

**Notice of Recording of Gain on Valuation of Investment Securities,
Revision of Projections for Consolidated Financial Results,
and Year-End Dividend Projections**

April 27, 2022

TDK Corporation (“the Company”) hereby announces that it expects to record gain on valuation of investment securities in the fourth quarter of the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022).

In addition, the Company has revised the full-year consolidated projections and the year-end dividend projections for the fiscal year ended March 31, 2022 that were announced on January 31, 2022 as described below, taking the recent trends in its business performance into account.

1. Regarding Recording of Gain on Valuation of Investment Securities

As a result of measuring fair value of investment securities held by subsidiaries of the Company based on the U.S. GAAP, material gains on the valuation of certain investment securities will be reported in the fourth quarter of the fiscal year ended March 31, 2022. The said valuation gain on investment securities amounting to approximately 60 billion yen will be reported under “Other income (deductions)” in the consolidated statements of income.

The Company will start voluntary adoption of the International Financial Reporting Standards (IFRS) to securities report for the fiscal year ended March 31, 2022 and thereafter. In consolidated financial statements based on the IFRS, the said valuation gains on investment securities will be reported under “Net change in fair value of equity instruments measured at fair value through other comprehensive income” in the consolidated statements of comprehensive income and not under “Other income (deductions)” in the consolidated statements of income.

2. Revision of Projections for Consolidated Financial Results for FY March 2022 (April 1, 2021-March 31, 2022)

	Net sales	Operating income	Income before income taxes	Net income attributable to TDK	Net income per common share attributable to TDK
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous projections (A) (announced on January 31, 2022)	1,850,000	160,000	168,000	113,000	298.16
Revised projections (B)	1,900,000	166,000	233,000	176,000	464.39
Change (B-A)	50,000	6,000	65,000	63,000	—
% change	2.7	3.8	38.7	55.8	—
Reference: Results for the previous period (FY March 2021)	1,479,008	111,535	121,904	79,340	209.36

(Notes)

(1) The Company split one share of its common stock into three shares with the effective date of October 1, 2021. Net income per common share attributable to TDK is calculated based on the assumption that the stock split was conducted on April 1, 2020.

(2) Consolidated results for the fiscal year ended March 31, 2022 are scheduled to be announced on May 11, 2022.

3. Revision of Year-end Dividend Projections for FY March 2022

	Dividend per share		
	Interim	Year-end	Total
Previous projections (announced on January 31, 2022)	—	36.00 yen	—
Revised projections	—	45.00 yen	—
Results for FY March 2022	100.00 yen	—	—
Results for FY March 2021	90.00 yen	90.00 yen	180.00 yen

(Note)

The Company split one share of its common stock into three shares with the effective date of October 1, 2021. As for dividend per share for the fiscal year ended March 31, 2022, the

interim dividend is the amount prior to the stock split while the year-end dividend forecast is the amount after the stock split. No annual dividend forecast is provided as the simple total cannot represent the accurate amount due to the effects of the stock split. The annual dividend forecast (conversion prior to the stock split) was 208.00 yen per share in the previous projections, but due to this revision of dividend projections, it will be 235.00 yen per share.

4. Reasons for Revision of Projections for Consolidated Financial Results and Year-end Dividend Projections

In light of the reporting of valuation gains on investment securities as described in 1. above, the rapid depreciation of the yen in exchange rates mainly against the dollar in the fourth quarter of the fiscal year ended March 31, 2022, and the performance trends of the said quarter, the Company has revised consolidated performance projections as stated in 2. above from the previous projections.

Furthermore, in light of the current situation, with regard to the year-end dividend projections, the Company is planning a further increase of 9 yen per share (conversion prior to the stock split: increase of 27 yen per share) from the previous projections to 45 yen per share (conversion prior to the stock split: 135 yen per share).

(Note)

The above projections are based on information currently available to the Company. Due to various factors, actual results may differ from such projections.

Contact for media

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