Audit & Supervisory Board has entered into an advisory contract from time to time and receive legal advice regarding Audit & Supervisory Board Members' duties timely, and thereby improve the effectiveness of Audit & Supervisory Board Members' duties.

The Audit & Supervisory Board confirms the Company's business conditions through regular meetings with the Board of Directors and Representative Director, etc., and expresses opinions and provides recommendations from time to time regarding tasks to be addressed by TDK (including matters concerning corporate governance and compliance), development and operation status of internal control, risks surrounding TDK, important issues in the Audit & Supervisory Board Members' audit and other issues. On the other hand, the Audit & Supervisory Board promotes collaboration with the Accounting Auditor by discussing about audit plan with the Accounting Auditor and holding multiple meetings (including audit results report meeting). Based on these activities, the Audit & Supervisory Board meetings were held 14 times during the fiscal year under review.

Note: Unless otherwise noted, each item in this business report describes the status as of the fiscal year ended March 2020 (from April 1, 2019 to March 31, 2020) or as of the end of the fiscal year ended March 2020 (March 31, 2020).

Also, Monetary amounts, numbers of shares, proportions and other figures contained in this business report are rounded to the nearest unit unless otherwise stated or no rounding is required.

Attached Document (2)

CONSOLIDATED BALANCE SHEETS
(prepared in accordance with U.S. GAAP)

Item	As of March 31, 2019 (reference)	As of March 31, 2020	Item	As of March 31, 2019 (reference)	As of March 31, 2020
(ASSETS)	(¥ in millions)		(LIABILITIES)	(¥ in millions)	
Current assets	922,485	966,482	Current liabilities	714,320	718,905
Cash and cash equivalents	289,175	332,717	Short-term debt	221,310	216,601
Short-term investments	40,505	32,494	Current installments of long-term debt	91,276	68,028
Marketable securities	57	56	Current portion of operating lease obligations	—	7,252
Net trade receivables	308,154	310,142	Trade payables	189,892	201,825
Inventories	226,892	236,453	Accrued expenses	192,800	201,591
Other current assets	57,702	54,620	Income taxes payables	3,781	7,341
Noncurrent assets	1,069,995	976,897	Other current liabilities	15,261	16,267
Investments in affiliates	139,522	14,888	Noncurrent liabilities	394,404	375,910
Other investments	15,784	18,341	Long-term debt	207,682	140,061
Net property, plant and equipment	603,110	611,150	Long-term operating lease obligations	—	28,824
Right-of-use assets of operating lease	—	39,215	Retirement and severance benefits	129,050	142,958
Goodwill	164,794	160,945	Deferred income taxes	38,588	38,329
Other intangible assets	88,693	79,748	Other noncurrent liabilities	19,084	25,738
Deferred income taxes	35,238	34,862	(Total liabilities)	1,108,724	1,094,815
Other assets	22,854	17,748	(EQUITY)		
			Common stock	32,641	32,641
			Additional paid-in capital	5,958	1,783
			Legal reserve	44,436	45,254
			Retained earnings	935,649	971,140
			Accumulated other comprehensive income (loss)	(124,435)	(190,055)
			Treasury stock	(16,959)	(16,806)
			(Total TDK stockholders' equity)	877,290	843,957
			Noncontrolling interests	6,466	4,607
			(Total equity)	883,756	848,564
Total assets:	1,992,480	1,943,379	Total liabilities and equity:	1,992,480	1,943,379

Note: Amounts less than ¥1 million have been rounded to the nearest unit.

Attached Document (3)

CONSOLIDATED STATEMENTS OF INCOME
(prepared in accordance with U.S. GAAP)

Item	From: April 1, 2018 To: March 31, 2019 (reference)	From: April 1, 2019 To: March 31, 2020
	(¥ in millions)	(¥ in millions)
Net sales	1,381,806	1,363,037
Cost of sales	985,321	959,714
Gross profit	396,485	403,323
Selling, general and administrative expenses	287,561	289,771
Other operating expense (income)	1,101	15,682
Operating income	107,823	97,870
Other income (deductions)		
Interest and dividend income	7,746	10,166
Interest expense	(4,155)	(3,671)
Equity in earnings of affiliates	1,795	(2,329)
Gain (loss) on sale of investments in affiliates	9,379	(183)
Foreign exchange gain (loss)	(4,412)	(4,020)
Other - net	(2,622)	(1,957)
Total other income (deductions)	7,731	(1,994)
Income before income taxes	115,554	95,876
Income taxes	33,004	38,719
Net income	82,550	57,157
Less: Net income (loss) attributable to noncontrolling interests	345	(623)
Net income attributable to TDK	82,205	57,780

Note: Amounts less than ¥1 million have been rounded to the nearest unit.

REFERENCE

CONSOLIDATED STATEMENTS OF CASH FLOWS (prepared in accordance with U.S. GAAP)

Item	From: April 1, 2018 To: March 31, 2019	From: April 1, 2019 To: March 31, 2020
	(¥ in millions)	
Cash flows from operating activities:		
Net income	82,550	57,157
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	106,631	124,984
Deferred income taxes	5,458	(4,437)
Impairment of long-lived assets	5,112	18,592
Gain on sale of business	(4,011)	(2,910)
Equity in earnings of affiliates, net of dividends received	(1,768)	2,370
Gain (loss) on sale of investments in affiliates	(9,379)	183
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(3,388)	(13,198)
Decrease (increase) in inventories	(22,952)	(20,357)
Increase (decrease) in trade payables	(12,241)	23,090
Increase (decrease) in accrued expenses	8,541	16,563
Decrease (increase) in other assets and liabilities, net	(15,404)	6,667
Other-net	1,125	13,686
Net cash provided by operating activities	140,274	222,390
Cash flows from investing activities:		
Capital expenditures	(173,592)	(173,429)
Proceeds from sale of tangible and intangible assets	3,921	2,945
Proceeds from sale and maturity of short-term investments	92,197	80,328
Payment for purchase of short-term investments	(87,581)	(74,665)
Proceeds from sale and maturity of securities	435	1,608
Payment for purchase of securities	(803)	(2,380)
Proceeds from business transfer, net of cash transferred	11,462	-
Acquisition of subsidiaries, net of cash acquired	(2,548)	(234)
Proceeds from sale of investments in affiliates	22,064	124,484
Acquisition of investments in affiliates	(4,890)	-
Other-net	(844)	(621)
Net cash used in investing activities	(140,179)	(41,964)
Cash flows from financing activities:		
Proceeds from debt with maturities longer than three months	5,166	21,407
Repayment of debt with maturities longer than three months	(68,930)	(95,087)
Net increase (decrease) in debt with maturities of three months	95,824	(21,613)
Dividends paid	(18,948)	(21,469)
Acquisition of noncontrolling interests	(3,590)	(4,991)
Other-net	(87)	(16)
Net cash provided by (used in) financing activities	9,435	(121,769)
Effect of exchange rate changes on cash and cash equivalents	21	(15,115)
Net increase in cash and cash equivalents	9,551	43,542
Cash and cash equivalents at beginning of period	279,624	289,175
Cash and cash equivalents at end of period	289,175	332,717

Note: Amounts less than ¥1 million have been rounded to the nearest unit.

Attached Document (6)

CERTIFIED COPY OF ACCOUNTING AUDITORS' REPORT FOR CONSOLIDATED FINANCIAL STATEMENTS

[English Translation of the Independent Auditors' Report Originally Issued in the Japanese Language]

Independent Auditor's Report

May 21, 2020

The Board of Directors
TDK Corporation

KPMG AZSA LLC
Tokyo Office

Yutaka Terasawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroto Yamane (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kohei Shingaki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statements of income, the consolidated statement of equity and the related notes of TDK Corporation (the "Company") for the fiscal year from April 1, 2019 to March 31, 2020 in accordance with Article 444, Paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above, prepared with the omission of some disclosure items required under accounting principles generally accepted in the United States of America in accordance with the second sentence of Article 120, Paragraph 1 of the Ordinance of Companies Accounting, which is applied mutatis mutandis pursuant to Article 120-3, Paragraph 3 of the same Ordinance, present fairly, in all material respects, the financial position and the results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are stated in "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in

Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120, Paragraph 1 of the Ordinance of Companies Accounting, which is applied mutatis mutandis pursuant to Article 120-3, Paragraph 3 of the same Ordinance, that allows companies to prepare consolidated financial statements with the omission of some disclosure items required under accounting principles generally accepted in the United States of America, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in the United States of America.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the

notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weakness in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan regarding independence as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Attached Document (8)

CERTIFIED COPY OF AUDIT REPORT OF AUDIT & SUPERVISORY BOARD

[English Translation of the Audit Report of Audit & Supervisory Board
Originally Issued in the Japanese Language]

Audit Report of Audit & Supervisory Board

The Audit & Supervisory Board (the "Board") of TDK Corporation (the "Company") has reviewed and discussed the audit report prepared by each Audit & Supervisory Board Member with respect to the execution of the duties by the Directors during the 124th fiscal year commencing on April 1, 2019 and ending on March 31, 2020 and prepared the following audit report of the Board.

1. Means and methods of audits employed by the Audit & Supervisory Board Members and the Board

(1) The Board established audit policies, schedules, duty allocation policies and other relevant guidance for the relevant fiscal year pursuant to the Code of Audit & Supervisory Board Members' Auditing Standards established by the Board; received reports from each Audit & Supervisory Board Member regarding their execution of audits and the results thereof, as well as reports from Directors, etc. and the Accounting Auditor regarding the execution of their duties; and sought explanations as necessary.

(2) In accordance with the audit policies, schedules, duty allocation policies set forth above, each Audit & Supervisory Board Member communicated with the Directors, Corporate Officers, internal audit department and other employees; made efforts to develop the audit environment and collect information; and conducted audits as set forth below.

- i Each Audit & Supervisory Board Member participated in meetings of the Board of Directors and other important meetings; received reports from Directors, Corporate Officers and employees regarding the execution of their duties; sought explanations as necessary; examined important approval records and associated information; and investigated the status of operations and property at the head office and other principal offices. In addition, with respect to subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with their Directors and Audit & Supervisory Board Members; and received business reports from subsidiaries as necessary.
- ii With respect to the contents of the resolution of the Board of Directors regarding the development of systems necessary to ensure that the execution of the duties by the Directors complies with the laws and regulations and the Articles of Incorporation and other systems prescribed as necessary for ensuring the properness of operations of a corporate group consisting of a stock company and its subsidiaries under Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act of Japan and the operations of the systems developed based on such resolution (the "Internal Control Systems"), in accordance with the Standards for Conducting Internal Control Audit established by the Board, each Audit & Supervisory Board Member received reports regarding the situation of the establishment and operations of such systems from Directors, Corporate Officers and other employees on a regular basis; sought explanations as necessary; and expressed opinions as Audit & Supervisory Board Member.
- iii While monitoring and verifying whether the Accounting Auditor maintained its independence and implemented appropriate audits, each Audit & Supervisory Board Member received reports from the Accounting Auditor regarding the execution of its duties; and sought explanations as necessary. In addition, each Audit & Supervisory Board Member in charge of receiving a notice of accounting audit reports from the Accounting Auditor received a notice from the Accounting Auditor that it had developed

the "systems necessary to ensure proper execution of duties", prescribed under Article 131 of the Ordinance of Companies Accounting of Japan, in accordance with the "Quality Management Standards Regarding Audits", published by the Business Accounting Council as of October 28, 2005, and other relevant standards; and sought explanations as necessary.

Based on the above means and methods, each Audit & Supervisory Board Member examined the business reports and the supplementary schedules thereof, the non-consolidated financial statements (balance sheet, statement of operations, statement of changes in net assets and list of notes to financial statements) and the supplementary schedules thereof, and the consolidated financial statements (consolidated balance sheet, consolidated statement of operations, consolidated statement of equity and list of notes to consolidated financial statements) for the relevant fiscal year.

2. Audit results

(1) Results of audits of the business reports and other subjects

- i The Board has confirmed that the business reports and the supplementary schedules thereof accurately indicate the status of the Company in compliance with applicable laws and regulations and the Articles of Incorporation.
- ii The Board has found no misconduct or material facts in violation of laws and regulations or the Articles of Incorporation in connection with the execution of the duties by the Directors.
- iii The Board has confirmed that the content of the resolution of the Board of Directors regarding the Internal Control Systems is appropriate and there is no matter on which to remark in regard to the description of business report and the execution of the duties by the Directors regarding the Internal Control Systems.

(2) Results of audits of the non-consolidated financial statements and the supplementary schedules thereof

The Board has confirmed that the methods and results of the audits by the Accounting Auditor, audit firm of KPMG AZSA LLC, are appropriate.

(3) Results of audits of the consolidated financial statements

The Board has confirmed that the methods and results of the audits by the Accounting Auditor, audit firm of KPMG AZSA LLC, are appropriate.

May 25, 2020

Audit & Supervisory Board
TDK Corporation

Full-time Audit & Supervisory Board Member
Takakazu Momozuka (Seal)

Full-time Audit & Supervisory Board Member
Satoru Sueki (Seal)

Outside Audit & Supervisory Board Member
Jun Ishii (Seal)

Outside Audit & Supervisory Board Member
Douglas K. Freeman (Seal)

Outside Audit & Supervisory Board Member
Michiko Chiba (Seal)

End