

[Translation]

NOTICE OF CONVOCATION

OF

THE 126TH 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 6, 2022

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

**NOTICE OF CONVOCATION OF
THE 126TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

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

You are hereby notified that the 126th Ordinary General Meeting of Shareholders will be held as stated below.

We ask you to carefully decide whether or not to come to the meeting venue on the day of the meeting, taking into account the status of the new coronavirus infection, your own health condition and other factors.

If you decide not 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 23, 2022 (Thursday), 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. The voting form must reach us 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 24, 2022 (Friday)
2. Place of the Meeting: Toranomom Hills Forum Hall A
Toranomom Hills Mori Tower 5th Floor
23-3, Toranomom 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 126th Fiscal Year (from April 1, 2021 to March 31, 2022), and Report on the Audit Results of the Consolidated Financial Statements for the 126th Fiscal Year by the Accounting Auditor and the Audit & Supervisory Board
2. Report on the Non-Consolidated Financial Statements for the 126th Fiscal Year (from April 1, 2021 to March 31, 2022)

Matters to be Resolved

- First Item: Appropriation of Retained Earnings
Second Item: Election of Seven (7) Directors
Third Item: Partial Amendments to Articles of Incorporation

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.tdk.com/ja/index.html>

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:

¥45 per share of common stock of the Company

Total amount of dividends: ¥17,056,121,805

* The Company split one share of its common stock into three shares with the effective date of October 1, 2021. The interim dividend of ¥100 per share paid on December 2, 2021 is equivalent to a dividend of ¥33.33 per share after the stock split. Together with the year-end dividend, the annual dividend is ¥78.33 per share.

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

June 27, 2022

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

	123rd (Apr. 1, 2018 to Mar. 31, 2019)	124th (Apr. 1, 2019 to Mar. 31, 2020)	125th (Apr. 1, 2020 to Mar. 31, 2021)	126th (Apr. 1, 2021 to Mar. 31, 2022)
Interim dividend (¥)	26.67	30	30	33.33
Year-end dividend (¥)	26.67	30	30	(forecast) 45.00
Annual dividend (¥)	53.33	60	60	(forecast) 78.33
Dividend payout ratio on a consolidated basis (%)	24.6	39.3	28.7	(forecast) 16.2

- Notes:
1. The Company split one share of its common stock into three shares with the effective date of October 1, 2021. The dividend amounts shown in the “Trends in cash dividends per share and dividend payout ratio on a consolidated basis” above are calculated based on the assumption that the stock split was conducted at the beginning of the 123rd Fiscal Year (i.e., on April 1, 2018)
 2. The Company plans to voluntarily adopt International Financial Reporting Standards (“IFRS”) starting from its Annual Securities Report for the 126th Fiscal Year. The dividend payout ratio on a consolidated basis for the said Fiscal Year is expected to be 22.6% if calculated based on “Net profit attributable to owners of parent” (approximate value at the time of the Company’s announcement on May 25, 2022) in accordance with IFRS.

Second Item: Election of Seven (7) Directors

The Company's Articles of Incorporation provides that the term of office of each Director shall last one (1) year. The terms of office of all eight (8) Directors will expire at the close of this Ordinary General Meeting of Shareholders. Also, the Company has reexamined the management structure and believes that the number of Directors should be reduced by one (1). 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. Further, the Company has established the Nomination Advisory Committee as an advisory body to the Board of Directors, and the Chair and more than half of the members of the Nomination Advisory Committee are Independent Outside Directors. All of the candidates in this proposal have been discussed by the Nomination Advisory Committee.

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	Noboru Saito New Candidate Male	President & CEO • General Manager of Humidifier Countermeasures HQ	-	-	-
2	Tetsuji Yamanishi Reelection Male	Executive Vice President & Representative Director • General Manager of Finance & Accounting HQ	-	-	100% (14 out of 14 meetings)
3	Shigenao Ishiguro Reelection Male	Chairman & Representative Director	Member	-	100% (14 out of 14 meetings)
4	Shigeki Sato Reelection Male	Senior Vice President & Director • General Manager of Technology and Intellectual Property HQ	-	-	100% (11 out of 11 meetings)
5	Kozue Nakayama Reelection Outside Director Independent Director Female	Director	Member (Chair)	Member	100% (14 out of 14 meetings)
6	Mutsuo Iwai Reelection Outside Director Independent Director Male	Director	Member	Member	100% (11 out of 11 meetings)
7	Shoei Yamana New Candidate Outside Director Independent Director Male	-	-	-	-

(Note) The "Attendance at Meetings of the Board of Directors" column for Messrs. Shigeki Sato and Mutsuo Iwai reflects the number of the Meetings of the Board of Directors which were held after they had become a Director on June 23, 2021.

Candidate No. 1	Noboru Saito (Date of Birth: Sept. 10, 1966)	➤ New Candidate ➤ Number of Shares of the Company Owned: 24,300 shares	
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1989	Entered the Company	Apr. 2013	General Manager of Electronic Components Sales & Marketing Group of the Company
May 2006	President of TDK Electronics Europe GmbH		
Jan. 2007	General Manager of Europe Sales Division of Electronic Components Sales & Marketing Group of the Company	Jun. 2013	Senior Vice President of the Company
		Apr. 2014	General Manager of Electronic Components Sales & Marketing Group of the Company
Oct. 2009	Deputy General Manager of Europe Sales Division of Electronic Components Sales & Marketing Group of TDK-EPC Corporation	Apr. 2015	General Manager of Corporate Strategy HQ of the Company
		Jun. 2015	Director of the Company (retired in Jun. 2017)
Jun. 2011	Corporate Officer of the Company	Apr. 2017	CEO of Sensor Systems Business Company of the Company
	Deputy General Manager of Electronic Components Sales & Marketing Group of TDK-EPC Corporation	Apr. 2022	President & CEO of the Company (present post)
Oct. 2012	Deputy General Manager of Electronic Components Sales & Marketing Group of the Company		General Manager of Humidifier Countermeasures HQ of the Company (present post)
➤ Reasons for nomination as a candidate for Director After having served as the head of the Electronic Components Sales & Marketing Department, the Management Strategy Department and the Sensor Business Department of the Company, Mr. Noboru Saito became the President & CEO of the Company in April 2022 and is currently working to enhance sustainable corporate growth and increase corporate value over the mid- to long-term of TDK. The Company believes that Mr. Saito can 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 on a global basis, and has nominated him as a candidate for Director of the Company.			

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: 15,000 shares ➤ Attendance at Meetings of the Board of Directors during the fiscal year ended March 31, 2022 (“Fiscal 2022”): 14 of the 14 meetings 	
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1983 Jan. 2005 Jul. 2008 Jun. 2013 Apr. 2015	Entered the Company Senior Manager of Managerial Accounting Department of Finance & Accounting Department of Administration Group of the Company Head of Managerial Accounting Department of Finance & Accounting Department of Administration Group of the Company General Manager of Finance & Accounting Department of the Company General Manager of Finance & Accounting Group of the Company	Jun. 2015 Jun. 2016 Apr. 2017 Jun. 2017 Jun. 2018 Apr. 2019 Apr. 2020	Corporate Officer of the Company Director of the Company General Manager of Finance & Accounting HQ of the Company (present post) Senior Vice President of the Company Representative Director of the Company (present post) Global Chief Compliance Officer of the Company Executive Vice President of the Company (present post)
<ul style="list-style-type: none"> ➤ Reasons for nomination as a candidate for Director <p>Mr. Tetsuji Yamanishi has experience in accounting and finance in the Company’s domestic and overseas business, and currently serves as Representative Director 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 has nominated him as a candidate for Director of the Company.</p>			

Candidate No. 3	Shigenao Ishiguro (Date of Birth: Oct. 30, 1957)	<ul style="list-style-type: none"> ➤ Candidate for reelection ➤ Number of Shares of the Company Owned: 16,500 shares ➤ Attendance at Meetings of the Board of Directors during Fiscal 2022: 14 of the 14 meetings
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts		
<p>Jan. 1982 Apr. 2002 Jul. 2004 Apr. 2007</p>	<p>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</p>	<p>Apr. 2011 Jun. 2012 Jun. 2014 Apr. 2015 Jun. 2015 Jun. 2016 Apr. 2022</p> <p>Deputy General Manager of Data Storage & Thin Film Technology Components Business Group of the Company 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 Chairman & Representative Director of the Company (present post)</p>
<p>➤ Reasons for nomination as a candidate for Director</p> <p>After having served as the head of the HDD (Hard Disk Drive) Head Business of the Company, Mr. Shigenao Ishiguro had served as President & Representative Director of the Company since 2016 and strongly promoted the creation of new business and management reform. He has been served as Chairman & Representative Director since April 2022 and supervises overall management of the Company. 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 experience and knowledge, and has nominated him as a candidate for Director of the Company.</p> <p>➤ Other</p> <p>Mr. Shigenao Ishiguro currently serves as a member of the Nomination Advisory Committee.</p>		

Candidate No. 4	Shigeki Sato (Date of Birth: Jul. 9, 1964)	<ul style="list-style-type: none"> ➤ Candidate for reelection ➤ Number of Shares of the Company Owned: 3,300 shares ➤ Attendance at Meetings of the Board of Directors during Fiscal 2022: 11 of the 11 meetings (after June 2021, when Mr. Shigeki Sato became a Director)
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts		
<p>Apr. 1989 Jan. 2004</p> <p>Feb. 2007</p> <p>Dec. 2011</p>	<p>Entered the Company General Manager of Advanced Process Technology Center of the Company</p> <p>Head of Technology Division of Capacitors Business Group of the Company</p> <p>Senior Manager of Multilayer product Business Unit of Magnetics Business Group of the Company</p>	<p>Apr. 2016</p> <p>Apr. 2019</p> <p>Apr. 2021</p> <p>Jun. 2021</p> <p>General Manager of Ceramic Capacitors Business Group of Electronic Components Business Company of the Company</p> <p>Corporate Officer of the Company CEO of Electronic Components Business Company of the Company</p> <p>Senior Vice President of the Company (present post) General Manager of Technology and Intellectual Property HQ of the Company (present post)</p> <p>Director of the Company (present post)</p>
<p>➤ Reasons for nomination as a candidate for Director</p> <p>After working at the research and development department and serving as the technical officer, general manager, etc. of major business departments, Mr. Shigeki Sato is currently in charge of promoting the Company's research and development as well as planning and implementing the Company's intellectual property strategies as the head of the research and development department.</p> <p>The Company believes that Mr. Sato 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 has nominated him as a candidate for Director of the Company.</p>		

Candidate No. 5	Kozue Nakayama (Date of Birth: Feb. 25, 1958)	<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 2022: 14 of the 14 meetings ➤ Term of office as Outside Director: Two (2) years as of the close of this Ordinary General Meeting of Shareholders
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts		
<p>Apr. 1982 Sep. 2010</p> <p>Mar. 2011 Apr. 2011 Apr. 2012</p>	<p>Entered Nissan Motor Co., Ltd. Deputy General Manager of Global Branding Division of the said company</p> <p>Retired from the said company</p> <p>Entered Yokohama City Director General of Culture and Tourism Bureau of the said city</p>	<p>Jun. 2018 Jun. 2019 Jun. 2020</p> <p>President and Representative Director of Pacific Convention Plaza Yokohama (resigned in Jun. 2020)</p> <p>Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. (present post)</p> <p>Outside Director of the Company (present post)</p> <p>Outside Director of Isuzu Motors Limited (present post)</p>
<p>[Situation regarding Significant Concurrent Posts]</p> <p style="padding-left: 20px;">Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. Outside Director of Isuzu Motors Limited</p>		
<p>【Candidate for Outside Director】</p> <p>➤ Reasons for nomination as a candidate for Outside Director and expected roles</p> <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 expects her to supervise the overall management of the Company and to give advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company by utilizing her experience and insight, and has nominated her as a candidate for Outside Director of the Company.</p> <p>In addition, Ms. Kozue Nakayama currently serves both as the chair of the Nomination Advisory Committee and a member of the Compensation Advisory Committee. In the event that the proposal of her election in this Item is approved by this Ordinary General Meeting of Shareholders and she becomes an Outside Director, the Company expects that she will continuously contribute to ensure the transparency and objectivity of the decision-making process regarding the nomination of the Company's Directors, Audit & Supervisory Board Members and Corporate Officers, and the compensation of the Company's Directors and Corporate Officers as a member of the Nomination Advisory Committee and the Compensation Advisory Committee.</p> <p>➤ Independent Director (as such term defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.; the same shall apply hereinafter)</p> <p>Ms. Kozue Nakayama is currently an Independent Director. In the event that the proposal of her election in this Item is approved by this Ordinary General Meeting of Shareholders and she becomes an Outside Director, she will continue to be an Independent Director.</p>		

Candidate No. 6	Mutsuo Iwai (Date of Birth: Oct. 29, 1960)		<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 2022: 11 of the 11 meetings (after June 2021, when Mr. Mutsuo Iwai became an Outside Director) ➤ Term of office as Outside Director: One (1) year as of the close of this Ordinary General Meeting of Shareholders
Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts			
Apr. 1983 Jun. 2005 Jun. 2006 Jun. 2008 Jun. 2010 Jun. 2011	Entered Japan Tobacco and Salt Public Corporation Senior Vice President and Vice President of Food Business Division of Food Business of Japan Tobacco Inc. (“JT”) Member of the Board and Executive Vice President; President of Food Business of JT Executive Vice President; Chief Strategy Officer of JT Member of the Board and Senior Vice President; Chief Strategy Officer and Assistant to CEO in Food Business of JT Member of the Board of JT Executive Vice President of JT International S.A.	Jun. 2013 Jan. 2016 Mar. 2016 Jan. 2020 Mar. 2020 Jun. 2020 Jun. 2021 Mar. 2022	Senior Executive Vice President; Chief Strategy Officer of JT Executive Vice President; President of Tobacco Business of JT Representative Director and Executive Vice President; President of Tobacco Business of JT Member of the Board of JT Member and Deputy Chairperson of the Board of JT Outside Director of Benesse Holdings, Inc. (present post) Outside Director of the Company (present post) Member and Chairperson of the Board of JT (present post)
[Situation regarding Significant Concurrent Posts] Member and Chairperson of the Board of JT (non-Executive Director) Outside Director of Benesse Holdings, Inc.			
<p>【Candidate for Outside Director】</p> <ul style="list-style-type: none"> ➤ Reasons for nomination as a candidate for Outside Director and expected roles <p>Mr. Mutsuo Iwai has an abundance of experience and knowledge as a manager of a company that operates globally in the tobacco, pharmaceutical, food and other businesses. The Company expects him to supervise the overall management of the Company and to give advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company by utilizing his experience and insight, and has nominated him as a candidate for Outside Director of the Company.</p> <p>In addition, Mr. Mutsuo Iwai currently serves both as a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee. 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, the Company expects that he will continuously contribute to ensure the transparency and objectivity of the decision-making process regarding the nomination of the Company’s Directors, Audit & Supervisory Board Members and Corporate Officers, and the compensation of the Company’s Directors and Corporate Officers as a member of the Nomination Advisory Committee and the Compensation Advisory Committee.</p> <ul style="list-style-type: none"> ➤ Independent Director <p>Mr. Mutsuo Iwai 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.</p>			

Candidate No. 7	Shoei Yamana (Date of Birth: Nov. 18, 1954)	<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. 1977 Jan. 2001 Jul. 2002 Aug. 2003	Entered Minolta Camera Co., Ltd. CEO of Minolta QMS Inc. Executive Officer and General Manager of Management Planning Division of Minolta Co., Ltd. Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of the said company Senior Executive Officer of Konica Minolta Holdings, Inc. (current Konica Minolta, Inc.) Executive Officer, and General Manager of MFP Operations and Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd.	Oct. 2003 Jun. 2006 Apr. 2011 Apr. 2013 Apr. 2014 Apr. 2022	Senior Executive Officer of Konica Minolta Holdings, Inc. Managing Director of Konica Minolta Business Technologies, Inc. Director and Senior Executive Officer of Konica Minolta Holdings, Inc. Director and Senior Executive Officer of the said company Representative Director and President of Konica Minolta Business Technologies, Inc. Director and Senior Managing Executive Officer of Konica Minolta, Inc. Director, President and CEO, and Representative Executive Officer of the said company Director, Executive Chairman and Executive Officer of the said company (present post)
[Situation regarding Significant Concurrent Posts] Director, Executive Chairman and Executive Officer of Konica Minolta, Inc.			
<p>【Candidate for Outside Director】</p> <ul style="list-style-type: none"> ➤ Reasons for nomination as a candidate for Outside Director and expected roles <p>Mr. Shoei Yamana has an abundance of experience and knowledge as a manager of a company that operates globally in the MFPs, digital printing systems and other businesses. The Company expects him to supervise the overall management of the Company and to give advice and recommendations to ensure the legality and appropriateness of decision-making of the Board of Directors of the Company by utilizing his experience and insight, and has nominated him as a candidate for Outside Director of the Company.</p> <p>In the event that the proposal of election of Mr. Shoei Yamana in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, the Company expects that he will contribute to ensure the transparency and objectivity of the decision-making process regarding the nomination of the Company's Directors, Audit & Supervisory Board Members and Corporate Officers, and the compensation of the Company's Directors and Corporate Officers as a member of the Nomination Advisory Committee and the Compensation Advisory Committee.</p> <ul style="list-style-type: none"> ➤ Independent Director <p>In the event that the proposal of election of Mr. Shoei Yamana in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, he will become an Independent Director.</p> <ul style="list-style-type: none"> ➤ Other <p>Although Mr. Shoei Yamana serves as Director, Executive Chairman and Executive Officer of Konica Minolta, Inc. and TDK has a business relationship with Konica Minolta Group, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in Fiscal 2022, the ratio of sales of TDK to Konica Minolta Group represented less than 1% of the consolidated</p>			

net sales of TDK and the ratio of sales of Konica Minolta Group to TDK represented less than 1% of the consolidated net sales of Konica Minolta Group.

- 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 Ms. Kozue Nakayama and Mr. Mutsuo Iwai 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 Mr. Shoei Yamana in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, the Company will enter into the same contract with him.
 3. The Company entered into a directors, etc. liability insurance contract set forth in Article 430-3, paragraph 1 of the Companies Act of Japan with an insurance company. Under the said insurance contract, the amount of damages and costs of litigation, etc. that an insured may incur due to claims for damages arising from acts (including omissions) committed by the insured in his/her capacity as a Director of the Company, etc. shall be covered by the insurance. The insurance premiums for the insured are fully borne by the Company. In the event that the proposal in this Item is approved by this Ordinary General Meeting of Shareholders and each of the above seven (7) Director candidates becomes a Director of the Company, each of them will be deemed as an insured under the said insurance contract. The Company plans to renew the said insurance contract with the same level of content at the next renewal.
 4. The matters concerning Outside Directors (principal activities) in the fiscal year under review are set forth from page 43 through 44 of the Business Report.

《Reference》 Skills matrix of Directors and Audit & Supervisory Board Members of the Company (anticipated) after this Ordinary General Meeting of Shareholders

Name		Position	Corporate Management	Global Business Experience	Sales/ Marketing	ESG/ Sustainability	Technology/ Research & Development	Manufacture/ Production Technology	Finance/ Accounting	Legal/ Compliance/ Risk Management
Directors	Noboru Saito	Representative Director President & CEO	●	●	●	●				
	Tetsuji Yamanishi	Representative Director Executive Vice President	●	●					●	●
	Shigenao Ishiguro	Director & Chairman	●	●		●		●		
	Shigeki Sato	Director Senior Vice President	●	●			●	●		
	Kozue Nakayama	Outside Director	●	●	●	●				
	Mutsuo Iwai	Outside Director	●	●						●
	Shoei Yamana	Outside Director	●	●	●	●				
Audit & Supervisory Board Members	Satoru Sueki	Full-time Audit & Supervisory Board Member		●			●	●		●
	Takakazu Momozuka	Full-time Audit & Supervisory Board Member		●		●			●	●
	Jun Ishii	Outside Audit & Supervisory Board Member	●		●	●				●
	Douglas K. Freeman	Outside Audit & Supervisory Board Member		●						●
	Michiko Chiba	Outside Audit & Supervisory Board Member				●			●	●

<Fields where the Company especially expects Directors and Audit & Supervisory Board Members to demonstrate their skills>

Corporate Management	“Corporate Management” that accelerates DX and EX and creates value for a sustainable society.
Global Business Experience	“Global Business Experience” that is essential for TDK, which is expanding its business globally.
Sales/Marketing	“Sales/Marketing” with foresight in the diverse and rapidly changing business environment.
ESG/Sustainability	“ESG/Sustainability” that contributes to a sustainable society by continuing evolution and making the most of technology.
Technology/Research & Development	“Technology/Research & Development” that inherits the spirit of originality since the establishment of the Company and continues to create new values.
Manufacture/Production Technology	“Manufacture/Production Technology” that promotes integrated production from materials to products and supports the Company’s originality.
Finance/Accounting	Sound and strong “Finance/Accounting” that is the basis for investment for sustainable growth.
Legal/Compliance/Risk Management	“Legal/Compliance/Risk Management” that supports increase in the corporate value and trust from the stakeholders.

Third Item: Partial Amendments to Articles of Incorporation

1. Reasons for amendments

(1) Amendment to the description of Purpose of Business

Article 2 of the current Articles of Incorporation will be amended in order to organize the description of the Company’s business purposes and also to become able to respond to future business developments.

(2) Deletion of the provision regarding the place of shareholders meetings

Article 14, Paragraph 2 of the current Articles of Incorporation, which provides for the place where shareholders meetings are convened, will be deleted in order to broaden the Company’s options of the place of shareholders meetings. The deletion of said provision does not mean that the Company can hold shareholders meetings without a designated location (so-called virtual-only shareholders meetings).

(3) Amendments associated with the enforcement of the system for electronic provision of materials for shareholders meetings

The amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No.70 of 2019) will come into effect on September 1, 2022. In order to prepare for the introduction of the system for electronic provision of materials for shareholders meetings, the Company’s Articles of Incorporation will be amended as follows.

- 1) The proposed Article 16, Paragraph 1 provides that the Company will take measures for providing information contained in reference documents, etc. for shareholders meetings in electronic format.
- 2) The proposed Article 16, Paragraph 2 establishes a provision to limit the scope of matters to be described in paper-based documents to be delivered to shareholders who requested the delivery of such documents.
- 3) The provisions related to the disclosure via the Internet and deemed provision of reference documents, etc. for shareholders meetings (Article 16 of the current Articles of Incorporation) will become unnecessary and therefore will be deleted.
- 4) In line with the establishment and deletion of the provisions described above, supplementary provisions related to the effective date, etc. will be established.

2. Details of the amendments

Details of the amendments are as follows:

(Underlined texts are to be amended)

Current articles of incorporation	Proposed amendments
(Purpose of Business) Article 2. The purpose of the Company is to conduct the following businesses: (1) <u>Manufacture and sale of electric machinery and appliances;</u> (2) <u>Manufacture and sale of magnetic materials such as ferrite and magnet;</u> (3) <u>Manufacture and sale of electronic machinery and appliances such as automatic inserting machine for electronic components, automatic moulder for electronic components, and</u>	(Purpose of Business) Article 2. The purpose of the Company is to conduct the following businesses: (1) <u>Manufacture, sale and export and import of electronic parts, devices and electronic circuits;</u> (2) <u>Manufacture, sale and export and import of electrical machinery and appliances, machinery and appliances for production, and business-oriented machinery and appliances such as machinery and appliances for medical use and medical supplies;</u> (3) <u>Manufacture, sale and export and import of applied products of each of the foregoing items;</u>

Current articles of incorporation	Proposed amendments
<p><u>electronic measuring equipment and of components thereof;</u></p> <p>(4) <u>Manufacture and sale of recording media such as magnetic tape, floppy disk and optical disk and of data writing, reading and storage equipment therefor;</u></p> <p>(5) <u>Manufacture and sale of ceramic materials such as electricity inductive ceramics, piezoelectric ceramics, semiconductor ceramics and electricity insulating ceramics;</u></p> <p>(6) <u>Manufacture and sale of circuit components such as coils and transformers;</u></p> <p>(7) <u>Manufacture and sale of semiconductors;</u></p> <p>(8) <u>Manufacture and sale of stabilizing power supplies (units to stabilize electric current or voltage);</u></p> <p>(9) <u>Manufacture and sale of machinery and appliances for medical use and medical instruments and of components thereof;</u></p> <p>(10) <u>Manufacture and sale of single crystal materials and each product applying the same;</u></p> <p>(11) <u>Manufacture and sale of precious metals, precious stones, artificial precious stones and each product applying or utilizing the same;</u></p> <p>(12) <u>Manufacture and sale of outer wall materials of buildings and structures;</u></p> <p>(13) <u>Designing and contracting of construction work;</u></p> <p>(14) <u>Development, production, sale and grant of license of software;</u></p> <p>(15) <u>Manufacture, sale and contracting of applied product, machinery and tools and equipment of each of the foregoing; and</u></p> <p>(16) <u>Any and all businesses incidental or relating to each of the foregoing.</u></p> <p>(Convocation of Shareholders Meeting) Article 14. <u>1. Ordinary general meetings of shareholders shall be convened within three (3) months from the day following the end of each business year. An extraordinary shareholders meeting may be held whenever necessary.</u> <u>2. Shareholders meetings may be convened at the Head Office or any adjacent place thereto or at Ichikawa-city, Chiba Prefecture.</u></p> <p><u>(Disclosure via the Internet and Deemed Provision of Reference Documents for Shareholders Meeting)</u> Article 16. <u>When convening a shareholders meeting, it shall be deemed that the Company has provided shareholders</u></p>	<p>< Delete ></p> <p>< Delete ></p> <p>< Delete ></p> <p>< Delete ></p> <p>< Delete ></p> <p>< Delete ></p> <p>< Delete ></p> <p>< Delete ></p> <p>(4) <u>Designing and contracting of construction work, flooring and interior finish work and electric work;</u></p> <p>< Delete ></p> <p>(5) <u>Manufacture, sale and export and import of raw materials of products or construction described in each of the foregoing items; and</u></p> <p>(6) <u>Any and all businesses incidental or relating to each of the foregoing items.</u></p> <p>(Convocation of Shareholders Meeting) Article 14. <u>Ordinary general meetings of shareholders shall be convened within three (3) months from the day following the end of each business year. An extraordinary shareholders meeting may be held whenever necessary.</u></p> <p>< Delete ></p> <p>< Delete ></p>

Current articles of incorporation	Proposed amendments
<p><u>with necessary information that should be described or presented in reference documents for the shareholders meeting, business reports, Financial Statements and Consolidated Financial Statements in the event that they are disclosed via the Internet in accordance with the Ministry of Justice Ordinance.</u></p> <p>< New ></p>	<p>(Measures for Providing Information in Electronic Format, Etc.)</p> <p>Article 16. <u>1. When convening a shareholders meeting, the Company shall take measures for providing information contained in reference documents, etc. for the shareholders meeting in electronic format.</u></p> <p><u>2. Among the matters for which the measures for providing information in electronic format will be taken, the Company may choose not to describe all or part of the matters designated by the Ordinance of the Ministry of Justice in the paper-based documents to be delivered to shareholders who requested the delivery of such documents by the record date for voting rights.</u></p>
<p>< New ></p>	<p>(Supplementary Provisions)</p> <p><u>1. The amendments to Article 16 of the Articles of Incorporation shall come into effect from the date of enforcement of the amended provision stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No.70 of 2019) (the “Enforcement Date”).</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 16 of the current Articles of Incorporation (Disclosure via the Internet and Deemed Provision of Reference Documents for Shareholders Meeting) shall remain effective in connection with any shareholders meetings held on a date within six (6) months from the Enforcement Date.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on the date when six (6) months have elapsed from the Enforcement Date or three (3) months have elapsed from the date of the shareholders meeting described in the preceding paragraph, whichever is later.</u></p>

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 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/en/ir/tdk_management_policy/governance/index.html

(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. The Chair and more than half of the members of the Nomination Advisory Committee are Independent Outside Directors.

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 (3) out of seven (7) Directors are Independent Outside Directors (among which one (1) is female)
- Audit & Supervisory Board Members: Three (3) out of five (5) Audit & Supervisory Board Members are Independent Outside Audit & Supervisory Board Members (among which one (1) is female)
- Total: Six (6) out of twelve (12) Directors and Audit & Supervisory Board Members are Independent Outside Directors or Independent Outside Audit & Supervisory Board Members (among which two (2) 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 Regulations regarding Securing Independent Directors/Audit & Supervisory Board Members and Rule III. 5. (3)-2 of the Guidelines concerning Listed

Company Compliance, etc., 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 is a person concerned with TDK

An Outside Director/Audit & Supervisory Board Member shall be judged not to be independent if either of the following cases applies to them at present or has applied to them during the past ten (10) years.

- (i) A Director of the Company or a subsidiary of the Company (except Outside Directors)
- (ii) An Audit & Supervisory Board Member of the Company or a subsidiary of the Company (except Outside Audit & Supervisory Board Members)
- (iii) A Corporate Officer of the Company or a subsidiary of the Company
- (iv) An employee of the Company or a subsidiary of the Company

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

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 (3) 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 at present or has applied to them during the past three (3) years.

- (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 Director/Audit & Supervisory Board Member)
- (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

- (3) 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 applies to such person at present or has applied to such person during the past three (3) 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 Director/Audit & Supervisory Board Member (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 Director/Audit & Supervisory Board Member (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

(4) 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 applies to their close relative (meaning a relative within the second degree of kinship) at present or has applied to them during the past three (3) years.

(i) A person to whom (2) or (3) 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 fiscal year in order to verify whether the functions expected of the Board of Directors are properly performed and enhance such functions.

Also, the Company requests a third-party evaluation institution to evaluate the effectiveness of the Board of Directors periodically (about once every three (3) years) in order to verify it from a neutral and objective standpoint.

In the Board of Directors evaluation for the fiscal year ended March 2022, the Company requested a primary evaluation of the Board of Directors and its advisory committees (the Nomination Advisory Committee and the Compensation Advisory Committee) from a third-party evaluation organization (questionnaire and interviews, and implementation of a third-party evaluation based on those results), and after discussion by the Board of Directors, conducted a final evaluation. As for the issues identified in the evaluation for the previous fiscal year, the Company implements remedial measures and verifies their results, thereby creating a cycle for continuous improvement of governance.

The results of the evaluation concluded that the effectiveness of the Board of Director and its advisory committees (the Nomination Advisory Committee and the Compensation Advisory Committee) was sufficiently secured in terms of their size and composition, content of agenda items and deliberations, status of discussions, reflection on management, etc.

End

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

Attached Document (1)

BUSINESS REPORT

〔 From: April 1, 2021
To: March 31, 2022 〕

1. Business Conditions

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

In the fiscal year ended March 31, 2022 (“Fiscal 2022”), while the global economy was affected by the resurgence of the COVID-19 pandemic and concerns over political conflicts such as the tensions between the U.S. and China, corporate capital expenditure remained brisk as social and economic activities were gradually normalized and production activities continued to rebound. Since the beginning of the fourth quarter, however, geopolitical risks rapidly increased as a result of Russia’s invasion of Ukraine, causing heightened concerns over the supply of materials and energy and soaring prices. As a result, the outlook of the global economy remained unclear.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, production volume in the automotive market remained flat from the previous fiscal year due to the supply chain constraints in components procurement. However, automotive-related demand remained strong on the back of an increase in the number of components installed per vehicle and stockpiling by customers. In the Information and Communications Technology (ICT) market, demand for notebook PCs and tablets remained strong. On the other hand, smartphone production volume for Fiscal 2022 fell below that of the previous fiscal year as the resurgence of COVID-19 and other factors negatively affected components procurement and demand. Production of Hard Disk Drives (HDDs) for servers remained strong, reflecting a recovery in demand related to data centers. In the industrial equipment market, thanks to strong capital expenditure, demand remained robust.

As a result, consolidated operating results for the Company for Fiscal 2022 were as follows.

(¥ in millions)

	Fiscal 2021	Fiscal 2022	YoY Change
Net sales	1,479,008	1,902,124	28.6%
Operating income	111,535	166,665	49.4%
Income before income taxes	121,904	234,185	92.1%
Net income attributable to the Company	79,340	183,632	131.4%
Net income attributable to the Company / Basic per common share (¥)	209.36	484.53	275.17

Notes: 1. Income before income taxes for fiscal 2022 includes gain on valuation of investment securities of ¥60,200 million.

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

(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.	198,110	10.4	25.2	
Inductive Devices		179,944	9.5	28.5	
Other Passive Components		127,144	6.7	16.7	
Passive Components		505,198	26.6	24.1	
Sensor Application Products	Automobiles, industrial and communications equipment, etc.	130,769	6.9	60.8	
Magnetic Application Products	PCs and PC peripherals, automobiles and industrial equipment, etc.	248,446	13.1	24.7	
Energy Application Products	Communications equipment, PCs, industrial equipment and automobiles, etc.	965,345	50.7	30.4	
Other	Communications and industrial equipment, etc.	52,366	2.7	2.6	
Consolidated total		1,902,124	100.0	28.6	
Incl. Overseas sales		1,753,086	92.2	28.7	

[Passive Components Segment]

This segment is made up of (1) Capacitors, (2) Inductive Devices, and (3) Other Passive Components. Consolidated net segment sales were ¥505,198 million, up 24.1% year on year from ¥407,126 million.

The Capacitors business is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Consolidated net sales in the Capacitors business were ¥198,110 million, up 25.2% year on year from ¥158,182 million. Sales of Ceramic Capacitors increased to the automotive market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors increased to the industrial equipment market.

Consolidated net sales of Inductive Devices business increased by 28.5% year on year from ¥139,990 million to ¥179,944 million. Sales increased 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 in Other Passive Components increased by 16.7% year on year from ¥108,954 million to ¥127,144 million. Sales increased mainly to the industrial equipment market.

[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 60.8% year on year from ¥81,345 million to ¥130,769 million.

Sales increased mainly to the ICT market.

[Magnetic Application Products Segment]

This segment is made up of HDD Heads, HDD Suspension Assemblies, and Magnets. Consolidated net segment sales increased by 24.7% year on year from ¥199,253 million to ¥248,446 million.

Sales of HDD Heads and HDD Suspension Assemblies increased to the ICT market. Sales of Magnets increased to the automotive market.

[Energy Application Products Segment]

This segment is made up of Energy Devices (Rechargeable Batteries) and Power Supplies. Consolidated net segment sales increased by 30.4% year on year from ¥740,227 million to ¥965,345 million.

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

[Other]

Other includes Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, and Others. Consolidated net segment sales increased by 2.6% year on year from ¥51,057 million to ¥52,366 million.

Sales of Mechatronics increased to the industrial equipment market. Sales of Camera Module Micro Actuators for smartphones decreased to the ICT market.

(3) Capital Expenditures of TDK

TDK invested ¥291,373 million in capital expenditures in Fiscal 2022, up 37.2% year on year, 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 ¥212,355 million.

Main capital expenditures included expenditures for factories and production 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 2022, TDK executed capital expenditures in the aforementioned core business operations.

(4) Research and Development of TDK

The expenditure for R&D activities in Fiscal 2022 was ¥163,787 million, up 28.9% from ¥127,046 million in Fiscal 2021. 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, such as rechargeable batteries and sensors, and is strengthening collaboration with marketing functions to contribute to the development of a sustainable society through cutting-edge technology that supports digital transformation (DX) and energy transformation (EX).

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 Time-to-Market mindset.

(5) Fund Procurement of TDK

The balances of straight bonds and debt as of the end of Fiscal 2022 were as follows:

(¥ in millions)

Issue	Balance at March 31, 2022	YoY Change
Bonds	199,278	99,666
Short- and long-term debt	439,022	55,298
Total	638,300	154,964

Issuances of bonds and assumption of short-term and long-term debt are mainly decided by and carried out by the Company. Details of bonds issued by the Company and its main lenders as of March 31, 2022 are as follows.

1) Straight Bonds

(¥ in millions)

Issue	Issue date	Total amount of issue	Coupon rate	Redemption date
5th Series Unsecured Straight Bonds	July 28, 2020	30,000	0.18% per annum	July 28, 2025
6th Series Unsecured Straight Bonds	July 28, 2020	30,000	0.31% per annum	July 28, 2027
7th Series Unsecured Straight Bonds	July 28, 2020	40,000	0.43% per annum	July 26, 2030
8th Series Unsecured Straight Bonds	December 2, 2021	30,000	0.15% per annum	December 2, 2026
9th Series Unsecured Straight Bonds (TDK Sustainability-Linked Bonds)	December 2, 2021	40,000	0.26% per annum	December 1, 2028
10th Series Unsecured Straight Bonds	December 2, 2021	30,000	0.38% per annum	December 2, 2031

Note: TDK Sustainability-Linked Bonds are bonds that the means of the Company's achievement of the TDK Environmental Vision 2035 are incorporated as its indicators.

2) Main Lenders

(¥ in millions)

Lender	Amount
Resona Bank, Limited	73,500
Sumitomo Mitsui Banking Corporation	68,000
MUFG Bank, Ltd.	68,000
Sumitomo Mitsui Trust Bank, Limited	52,000
Mizuho Bank, Ltd.	52,000
Development Bank of Japan Inc.	20,000

(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)

Item \ Term	123rd (Apr. 1, 2018 to Mar. 31, 2019)	124th (Apr. 1, 2019 to Mar. 31, 2020)	125th (Apr. 1, 2020 to Mar. 31, 2021)	126th (Apr. 1, 2021 to Mar. 31, 2022)
Net sales	1,381,806	1,363,037	1,479,008	1,902,124
Operating income	107,823	97,870	111,535	166,665
Net income attributable to the Company	82,205	57,780	79,340	183,632
Net income attributable to the Company / Basic per common share (¥)	217.00	152.49	209.36	484.53
Total assets	1,992,480	1,943,379	2,401,433	3,086,924
Total equity	883,756	848,564	1,006,297	1,350,130
Total stockholders' equity	877,290	843,957	1,003,538	1,346,683
Total stockholders' equity per share (¥)	2,315.57	2,227.05	2,648.08	3,553.02
Annual dividends per share (¥)	53.33	60.00	60.00	78.33
Return on Equity (ROE) (%)	9.7	6.7	8.6	15.6
Return on Assets (ROA) (%)	4.2	2.9	3.7	6.7
Dividend on Equity (DOE) (%)	2.4	2.6	2.5	2.5

- 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 Company split one share of its common stock into three shares with the effective date of October 1, 2021. Net income attributable to the Company / Basic per common share, total stockholders' equity per share and annual dividends per share are calculated based on the assumption that the stock split was conducted at the beginning of the 123rd fiscal year.
3. The annual dividend for the 126th fiscal year is ¥78.33 per share, including a year-end dividend of ¥45.00 per share. The year-end dividend is scheduled for approval at the 126th Ordinary General Meeting of Shareholders on June 24, 2022.

(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 the Internet of Things (IoT) and Artificial Intelligence (AI) to every aspect of society.

TDK regards such changes in the social environment as opportunities for new social contributions and business growth, and has formulated and been implementing its Medium-Term Plan, “Value Creation 2023,” that will cover the three years from the fiscal year ended March 31, 2022 through the fiscal year ending March 31, 2024. Under “Value Creation 2023,” the pursuit of “Social Value,” which aims at contributing to the realization of a sustainable society by solving social issues, is set as an objective of all business activities. As a result, we will implement a cycle of increasing “Commercial Value” and “Asset Value” and further creating “Social Value.”

Specifically, in order to realize 2CX (Customer Experience and Consumer Experience) by providing solutions that satisfy customers and consumers and providing experiences that exceed expectations, we aim to become an invaluable presence by contributing to addressing two major social issues, namely, DX and EX. For example, in DX, TDK will contribute to the transformation of society through digital technologies by supplying products for high-speed communication networks, sensors, autonomous driving, and robots. In EX, TDK will contribute to the promotion of a decarbonized society by supplying products related to the energy storage, conversion, and control necessary for the creation of a highly energy-efficient society, as well as products related to electric vehicles and renewable energy.

Thus, we will endeavor to capture business opportunities by providing valuable products to society and at the same time establish management systems with a focus on speed. Then, it is our aim to make even greater contributions to society by ensuring corporate transparency and becoming a trusted presence in society.

In order to achieve the Medium-Term Plan, TDK has identified the “TDK Group’s Materiality (key issues)” as priority management issues for TDK in light of macro trends such as the SDGs (international development targets included in the “2030 Agenda for Sustainable Development” adopted by the United Nations Summit held in September 2015), politics and economics, technologies and markets. The “TDK Group’s Materiality (key issues)” has specified EX and DX as business areas for TDK to focus on toward the creation of social value and growth, and identified “Quality Management,” “HR Management,” “Supply Chain Management,” “Opportunity & Risk Management,” “Pursuing Both Delegation of Authority and Internal Controls,” and “Asset Efficiency Improvement” as materiality that should be addressed as the basis of value creation.

2) Pressing Issues of TDK

Despite the progress in global rollout of COVID-19 vaccine programs and the development of COVID-19 drugs, it is still unclear when the spread of the virus will be contained, and there remain concerns over the prolonged effects of the pandemic. In addition, heightened geopolitical risks and soaring energy and raw material prices have been affecting economic activities significantly. These effects can dramatically reshape not only economic trends but also the social and industrial landscape. The business environment surrounding TDK could also be altered drastically.

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, and the growing use of the fifth-generation mobile communication system (5G), the practical use of Advanced Driving Assistance Systems (ADAS) in automobiles, the growing use of IoT and wearable products, and cloud services in DX. 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 focused on launching competitive new products in a timely manner and expanding production capacity in line with demand.

TDK also recognizes that addressing the following issues that are identified as materiality is a pressing issue for achieving growth: “Quality Management,” “HR Management,” “Supply Chain Management,” “Opportunity & Risk Management,” “Pursuing Both Delegation of Authority and Internal Controls,” and “Asset Efficiency Improvement.”

For example, in “Supply Chain Management,” TDK has been implementing various measures including the steady procurement of raw materials and efforts to address human rights issues in supply chains. Furthermore, as part of “Asset Efficiency Improvement,” TDK has been reviewing and restructuring its business portfolio. In addition, human resources are the basis of growth. 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. TDK has continuously engaged in a wide range of initiatives of “HR Management” to attract and retain talented human resources.

《Reference》 Consolidated forecasts for the fiscal year ending March 31, 2023 (as published on May 25, 2022)

(¥ in millions)

	Results for the fiscal year ended March 31, 2022 (IFRS, estimates)	Forecasts for the fiscal year ending March 31, 2023 (IFRS)	YoY Change
Net sales	1,902,124	2,200,000	15.7%
Operating profit	166,775	185,000	10.9%
Profit before tax	172,490	190,000	10.2%
Net profit attributable to owners of parent	131,298	145,000	10.4%
Annual dividends per share (¥)	78.33	106.00	27.67

Notes: 1. The Company plans to voluntarily adopt International Financial Reporting Standards (“IFRS”) starting from its Annual Securities Report for the fiscal year ended March 31, 2022. As a result, consolidated forecasts above are calculated in accordance with IFRS. The actual IFRS figures for the fiscal year ended March 31, 2022 used in the calculation of percentage change from the previous fiscal year are approximate estimates as of May 25, 2022.

2. The Company split one share of its common stock into three shares with the effective date of October 1, 2021. Results for the fiscal year ended March 31, 2022 and YoY change for “Annual dividends per share” are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.

(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), Camera Module Micro Actuators for Smartphones, Others

(10) Major Business Offices and Plants of TDK

1) The Company

Head Office	Chuo-ku, Tokyo
Business Offices	Sendai (Miyagi Pref.), Matsumoto (Nagano Pref.), Nagoya (Aichi Pref.), Osaka (Osaka Pref.), Kyushu (Fukuoka Pref.)
Plants	Honjo (Akita Pref.), Nikaho (Akita Pref.), Inakura (Akita Pref.), Ouchi (Akita Pref.), Narita (Chiba Pref.), Kofu (Yamanashi Pref.), Asama Techno (Nagano Pref.), Chikumagawa Techno (Nagano Pref.), Shizuoka (Shizuoka Pref.), Mikumagawa (Oita Pref.)
Research & Development	Ichikawa-shi and Narita-shi (Chiba Pref.)

2) Subsidiaries

Please refer to the following “1) Status of Principal Subsidiaries” of “(11) Principal Subsidiaries” for subsidiaries.

(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 HONGKONG COMPANY LIMITED (Hong Kong, China)	HK\$25,500 thousand	100.0	Manufacture and sale of passive components
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	*100.0	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 Electronics Korea Corporation (Seoul, South Korea)	KRW10,000,000 thousand	100.0	Sale of passive components
TDK U.S.A. Corporation (New York, U.S.A.)	US\$8 hundred	100.0	Management and supervision of U.S. subsidiaries
InvenSense Inc. (California, U.S.A.)	US\$79 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 Akita Corporation and TDK Shonai Corporation merged with TDK Kofu Corporation in an absorption-type merger, with TDK Akita Corporation as the surviving company. The effective date of the merger was April 1, 2022 and the company name changed from TDK Akita Corporation to TDK Electronics Factories Corporation on the same date.

2) Business Combinations

Classification		No. of Companies	YoY Change
Consolidated subsidiaries	Domestic	12	—
	Overseas	125	-3 companies (-3 companies)
	Total	137	-3 companies (-3 companies)
Equity-method affiliates	Domestic	3	—
	Overseas	2	—
	Total	5	—

(12) Employees

Employees of TDK:

Number of Employees	YoY Change
116,808	-12,476

Notes: 1. The number of employees represents the number of employees who work in offices. Part-time employees are not included in the figure above.
2. The main factor for the decrease in the number of employees compared to the previous fiscal year was due to a decrease in employees in the Energy Application Products segment.

2. Matters Concerning Shares of the Company

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

1,440,000,000 shares

Note: In line with a stock split, the Company amended a part of the articles of incorporation on the effective date of October 1, 2021. As a result, the total number of shares authorized has increased by 960,000,000 shares.

(2) Total Number of Issued Shares

388,771,977 shares (inclusive of 9,747,048 shares of treasury stock)

Note: The Company split one share of its common stock into three shares on the effective date of October 1, 2021. Consequently, the total number of issued shares has increased by 259,181,318 shares.

(3) Number of Shareholders

36,624 shareholders (14,842 more than at the previous fiscal year-end)

(4) Top 10 Largest Shareholders

Name of shareholder	Number of shares held	Percentage of shares held
	(thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	110,147	29.06
Custody Bank of Japan, Ltd. (Trust account)	45,123	11.90
Custody Bank of Japan, Ltd. (Securities investment trust account)	8,893	2.35
SSBTC CLIENT OMNIBUS ACCOUNT	8,015	2.11
BBH FOR GLOBAL X LITHIUM AND BATTERY TECH ETF	7,736	2.04
STATE STREET BANK WEST CLIENT - TREATY 505234	7,101	1.87
JP MORGAN CHASE BANK 385632	4,765	1.26
JP MORGAN CHASE BANK 385781	4,661	1.23
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	4,063	1.07
Goldman Sachs Japan Co., Ltd. BNYM	3,789	1.00

Notes: 1. The 9,747,048 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) Status of 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 each stock acquisition right (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	7,800 shares of common stock	Free of charge	From July 1, 2005 to June 30, 2025	—	—
2008	May 28, 2008	17	5,100 shares of common stock	¥596,700 (fair value)	From July 6, 2008 to July 5, 2028	—	—
2009	May 27, 2009	68	20,400 shares of common stock	¥402,100 (fair value)	From July 5, 2009 to July 4, 2029	—	—
2010	May 26, 2010	77	23,100 shares of common stock	¥421,300 (fair value)	From July 4, 2010 to July 3, 2030	—	—
2011	May 25, 2011	145	43,500 shares of common stock	¥392,500 (fair value)	From July 3, 2011 to July 2, 2031	—	1 person, 3 rights
2012	June 21, 2012	143	42,900 shares of common stock	¥277,000 (fair value)	From July 8, 2012 to July 7, 2032	1 person, 10 rights	1 person, 3 rights
2013	June 19, 2013	174	52,200 shares of common stock	¥311,200 (fair value)	From July 7, 2013 to July 6, 2033	1 person, 24 rights	1 person, 15 rights
2014	June 18, 2014	254	76,200 shares of common stock	¥413,600 (fair value)	From July 6, 2014 to July 5, 2034	1 person, 24 rights	2 people, 28 rights
2015	July 31, 2015	476	142,800 shares of common stock	¥680,600 (fair value)	From August 23, 2015 to August 22, 2035	2 people, 60 rights	2 people, 42 rights
2016	June 17, 2016	394	118,200 shares of common stock	¥427,300 (fair value)	From July 10, 2016 to July 9, 2036	3 people, 120 rights	2 people, 25 rights
2017	June 16, 2017	244	73,200 shares of common stock	¥658,400 (fair value)	From July 9, 2017 to July 8, 2037	3 people, 58 rights	2 people, 17 rights
2018	March 23, 2018	460	138,000 shares of common stock	¥837,300 (fair value)	From April 8, 2018 to April 7, 2038	3 people, 151 rights	2 people, 29 rights
2018	June 20, 2018	24	7,200 shares of common stock	¥1,041,000 (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 each stock acquisition right (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	159	47,700 shares of common stock	¥856,200 (fair value)	From April 7, 2019 to April 6, 2039	4 people, 50 rights	—
2019	June 19, 2019	32	9,600 shares of common stock	¥780,000 (fair value)	From July 7, 2019 to July 6, 2039	1 person, 32 rights	—
2020	March 25, 2020	2	600 shares of common stock	¥759,600 (fair value)	From April 12, 2020 to April 11, 2040	—	—

- Notes: 1. All of the stock acquisition rights listed above are stock-linked compensation stock acquisition rights with an exercise price of ¥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.
5. The stock-linked compensation stock option plan was abolished, with the exception of those stock options already granted, in connection with the introduction of the post-delivery type stock remuneration plan, as approved at the 124th Ordinary General Meeting of Shareholders held on June 23, 2020.
6. The Company split one share of its common stock into three shares on the effective date of October 1, 2021. As a result, the number of shares to be issued upon the exercise of stock acquisition rights has been adjusted.

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

Not applicable.

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 (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
Director (Chairman)	Makoto Sumita	
Director (Executive Vice President)	Seiji Osaka	<ul style="list-style-type: none"> • General Manager of Corporate Strategy HQ of the Company
Director (Senior Vice President)	Shigeki Sato	<ul style="list-style-type: none"> • General Manager of Technology and Intellectual Property HQ of the Company
Outside Director	Kazuhiko Ishimura	<ul style="list-style-type: none"> • Outside Director of IHI Corporation • Outside Director of Nomura Holdings, Inc. • President of the National Institute of Advanced Industrial Science and Technology
Outside Director	Kozue Nakayama	<ul style="list-style-type: none"> • Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. • Outside Director of Isuzu Motors Limited
Outside Director	Mutsuo Iwai	<ul style="list-style-type: none"> • Member and Chairperson of the Board of Japan Tobacco Inc. • Outside Director of Benesse Holdings, Inc.
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 Mr. Kazuhiko Ishimura, Ms. Kozue Nakayama and Mr. Mutsuo Iwai 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, 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, 2022, 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, 2022	Representative Director (Chairman)	Shigenao Ishiguro	
April 1, 2022	Representative Director (Executive Vice President)	Tetsuji Yamanishi	• General Manager of Finance & Accounting HQ of the Company
April 1, 2022	Director	Makoto Sumita	
April 1, 2022	Director	Seiji Osaka	

4. Transactions between the Company and other parties where Outside Directors/Audit & Supervisory Board Members concurrently hold significant positions were as follows:

- Although Mr. Kazuhiko Ishimura serves an Outside Director of IHI Corporation and TDK has a business relationship with IHI Group, 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, 2022, the ratio of sales of TDK to IHI Group represented less than 1% of the consolidated net sales of TDK.
- Although Mr. Kazuhiko Ishimura serves an Outside Director of Nomura Holdings, Inc. and TDK has business relationships with Nomura Group, 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, 2022, the ratio of revenue from TDK represented less than 1% of Nomura Group's net revenue.
- Although Mr. Kazuhiko Ishimura serves President of the National Institute of Advanced Industrial Science and Technology ("AIST") and TDK has a business relationship with AIST, 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, 2022, the ratio of contracted research fees, etc. that TDK paid to AIST represented less than 1% of the total revenue of AIST.
- Although Ms. Michiko Chiba serves an Outside Director and Audit & Supervisory Committee Member of CASIO COMPUTER CO., LTD. and TDK has a business relationship with CASIO Group, 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, 2022, the ratio of sales of TDK to CASIO 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 Outside Directors and all 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) Summary of Contents of Directors and Officers Liability Insurance Contract

The Company entered into a directors and officers liability insurance contract set forth in Article 430-3, paragraph 1 of the Companies Act of Japan with an insurance company. The insured under such insurance contract are Directors, Audit & Supervisory Board Members, and Corporate Officers and other key persons who executes business of the Company and its domestic subsidiaries, and the insurance premiums for the insured are fully borne by the Company.

Under the said insurance contract, the amount of damages and costs of litigation, etc. that an insured may incur due to claims for damages arising from acts (including omissions) committed by the insured in his/her capacity as a Director, Audit & Supervisory Board Member, Corporate Officer, etc. of the Company or its domestic subsidiaries shall be covered by the insurance.

In addition, in order to ensure that the insured's proper performance of his/her duties is not impaired, the contract does not cover damages, etc. arising from the insured's illegally obtaining personal benefits or favors.

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

1) Matters Concerning the Policy on Determining the Details of Remuneration for Individual Directors

(i) Policy on Determining the Details of Remuneration for Individual Directors

Regarding the Company's policy on determining the details of remuneration for individual Directors (hereinafter, "Determining Policy"), the Board of Directors passed a resolution on the Determining Policy after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee, an advisory body to the Board of Directors. Outline of the Determining Policy is as follows.

<Basic Policy>

The Company designs its remuneration system through deliberation and examination of the Compensation Advisory Committee, an advisory body to the Board of Directors, for the following purposes.

To promote as much as possible behavior on the part of Directors geared towards enhancing corporate results and stock value and sustainably increase the corporate value of the overall TDK 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.

<Policy, Etc. Concerning Determination of Each Remuneration>

The remuneration of Directors is comprised of basic remuneration, results-linked bonus and stock-linked compensation. The policy, etc. on determining the amounts or numbers for each type of the remuneration or the method of calculation thereof is described below.

a. **Policy on determining the amount of remuneration for individual Directors (excluding results-linked compensation and non-monetary compensation; hereinafter "fixed compensation") or the method of calculation thereof (including the policy on determining the timing and conditions for compensation, and the method of determining the details; same through c. below)**

For fixed compensation, the Company pays basic remuneration on a monthly basis. Remuneration amounts for individual Directors are determined based on remuneration tables approved by the Board of Directors for each rank after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee, while referring to studies, etc. on corporate management remuneration performed by third parties and comparisons of compensation levels at other companies of similar scale, mainly in the same business category.

b. **Policy on determining the details of performance indicators for results-linked compensation and the method of calculation of amounts or numbers of said results-linked compensation**

Results-linked compensation shall be results-linked bonuses (monetary compensation). The payment amounts are linked to the degree of attainment of targets, using the consolidated results for the fiscal year and the indicators set for each division in charge, with an emphasis placed on

short-term performance. Results-linked bonuses are paid out at a certain time each year, as determined by the Board of Directors after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee.

c. Policy on determining the details of non-monetary compensation and the amounts or numbers or the method of calculation thereof

Non-monetary compensation shall be stock-linked compensation. The system emphasizes the linkage with medium- to long-term results and uses some consolidated performance indicators from the Medium-Term Plan, where the number of shares to be delivered fluctuates based on the degree of achievement of the targets. Details are determined by the Board of Directors after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee.

Stock-linked compensation to be granted after the fiscal year ended March 31, 2021 shall be post-delivery type stock remuneration. Post-delivery type stock remuneration will be paid with approximately half of the number of shares to be delivered in shares and the remainder in monetary form after the end of a period of three (3) 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 (3) years of more as determined by the Board of Directors of the Company.

d. Policy on determining the ratio of amounts of fixed compensation, results-linked compensation and non-monetary compensation to amounts of remuneration for individual Directors

Regarding the ratio of remuneration, by type, for Directors concurrently serving as Corporate Officers, the ratio of results-linked compensation is structured so that the higher the rank, the higher the ratio of performance-linked remuneration, based on comparisons of compensation levels at other companies of similar scale, mainly in the same business category, while referring to studies, etc. on corporate management remuneration performed by third parties, and is consulted with the Compensation Advisory Committee. While respecting the report from the Compensation Advisory Committee, the Board of Directors determines remuneration tables for each rank based on the ratio of remuneration by type indicated in the report.

The guideline for the ratio of remuneration by type is basic remuneration : results-linked bonus : stock-linked compensation = 1 : approximately 0.5-0.6 : approximately 0.6-0.8 (assuming 100% achievement of performance targets).

e. Other important matters concerning determinations about details of remuneration for individual Directors

In the event that the Company's performance sharply and significantly deteriorates, or there are illegal activities or violations of laws and regulations, remuneration may be reduced or returned to the Company based on deliberations by the Compensation Advisory Committee and a resolution by the Board of Directors.

(ii) Structure and Role of Compensation Advisory Committee

A majority of the members and the Chair of the Compensation Advisory Committee are Independent Outside Directors. The Compensation Advisory Committee deliberates the framework and levels of remuneration for Directors and Corporate Officers and reports to the Board of Directors, thereby contributing to ensuring the transparency in the remuneration decision-making process and the appropriateness of individual remuneration.

(iii) Reason for Board of Directors judging the details of remuneration for individual Directors for the fiscal year under review are in accordance with the Determining Policy

As the Compensation Advisory Committee had conducted a multi-faceted examination of the original proposal, including from the viewpoint of accordance with the Determining Policy, the Board of Directors basically respected the Committee's report and judged that the details of remuneration for individual Directors for the fiscal year under review are in accordance with the Determining Policy.

As explained in (i) above, at the Company, the Board of Directors determined the details of remuneration for individual Directors, and does not delegate this determination to a Director or other third party.

2) Structure of Remuneration for Directors and Audit & Supervisory Board Members

Type of Remuneration	Details of Remuneration	Fixed/Fluctuating
Basic remuneration	Monetary compensation paid monthly	Fixed
Results-linked bonus	Monetary compensation which is paid at predetermined times each year with an emphasis on the linkage with short-term performance. The amount of the bonus fluctuates within a range of 0% to 200% of the standard payment amount depending on the degree of attainment of targets, using the consolidated results (operating income, ROE), the targets set for each division in charge and other indicators for the fiscal year under review.	Fluctuating (single fiscal year)
Post-delivery type stock remuneration	<p>Restricted Stock Unit (RSU)</p> <p>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.</p> <p>Performance Share Unit (PSU)</p> <p>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. The degree of achievement of performance targets shall vary from 0% to 100% depending on the degree of achievement of consolidated performance targets (operating income, ROE) outlined in the Medium-Term Plan.</p>	<p>Fixed</p> <p>Fluctuating (medium- to long-term)</p>

Note: Directors and Audit & Supervisory Board Members remuneration is classified into results-linked compensation, etc., non-monetary compensation, etc., and other compensation, etc., as defined by the Ordinance for Enforcement of the Companies Act of Japan as follows.

Classification	Basic Remuneration	Results-linked Bonus	RSU*	PSU**
Results-linked compensation, etc.	—	●	—	●
Non-monetary compensation, etc.	—	—	●	●
Other compensation, etc.	●	—	●	—

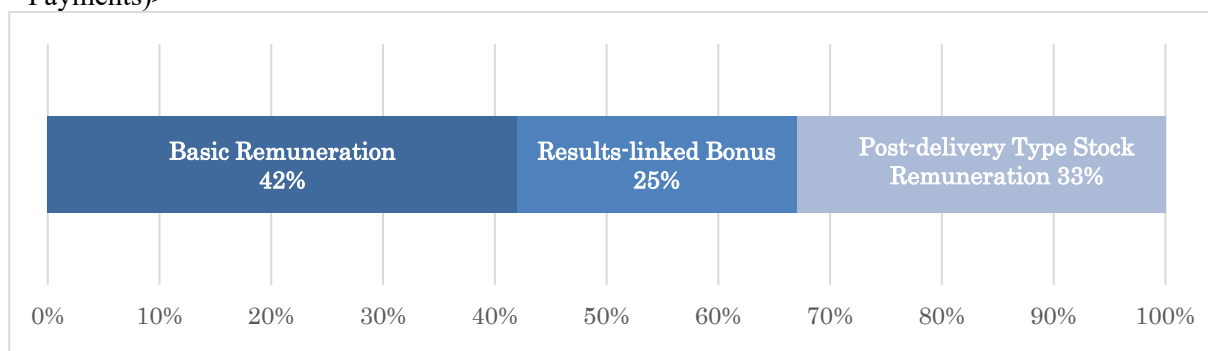
* Under RSU, the stock remuneration portion is classified as “Non-monetary compensation, etc.” and the monetary compensation portion is classified under “Other compensation, etc.”

** PSU is classified as “Results-linked compensation, etc.” and the stock remuneration portion is also classified as “Non-monetary compensation, etc.”

<Eligible for Payment>

Classification	Basic Remuneration	Results-linked Bonus	Post-delivery Type Stock Remuneration	
			RSU	PSU
Directors concurrently serving as Corporate Officers	●	●	●	●
Directors not concurrently serving as Corporate Officers	●	-	●	-
Outside Directors	●	-	-	-
Audit & Supervisory Board Members	●	-	-	-

<Breakdown of Remuneration for Directors Concurrently Serving as Corporate Officers (for Standard Payments)>



<Status of Dilution Ratio relating to Stock-linked Compensation Stock Options and Post-delivery Type Stock Remuneration as of the End of the Fiscal Year under Review>

Classification	Class and number of shares to be issued	Ratio to total number of issued shares
Shares to be Issued upon Exercise of Stock Acquisition Rights as Stock-linked Compensation Stock Options	Common Stock 808,500 shares	0.21%
Shares to be Issued as Post-delivery Type Stock Remuneration	Common Stock 135,800 shares equivalent	0.03%
Total	Common Stock 944,300 shares equivalent	0.24%

- Notes: 1. With the introduction of the post-delivery type stock remuneration plan approved at the 124th Ordinary General Meeting of Shareholders held on June 23, 2020, the stock-linked compensation stock option plan was abolished, except for those already granted. As a result, there were no stock acquisition rights newly issued as stock-linked compensation stock options during the fiscal year under review.
2. In addition to the above table, the details of stock acquisition rights as stock-linked compensation stock options and the status of their ownership are described in "3. Matters Concerning Stock Acquisition Rights, etc. of the Company" on pages 33 to 34.
3. No shares of stock of the Company were delivered as post-delivery type stock remuneration during the fiscal year under review. The Company plans to deliver RSUs in or after the fiscal year ending March 31, 2024 and PSUs in or after the fiscal year ending March 31, 2025.

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

Director/Audit & Supervisory Board Member category	Total amount of remuneration (¥ in Millions)	Total amount of remuneration, etc. by type (¥ in Millions)					Number of eligible Directors /Audit & Supervisory Board Members
		Basic remuneration	Results-linked bonus	Stock-linked compensation stock options	Post-delivery type stock remuneration		
					Restricted Stock Units (RSU)	Performance Share Units (PSU)	
Directors (Excluding Outside Directors)	454	245	156	△6	39	19	5
Outside Directors	48	48	-	-	-	-	4
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	62	62	-	-	-	-	2
Outside Audit & Supervisory Board Members	36	36	-	-	-	-	3

- Notes: 1. The number of Directors (excluding Outside Directors), Outside Directors, Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), and Outside Audit & Supervisory Board Members at the end of the fiscal year under review were five (5), three (3), two (2), and three (3), respectively. The total amount of remuneration, basic remuneration and number of eligible Directors/Audit & Supervisory Board Members regarding Outside Directors as shown above include one (1) Outside Director who retired at the close of the 125th Ordinary General Meeting of Shareholders held on June 23, 2021 and the amount of remuneration paid to him.
2. As for the results-linked bonuses, stock-linked compensation stock options and post-delivery type stock remuneration for Directors, the amounts shown above are those recorded as an expense for the fiscal year under review. In addition, the stock-linked compensation stock option plan was abolished except for those already granted in accordance with the introduction of a post-delivery type stock remuneration plan approved at the 124th Ordinary General Meeting of Shareholders held on June 23, 2020. However, the number of stock options exercisable based on the achievement rate of business performance was fixed in June 2021, resulting in an adjustment amount to the amount recorded as expenses in prior periods.
3. In calculating results-linked bonuses, the amount is designed to fluctuate within a range of 0% to 200% of the standard payment amount depending on the degree of attainment of targets, using the consolidated results (operating income, ROE), the indicators set for each division in charge and other indicators for each fiscal year. The reason for selecting these indicators is to use the same indicators as management targets with an emphasis on the linkage with short-term performance. The targets and results for the main indicators that relate to results-linked bonuses in the fiscal year under review are as follows.
 Consolidated operating income ¥155,500 million (target), ¥166,665 million (result)
 Consolidated ROE 10.9% (target), 15.6% (result)
 Trends in consolidated operating income and consolidated ROE, including those for the fiscal year under review, are shown on page 26 “1. (7) Assets and Earnings in the Last Four Fiscal Years.”
4. The number of the Company's shares to be delivered and the amount of money to be paid as PSUs will be calculated based on the degree of attainment of the performance targets of the Medium-Term Plan. The degree of attainment of performance targets will vary in the range of 0% to 100%, depending on the degree of attainment of the consolidated performance targets (operating income, ROE) in the Medium-Term Plan. The reason for selecting these indicators are to use the same indicators as management targets under the Medium-Term Plan with an emphasis on the linkage with medium- to long-term performance and corporate value. The targets for the indicators that relate to PSUs in the Medium-Term Plan, which will end in the fiscal year ending March 31, 2024, are as follows.
 Consolidated operating income (cumulative amount for three-years) ¥635,100 million (target)
 Consolidated ROE (amount for the last year) 16.8% (target)
5. The Company plans to deliver its shares and cash as post-delivery type stock remuneration in or after the fiscal year ending March 31, 2024 for the RSU plan and in or after the fiscal year ending March 31, 2025 for the PSU plan.
6. For classifications of remuneration, etc. by type in the above table into results-linked compensation, etc., non-monetary compensation, etc. and other compensation, etc. as defined by the Ordinance for Enforcement of the Companies Act of Japan, refer to page 39 “Note” in “2) Structure of Remuneration

for Directors and Audit & Supervisory Board Members.”

4) Matters Concerning Resolutions of General Meeting of Shareholders

(i) Basic remuneration

- The amount of basic remuneration for Directors is ¥25 million or less per month, as approved by the 106th Ordinary General Meeting of Shareholders held on June 27, 2002. There were seven (7) Directors (including one (1) Outside Director) as of the close of the said Ordinary General Meeting of Shareholders.
- The amount of basic remuneration for Audit & Supervisory Board Members is ¥120 million or less per year, as approved by the 124th Ordinary General Meeting of Shareholders held on June 23, 2020. There were five (5) Audit & Supervisory Board Members (including three (3) Outside Audit & Supervisory Board Members) as of the close of the said Ordinary General Meeting of Shareholders.

(ii) Results-linked bonuses

The amount of results-linked bonuses for Directors concurrently serving as Corporate Officers is ¥350 million or less per year, as approved by the 119th Ordinary General Meeting of Shareholders held on June 26, 2015. There were four (4) Directors concurrently serving as Corporate Officers as of the close of the said Ordinary General Meeting of Shareholders.

(iii) Stock-linked compensation stock options

The amount of stock-linked compensation stock options for Directors, excluding Outside Directors, is ¥457 million or less per year (as for the number of shares, 77,500 shares or less per year), as approved by the 119th Ordinary General Meeting of Shareholders held on June 26, 2015. There were four (4) Directors, excluding Outside Directors, as of the close of the said Ordinary General Meeting of Shareholders. In accordance with the introduction of the post-delivery type stock remuneration plan that was approved by the 124th Ordinary General Meeting of Shareholders held on June 23, 2020, the stock-linked compensation stock option plan was abolished, except for those that had already been granted.

(iv) Post-delivery Type Stock Remuneration

The amount of compensation as post-delivery type stock remuneration (RSU and PSU) is ¥457 million or less per year (as for the number of shares, 39,000 shares or less per year), as approved by the 124th Ordinary General Meeting of Shareholders held on June 23, 2020. RSU is granted to Directors, excluding Outside Directors, and there were four (4) Directors as of the close of the said Ordinary General Meeting of Shareholders. PSU is granted to Directors concurrently serving as Corporate Officers and there were three (3) Directors as of the close of the said Ordinary General Meeting of Shareholders.

Note: TDK split one share of its common stock into three shares on effective date of October 1, 2021. As a result, the number of shares to be issued upon exercise of stock acquisition rights as stock-linked compensation stock options were adjusted to 232,500 shares or less per year, and the number of shares for post-delivery type stock remuneration were adjusted to 117,000 shares or less per year.

(4)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 35 through page 36.

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	Situation regarding opinions in meetings of the Board of Directors, outline of duties conducted regarding roles expected of Outside Directors and other activities
Kazuhiko Ishimura (Outside Director)	Meetings of the Board of Directors: 14 of the 14 meetings Nomination Advisory Committee: 12 out of the 12 meetings Compensation Advisory Committee: 7 out of the 7 meetings	Mr. Ishimura has fulfilled the role and duties expected of an Outside Director, proactively expressing his opinions while overseeing, advising and guiding management, based on his abundant experience and knowledge of corporate management and global business at a materials manufacturer. Mr. Ishimura is the Chair of the Board of Directors, and plays a vital role in strengthening the supervisory function of the Board of Directors while aiming to clearly separate management oversight and business execution. He is also the Chair of the Compensation Advisory Committee, and a member of the Nomination Advisory Committee.
Kozue Nakayama (Outside Director)	Meetings of the Board of Directors: 14 of the 14 meetings Nomination Advisory Committee: 12 out of the 12 meetings Compensation Advisory Committee: 7 out of the 7 meetings	Ms. Nakayama has fulfilled the role and duties expected of an Outside Director, proactively expressing her opinions while overseeing, advising and guiding management, based on her abundant experience and knowledge concerning global business related to the automotive industry and corporate management. Ms. Nakayama serves as the Chair of the Nomination Advisory Committee, playing an important role in ensuring the appropriateness in the selection of Directors, Audit & Supervisory Board Members and Corporate Officers, and the transparency in the decision-making process. She is also a member of the Compensation Advisory Committee.
Mutsuo Iwai (Outside Director)	Meetings of the Board of Directors: 11 of the 11 meetings Nomination Advisory Committee: 9 out of the 9 meetings Compensation Advisory Committee: 5 out of the 5 meetings (following appointment in June 2021)	Mr. Iwai has fulfilled the role and duties expected of an Outside Director, proactively expressing his opinions while overseeing, advising and guiding management, based on his abundant experience and knowledge as a manager of a company that operates globally in the tobacco, pharmaceutical, food and other businesses. Mr. Iwai serves as a member of the Compensation Advisory Committee, playing a key role in ensuring 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.

Name (Position)	Attendance at meetings of the Board of Directors and other meetings	Situation regarding opinions in meetings of the Board of Directors, outline of duties conducted regarding roles expected of Outside Directors and other activities
Jun Ishii (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 14 of the 14 meetings Meetings of the Board of Directors: 14 of the 14 meetings	Mr. Ishii has fulfilled the role and duties expected of an Outside Audit & Supervisory Board Member, such as auditing management, while proactively stating opinions based on his extensive experience and knowledge about group governance and risk management and other matters in a global electronics company.
Douglas K. Freeman (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 14 of the 14 meetings Meetings of the Board of Directors: 14 of the 14 meetings	Mr. Freeman has fulfilled the role and duties expected of an Outside Audit & Supervisory Board Member, such as auditing management, while proactively stating opinions based on his specialized knowledge about law as a lawyer and his profound experience about international corporate legal affairs.
Michiko Chiba (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 14 of the 14 meetings Meetings of the Board of Directors: 14 of the 14 meetings	Ms. Chiba has fulfilled the role and duties expected of an Outside Audit & Supervisory Board Member, such as auditing management, while proactively stating opinions based on her specialized knowledge in finance and accounting as a certified public accountant and her extensive experience in 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	449
The aggregate amount of remuneration and other material benefits payable to the Accounting Auditor by the Company and its subsidiaries	484

- Notes: 1. The Company's Audit & Supervisory Board has consented to the remuneration of the Accounting Auditor as required under Article 399 paragraph 1 of the Companies Act, after examining matters such as details of 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 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 represents the total amount to be paid by the Company.
3. The Company pays remuneration to the Accounting Auditor for production of comfort letters related to the issue of bonds, aside from duties 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 Company's 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 Company's 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 Company's 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: April 28, 2021)

(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 an entrepreneurial venture to industrialize a magnetic material called ferrite invented at Tokyo Institute of Technology. Since then, the Company has unremittingly pursued originality and increased corporate value through supplies 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 to the society 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 (1/3) 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 (1) 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. 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 and 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 has established 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 regarding preservation and control of information in relation to the execution of business by Directors of the Company:

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 measures against 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

The Crisis Management Committee has been established and operates with the aim of implementing preventive measures for serious accidents, incidents, disasters, etc. that may impede the survival or development of the Company as well as reducing subsequent damage and preventing the expansion of damage. In the event of an emergency, the Company will quickly set up a Crisis Management Headquarters and, while giving first priority to ensuring the safety of its employees, it

will resume business as soon as possible and fulfill its responsibility to supply its customers in accordance with the Business Continuity Plan (BCP).

(iv) Information Security Committee

The Information Security Committee properly manages important information such as information provided by customers and personal information in compliance with laws and regulations, implements measures against cyber-attacks, and monitors the security status of TDK to prevent cyber-attacks. In addition, in the event of an attack, the said Committee will promptly assess the situation, recover, and take 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 decided by the President upon being deliberated at 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.

With respect to the Company's subsidiaries, the Company ensures efficient management execution by having them execute their business based on the responsibilities and authorities stipulated in the "Global Common Regulations" for the entire TDK. Also, the Company has established a system to ensure that appropriate reports are made by stipulating matters to be reported periodically or as necessary on the management situation of the subsidiaries and the status of the execution of duties by Directors, etc. of the subsidiaries in the "Global Common Regulations".

(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 has established a compliance promotion department under the direct control of the President and appoints a Global Chief Compliance Officer from among Corporate Officers upon resolution of the Board of Directors. The Global 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 has established 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 of TDK strives to achieve proper business operations by making and executing business decisions in compliance with the “TDK Code of Conduct” and the “Global Common Regulations”, which summarizes the responsibilities and authorities of each organization.

The Audit & Supervisory Board Members audit, on a regular basis, the condition of the business operations of each department of TDK by inspecting 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, has been established and 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 and employees of the Company report to Audit & Supervisory Board Members of the Company, and system for ensuring Directors, Audit & Supervisory Board Members and 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 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 and 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 and 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) Other systems 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 ensure that the audits of Audit & Supervisory Board Members are conducted effectively by meeting regularly, receiving regular audit reports from the Accounting Auditor, and 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 Chair 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 on a semiannual basis.

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. Under such internal reporting system, in addition to the reporting channel within TDK, another reporting channel using an outside law firm has been established in Japan, China, Asia (excluding Japan and China), Europe and Americas regions. This allows an employee who wants to report to 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 implement company-wide risk management that promotes countermeasures against risks which may prevent the achievement of an organizational goal and appropriately manages such risks in striving for sustainable growth. The ERM Committee analyzes and evaluates risks in the business environment in which TDK operates, identifies risks that require countermeasures, and assigns a risk owner department to lead risk countermeasures. For each individual risk, the assigned risk owner department leads the implementation of risk countermeasures. For example, for risks related to product quality, the Quality Assurance Department, which is the risk owner department, takes the lead in implementing various measures from the perspective of design, materials, processes and management in order to reduce the risk of quality defects (including inclusion of regulated substances). Furthermore, the ERM Committee identifies risks that need to be addressed on a cross-functional basis and promotes the introduction of countermeasures in cooperation with relevant departments. Such analysis and evaluation of risks and the status of countermeasures are deliberated on at the Executive Committee and reported to the Board of Directors. Of the risks that need to be addressed on a cross-functional basis, the following risks, in particular, are addressed through the establishment of committees.

For risks related to natural disasters, power supply, infectious diseases, etc., the Crisis Management Committee has been established. The Crisis Management Committee regularly checks the operation status of the Business Continuity Plan (BCP) of each operating department established based upon the company-wide basic policy in order for it to work properly in time of emergency and shares information with the Company's management in a timely manner.

For risks related to information security, the Information Security Committee has been established. 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 in line with the Cyber Security Framework.

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

In order to continue to create new value based on the founding spirit of the Company's corporate motto and corporate principles, the Company has drawn up the Sustainability Vision ("Technology for well-being of all people"), a long-term vision for the next 10 years, and formulated the Medium-Term Plan and materiality (key issues) for TDK. And to support the realization of these goals, the Company is working to strengthen an effective and efficient group governance system. TDK's materiality sets "quality management," "human resources management," "supply chain management," "opportunity and risk management," "delegation of authority and pursuit of internal control," and "improvement of asset efficiency" as key issues in business management. The operating departments and headquarters are assigned as the lead departments for these key issues, and the PDCA cycle is used to ensure continuous improvement.

With more than 130 subsidiaries in approximately 30 countries, the Company recognizes the importance of group governance and has established the “Global Common Regulations,” which provide for the roles of and matters to be implemented by each organization of TDK as well as the rules to be complied with by all members of TDK. Each company of TDK, including the Company, applies and operates the “Global Common Regulations” as its own rules.

Based on the “Global Common Regulations,” the Executive Committee, which is held twice a month as a general rule, 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 each regional headquarter provides guidance and management to subsidiaries within each region in accordance with the regional characteristics as part of their headquarters functions, thereby creating a more effective group governance system.

In addition, in order to mobilize the strength of the entire group while leveraging the strengths of each group company and each member, the Company has created the TDK Navigation Book, a collection of information that summarizes the ideas and values to be shared by all members of TDK, as well as the outlines and rules, etc. of group management, and is striving to spread such information throughout TDK.

(6) Directors and Board of Directors

The Board of Directors of the Company consists of eight (8) Directors including three (3) 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 Chair 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 fourteen (14) 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 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 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. A summary of these audit results, 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, holding multiple meetings (including audit results report meeting and liaison meeting), and exchanging opinions regarding key audit matters. Based on these activities, the Audit & Supervisory Board meetings were held fourteen (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 2022 (from April 1, 2021 to March 31, 2022) or as of the end of the fiscal year ended March 2022 (March 31, 2022).

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, 2021 (reference)	As of March 31, 2022	Item	As of March 31, 2021 (reference)	As of March 31, 2022
(ASSETS)	(¥ in millions)		(LIABILITIES)	(¥ in millions)	
Current assets	1,233,385	1,536,434	Current liabilities	1,011,476	1,036,484
Cash and cash equivalents	380,387	439,339	Short-term debt	192,938	172,666
Short-term investments	65,886	53,644	Current installments of long-term debt	135,125	3,893
Marketable securities	56	62	Current portion of operating lease obligations	8,444	8,690
Net trade receivables	429,454	524,589	Trade payables	324,373	460,132
Inventories	288,854	437,397	Accrued expenses	324,753	349,334
Other current assets	68,748	81,403	Income taxes payables	9,232	11,540
Noncurrent assets	1,168,048	1,550,490	Other current liabilities	16,611	30,229
Investments in affiliates	12,764	15,330	Noncurrent liabilities	383,660	700,310
Other investments	31,523	109,642	Long-term debt	155,273	461,741
Net property, plant and equipment	784,371	954,576	Long-term operating lease obligations	29,833	31,389
Right-of-use assets of operating lease	42,325	44,560	Retirement and severance benefits	116,745	105,028
Goodwill	165,096	180,941	Deferred income taxes	52,172	62,731
Other intangible assets	73,280	68,986	Other noncurrent liabilities	29,637	39,421
Long-term advances to vendors	-	121,370	(Total liabilities)	1,395,136	1,736,794
Deferred income taxes	41,024	35,982	(EQUITY)		
Other assets	17,665	19,103	Common stock	32,641	32,641
			Additional paid-in capital	-	-
			Legal reserve	46,403	56,440
			Retained earnings	1,024,019	1,173,483
			Accumulated other comprehensive income (loss)	(82,733)	100,817
			Treasury stock	(16,792)	(16,698)
			(Total TDK stockholders' equity)	1,003,538	1,346,683
			Noncontrolling interests	2,759	3,447
			(Total equity)	1,006,297	1,350,130
Total assets:	2,401,433	3,086,924	Total liabilities and equity:	2,401,433	3,086,924

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, 2020 To: March 31, 2021 (reference)	From: April 1, 2021 To: March 31, 2022
	(¥ in millions)	(¥ in millions)
Net sales	1,479,008	1,902,124
Cost of sales	1,044,690	1,335,911
Gross profit	434,318	566,213
Selling, general and administrative expenses	317,302	396,248
Other operating expense	5,481	3,300
Operating income	111,535	166,665
Other income (deductions)		
Interest and dividend income	9,727	8,548
Interest expense	(3,526)	(4,776)
Loss (gain) on securities, net	9,030	60,256
Equity in earnings of affiliates	(890)	2,291
Foreign exchange gain (loss)	(1,302)	1,890
Other - net	(2,670)	(689)
Total other income (deductions)	10,369	67,520
Income before income taxes	121,904	234,185
Income taxes	42,699	50,048
Net income	79,205	184,137
Less: Net income (loss) attributable to noncontrolling interests	(135)	505
Net income attributable to TDK	79,340	183,632

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, 2020 To: March 31, 2021	From: April 1, 2021 To: March 31, 2022
	(¥ in millions)	
Cash flows from operating activities:		
Net income	79,205	184,137
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	140,285	168,742
Deferred income taxes	6,222	11,484
Impairment of long-lived assets	7,914	3,300
Loss (gain) on securities, net	(9,030)	(60,257)
Gain on sale of business	(2,433)	-
Equity in earnings of affiliates, net of dividends received	(188)	(2,268)
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(96,966)	(38,477)
Decrease (increase) in inventories	(38,603)	(108,283)
Decrease (increase) in long-term advances to vendors	-	(112,222)
Increase (decrease) in trade payables	99,098	86,431
Increase (decrease) in accrued expenses	43,882	25,924
Decrease (increase) in other assets and liabilities, net	(16,056)	(1,170)
Other-net	9,484	12,279
Net cash provided by operating activities	222,814	169,620
Cash flows from investing activities:		
Capital expenditures	(212,355)	(291,373)
Proceeds from sale of tangible and intangible assets	3,586	3,368
Proceeds from sale and maturity of short-term investments	90,606	83,172
Payment for purchase of short-term investments	(120,427)	(66,745)
Proceeds from sale and maturity of securities	1,080	1,523
Payment for purchase of securities	(3,994)	(11,537)
Proceeds from sale of business, net of cash transferred	7,017	-
Proceeds from sale of investments in affiliates	2,502	-
Other-net	497	398
Net cash used in investing activities	(231,488)	(281,194)
Cash flows from financing activities:		
Proceeds from debt with maturities longer than three months	178,619	322,781
Repayment of debt with maturities longer than three months	(93,994)	(152,716)
Net increase (decrease) in debt with maturities of three months	(25,938)	(22,688)
Dividends paid	(22,738)	(23,987)
Acquisition of noncontrolling interests	(5,955)	(113)
Other-net	(801)	(519)
Net cash provided by financing activities	29,193	122,758
Effect of exchange rate changes on cash and cash equivalents	27,151	47,768
Net increase in cash and cash equivalents	47,670	58,952
Cash and cash equivalents at beginning of period	332,717	380,387
Cash and cash equivalents at end of period	380,387	439,339

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 23, 2022

The Board of Directors
TDK Corporation

KPMG AZSA LLC
Tokyo Office

Yutaka Terasawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kohei Shingaki
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, 2021 to March 31, 2022 in accordance with Article 444, Paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above 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, in accordance with the accounting standards with the omission of some disclosure items required under accounting principles generally accepted in the United States of America, which is allowed under 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.

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.

Other Information

The Other Information comprises the business report and its supplementary schedules. Management is responsible for the preparation and disclosure of the Other Information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for the Other Information.

Our audit opinion on the consolidated financial statements does not cover the Other Information, and we do not express any opinion on the Other Information.

Our responsibility in conducting the audit of the consolidated financial statements is to read the Other Information and, in doing so, consider whether there are material inconsistencies between the Other Information and the consolidated financial statements or our knowledge obtained in the audit procedure, and to pay attention to whether there is any indication of a material misstatement in the Other Information besides such material inconsistencies.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such fact.

We have nothing to report in this regard.

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 accounting standards with the omission of some disclosure items required under accounting principles generally accepted in the United States of America, which is allowed under 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. This includes 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 the accounting standards with the omission of some disclosure items required under accounting principles generally accepted in the United States of America, which is allowed under 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.

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 throughout 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 the accounting standards with the omission of some disclosure items required under accounting principles generally accepted in the United States of America, which is allowed under 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, 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 126th fiscal year commencing on April 1, 2021 and ending on March 31, 2022 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 while utilizing the online conference system, etc.

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. 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, 2022

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