



TDK Corporation

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IR&SR Group

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**Consolidated results (IFRS) for FY March 2024**

(Millions of yen, %)

Account	Term	FY 2023 (April 1, 2022 - March 31, 2023)		FY 2024 (April 1, 2023 - March 31, 2024)		Change	
		Amount	% to net sales	Amount	% to net sales	Amount	%
Net sales		2,180,817	100.0	2,103,876	100.0	(76,941)	(3.5)
Operating profit		168,827	7.7	172,893	8.2	4,066	2.4
Profit before tax		167,219	7.7	179,241	8.5	12,022	7.2
Net profit attributable to owners of parent		114,187	5.2	124,687	5.9	10,500	9.2
Earnings per share:							
- Basic		301.19 yen		328.70 yen			
- Diluted		300.64 yen		328.19 yen			
Purchase of tangible and intangible assets		275,709	-	218,589	-	(57,120)	(20.7)
Depreciation and amortization		206,285	9.5	190,546	9.1	(15,739)	(7.6)
Research and development expenses		179,467	8.2	188,860	9.0	9,393	5.2
Number of employees		102,908	-	101,453	-		

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

### **1. Business Results**

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

Consolidated results for fiscal 2024, the year ended March 31, 2024, are as follows.

Looking at the global economy in fiscal 2024, while North America has remained firm, fears of economic slowdown intensified due to the impact of unrest in the Middle East on top of the economic slowdown in Europe and China. As for foreign exchange rates, the depreciation of the yen continued, especially against the U.S. dollar and the euro.

In the electronics market, which has a large bearing on the consolidated performance of TDK, final demand remained weak and production of Information and Communications Technology (ICT) related products was sluggish compared to the previous fiscal year. Since the third quarter of fiscal 2024, however, smartphone production volume for the Chinese market has remained above the previous fiscal year's level. Meanwhile, demand for notebook PCs and tablets declined, and demand for nearline Hard Disk Drives (HDDs) for data centers also dropped sharply. In the industrial equipment market, capital expenditure demand remained generally weak. In the automotive market, production volume of xEVs and other automobiles increased from the previous year. However, component demand turned out to be lower than TDK's initial forecast due to protracted component inventory adjustments in some regions.

In this business environment, the TDK's consolidated operating results for fiscal 2024 were as follows.

**Summary (April 1, 2023 - March 31, 2024)**

Item \ Term	FY 2023 (April 1, 2022 - March 31, 2023)		FY 2024 (April 1, 2023 - March 31, 2024)		Change	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	Change (%)
Net sales	2,180,817	100.0	2,103,876	100.0	(76,941)	(3.5)
Operating profit	168,827	7.7	172,893	8.2	4,066	2.4
Profit before tax	167,219	7.7	179,241	8.5	12,022	7.2
Net profit attributable owners of parent	114,187	5.2	124,687	5.9	10,500	9.2
Earnings per share:						
- Basic	301.19 yen		328.70 yen			
- Diluted	300.64 yen		328.19 yen			

As a result of the review of future changes in demand and projections, TDK posted a total of ¥19.8 billion in impairment losses and restructuring costs mainly for businesses facing challenges in improving profitability.

Average yen exchange rates for the U.S. dollar and the euro during fiscal 2024 were ¥144.48 and ¥156.69, respectively, as the yen depreciated 6.7% against the U.S. dollar and 11.2% against the euro. As a result of these factors and fluctuations in foreign exchange rates, net sales increased by approximately ¥101.1 billion and operating profit increased by approximately ¥25.0 billion.

## [Sales by Product]

Product \ Term		FY 2023 (April 1, 2022 - March 31, 2023)		FY 2024 (April 1, 2023 - March 31, 2024)		Change	
		(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	Change (%)
	Capacitors	242,513	11.1	245,047	11.7	2,534	1.0
	Inductive Devices	198,481	9.1	191,950	9.1	(6,531)	(3.3)
	Other Passive Components	137,765	6.3	128,652	6.1	(9,113)	(6.6)
	Passive Components	578,759	26.5	565,649	26.9	(13,110)	(2.3)
	Sensor Application Products	169,543	7.8	180,511	8.6	10,968	6.5
	Magnetic Application Products	200,573	9.2	184,211	8.7	(16,362)	(8.2)
	Energy Application Products	1,173,355	53.8	1,121,662	53.3	(51,693)	(4.4)
	Other	58,587	2.7	51,843	2.5	(6,744)	(11.5)
	Total	2,180,817	100.0	2,103,876	100.0	(76,941)	(3.5)
	Overseas sales	2,004,381	91.9	1,919,245	91.2	(85,136)	(4.2)

**Note:**

In accordance with the reorganization for the first quarter of the fiscal year ended March 31, 2024, certain products of Other are reclassified into Capacitors. Thus, the prior year's figures are also reclassified to conform to the new segmentation.

### 1) Passive Components Segment

This segment is made up of (1) Capacitors, (2) Inductive Devices, and (3) Other Passive Components. Sales in the Passive Components segment were ¥565,649 million, down 2.3% year on year from ¥578,759 million.

Capacitors is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Sales in the Capacitors were ¥245,047 million, up 1.0% year on year from ¥242,513 million. Sales of Ceramic Capacitors increased to the automotive market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors decreased mainly to the industrial equipment market.

Sales of Inductive Devices decreased by 3.3% year on year from ¥198,481 million to ¥191,950 million. Sales increased to the automotive market while decreased to the industrial equipment market.

Other Passive Components include High-Frequency Devices, Piezoelectric Material Products and Circuit Protection Components. Sales of Other Passive Components decreased by 6.6% year on year from ¥137,765 million to ¥128,652 million. Sales decreased mainly to the industrial equipment market.

### 2) Sensor Application Products Segment

This segment is made up of Temperature and Pressure Sensors, Magnetic Sensors, and MEMS Sensors. Segment sales increased by 6.5% year on year from ¥169,543 million to ¥180,511 million. Sales increased to the automotive market.

### 3) Magnetic Application Products Segment

This segment is made up of HDD Heads, HDD Suspension Assemblies, and Magnets. Segment sales decreased by 8.2% year on year from ¥200,573 million to ¥184,211 million. Sales of HDD Heads and HDD Suspension Assemblies decreased to the ICT market. Sales of Magnets decreased mainly to the industrial equipment market.

### 4) Energy Application Products Segment

This segment is made up of Energy Devices (Rechargeable Batteries) and Power Supplies. Segment sales decreased by 4.4% from ¥1,173,355 million to ¥1,121,662 million. Sales of Energy Devices decreased mainly to the industrial equipment market.

### 5) Other

Other includes Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, and Others. Segment sales decreased by 11.5% year on year from ¥58,587 million to ¥51,843 million. Sales of Mechatronics decreased to the industrial equipment market. Sales of Camera Module Micro Actuators for smartphones increased to the ICT market.

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

Segment	Principal businesses and products
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils/Ferrite Cores/Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components
Sensor Application Products	Temperature and Pressure Sensors, Magnetic Sensors, MEMS Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Magnets
Energy Application Products	Energy Devices (Rechargeable Batteries), Power Supplies
Other	Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones, Others

**[Sales by Region]**

Overseas sales decreased by 4.2% year on year from ¥2,004,381 million to ¥1,919,245 million. Overseas sales accounted for 91.2% of consolidated net sales, a 0.7 percentage point decrease from 91.9% one year earlier. Detailed information on sales by region can be found in Notes to the consolidated financial statements on page 30.

## (2) Projections

In fiscal 2025, the outlook for the global economy is expected to remain uncertain due to regional differences in recovery on top of geopolitical risks in the Middle East. While the global economy will likely rebound from the slowdown in fiscal 2024, the speed of recovery is anticipated to be moderate. In the electronics market, production of ICT related products is expected to pick up moderately. The production volume of smartphones, PCs, tablets and other devices is forecast to exceed fiscal 2024's level. Demand for nearline HDDs for data centers, which dropped further significantly in fiscal 2024, is anticipated to recover in the future as there have been signs of bottoming out in the contraction of demand. In addition, while total automobile production volume is expected to remain flat, TDK predicts that production of xEVs will exceed fiscal 2024's level. On the other hand, in the industrial equipment market, capital expenditure demand has remained weak and recovery will likely take some time.

Based on these assumptions, TDK has set the following projections for consolidated operating results, purchase of tangible and intangible assets, depreciation and amortization, and research and development expenses for fiscal 2025.

Item	FY2025 (April 1, 2024 - March 31, 2025)	FY2024 (April 1, 2023 - March 31, 2024)	vs FY2024 Changes	
	Projection in April '24	Actual		
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%
Net sales	2,105,000	2,103,876	1,124	0.1
Operating profit	180,000	172,893	7,107	4.1
Profit before tax	184,000	179,241	4,759	2.7
Net profit attributable to owners of parent	128,000	124,687	3,313	2.7
Purchase of tangible and intangible assets	250,000	218,589	31,411	14.4
Depreciation and amortization	190,000	190,546	(546)	(0.3)
Research and development expenses	220,000	188,860	31,140	16.5

**Note:**

TDK estimates an increase of approximately ¥30.0 billion in research and development expenses in the fiscal 2025, due to a partial reclassification relating to selling, general and administrative expenses.

**(Exchange Rate Forecast)**

Average yen exchange rates against the U.S. dollar and the euro of ¥140 and ¥156 respectively will be assumed for fiscal 2025.



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

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

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

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

### **(3) Summary Information Regarding Consolidated Financial Position**

The following table summarizes TDK's consolidated balance sheet as of March 31, 2024.

Total assets	¥3,415,304 million	(8.5% increase)
Total equity attributable to owners of parent	¥1,707,332 million	(17.1% increase)
Ratio of equity attributable to owners of parent	50.0%	(3.7 point increase)

As of March 31, 2024, total assets increased by ¥268,277 million compared with March 31, 2023. Cash and cash equivalents increased by ¥143,813 million. Property, plant and equipment and other financial assets (non-current) increased by ¥60,784 million and ¥30,475 million respectively.

Total liabilities increased by ¥16,203 million from March 31, 2023. Bonds and borrowings decreased by ¥48,397 million. Other current liabilities and deferred tax liabilities increased by ¥49,264 million and ¥21,230 million respectively.

Total equity attributable to owners of parent, which is included in total equity, increased by ¥248,886 million from March 31, 2023. Other components of equity increased by ¥164,717 million, mainly from exchange differences on translation of foreign operations.

**(4) Summary Information Regarding Consolidated Cash Flows**

(Millions of yen)

	FY 2023	FY 2024	Change
Cash flows from operating activities	262,772	447,007	184,235
Cash flows from investing activities	(234,402)	(216,592)	17,810
Cash flows from financing activities	14,947	(146,368)	(161,315)
Effect of exchange rate changes on cash and cash equivalents	23,529	59,766	36,237
Net increase in cash and cash equivalents	66,846	143,813	76,967
Cash and cash equivalents at beginning of period	439,339	506,185	66,846
Cash and cash equivalents at end of period	506,185	649,998	143,813

Operating activities provided net cash of ¥447,007 million, an increase of ¥184,235 million year on year. It mainly came from a decrease in working capital.

Investing activities used net cash of ¥216,592 million, a decrease of ¥17,810 million year on year. It mainly came from a decrease in purchase of tangible and intangible assets.

Financing activities used net cash of ¥146,368 million, change by ¥161,315 million year on year. It mainly came from a change of net increase (decrease) in short-term borrowings.

Trends in Cash Flow Indicators

	FY 2022	FY 2023	FY 2024
1) Ratio of equity attributable to owners of parent (%)	42.8	46.3	50.0
2) Ratio of equity attributable to owners of parent on a market value basis (%)	55.6	56.9	83.1
3) No. of years to redeem borrowings	3.80	2.86	1.53
4) Interest coverage ratio (times)	32.6	29.2	50.0

[Notes]

1) Ratio of equity attributable to owners of parent = Equity attributable to owners of parent/Total assets

2) Ratio of equity attributable to owners of parent on a market value basis =

Market capitalization (\*1)/Total assets

(\*1) Market capitalization = Closing price of TDK's common shares on the Tokyo Stock Exchange at fiscal year-end x Shares issued and outstanding at fiscal year-end after deducting treasury shares

3) No. of years to redeem debt = Interest-bearing liabilities (\*2)/Cash flows from operating activities (\*3)

(\*2) Interest-bearing liabilities: "Borrowings," "Lease liabilities," and "Bonds and borrowings" on the consolidated statements of financial position.

(\*3) Cash flows from operating activities: "Net cash provided by operating activities" on the consolidated statements of cash flows.

4) Interest coverage ratio = Cash flows from operating activities/Interest payments (\*4)

(\*4) Interest payments: "Interest paid" on the consolidated statements of cash flows.

**(5) Fundamental Policy for Distribution of Earnings, and Fiscal 2024 and Fiscal 2025 Dividends**

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

TDK plans to pay a year-end dividend of ¥58 per common share, subject to approval at the ordinary general meeting of shareholders scheduled for June 21, 2024. Combined with the interim dividend of ¥58 per common share paid in December 2023, the planned dividend per common share applicable to the year will be ¥116.

TDK plans to pay an interim dividend of ¥60 per common share and a year-end dividend of ¥60 per common share respectively in Fiscal 2025.

(Yen)

	FY 2025 Forecast	FY 2024
Interim dividend	60.00	(Actual) 58.00
Year-end dividend	60.00	(Forecast) 58.00
Annual dividend	120.00	(Forecast) 116.00

## **2. Management Policies**

### **(1) Fundamental Management Policy**

TDK was established in 1935 as an entrepreneurial venture to industrialize a magnetic material called ferrite invented at Tokyo Institute of Technology. In the ensuing years, the TDK Group has unremittingly pursued originality and increased corporate value through provisions of products and services which have created new value, based on the founding spirit “Contribute to culture and industry through creativity” as its Corporate Motto. In addition, the TDK Group has advanced globalization and diversification of its business operations while actively pursuing mergers and acquisitions, collaboration with external partners and other initiatives. As a result, the TDK Group today is engaged in four main businesses: Passive Components, Sensor Application Products, Magnetic Application Products, and Energy Application Products.

Looking ahead, the TDK Group will continue to build satisfaction, trust, and support among all stakeholders, including shareholders, customers, suppliers, employees, and local communities, by bringing together the entire Group’s strengths while taking full advantage of the strengths of each Group company, and constantly drawing on innovative thinking and a willingness to tackle new challenges. Also, the TDK Group will continue to be helpful by resolving social issues and contribute to the development of a more sustainable society.

### **(2) Targeted Management Indicators**

To realize this fundamental management policy, the TDK Group conducts its business activities with reference to the following indicators.

#### **(Important Fundamental Management Indicator)**

\* TVA (TDK Value Added)

The TVA measures the added value newly created by the company’s business activities and is an important decision-making tool for management.

The TVA is the TDK Group’s proprietary value-added indicator that compares earnings before interest after taxes with the minimum required profit (cost of shareholders’ equity) required for the business assets of each business.

#### **(Indicator for Managing Environmental Performance)**

\* CO<sub>2</sub> Emissions Reductions

As part of its environmental action plan to promote business activities in harmony with the natural environment, the TDK Group has set a target for CO<sub>2</sub> emissions reductions.

### **(3) Medium- and Long-Term Management Strategy**

The business environment surrounding electronics is now 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.

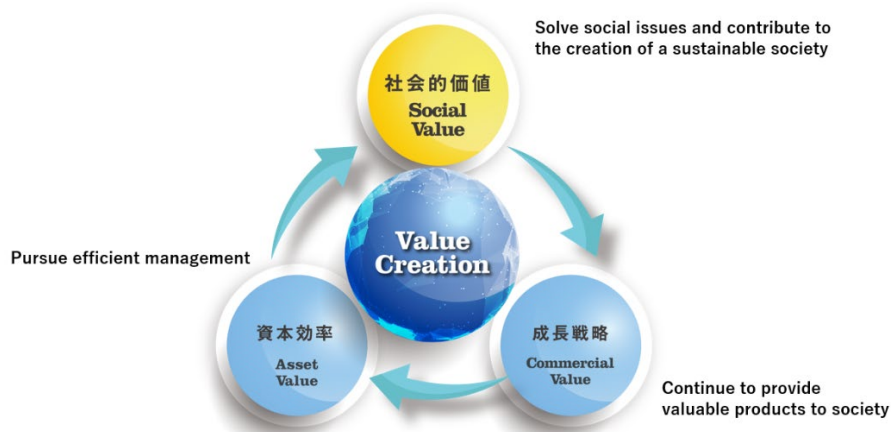
The TDK Group regards such changes in the social environment as opportunities for new social contributions and business growth. Under these sorts of ideas, the pursuit of “Social Value,” which aims at contributing to the realization of a sustainable society by solving social issues, is set as a starting point of all Group’s activities. Based on this point, we will synchronize societal and corporate sustainability through 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, the TDK Group 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, the TDK Group 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. 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, the TDK Group has identified the “TDK Group’s Materiality (Key Issues)” as priority management issues for the TDK Group 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 the TDK Group 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.

<TDK Group's Value Creation Cycle and Materiality (Key Issues)>



EX	DX
<p><b>Contribution to energy and environmental solutions by minimizing waste heat and noise with electronic devices</b></p> <ul style="list-style-type: none"> <li>•Effective use of energy and expanding use of renewable energy toward the realization of net zero CO<sub>2</sub> emissions in 2050</li> <li>•Provide products and solutions for creating clean energy to realize a zero-carbon society</li> <li>•Provide products and solutions for realizing an efficient energy society by storing, converting, and controlling energy</li> </ul>	<p><b>Promotion of the digitization of society by adding software technology to material science and process technology</b></p> <ul style="list-style-type: none"> <li>•Provide products and solutions to help build resilient communication network infrastructure</li> <li>•Provide products and solutions for supporting robotics and mobility to promote human capability enhancement and complementation</li> <li>•Promote digitalization at TDK</li> </ul>
<p><b>Quality Management</b></p>	<ul style="list-style-type: none"> <li>•Pursue zero-defect product quality</li> <li>•Reduce quality costs</li> <li>•Maximize customer satisfaction with product and service quality</li> </ul>
<p><b>HR Management</b></p>	<ul style="list-style-type: none"> <li>•Develop human resources to lead the TDK Group</li> <li>•Foster greater diversity and inclusion</li> <li>•Improve employee engagement and job satisfaction to attract and retain talented employees</li> </ul>
<p><b>Supply Chain Management</b></p>	<ul style="list-style-type: none"> <li>•Enhance global procurement capabilities and mechanisms</li> <li>•Ensure responsible procurement</li> <li>•Ensure societal and environmental consideration in the supply chain</li> </ul>
<p><b>Opportunity &amp; Risk Management</b></p>	<ul style="list-style-type: none"> <li>•Identify and capture business opportunities effectively by strengthening marketing capability with full use of digital technology</li> <li>•Strengthen the Group's risk management capabilities</li> </ul>
<p><b>Pursuing Both Delegation of Authority and Internal Controls</b></p>	<ul style="list-style-type: none"> <li>•Ensure speed and transparency in operations, based on the clearly defined roles, authorities and responsibilities of each organization</li> <li>•Make management systems of each group company more effective and efficient, aligned with the Group's unified policy</li> <li>•Implement appropriate post-merger integration (PMI) for acquired companies</li> </ul>
<p><b>Asset Efficiency Improvement</b></p>	<ul style="list-style-type: none"> <li>•Rebuild business portfolio</li> <li>•Optimize facilities and manufacturing sites</li> </ul>



#### **(4) Pressing Issues**

The global energy situation has become increasingly uncertain due to a sharp rise in energy prices, led by a combination of factors such as a lack of investment in fossil fuels, Russia's invasion of Ukraine, and tensions in the Middle East. In addition, political tensions between the United States and China have led to economic decoupling (reduction of dependency), with the United States restricting exports of semiconductor manufacturing equipment and relevant technologies to China. As this economic decoupling can make the fight for critical minerals fierce, the supply chain relating the TDK Group could also be affected significantly.

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 the Group's business fields. Significant growth opportunities will be presented to the Group by trends that include the widespread adoption of renewable energy and electric vehicles in EX, and transition to upgraded current 5G i.e. new cellular technology (beyond 5G), the practical use of Advanced Driving Assistance Systems (ADAS) in automobiles, the growing use of IoT and AI, 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," the Group has been implementing various measures including the steady procurement of raw materials and efforts to tackle human rights issues in supply chains. Furthermore, as part of "Asset Efficiency Improvement," the Group 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 the Group'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.

### **3. Basic Rationale for Selection of Accounting Standards**

TDK adopted International Financial Reporting Standards (“IFRS”) from the fiscal 2022 in order to enhance the international comparability of its financial information in the capital markets and to improve the efficiency and quality of group management.

## 4. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

### (1) Consolidated statements of financial position

	March 31, 2023		March 31, 2024		Change
	Amount (Millions of yen)	%	Amount (Millions of yen)	%	Amount (Millions of yen)
Assets					
Current assets					
Cash and cash equivalents	506,185		649,998		143,813
Trade receivables	546,381		558,298		11,917
Other financial assets	52,147		47,052		(5,095)
Inventories	443,001		406,084		(36,917)
Income taxes receivables	4,303		4,828		525
Other current assets	55,294		61,715		6,421
Total current assets	1,607,311	51.1	1,727,975	50.6	120,664
Non-current assets					
Investments accounted for using the equity method	24,706		36,990		12,284
Other financial assets	153,950		184,425		30,475
Property, plant and equipment	930,288		991,072		60,784
Right-of-use assets	54,683		71,334		16,651
Goodwill	149,516		168,383		18,867
Intangible assets	61,241		57,114		(4,127)
Long-term advances to suppliers	110,925		105,941		(4,984)
Deferred tax assets	44,189		56,183		11,994
Other non-current assets	10,218		15,887		5,669
Total non-current assets	1,539,716	48.9	1,687,329	49.4	147,613
Total assets	3,147,027	100.0	3,415,304	100.0	268,277

TDK Corporation (6762) Consolidated FY March 2024 (IFRS)

	March 31, 2023		March 31, 2024		Change
	Amount (Millions of yen)	%	Amount (Millions of yen)	%	Amount (Millions of yen)
<b>Liabilities</b>					
<b>Current liabilities</b>					
Borrowings	248,510		212,907		(35,603)
Lease liabilities	10,298		11,627		1,329
Trade payables	351,439		351,940		501
Other financial liabilities	92,673		81,774		(10,899)
Income taxes payables	30,285		38,746		8,461
Provisions	13,079		12,605		(474)
Other current liabilities	258,027		307,291		49,264
<b>Total current liabilities</b>	<b>1,004,311</b>	<b>31.9</b>	<b>1,016,890</b>	<b>29.8</b>	<b>12,579</b>
<b>Non-current liabilities</b>					
Bonds and borrowings	448,656		400,259		(48,397)
Lease liabilities	44,694		60,943		16,249
Other financial liabilities	3,849		5,837		1,988
Retirement benefit liabilities	92,313		98,388		6,075
Provisions	9,697		13,660		3,963
Deferred tax liabilities	70,386		91,616		21,230
Other non-current liabilities	10,254		12,770		2,516
<b>Total non-current liabilities</b>	<b>679,849</b>	<b>21.6</b>	<b>683,473</b>	<b>20.0</b>	<b>3,624</b>
<b>Total liabilities</b>	<b>1,684,160</b>	<b>53.5</b>	<b>1,700,363</b>	<b>49.8</b>	<b>16,203</b>
<b>Equity</b>					
<b>Equity attributable to owners of parent</b>					
Share capital	32,641		32,641		-
Capital surplus	45		34		(11)
Retained earnings	1,054,738		1,138,732		83,994
Other components of equity	387,281		551,998		164,717
Treasury shares	(16,259)		(16,073)		186
<b>Total equity attributable to owners of parent</b>	<b>1,458,446</b>	<b>46.3</b>	<b>1,707,332</b>	<b>50.0</b>	<b>248,886</b>
<b>Non-controlling interests</b>	<b>4,421</b>	<b>0.2</b>	<b>7,609</b>	<b>0.2</b>	<b>3,188</b>
<b>Total equity</b>	<b>1,462,867</b>	<b>46.5</b>	<b>1,714,941</b>	<b>50.2</b>	<b>252,074</b>
<b>Total liabilities and equity</b>	<b>3,147,027</b>	<b>100.0</b>	<b>3,415,304</b>	<b>100.0</b>	<b>268,277</b>

**(2) Consolidated statements of profit or loss and comprehensive income**

**Consolidated statements of profit or loss**

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Change	
	Amount (Millions of yen)	% to net sales	Amount (Millions of yen)	% to net sales	Amount (Millions of yen)	%
Net sales	2,180,817	100.0	2,103,876	100.0	(76,941)	(3.5)
Cost of sales	(1,596,295)		(1,500,858)		95,437	
Gross profit	584,522	26.8	603,018	28.7	18,496	3.2
Selling, general and administrative expenses	(434,803)		(452,520)		(17,717)	
Other operating income	19,393		22,712		3,319	
Other operating expenses	(285)		(317)		(32)	
Operating profit	168,827	7.7	172,893	8.2	4,066	2.4
Finance income	17,372		35,902		18,530	
Finance costs	(20,772)		(30,224)		(9,452)	
Share of profit/(loss) of investments accounted for using the equity method	1,792		670		(1,122)	
Profit before tax	167,219	7.7	179,241	8.5	12,022	7.2
Income tax expense	(52,918)		(53,106)		(188)	
Net profit	114,301	5.2	126,135	6.0	11,834	10.4
Net profit attributable to:						
Owners of parent	114,187	5.2	124,687	5.9	10,500	9.2
Non-controlling interests	114	0.0	1,448	0.1	1,334	-
Net profit	114,301	5.2	126,135	6.0	11,834	10.4

### Consolidated statements of comprehensive income

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Net profit	114,301	126,135	11,834
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Net change in fair value of equity instruments measured at fair value through other comprehensive income	7,781	(13,308)	(21,089)
Remeasurements of defined benefit plans	2,863	1,160	(1,703)
Share of other comprehensive income of investments accounted for using the equity method	(34)	151	185
Total	10,610	(11,997)	(22,607)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	70,072	177,972	107,900
Share of other comprehensive income of investments accounted for using the equity method	(66)	217	283
Total	70,006	178,189	108,183
Total other comprehensive income, net of tax	80,616	166,192	85,576
Comprehensive income	194,917	292,327	97,410
Comprehensive income attributable to:			
Owners of parent	194,903	290,832	95,929
Non-controlling interests	14	1,495	1,481
Comprehensive income	194,917	292,327	97,410

**(3) Consolidated statements of changes in equity**

Fiscal year ended March 31, 2023	Equity attributable to owners of parent						Non-controlling interests (Millions of yen)	Total equity (Millions of yen)
	Share capital (Millions of yen)	Capital surplus (Millions of yen)	Retained earnings (Millions of yen)	Other components of equity (Millions of yen)	Treasury shares (Millions of yen)	Total (Millions of yen)		
Balance as of April 1, 2022	32,641	-	974,767	309,607	(16,698)	1,300,317	3,438	1,303,755
Comprehensive income								
Net profit	-	-	114,187	-	-	114,187	114	114,301
Other comprehensive income, net of tax	-	-	-	80,716	-	80,716	(100)	80,616
Total comprehensive income	-	-	114,187	80,716	-	194,903	14	194,917
Transactions with owners								
Equity transactions with non-controlling interests	-	170	-	-	-	170	1,209	1,379
Dividends paid	-	-	(37,153)	-	-	(37,153)	(380)	(37,533)
Transfer from retained earnings to capital surplus	-	105	(105)	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	(0)	(0)	-	(0)
Share-based payment transactions	-	209	-	-	-	209	140	349
Exercise of share options	-	(439)	-	-	439	0	-	0
Total transactions with owners	-	45	(37,258)	-	439	(36,774)	969	(35,805)
Transfer from other components of equity to retained earnings	-	-	3,042	(3,042)	-	-	-	-
Balance as of March 31, 2023	32,641	45	1,054,738	387,281	(16,259)	1,458,446	4,421	1,462,867

Fiscal year ended March 31, 2024	Equity attributable to owners of parent						Non-controlling interests (Millions of yen)	Total equity (Millions of yen)
	Share capital	Capital surplus	Retained earnings	Other components of equity	Treasury shares	Total		
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)		
Balance as of April 1, 2023	32,641	45	1,054,738	387,281	(16,259)	1,458,446	4,421	1,462,867
Comprehensive income								
Net profit	-	-	124,687	-	-	124,687	1,448	126,135
Other comprehensive income, net of tax	-	-	-	166,145	-	166,145	47	166,192
Total comprehensive income	-	-	124,687	166,145	-	290,832	1,495	292,327
Transactions with owners								
Equity transactions with non-controlling interests	-	(34)	-	-	-	(34)	2,112	2,078
Dividends paid	-	-	(42,103)	-	-	(42,103)	(546)	(42,649)
Transfer from retained earnings to capital surplus	-	18	(18)	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	(1)	(1)	-	(1)
Disposal of treasury shares	-	-	-	-	1	1	-	1
Share-based payment transactions	-	191	-	-	-	191	127	318
Exercise of share options	-	(142)	-	-	142	0	-	0
Delivery of share under restricted stock unit	-	(44)	-	-	44	-	-	-
Total transactions with owners	-	(11)	(42,121)	-	186	(41,946)	1,693	(40,253)
Transfer from other components of equity to retained earnings	-	-	1,428	(1,428)	-	-	-	-
Balance as of March 31, 2024	32,641	34	1,138,732	551,998	(16,073)	1,707,332	7,609	1,714,941



**(4) Consolidated statements of cash flows**

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from operating activities		
Net profit	114,301	126,135
Depreciation and amortization	206,285	190,546
Impairment losses (reversal of impairment losses)	35,064	9,570
Finance income	(17,372)	(35,902)
Finance costs	20,772	30,224
Share of (profit)/loss of investments accounted for using the equity method	(1,792)	(670)
Income tax expense	52,918	53,106
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	6,321	36,976
Decrease (increase) in inventories	11,961	72,950
Decrease (increase) in long-term advances to suppliers	12,787	13,093
Increase (decrease) in trade payables	(116,469)	(19,744)
Net change in other assets and liabilities	2,805	7,528
Net change in other financial assets and liabilities	(8,519)	10,163
Other	(20,888)	(18,794)
Subtotal	298,174	475,181
Interest and dividends received	14,746	20,965
Interest paid	(9,009)	(8,942)
Income taxes paid	(41,139)	(40,197)
Cash flows from operating activities	262,772	447,007

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from investing activities		
Purchase of tangible and intangible assets	(275,709)	(218,589)
Proceeds from sale of tangible and intangible assets	23,795	26,100
Proceeds from withdrawal of time deposits	79,937	44,796
Payments into time deposits	(42,416)	(43,183)
Proceeds from sale and redemption of securities	788	1,952
Payment for purchase of securities	(11,803)	(17,918)
Purchase of investments in associates	(6,754)	(9,693)
Other	(2,240)	(57)
Cash flows from investing activities	(234,402)	(216,592)
Cash flows from financing activities		
Proceeds from long-term borrowings	372	80,339
Repayment of long-term borrowings	(4,868)	(25,478)
Net increase (decrease) in short-term borrowings	65,942	(168,237)
Proceeds from bonds	-	20,000
Repayment of lease liabilities	(10,398)	(12,286)
Dividends paid	(37,198)	(42,152)
Other	1,097	1,446
Cash flows from financing activities	14,947	(146,368)
Effect of exchange rate changes on cash and cash equivalents	23,529	59,766
Net increase in cash and cash equivalents	66,846	143,813
Cash and cash equivalents at beginning of year	439,339	506,185
Cash and cash equivalents at end of year	506,185	649,998

## **(5) Notes to the consolidated financial statements**

(Notes to going concern assumption)

There are no items to report.

(Reporting entity)

TDK Corporation (“TDK”) is a company limited by shares, domiciled in Japan. Its registered office is located in Nihonbashi, Chuo-ku, Tokyo. TDK’s consolidated financial statements comprise the financial statements of TDK and its consolidated subsidiaries (collectively, “TDK Group”) as well as its interests in the associates, for the reporting period ending March 31, 2024. As of March 31, 2024, TDK Group has 143 consolidated subsidiaries, 10 subsidiaries in Japan and 133 subsidiaries overseas, as well as 6 associates accounted for using the equity method, 3 associates in Japan and 3 associates overseas.

TDK was founded in Tokyo in 1935 to accomplish the world’s first industrialization of a magnetic material called ferrite. By pursuing its core technologies, TDK has always been a multinational developer, manufacturer and distributor of unique and diverse products, including ferrite cores, inductive devices, ceramic capacitors, magnetic heads, magnets and other products.

TDK Group has four reportable segments, consisting of Passive Components, Sensor Application Products, Magnetic Application Products and Energy Application Products. Details of the reportable segments are set out in (Segment information).

(Basis of preparation)

### 1. Compliance with IFRS

The consolidated financial statements of TDK Group satisfy the requirements for Specified Companies Complying with Designated International Accounting Standards defined in Article 1-2 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements in Japan, and have been prepared in accordance with IFRS as prescribed in Article 93 of the Ordinance.

### 2. Measurement basis

The consolidated financial statements of TDK Group have been prepared on a historical cost basis, except for financial instruments measured at fair value detailed in (Significant accounting policies).

### 3. Functional and presentation currency

Items included in the financial statements of each of the TDK’s group companies are measured using the currency of the primary economic environment in which the company operates (“functional currency”). The consolidated financial statements of TDK Group are presented in

Japanese yen, which is the TDK’s functional and presentation currency. All amounts are rounded to the nearest million yen.(Significant accounting policies)

The material accounting policies adopted in the consolidated financial statements for the fiscal year ended March 31, 2024 are consistent with those applied in the consolidated financial statements for the fiscal year ended March 31, 2023, except for the newly adopted accounting standards below.

Accounting standard which TDK adopted from April 1, 2023 is as follows.

Accounting standards	Title	Summary
IAS 12	Income taxes	Accounting treatment clarification of deferred tax related to assets and liabilities arising from a single transaction.

The adoption to this standard above did not have a material impact on the Consolidated Financial Statements.

(Segment information)

#### 1. Description of reportable segments

Operating segments are components of TDK group for which discrete financial information is available and whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance.

TDK group aggregates its operating segments into the following four reportable segments: Passive Components, Sensor Application Products, Magnetic Application Products, and Energy Application Products, based on the similarities in the type and nature of products, the nature of production processes, markets to distribute products, economic indicators and other characteristics. Operating segments which are not classified as these reportable segments are included in Other. In accordance with the reorganization for the first quarter of the fiscal year ended March 31, 2024, certain products of Other are reclassified into Passive Components segment. Thus, the prior year's figures are also reclassified to conform to the new segmentation.

Principal businesses and products of reportable segments and Other segment are as follows:

Segment	Principal businesses and products
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils/Ferrite Cores/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

Accounting policies applied to each segment are the same as those for the consolidated financial statements of TDK Group. Intersegment transactions are based on arm's length prices.

## 2. Information about reportable segments

The reportable segment information for the fiscal years ended March 31, 2023 and 2024 are as follows:

[Net sales]

(Millions of yen, %)

		Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Change	
		Amount	%	Amount	%	Amount	%
Passive Components	External customers	578,759	26.5	565,649	26.9	(13,110)	(2.3)
	Intersegment	8,005		6,901		(1,104)	(13.8)
	Total	586,764		572,550		(14,214)	(2.4)
Sensor Application Products	External customers	169,543	7.8	180,511	8.6	10,968	6.5
	Intersegment	121		1,697		1,576	-
	Total	169,664		182,208		12,544	7.4
Magnetic Application Products	External customers	200,573	9.2	184,211	8.7	(16,362)	(8.2)
	Intersegment	118		79		(39)	(33.1)
	Total	200,691		184,290		(16,401)	(8.2)
Energy Application Products	External customers	1,173,355	53.8	1,121,662	53.3	(51,693)	(4.4)
	Intersegment	5		11		6	120.0
	Total	1,173,360		1,121,673		(51,687)	(4.4)
Other	External customers	58,587	2.7	51,843	2.5	(6,744)	(11.5)
	Intersegment	5,490		7,215		1,725	31.4
	Total	64,077		59,058		(5,019)	(7.8)
Intersegment elimination		(13,739)		(15,903)		(2,164)	
Total		2,180,817	100.0	2,103,876	100.0	(76,941)	(3.5)

[Segment profit (loss)]

(Millions of yen, %)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Change	
	Amount	% to net sales	Amount	% to net sales	Amount	%
Passive Components	94,606	16.3	53,886	9.5	(40,720)	(43.0)
Sensor Application Products	10,726	6.3	6,042	3.3	(4,684)	(43.7)
Magnetic Application Products	(56,392)	(28.1)	(35,589)	(19.3)	20,803	-
Energy Application Products	147,389	12.6	195,654	17.4	48,265	32.7
Other	479	0.8	(1,799)	(3.5)	(2,278)	-
Subtotal	196,808	9.0	218,194	10.4	21,386	10.9
Adjustment	(27,981)		(45,301)		(17,320)	
Operating profit	168,827	7.7	172,893	8.2	4,066	2.4

Segment profit represents a segment's sales less its cost of sales, selling, general and administrative expenses and other operating income and expense that are not attributable to Corporate headquarters.

Segment profit is mainly adjusted for corporate expenses for company-wide operational and administrative purposes that are not allocated to operating segments.

### 3. Geographic segment information

The geographic segment information for the fiscal years ended March 31, 2023 and 2024 are as follows:

[Net sales]

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Japan	176,436	184,631
Americas	172,703	148,687
Europe	210,321	203,003
China	1,194,013	1,117,576
Asia and others	427,344	449,979
Total	2,180,817	2,103,876

The net sales are based on the location of external customers.

(Earnings per share)

The basic and diluted earnings per share are as follows:

	(Millions of yen)			
	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Basic	Diluted	Basic	Diluted
Net profit attributable to owners of parent	114,187	114,187	124,687	124,687
				Number of shares (thousands)
Weighted average number of common shares issued	379,117	379,117	379,336	379,336
Incremental shares arising from exercise of share options	-	651	-	506
Incremental shares arising from delivery under restricted stock unit plan	-	41	-	61
Incremental shares arising from delivery under performance share unit plan	-	7	-	19
Weighted average number of common shares issued - Total	379,117	379,816	379,336	379,922
				(Yen)
Earnings per share	301.19	300.64	328.70	328.19

(Significant subsequent events)

There are no items to report.



## (6) Appendix to the Consolidated Financial Statements

### 1) Foreign exchange rates

Term  Item	FY 2023 (March 31, 2023)		FY 2024 (March 31, 2024)	
	US\$=¥	EURO=¥	US\$=¥	EURO=¥
Fiscal year-end	133.53	145.72	151.41	163.24

### 2) Quarterly sales by product

(Millions of yen, %)

Term  Product category	Q1 of FY 2023 (April 1, 2022 - June 30, 2022)		Q2 of FY 2023 (July 1, 2022 - September 30, 2022)		Q3 of FY 2023 (October 1, 2022 - December 31, 2022)		Q4 of FY 2023 (January 1, 2023 - March 31, 2023)	
	Amount	%	Amount	%	Amount	%	Amount	%
Capacitors	58,324	11.4	63,711	10.4	62,146	10.6	58,332	12.4
Inductive devices	49,335	9.7	52,796	8.6	50,067	8.5	46,283	9.8
Other passive components	34,709	6.8	37,021	6.1	33,081	5.6	32,954	7.0
Passive Components	142,368	27.9	153,528	25.1	145,294	24.7	137,569	29.2
Sensor Application products	39,016	7.6	45,913	7.5	45,637	7.8	38,977	8.2
Magnetic Application Products	55,130	10.8	54,682	8.9	47,475	8.1	43,286	9.2
Energy Application Products	260,092	50.9	342,330	56.0	331,423	56.5	239,510	50.8
Other	13,898	2.8	15,036	2.5	17,143	2.9	12,510	2.6
Total	510,504	100.0	611,489	100.0	586,972	100.0	471,852	100.0

(Millions of yen, %)

Term  Product category	Q1 of FY 2024 (April 1, 2023 - June 30, 2023)		Q2 of FY 2024 (July 1, 2023 - September 30, 2023)		Q3 of FY 2024 (October 1, 2023 - December 31, 2023)		Q4 of FY 2024 (January 1, 2024 - March 31, 2024)	
	Amount	%	Amount	%	Amount	%	Amount	%
Capacitors	62,520	12.4	62,627	11.3	59,401	10.6	60,499	12.5
Inductive devices	46,748	9.3	49,274	8.8	49,164	8.8	46,764	9.6
Other passive components	31,471	6.3	33,530	6.0	32,402	5.8	31,249	6.5
Passive Components	140,739	28.0	145,431	26.1	140,967	25.2	138,512	28.6
Sensor Application Products	38,787	7.7	47,266	8.5	49,249	8.8	45,209	9.3
Magnetic Application Products	38,217	7.6	44,837	8.1	49,300	8.8	51,857	10.7
Energy Application Products	274,933	54.6	303,990	54.6	304,545	54.5	238,194	49.1
Other	10,723	2.1	14,788	2.7	15,189	2.7	11,143	2.3
Total	503,399	100.0	556,312	100.0	559,250	100.0	484,915	100.0

Note: In accordance with the reorganization for the first quarter of the fiscal year ended March 31, 2024, certain products of Other are reclassified into Capacitors. Thus, the prior year's figures are also reclassified to conform to the new segmentation.