



TDK Corporation  
November 1, 2021

**Contact;**

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**Consolidated results (U.S. GAAP) for the 2nd quarter of FY March 2022**

**Summary (April 1, 2021 - September 30, 2021)**

Term Item	1H of FY2021 (April 1, 2020 - Sep. 30, 2020)		1H of FY2022 (April 1, 2021 - September 30, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	691,111	100.0	894,185	100.0	7,983,795	203,074	29.4
Operating income	62,406	9.0	80,033	9.0	714,580	17,627	28.2
Income before income taxes	63,163	9.1	84,456	9.4	754,071	21,293	33.7
Net income attributable to TDK	42,225	6.1	68,228	7.6	609,179	26,003	61.6
Per common share :							
Net income attributable to TDK / Basic	Yen 111.42		Yen 180.03		U.S.\$ 1.61		
Net income attributable to TDK / Diluted	Yen 111.19		Yen 179.60		U.S.\$ 1.60		
Capital expenditures	97,129	-	133,987	-	1,196,313	36,858	37.9
Depreciation and amortization	64,727	9.4	81,556	9.1	728,179	16,829	26.0
Research and development	59,818	8.7	79,143	8.9	706,634	19,325	32.3
Result of financial income (loss)	2,893	-	2,563	-	22,884	(330)	-
Ratio of overseas production	86.0%	-	88.6%	-	-		
Number of employees	115,298	-	117,054	-	-		

**2nd quarter consolidated results  
(July 1, 2021 - September 30, 2021)**

Term Item	2Q of FY2021 (Jul. 1, 2020 - Sep. 30, 2020)		2Q of FY2022 (July 1, 2021 - September 30, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	381,718	100.0	474,127	100.0	4,233,277	92,409	24.2
Operating income	43,966	11.5	49,200	10.4	439,286	5,234	11.9
Income before income taxes	42,452	11.1	52,218	11.0	466,232	9,766	23.0
Net income attributable to TDK	29,033	7.6	41,562	8.8	371,089	12,529	43.2
Per common share :							
Net income attributable to TDK / Basic	Yen 76.61		Yen 109.66		U.S.\$ 0.98		
Net income attributable to TDK / Diluted	Yen 76.45		Yen 109.42		U.S.\$ 0.98		
Capital expenditures	50,761	-	72,782	-	649,839	22,021	43.4
Depreciation and amortization	32,987	8.6	40,973	8.6	365,830	7,986	24.2
Research and development	30,384	8.0	41,463	8.7	370,205	11,079	36.5
Result of financial income (loss)	1,232	-	1,390	-	12,411	158	-
Ratio of overseas production	84.3%	-	87.0%	-	-		

**Notes:**

1. U.S.\$1=Yen 112, for convenience only.
2. TDK split one share of its common stock into three shares on effective date of October 1, 2021. "Net income attributable to TDK" is calculated based on the assumption that the stock split was conducted on April 1, 2020. Please refer to page 18 for more detailed information.

[Contents]

**1. Summary Information Regarding Financial Results for the Second Quarter of Fiscal 2022**

- |   |    |      |
|---|----|------|
| (1) Summary Information Regarding Consolidated Business Results   | •• | P. 2 |
| (2) Summary Information Regarding Consolidated Financial Position | •• | P. 6 |
| (3) Summary Information Regarding Consolidated Projections        | •• | P. 8 |

**2. Other Information**

- |  |    |      |
|--|----|------|
| (1) Changes in Significant Subsidiaries  | •• | P.10 |
| (2) Simplified Accounting Treatment and Special Accounting Treatment           | •• | P.10 |
| (3) Accounting Policy Changes, Accounting Estimate Changes and Restatements    | •• | P.10 |
| (4) Fundamental Policy for Distribution of Earnings, and Fiscal 2022 Dividends | •• | P.11 |

**3. Consolidated Financial Statements**

- |  |    |      |
|--|----|------|
| (1) Balance Sheets   | •• | P.12 |
| (2) Statements of Income and Statements of Comprehensive Income  | •• | P.13 |
| (3) Statements of Cash Flows                                     | •• | P.15 |
| (4) Notes Concerning Going Concern Assumptions                   | •• | P.16 |
| (5) Segment Information  | •• | P.16 |
| (6) Subsequent Events  | •• | P.18 |
| (7) Notes Concerning Significant Changes in Stockholders' Equity | •• | P.18 |
| (8) Consolidated Supplementary Information                       | •• | P.19 |

## **[Summary Information and Financial Statements]**

### **1. Summary Information Regarding Financial Results for the Second Quarter of Fiscal 2022**

#### **(1) Summary Information Regarding Consolidated Business Results**

Consolidated results for the first half of fiscal 2022, the period from April 1 to September 30, 2021, are as follows.

During the first half of fiscal 2022, social and economic activities were gradually normalized mainly in developed countries, in line with the progress of COVID-19 vaccine rollout. As production activities also continued to rebound, corporate capital expenditure remained brisk. On the other hand, strict measures such as lockdowns were reintroduced in some Southeast Asian countries, and there were negative effects from the resurgence of COVID-19 in the manufacturing industry. In addition, tensions between the U.S. and China continued, casting lingering uncertainties about the future outlook of the global economy.

In the electronics market, which has a large bearing on the consolidated performance of TDK, production plans of various companies were affected by significant constraints on the supply of semiconductors and other components due to a rapid recovery in demand as a result of the normalization of social and economic activities as well as the negative effects of lockdowns in Southeast Asia. In the automotive market, while automobile production volume has not recovered to the level prior to the outbreak of the pandemic due to the shortage in supply of semiconductors and other components, orders remained brisk on the back of an increase in the number of components installed per vehicle and the movement to secure stock of components. In the Information and Communications Technology (ICT) market, smartphone production remained at a level similar to that of the previous fiscal year, falling behind the initial forecast, owing to the shortage in supply of semiconductor and other components and the negative effects of the COVID-19 resurgence. Meanwhile, demand for notebook PCs and tablets remained strong, as in the previous fiscal year. In addition, production of Hard Disk Drives (HDDs) for servers remained strong, reflecting a recovery in demand related to data centers.

In this business environment, the TDK's consolidated operating results for the first half of fiscal 2022 were as follows.

**Summary (April 1, 2021 - September 30, 2021)**

Term  Item	1H of FY2021 (April 1, 2020 - September 30, 2020)		1H of FY2022 (April 1, 2021 - September 30, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	691,111	100.0	894,185	100.0	7,983,795	203,074	29.4
Operating income	62,406	9.0	80,033	9.0	714,580	17,627	28.2
Income before income taxes	63,163	9.1	84,456	9.4	754,071	21,293	33.7
Net income attributable to TDK	42,225	6.1	68,228	7.6	609,179	26,003	61.6
Per common share :							
Net income attributable to TDK / Basic	Yen 111.42		Yen 180.03		U.S.\$ 1.61		
Net income attributable to TDK / Diluted	Yen 111.19		Yen 179.60		U.S.\$ 1.60		

**Notes:**

1. U.S.\$1=Yen 112, for convenience only.
2. TDK split one share of its common stock into three shares on effective date of October 1, 2021. "Net income attributable to TDK" is calculated based on the assumption that the stock split was conducted on April 1, 2020. Please refer to page 18 for more detailed information.

Average yen exchange rates for the U.S. dollar and the euro during the first half of fiscal 2022 were ¥109.79 and ¥130.86, respectively, as the yen depreciated 2.7% against the U.S. dollar and 7.9% against the euro. As a result of these factors and fluctuations in foreign exchange rates, net sales increased by approximately ¥45.4 billion and operating income decreased by approximately ¥1.8 billion.

**Sales by Product**

Term  Product	1H of FY2021 (April 1, 2020 - September 30, 2020)		1H of FY2022 (April 1, 2021 - September 30, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	71,919	10.4	96,923	10.8	865,384	25,004	34.8
Inductive Devices	61,997	9.0	87,250	9.8	779,018	25,253	40.7
Other Passive Components	49,880	7.2	64,344	7.2	574,500	14,464	29.0
Passive Components	183,796	26.6	248,517	27.8	2,218,902	64,721	35.2
Sensor Application Products	34,491	5.0	59,513	6.6	531,366	25,022	72.5
Magnetic Application Products	88,701	12.8	125,986	14.1	1,124,875	37,285	42.0
Energy Application Products	357,517	51.7	435,115	48.7	3,884,955	77,598	21.7
Other	26,606	3.9	25,054	2.8	223,697	(1,552)	-5.8
Total	691,111	100.0	894,185	100.0	7,983,795	203,074	29.4
Overseas sales	638,604	92.4	822,833	92.0	7,346,723	184,229	28.8

**Note:**

U.S.\$1=Yen 112, for convenience only.

**1) Passive Components Segment**

This segment is made up of (1) Capacitors, (2) Inductive Devices, and (3) Other Passive Components. Sales in the Passive Components segment were ¥248,517 million (U.S.\$ 2,218,902 thousand), up 35.2% year on year from ¥183,796 million.

Capacitors is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Sales in the Capacitors were ¥96,923 million (U.S.\$ 865,384 thousand), up 34.8% year on year from ¥71,919 million. Sales of Ceramic Capacitors increased to the automotive market, while decreased to the ICT market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors increased to the industrial equipment and the automotive markets.

Sales of Inductive Devices increased by 40.7% year on year from ¥61,997 million to ¥87,250 million (U.S.\$ 779,018 thousand). Sales increased mainly to the automotive market.

Other Passive Components include High-Frequency Devices, Piezoelectric Material Products, and Circuit Protection Components. Sales of Other Passive Components increased by 29.0% year on year from ¥49,880 million to ¥64,344 million (U.S.\$ 574,500 thousand). Sales increased mainly to the automotive and the industrial equipment markets.

## 2) Sensor Application Products Segment

This segment is made up of Temperature and Pressure Sensors, Magnetic Sensors, and MEMS Sensors. Segment sales increased by 72.5% from ¥34,491 million to ¥59,513 million (U.S.\$ 531,366 thousand). Sales increased mainly to the ICT and the automotive markets.

## 3) Magnetic Application Products Segment

This segment is made up of HDD Heads, HDD Suspension Assemblies, and Magnets. Segment sales increased 42.0% year on year from ¥88,701 million to ¥125,986 million (U.S.\$ 1,124,875 thousand). Sales of HDD Heads and HDD Suspension Assemblies increased significantly to the ICT market. Sales of Magnets increased to the automotive market.

## 4) Energy Application Products Segment

This segment is made up of Energy Devices (Rechargeable Batteries) and Power Supplies. Segment sales increased by 21.7% from ¥357,517 million to ¥435,115 million (U.S.\$ 3,884,955 thousand). Sales of Energy Devices increased significantly mainly to the ICT market.

## 5) Other

Other includes Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, and Others. Segment sales decreased by 5.8% from ¥26,606 million to ¥25,054 million (U.S.\$ 223,697 thousand). Sales of Mechatronics increased to the industrial equipment market. Sales of Camera Module Micro Actuators for smartphones decreased to the ICT market.

The main businesses making up the four reporting segments and Other, which includes products not included in these reporting segments, are as follows:

Classification	Constituent Main Business
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), Camera Module Micro Actuators for smartphones, Others

**[Sales by Region]**

Overseas sales increased by 28.8% year on year from ¥638,604 million to ¥822,833 million (U.S.\$ 7,346,723 thousand). Overseas sales accounted for 92.0% of consolidated net sales, a 0.4 percentage point decrease from 92.4% in the first half of fiscal 2021. Detailed information on sales by region can be found in the consolidated supplementary information on page 19.

**(2) Summary Information Regarding Consolidated Financial Position**

1) The following table summarizes TDK's consolidated balance sheet as of September 30, 2021.

Total assets	¥2,597,814 million	(8.2% increase)
Total TDK stockholders' equity	¥1,086,593 million	(8.3% increase)
Stockholders' equity ratio	41.8%	(Unchanged)

As of September 30, 2021, total assets increased by ¥196,381 million compared with March 31, 2021. Net liquidity (cash and cash equivalent, short-term investments, marketable securities) decreased by ¥71,261 million. Also, net trade receivables, net property, plant and equipment, and inventories increased by ¥69,757 million, ¥69,044 million, and ¥63,096 million respectively.

Total liabilities increased by ¥113,380 million from March 31, 2021. Short-term debt and trade payables increased by ¥60,079 million and ¥52,160 million respectively.

Total TDK stockholders' equity, which is included in total equity, increased by ¥83,055 million from March 31, 2021. Retained earnings and accumulated other comprehensive income (loss) increased by ¥56,168 million and ¥26,145 million respectively.

## 2) Cash Flows

(Yen millions)

	FY 2021 2Q	FY 2022 2Q	Change
Net cash provided by operating activities	73,130	8,234	(64,896)
Net cash used in investing activities	(98,435)	(86,025)	12,410
Net cash provided by financing activities	35,397	47,689	12,292
Effect of exchange rate changes on cash and cash equivalents	(237)	8,062	8,299
Net increase (decrease) in cash and cash equivalents	9,855	(22,040)	(31,895)
Cash and cash equivalents at beginning of period	332,717	380,387	47,670
Cash and cash equivalents at end of period	342,572	358,347	15,775

Operating activities provided net cash of ¥8,234 million (U.S.\$73,518 thousand), a decrease of ¥64,896 million year on year. It mainly came from decrease (increase) in other assets and liabilities, net.

Investing activities used net cash of ¥86,025 million (U.S.\$768,080 thousand), a decrease of ¥12,410 million year on year. It mainly came from decrease of payment for purchase of short-term investments.

Financing activities provided net cash of ¥47,689 million (U.S.\$425,795 thousand), an increase of ¥12,292 million year on year. It mainly came from an increase in debt.



### (3) Summary Information Regarding Consolidated Projections

(Fiscal 2022 Consolidated Projections)

The outlook for the global economy remains uncertain due to concerns over the resurgence of COVID-19 and the effects of ongoing tensions between the U.S. and China. On the other hand, social and economic activities have been gradually normalized mainly in developed countries, in line with the progress of COVID-19 vaccine rollout. As a result, demand for electronics has remained on a recovery trend. Under such circumstances, the operating results for the first half of fiscal 2022 exceeded the expectations held at the beginning of the period. In the automotive market, sales of Passive Components and Sensors grew as orders remained strong due to an increase in the number of components installed per vehicle and the movement to secure stock of components. In addition, in the ICT market, sales of Rechargeable Batteries, Passive Components, and Sensors grew as demand for notebook PCs and tablets remained robust and fifth-generation mobile communication system (5G) related demand expanded. Furthermore, sales of HDD Heads for servers remained strong, reflecting a recovery in demand related to data centers, which had been sluggish in the previous fiscal year. As a result of reviewing TDK's full-year projections in light of the operating results for the first half of fiscal 2022, the new projections have been raised from those announced on July 28, 2021. Research and development expenses are also expected to exceed the previous projection, mainly in Rechargeable Batteries, demand for which is expected to grow continuously. TDK's projections for consolidated operating results and research and development expenses for fiscal 2022 are as follows.

Term  Item	FY2022 (April 1, 2021 - March 31, 2022)	FY2022 (April 1, 2021 - March 31, 2022)	FY2021 (April 1, 2020 - March 31, 2021)	vs FY2021 Changes	
	Projections in November '21	Projections in July '21	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	1,800,000	1,600,000	1,479,008	320,992	21.7
Operating income	157,000	150,000	111,535	45,465	40.8
Income before income taxes	162,000	150,000	121,904	40,096	32.9
Net income attributable to TDK	110,000	100,000	79,340	30,660	38.6
Capital expenditures	300,000	300,000	212,355	87,645	41.3
Depreciation and amortization	160,000	160,000	140,285	19,715	14.1
Research and development	160,000	140,000	127,046	32,954	25.9

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥109 and ¥128 respectively will be assumed from the third quarter onward.

### **Cautionary Statements with Respect to Forward-Looking Statements**

This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings, and evaluations about TDK Corporation and/or its group companies (“TDK”). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs, and evaluations of TDK in light of information currently available to it, and contain known and unknown risks, uncertainties and other factors.

TDK therefore wishes to caution readers that, being subject to risks, uncertainties and other factors, TDK’s actual results, performance, achievements or financial positions could be materially different from any future results, performance, achievements or financial positions expressed or implied by these forward-looking statements, and TDK undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material except as provided for in applicable laws and ordinances.

The electronics markets in which TDK operates are highly susceptible to rapid changes. Risks, uncertainties and other factors that can have significant effects on TDK include, but are not limited to, shifts in technology, fluctuations in demand, prices, interest and foreign exchange rates, and changes in economic environments, conditions of competition, laws, and regulations.

## **2. Other Information**

### **(1) Changes in Significant Subsidiaries**

Nothing to report.

### **(2) Simplified Accounting Treatment and Special Accounting Treatment**

Nothing to report.

### **(3) Accounting Policy Changes, Accounting Estimate Changes and Restatements**

Nothing to report.

**(4) Fundamental Policy for Distribution of Earnings, and Fiscal 2022 Dividends**

TDK recognizes that achieving increase in corporate value over the medium- and long-term ultimately translates into higher shareholder value. In line with this understanding, TDK'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 key fields so as to respond precisely to rapid technological innovation in the electronics industry, TDK is aiming to increase a medium- and long-term corporate value. Accordingly, TDK actively reinvests its earning 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.

Projected dividends per share for fiscal 2022 are as follows. TDK has revised the interim dividend to 100 yen from 95 yen and the year-end dividend forecast to 36 yen from 32 yen, based on the revision of the consolidated projections for fiscal 2022 as well as on the fundamental policy for distribution of earnings. TDK split one share of its common stock into three shares with the effective date of October 1, 2021.

	(Yen)	
	FY2022	FY2021 Actual
Interim dividend	100.00	90.00
Year-end dividend (Prior to the stock split)	(Forecast) 36.00 (108.00)	90.00
Annual dividend (Prior to the stock split)	- (Forecast) (208.00)	180.00

### 3. Consolidated Financial Statements

#### (1) Balance Sheets

ASSETS									
Term Item	As of March 31, 2021		As of September 30, 2021			Change from March 31, 2021	As of June 30, 2021		Change from June 30, 2021
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	1,233,385	51.4	1,319,512	50.8	11,781,357	86,127	1,296,804	51.7	22,708
Cash and cash equivalents	380,387		358,347		3,199,527	(22,040)	368,700		(10,353)
Short-term investments	65,886		16,664		148,786	(49,222)	33,767		(17,103)
Marketable securities	56		57		509	1	56		1
Net trade receivables	429,454		499,211		4,457,241	69,757	454,593		44,618
Inventories	288,854		351,950		3,142,410	63,096	334,258		17,692
Other current assets	68,748		93,283		832,884	24,535	105,430		(12,147)
Noncurrent assets	1,168,048	48.6	1,278,302	49.2	11,413,411	110,254	1,211,377	48.3	66,925
Investments in securities	44,287		50,692		452,607	6,405	44,681		6,011
Net property, plant and equipment	784,371		853,415		7,619,777	69,044	828,038		25,377
Right-of-use assets of operating leases	42,325		43,323		386,813	998	42,446		877
Goodwill	165,096		166,655		1,487,991	1,559	165,276		1,379
Other assets	131,969		164,217		1,466,223	32,248	130,936		33,281
<b>TOTAL</b>	<b>2,401,433</b>	<b>100.0</b>	<b>2,597,814</b>	<b>100.0</b>	<b>23,194,768</b>	<b>196,381</b>	<b>2,508,181</b>	<b>100.0</b>	<b>89,633</b>

LIABILITIES AND EQUITY									
Term Item	As of March 31, 2021		As of September 30, 2021			Change from March 31, 2021	As of June 30, 2021		Change from June 30, 2021
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	1,011,476	42.1	1,021,274	39.3	9,118,518	9,798	1,089,596	43.5	(68,322)
Short-term debt	192,938		253,017		2,259,080	60,079	214,455		38,562
Current installments of long-term debt	135,125		34,825		310,938	(100,300)	134,833		(100,008)
Current portion of operating lease obligations	8,444		8,325		74,330	(119)	8,386		(61)
Trade payables	324,373		376,533		3,361,902	52,160	376,253		280
Accrued expenses	324,753		321,935		2,874,420	(2,818)	324,793		(2,858)
Other current liabilities	25,843		26,639		237,848	796	30,876		(4,237)
Noncurrent liabilities	383,660	16.0	487,242	18.8	4,350,375	103,582	382,147	15.2	105,095
Long-term debt, excluding current installments	155,273		255,930		2,285,089	100,657	155,369		100,561
Long-term operating lease obligations	29,833		30,895		275,848	1,062	29,975		920
Retirement and severance benefits	116,745		114,078		1,018,554	(2,667)	115,834		(1,756)
Other noncurrent liabilities	81,809		86,339		770,884	4,530	80,969		5,370
<b>Total liabilities</b>	<b>1,395,136</b>	<b>58.1</b>	<b>1,508,516</b>	<b>58.1</b>	<b>13,468,893</b>	<b>113,380</b>	<b>1,471,743</b>	<b>58.7</b>	<b>36,773</b>
Common stock	32,641		32,641		291,438	-	32,641		-
Additional paid-in capital	-		6		54	6	17		(11)
Legal reserve	46,403		47,094		420,482	691	46,716		378
Retained earnings	1,024,019		1,080,187		9,644,527	56,168	1,039,003		41,184
Accumulated other comprehensive income (loss)	(82,733)		(56,588)		(505,250)	26,145	(67,839)		11,251
Treasury stock	(16,792)		(16,747)		(149,528)	45	(16,780)		33
<b>Total TDK stockholders' equity</b>	<b>1,003,538</b>	<b>41.8</b>	<b>1,086,593</b>	<b>41.8</b>	<b>9,701,723</b>	<b>83,055</b>	<b>1,033,758</b>	<b>41.2</b>	<b>52,835</b>
Noncontrolling interests	2,759	0.1	2,705	0.1	24,152	(54)	2,680	0.1	25
<b>Total equity</b>	<b>1,006,297</b>	<b>41.9</b>	<b>1,089,298</b>	<b>41.9</b>	<b>9,725,875</b>	<b>83,001</b>	<b>1,036,438</b>	<b>41.3</b>	<b>52,860</b>
<b>TOTAL</b>	<b>2,401,433</b>	<b>100.0</b>	<b>2,597,814</b>	<b>100.0</b>	<b>23,194,768</b>	<b>196,381</b>	<b>2,508,181</b>	<b>100.0</b>	<b>89,633</b>

**Note:**

U.S.\$1=Yen 112, for convenience only.

## (2) Statements of Income and Statements of Comprehensive Income

### [1st half results]

#### Statements of Income

Item	Term		1H of FY2021 (April 1, 2020 - September 30, 2020)			1H of FY2022 (April 1, 2021 - September 30, 2021)		Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)		
Net sales	691,111	100.0	894,185	100.0	7,983,795	203,074	29.4		
Cost of sales	482,727	69.8	627,454	70.2	5,602,268	144,727	30.0		
Gross profit	208,384	30.2	266,731	29.8	2,381,527	58,347	28.0		
Selling, general and administrative expenses	145,834	21.1	186,698	20.8	1,666,947	40,864	28.0		
Other operating expense (income)	144	0.1	-	-	-	(144)	-		
Operating income	62,406	9.0	80,033	9.0	714,580	17,627	28.2		
Other income (deductions):									
Interest and dividend income	4,509		4,886		43,625	377			
Interest expense	(1,616)		(2,323)		(20,741)	(707)			
Foreign exchange gain (loss)	(1,540)		891		7,955	2,431			
Other-net	(596)		969		8,652	1,565			
Total other income (deductions)	757	0.1	4,423	0.4	39,491	3,666	484.3		
Income before income taxes	63,163	9.1	84,456	9.4	754,071	21,293	33.7		
Income taxes	20,805	3.0	16,146	1.8	144,160	(4,659)	-22.4		
Net income	42,358	6.1	68,310	7.6	609,911	25,952	61.3		
Less: Net income attributable to noncontrolling interests	133	0.0	82	0.0	732	(51)	-38.3		
Net income attributable to TDK	42,225	6.1	68,228	7.6	609,179	26,003	61.6		

**Note:**

U.S.\$1=Yen 112, for convenience only.

#### Statements of Comprehensive Income

Item	Term		1H of FY2021 (April 1, 2020 - September 30, 2020)		1H of FY2022 (April 1, 2021 - September 30, 2021)		Change	
	(Yen millions)	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)			
Net income	42,358	68,310	609,911	25,952				
Other comprehensive income (loss), net of taxes:								
Foreign currencies translation adjustments	(1,173)	24,023	214,491	25,196				
Pension liability adjustments	3,368	2,188	19,536	(1,180)				
Net unrealized gains (losses) on securities	59	(2)	(18)	(61)				
Total other comprehensive income (loss)	2,254	26,209	234,009	23,955				
Comprehensive income	44,612	94,519	843,920	49,907				
Comprehensive income attributable to noncontrolling interests	128	146	1,304	18				
Comprehensive income attributable to TDK	44,484	94,373	842,616	49,889				

**Note:**

U.S.\$1=Yen 112, for convenience only.

**[2nd quarter results]**  
**Statements of Income**

Item	2Q of FY2021 (July 1, 2020 - September 30, 2020)		2Q of FY2022 (July 1, 2021 - September 30, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	381,718	100.0	474,127	100.0	4,233,277	92,409	24.2
Cost of sales	262,904	68.9	325,842	68.7	2,909,304	62,938	23.9
Gross profit	118,814	31.1	148,285	31.3	1,323,973	29,471	24.8
Selling, general and administrative expenses	74,848	19.6	99,085	20.9	884,687	24,237	32.4
Other operating expense (income)	-	-	-	-	-	0	-
Operating income	43,966	11.5	49,200	10.4	439,286	5,234	11.9
Other income (deductions):							
Interest and dividend income	2,029		2,475		22,098	446	
Interest expense	(797)		(1,085)		(9,688)	(288)	
Foreign exchange gain (loss)	(1,214)		595		5,313	1,809	
Other-net	(1,532)		1,033		9,223	2,565	
Total other income (deductions)	(1,514)	-0.4	3,018	0.6	26,946	4,532	-
Income before income taxes	42,452	11.1	52,218	11.0	466,232	9,766	23.0
Income taxes	13,349	3.5	10,584	2.2	94,500	(2,765)	-20.7
Net income	29,103	7.6	41,634	8.8	371,732	12,531	43.1
Less: Net income attributable to noncontrolling interests	70	0.0	72	0.0	643	2	2.9
Net income attributable to TDK	29,033	7.6	41,562	8.8	371,089	12,529	43.2

**Note:**

U.S.\$1=Yen 112, for convenience only.

**Statements of Comprehensive Income**

Item	2Q of FY2021 (July 1, 2020 - September 30, 2020)		2Q of FY2022 (July 1, 2021 - September 30, 2021)		Change
	(Yen millions)	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	29,103	41,634	371,732		12,531
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	4,155	10,163	90,741		6,008
Pension liability adjustments	1,688	1,086	9,696		(602)
Net unrealized gains (losses) on securities	19	33	295		14
Total other comprehensive income (loss)	5,862	11,282	100,732		5,420
Comprehensive income	34,965	52,916	472,464		17,951
Comprehensive income attributable to noncontrolling interests	82	103	919		21
Comprehensive income attributable to TDK	34,883	52,813	471,545		17,930

**Note:**

U.S.\$1=Yen 112, for convenience only.

### (3) Statements of Cash Flows

Term Item	1H of FY2021 (April 1, 2020 - September 30, 2020)	1H of FY2022 (April 1, 2021 - September 30, 2021)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
<b>Cash flows from operating activities:</b>			
Net income	42,358	68,310	609,911
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	64,727	81,556	728,179
Deferred income taxes	6,336	1,932	17,250
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(69,556)	(63,287)	(565,063)
Decrease (increase) in inventories	(9,455)	(57,808)	(516,143)
Increase (decrease) in trade payables	33,349	47,602	425,018
Increase (decrease) in accrued expenses	981	(10,085)	(90,045)
Decrease (increase) in other assets and liabilities, net	642	(63,393)	(566,009)
Other-net	3,748	3,407	30,420
<b>Net cash provided by operating activities</b>	<b>73,130</b>	<b>8,234</b>	<b>73,518</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(97,129)	(133,987)	(1,196,313)
Proceeds from sales of tangible and intangible assets	1,417	1,416	12,643
Proceeds from sale and maturity of short-term investments	44,864	67,663	604,134
Payment for purchase of short-term investments	(52,424)	(17,970)	(160,446)
Proceeds from sale and maturity of securities	7	916	8,179
Payment for purchase of securities	(1,439)	(4,413)	(39,402)
Proceeds from sale of business, net of cash transferred	3,717	-	-
Proceeds from sale of investments in affiliates	2,502	-	-
Other-net	50	350	3,125
<b>Net cash used in investing activities</b>	<b>(98,435)</b>	<b>(86,025)</b>	<b>(768,080)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from debt with maturities longer than three months	155,494	103,158	921,053
Repayment of debt with maturities longer than three months	(24,322)	(102,416)	(914,429)
Net increase (decrease) in debt with maturities of three months or less	(78,239)	58,461	521,973
Dividends paid	(11,368)	(11,364)	(101,464)
Acquisition of noncontrolling interests	(5,678)	(113)	(1,009)
Other-net	(490)	(37)	(330)
<b>Net cash provided by financing activities</b>	<b>35,397</b>	<b>47,689</b>	<b>425,794</b>
Effect of exchange rate changes on cash and cash equivalents	(237)	8,062	71,982
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,855</b>	<b>(22,040)</b>	<b>(196,786)</b>
Cash and cash equivalents at beginning of period	332,717	380,387	3,396,313
<b>Cash and cash equivalents at end of period</b>	<b>342,572</b>	<b>358,347</b>	<b>3,199,527</b>

**Note:**

U.S.\$1=Yen 112, for convenience only.



#### (4) Notes Concerning Going Concern Assumptions

Nothing to report.

#### (5) Segment Information

TDK has four reporting segments: Passive Components, Sensor Application Products, Magnetic Application Products and Energy Application Products, as well as Other, which includes products not included in these four reporting segments.

#### [1st half results]

##### Sales by industry segment

		1H of FY2021 (April 1, 2020 - September 30, 2020)		1H of FY2022 (April 1, 2021 - September 30, 2021)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	183,796	26.6	248,517	27.8	2,218,902	64,721	35.2
	Intersegment	1,828		2,026		18,089	198	10.8
	Total	185,624		250,543		2,236,991	64,919	35.0
Sensor Application Products	External customers	34,491	5.0	59,513	6.6	531,366	25,022	72.5
	Intersegment	154		254		2,268	100	64.9
	Total	34,645		59,767		533,634	25,122	72.5
Magnetic Application Products	External customers	88,701	12.8	125,986	14.1	1,124,875	37,285	42.0
	Intersegment	405		20		179	(385)	-95.1
	Total	89,106		126,006		1,125,054	36,900	41.4
Energy Application Products	External customers	357,517	51.7	435,115	48.7	3,884,955	77,598	21.7
	Intersegment	-		1		9	1	-
	Total	357,517		435,116		3,884,964	77,599	21.7
Other	External customers	26,606	3.9	25,054	2.8	223,697	(1,552)	-5.8
	Intersegment	10,689		14,755		131,741	4,066	38.0
	Total	37,295		39,809		355,438	2,514	6.7
Intersegment eliminations		(13,076)		(17,056)		(152,286)	(3,980)	
Total		691,111	100.0	894,185	100.0	7,983,795	203,074	29.4

Note:

U.S.\$1=Yen 112, for convenience only.

##### Segment profit (loss) by industry segment

		1H of FY2021 (April 1, 2020 - September 30, 2020)		1H of FY2022 (April 1, 2021 - September 30, 2021)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		17,386	9.5	39,366	15.8	351,482	21,980	126.4
Sensor Application Products		(12,320)	-35.7	(690)	-1.2	(6,161)	11,630	-
Magnetic Application Products		(2,486)	-2.8	4,826	3.8	43,090	7,312	-
Energy Application Products		79,570	22.3	57,677	13.3	514,973	(21,893)	-27.5
Other		(4,711)	-17.7	(4,106)	-16.4	(36,661)	605	-
Sub total		77,439	11.2	97,073	10.9	866,723	19,634	25.4
Corporate and Eliminations		(15,033)		(17,040)		(152,143)	(2,007)	
Operating income		62,406	9.0	80,033	9.0	714,580	17,627	28.2

Note:

U.S.\$1=Yen 112, for convenience only.

**[2nd quarter results]**

**Sales by industry segment**

		2Q of FY2021 (July 1, 2020 - September 30, 2020)		2Q of FY2022 (July 1, 2021 - September 30, 2021)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	99,439	26.0	127,334	26.8	1,136,911	27,895	28.1
	Intersegment	911		945		8,437	34	3.7
	Total	100,350		128,279		1,145,348	27,929	27.8
Sensor Application Products	External customers	19,788	5.2	32,685	6.9	291,830	12,897	65.2
	Intersegment	64		87		777	23	35.9
	Total	19,852		32,772		292,607	12,920	65.1
Magnetic Application Products	External customers	50,423	13.2	65,363	13.8	583,598	14,940	29.6
	Intersegment	97		8		72	(89)	-91.8
	Total	50,520		65,371		583,670	14,851	29.4
Energy Application Products	External customers	200,662	52.6	235,523	49.7	2,102,884	34,861	17.4
	Intersegment	-		-		-	-	-
	Total	200,662		235,523		2,102,884	34,861	17.4
Other	External customers	11,406	3.0	13,222	2.8	118,054	1,816	15.9
	Intersegment	4,960		8,530		76,160	3,570	72.0
	Total	16,366		21,752		194,214	5,386	32.9
Intersegment eliminations		(6,032)		(9,570)		(85,446)	(3,538)	
Total		381,718	100.0	474,127	100.0	4,233,277	92,409	24.2

**Note:**

U.S.\$1=Yen 112, for convenience only.

**Segment profit (loss) by industry segment**

		2Q of FY2021 (July 1, 2020 - September 30, 2020)		2Q of FY2022 (July 1, 2021 - September 30, 2021)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		9,652	9.7	21,351	16.8	190,634	11,699	121.2
Sensor Application Products		(5,055)	-25.5	1,347	4.1	12,027	6,402	-
Magnetic Application Products		1,358	2.7	2,049	3.1	18,295	691	50.9
Energy Application Products		48,311	24.1	34,306	14.6	306,303	(14,005)	-29.0
Other		(2,834)	-24.8	(1,180)	-8.9	(10,536)	1,654	-
Sub total		51,432	13.5	57,873	12.2	516,723	6,441	12.5
Corporate and Eliminations		(7,466)		(8,673)		(77,437)	(1,207)	
Operating income		43,966	11.5	49,200	10.4	439,286	5,234	11.9

**Note:**

U.S.\$1=Yen 112, for convenience only.

## **(6) Subsequent Events**

### **Stock Split**

Based on the resolution at the meeting of the Board of Directors held on July 28, 2021, TDK Corporation (“the Company”) conducted the stock split on effective date of October 1, 2021.

#### 1) Purpose of the stock split

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

#### 2) Outline of the stock split

##### ① Method

The Company split one share of its common stock owned by shareholders entered or recorded in the last shareholder registry as of record date of September 30, 2021 into three shares.

##### ② Number of shares increased by the stock split

Total number of shares issued before the stock split	129,590,659
Increase in the number of shares upon the stock split	259,181,318
Total number of shares issued after the stock split	388,771,977
Total number of shares issuable after the stock split	1,440,000,000

##### ③ Impact on per share information

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

### **Issuance of Sustainability-Linked Bonds**

TDK Corporation (“the Company”) plans to issue bonds with a total issue amount of up to 100 billion yen in as early as November 2021. Some of the bonds to be issued will be sustainability-linked bonds named TDK Sustainability-Linked Bonds, whose tenor is seven years and issue amount is to be determined (hereinafter, the “Issuance”). The Company submitted a revised corporate bond shelf registration statement to the Director-General of the Kanto Local Finance Bureau for the Issuance on October 20, 2021.

## **(7) Notes Concerning Significant Changes in Stockholders' Equity**

Nothing to report.

## (8) Consolidated Supplementary Information

### 1) Exchange rates used for conversion

Item \ Term	As of September 30, 2020		As of September 30, 2021		As of March 31, 2021	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	105.80	124.17	111.92	129.86	110.71	129.80

### 2) Sales by region

Region \ Term	1H of FY2021 (April 1, 2020 - September 30, 2020)		1H of FY2022 (April 1, 2021 - September 30, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	42,690	6.2	56,707	6.3	506,313	14,017	32.8
Europe	64,569	9.3	87,300	9.8	779,464	22,731	35.2
China	406,101	58.8	499,347	55.8	4,458,455	93,246	23.0
Asia and others	125,244	18.1	179,479	20.1	1,602,491	54,235	43.3
Overseas sales total	638,604	92.4	822,833	92.0	7,346,723	184,229	28.8
Japan	52,507	7.6	71,352	8.0	637,072	18,845	35.9
Net sales	691,111	100.0	894,185	100.0	7,983,795	203,074	29.4

### [2nd quarter results]

Region \ Term	2Q of FY2021 (July 1, 2020 - September 30, 2020)		2Q of FY2022 (July 1, 2021 - September 30, 2021)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	24,839	6.5	29,993	6.3	267,795	5,154	20.7
Europe	37,056	9.7	43,081	9.1	384,652	6,025	16.3
China	216,143	56.6	266,531	56.2	2,379,741	50,388	23.3
Asia and others	76,659	20.1	98,229	20.7	877,044	21,570	28.1
Overseas sales total	354,697	92.9	437,834	92.3	3,909,232	83,137	23.4
Japan	27,021	7.1	36,293	7.7	324,045	9,272	34.3
Net sales	381,718	100.0	474,127	100.0	4,233,277	92,409	24.2

#### Notes:

1. U.S.\$1=Yen 112, for convenience only.
2. Overseas sales are based on the location of the customers.

### 3) Company group

As of September 30, 2021, TDK Corporation had 139 consolidated subsidiaries (12 in Japan and 127 overseas). TDK Corporation also had 5 affiliates (3 in Japan and 2 overseas), the financial statements for which are accounted for by the equity method.

4) Overview of sales by product

Term Product	1Q of FY2021 (April 1, 2020 - June 30, 2020)		2Q of FY2021 (July 1, 2020 - September 30, 2020)		3Q of FY2021 (October 1, 2020 - December 31, 2020)		4Q of FY2021 (January 1, 2021 - March 31, 2021)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	33,334	10.8	38,585	10.1	41,943	10.6	44,320	11.3
Inductive Devices	27,377	8.9	34,620	9.0	39,036	9.9	38,957	9.9
Other	23,646	7.6	26,234	6.9	28,471	7.2	30,603	7.8
Passive Components	84,357	27.3	99,439	26.0	109,450	27.7	113,880	29.0
Sensor Application Products	14,703	4.7	19,788	5.2	23,000	5.8	23,854	6.1
Magnetic Application Products	38,278	12.4	50,423	13.2	55,949	14.1	54,603	13.9
Energy Application Products	156,855	50.7	200,662	52.6	195,372	49.4	187,338	47.8
Other	15,200	4.9	11,406	3.0	11,915	3.0	12,536	3.2
Total	309,393	100.0	381,718	100.0	395,686	100.0	392,211	100.0

Term Product	1Q of FY2022 (April 1, 2021 - June 30, 2021)		2Q of FY2022 (July 1, 2021 - September 30, 2021)		
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	47,123	11.2	49,800	10.5	444,643
Inductive Devices	42,028	10.0	45,222	9.5	403,768
Other	32,032	7.7	32,312	6.8	288,500
Passive Components	121,183	28.9	127,334	26.8	1,136,911
Sensor Application Products	26,828	6.4	32,685	6.9	291,830
Magnetic Application Products	60,623	14.4	65,363	13.8	583,598
Energy Application Products	199,592	47.5	235,523	49.7	2,102,884
Other	11,832	2.8	13,222	2.8	118,054
Total	420,058	100.0	474,127	100.0	4,233,277

**Note:**

U.S.\$1=Yen 112, for convenience only.