

[Translation]

NOTICE OF CONVOCATION
OF
THE 128TH 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

Attention All Shareholders

June 3, 2024

Noboru Saito
Representative Director,
President & CEO
TDK Corporation
2-5-1, Nihonbashi, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 128TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

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

You are hereby notified that the 128th Ordinary General Meeting of Shareholders will be held as stated below.

When convening this Ordinary General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of the Reference Documents for Shareholders Meeting, etc. (the “matters for which measures for providing information in electronic format will be taken”) in electronic format and posted such information on the following websites as “Notice of Convocation of the 128th Ordinary General Meeting of Shareholders.” Please access one of the websites to review the information.

The Company’s Internet Website:

https://www.tdk.com/en/ir/ir_events/general/index.html

Tokyo Stock Exchange’s Internet Website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

* On the Tokyo Stock Exchange’s website, please search for the issue name (company name) with “TDK” or the securities code with “6762”, and select “Basic information” and then “Documents for public inspection/PR information” to review the information.

In addition to attending the meeting in person, you may exercise your votes via the Internet, etc. or by mail. Please vote by 5:20 P.M. on June 20, 2024 (Thursday), after carefully reading the Reference Documents for Shareholders Meeting.

[Voting via the Internet, etc.]

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

[Voting by Mail]

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

Details

1. Date and Time: **10:00 A.M. on June 21, 2024 (Friday)**
2. Place of the Meeting: **Toranomon Hills Forum Hall A
Toranomon Hills Mori Tower 5th Floor
23-3, Toranomon 1-chome, Minato-ku, Tokyo**

3. Purposes of the Meeting:

Matters to be Reported

1. Report on the Business Report and the Consolidated Financial Statements for the 128th Fiscal Year (from April 1, 2023 to March 31, 2024), and Report on the Audit Results of the Consolidated Financial Statements for the 128th Fiscal Year by the Accounting Auditor and the Audit & Supervisory Board
2. Report on the Non-Consolidated Financial Statements for the 128th Fiscal Year (from April 1, 2023 to March 31, 2024)

Matters to be Resolved

- First Item: Appropriation of Retained Earnings**
Second Item: Election of Seven (7) Directors
Third Item: Partial Revision of Post-delivery Type Stock Remuneration Plan for Directors

4. Notes on Exercise 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.
- (3) If you indicate neither your approval nor disapproval of each proposal on the returned voting form, your answer will be deemed to be an approval.

End

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- If you are attending the meeting, kindly submit the voting form at the reception.
 - If there are any revisions made to the matters for which measures for providing information in electronic format will be taken, a notice to that effect and the matters before and after the revisions will be posted on the aforementioned websites.
 - Among the matters for which measures for providing information in electronic format will be taken, the following matters will not be described in the paper-based documents to be delivered to shareholders who requested the delivery of such documents in accordance with

the provisions of laws and regulations and the Articles of Incorporation of the Company. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit which include the following matters.

- Matters Concerning Stock Acquisition Rights, Etc., Accounting Auditor, and TDK's System and Policy in Business Report;
 - Consolidated Statement of Changes in 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.
- 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. However, accompanying person of shareholders with disabilities may enter.

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:

¥58 per share of common stock of the Company

Total amount of dividends: ¥22,004,684,380

* Together with the interim dividend of ¥58 per share paid on December 4, 2023, the annual dividend is ¥116 per share.

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

June 24, 2024

[Reference] Trends in cash dividends per share and dividend payout ratio on a consolidated basis

	125th (Apr. 1, 2020 to Mar. 31, 2021)	126th (Apr. 1, 2021 to Mar. 31, 2022)	127th (Apr. 1, 2022 to Mar. 31, 2023)	128th (Apr. 1, 2023 to Mar. 31, 2024)
Interim dividend (¥)	30.00	33.33	53.00	58.00
Year-end dividend (¥)	30.00	45.00	53.00	(forecast) 58.00
Annual dividend (¥)	60.00	78.33	106.00	(forecast) 116.00
Dividend payout ratio on a consolidated basis (%)	28.7	22.6	35.2	(forecast) 35.3

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 125th Fiscal Year (i.e., on April 1, 2020).

2. The Company has voluntarily adopted International Financial Reporting Standards ("IFRS") from the Consolidated Financial Statements in Annual Securities Report for the 126th Fiscal Year. Therefore, the dividend payout ratio on a consolidated basis for and after the said Fiscal Year is calculated 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 seven (7) Directors will expire at the close of this Ordinary General Meeting of Shareholders. Accordingly, you are requested to elect seven (7) Directors (including four (4) Outside Directors).

In 2016, the Company adopted a basic policy that one-third (1/3) or more of the Directors shall be Independent Outside Directors, and has elected Directors in accordance with this policy. The Company has recently revised this policy to further strengthen the supervisory function and for other purposes. Under the new policy, at least half 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	Corporate Governance Committee	Attendance at Meetings of the Board of Directors
1	Noboru Saito <input type="button" value="Reelection"/> <input type="button" value="Male"/>	Representative Director, President & CEO • General Manager of Humidifier Countermeasures HQ	Member	-	Member	100% (14 out of 14 meetings)
2	Tetsuji Yamanishi <input type="button" value="Reelection"/> <input type="button" value="Male"/>	Representative Director & Senior Executive Vice President • Chief Financial Officer	-	Member	-	100% (14 out of 14 meetings)
3	Shigeki Sato <input type="button" value="Reelection"/> <input type="button" value="Male"/>	Director & Senior Vice President • Chief Technology Officer • General Manager of Technology and Intellectual Property HQ	-	-	-	100% (14 out of 14 meetings)

Candidate No.	Name	Position and Duties, etc. at the Company	Nomination Advisory Committee	Compensation Advisory Committee	Corporate Governance Committee	Attendance at Meetings of the Board of Directors
4	Kozue Nakayama <input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director <input type="checkbox"/> Female	Director	Member (Chair)	Member	Member	100% (14 out of 14 meetings)
5	Mutsuo Iwai <input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director <input type="checkbox"/> Male	Director • Chair of the Board	Member	Member	Member	100% (14 out of 14 meetings)
6	Shoei Yamana <input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director <input type="checkbox"/> Male	Director	Member	Member (Chair)	Member	100% (14 out of 14 meetings)
7	Toru Katsumoto <input type="checkbox"/> New Candidate <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director <input type="checkbox"/> Male	-	-	-	-	-

Candidate No. 1	Noboru Saito (Date of Birth: Sept. 10, 1966)	<ul style="list-style-type: none"> ➤ Candidate for Reelection ➤ Number of Shares of the Company Owned: 25,600 shares ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 4 years (total number of years including past years in office as Director)
<ul style="list-style-type: none"> ➤ Attendance at Meetings of the Board of Directors, etc. during the fiscal year ended March 31, 2024 (“Fiscal 2024”) (Number of attendances/Number of times held) <ul style="list-style-type: none"> • Meetings of the Board of Directors: 14/14 (100%) • Nomination Advisory Committee: 10/10 (100%) • Corporate Governance Committee: 4/4 (100%) 		
<ul style="list-style-type: none"> ➤ Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts 		
Apr. 1989 May 2006 Jan. 2007 Oct. 2009 Jun. 2011 Oct. 2012 Apr. 2013	Entered the Company President of TDK Electronics Europe GmbH General Manager of Europe Sales Division of Electronic Components Sales & Marketing Group of the Company Deputy General Manager of Europe Sales Division of Electronic Components Sales & Marketing Group of TDK-EPC Corporation Corporate Officer of the Company Deputy General Manager of Electronic Components Sales & Marketing Group of TDK-EPC Corporation Deputy General Manager of Electronic Components Sales & Marketing Group of the Company General Manager of Electronic Components Sales & Marketing Group of the Company	Jun. 2013 Apr. 2014 Apr. 2015 Jun. 2015 Apr. 2017 Apr. 2022 Jun. 2022 Apr. 2024 Senior Vice President of the Company General Manager of Electronic Components Sales & Marketing Group of the Company General Manager of Corporate Strategy HQ of the Company Director of the Company (retired in Jun. 2017) CEO of Sensor Systems Business Company of the Company President of the Company General Manager of Humidifier Countermeasures HQ of the Company Representative Director of the Company (present post) President & CEO of the Company General Manager of Humidifier Countermeasures HQ of the Company (present post)
Situation regarding Significant Concurrent Posts -		
<ul style="list-style-type: none"> ➤ 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 of the Company in April 2022 and its Representative Director in June of the same year, and is currently working to enhance sustainable corporate growth and increase corporate value over the mid- to long-term of TDK Group (“TDK”). The Company believes that Mr. Saito can continuously fulfil the expected role in decisions on important matters and supervision of business execution at the Board of Directors of the Company by utilizing his adequate management experience and knowledge which he has accumulated on a global basis, and has nominated him as a candidate for Director of the Company. ➤ Other Mr. Noboru Saito currently serves as a member of the Nomination Advisory Committee and a member of the Corporate Governance Committee. 		

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: 18,900 shares ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 8 years
<ul style="list-style-type: none"> ➤ Attendance at Meetings of the Board of Directors, etc. during Fiscal 2024 (Number of attendances/ Number of times held) <ul style="list-style-type: none"> • Meetings of the Board of Directors: 14/14 (100%) • Compensation Advisory Committee: 9/9 (100%) 		
<ul style="list-style-type: none"> ➤ 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 Apr. 2024 Corporate Officer of the Company Director of the Company General Manager of Finance & Accounting HQ of the Company 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 Senior Executive Vice President of the Company (present post) Chief Financial Officer of the Company (present post)
Situation regarding Significant Concurrent Posts -		
<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, Senior Executive Vice President and Chief Financial Officer. 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> <ul style="list-style-type: none"> ➤ Other <p>Mr. Tetsuji Yamanishi currently serves as a member of the Compensation Advisory Committee.</p>		

Candidate No. 3	Shigeki Sato (Date of Birth: Jul. 9, 1964)	<ul style="list-style-type: none"> ➤ Candidate for Reelection ➤ Number of Shares of the Company Owned: 4,500 shares ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 3 years
<ul style="list-style-type: none"> ➤ Attendance at Meetings of the Board of Directors, etc. during Fiscal 2024 (Number of attendances/ Number of times held) <ul style="list-style-type: none"> • Meetings of the Board of Directors: 14/14 (100%) 		
<ul style="list-style-type: none"> ➤ Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts 		
Apr. 1989 Jan. 2004 Feb. 2007 Dec. 2011 Apr. 2016	Entered the Company General Manager of Advanced Process Technology Center of the Company Head of Technology Division of Capacitors Business Group of the Company Senior Manager of Multilayer product Business Unit of Magnetics Business Group of the Company General Manager of Ceramic Capacitors Business Group of Electronic Components Business Company of the Company	Apr. 2019 Apr. 2021 Jun. 2021 Apr. 2024 Corporate Officer of the Company CEO of Electronic Components Business Company of the Company Senior Vice President of the Company (present post) General Manager of Technology and Intellectual Property HQ of the Company (present post) Director of the Company (present post) Chief Technology Officer of the Company (present post)
Situation regarding Significant Concurrent Posts -		
<ul style="list-style-type: none"> ➤ Reasons for nomination as a candidate for Director <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 Chief Technology Officer and General Manager of Technology and Intellectual Property HQ. 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. 4	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 ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 4 years
<ul style="list-style-type: none"> ➤ Attendance at Meetings of the Board of Directors, etc. during Fiscal 2024 (Number of attendances/ Number of times held) <ul style="list-style-type: none"> • Meetings of the Board of Directors: 14/14 (100%) • Nomination Advisory Committee: 10/10 (100%) • Compensation Advisory Committee: 9/9 (100%) • Corporate Governance Committee: 4/4 (100%) 		
<ul style="list-style-type: none"> ➤ Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts 		
Apr. 1982 Entered Nissan Motor Co., Ltd. Sep. 2010 Deputy General Manager of Global Branding Division of the said company Mar. 2011 Retired from the said company Apr. 2011 Entered Yokohama City Apr. 2012 Director General of Culture and Tourism Bureau of the said city Jun. 2018 President and Representative Director of Pacific Convention Plaza Yokohama (resigned in Jun. 2020)		Jun. 2019 Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. (present post) Jun. 2020 Outside Director of the Company (present post) Outside Director of Isuzu Motors Limited (present post) Jun. 2022 Outside Director of Nanto Bank, Ltd. (present post)
Situation regarding Significant Concurrent Posts <ul style="list-style-type: none"> • Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. • Outside Director of Isuzu Motors Limited • Outside Director of Nanto Bank, Ltd. 		
<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>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 a member of the Compensation Advisory Committee and a member of the Corporate Governance Committee as well as the chair of the Nomination 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, as well as contribute to continuous enrichment in corporate governance as a member of the Corporate Governance Committee.</p>		

➤ **Matters relating to independence**

Ms. Kozue Nakayama meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted her as an Independent Director to Tokyo Stock Exchange, Inc. 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.

Although Ms. Kozue Nakayama serves as Outside Director of Isuzu Motors Limited and TDK has a business relationship with Isuzu 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, 2024, the ratio of sales of Isuzu Group to TDK represented less than 1% of the consolidated net sales of Isuzu Group.

Candidate No. 5	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 ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 3 years
<ul style="list-style-type: none"> ➤ Attendance at Meetings of the Board of Directors, etc. during Fiscal 2024 (Number of attendances/ Number of times held) <ul style="list-style-type: none"> • Meetings of the Board of Directors: 14/14 (100%) • Nomination Advisory Committee: 10/10 (100%) • Compensation Advisory Committee: 9/9 (100%) • Corporate Governance Committee: 4/4 (100%) 			
<ul style="list-style-type: none"> ➤ 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 <ul style="list-style-type: none"> • 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 as a member of the Nomination Advisory Committee, a member of the Compensation Advisory Committee and a member of the Corporate Governance Committee as well as the Chair of the Board. 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 the effective operation of the Board of Directors Meetings as Chair of the Board and also contribute to ensure the transparency and objectivity of the decision-making process regarding the nomination of the Company’s Directors, Audit &</p>			

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, as well as contribute to continuous enrichment in corporate governance as a member of the Corporate Governance Committee.

➤ **Matters relating to independence.**

Mr. Mutsuo Iwai meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted him as an Independent Director to Tokyo Stock Exchange, Inc. 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.

Although Mr. Mutsuo Iwai serves as Member and Chairperson of the Board of JT and TDK has a business relationship with JT 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, 2024, the ratio of sales of TDK to JT Group represented less than 1% of the consolidated net sales of TDK.

Candidate No. 6	Shoei Yamana (Date of Birth: Nov. 18, 1954)	<ul style="list-style-type: none"> ➤ Candidate for Reelection ➤ Outside Director ➤ Independent Director ➤ Number of Shares of the Company Owned: 0 shares ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 2 years
<ul style="list-style-type: none"> ➤ Attendance at Meetings of the Board of Directors, etc. during Fiscal 2024 (Number of attendances/ Number of times held) <ul style="list-style-type: none"> • Meetings of the Board of Directors: 14/14 (100%) • Nomination Advisory Committee: 10/10 (100%) • Compensation Advisory Committee: 9/9 (100%) • Corporate Governance Committee: 4/4 (100%) 		
<ul style="list-style-type: none"> ➤ Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts 		
Apr. 1977 Jan. 2001 Jul. 2002 Aug. 2003 Oct. 2003 Jun. 2006	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.) Senior Executive Officer of the said company and Managing Director of Konica Minolta Business Technologies, Inc. Director and Senior Executive Officer in charge of Corporate Strategy of Konica Minolta Holdings, Inc.	Apr. 2011 Apr. 2013 Apr. 2014 Apr. 2022 Jun. 2022 Jun. 2023 Outside Director of the Company (present post) Senior Advisor of Konica Minolta, Inc. (present post) Outside Director of Zensho Holdings Co., Ltd. (present post)
Situation regarding Significant Concurrent Posts <ul style="list-style-type: none"> • Outside Director of Zensho Holdings Co., Ltd. 		
<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, healthcare 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. Shoei Yamana currently serves both as a member of the Nomination Advisory Committee and a member of the Corporate Governance Committee as well as the chair 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</p>		

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, as well as contribute to continuous enrichment in corporate governance as a member of the Corporate Governance Committee.

➤ **Matters relating to independence**

Mr. Shoei Yamana meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted him as an Independent Director to Tokyo Stock Exchange, Inc. 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.

Candidate No. 7	Toru Katsumoto (Date of Birth: Oct. 14, 1957)	<ul style="list-style-type: none"> ➤ New Candidate ➤ Outside Director ➤ Independent Director ➤ Number of Shares of the Company Owned: 0 shares ➤ Years in Office (as of the close of this Ordinary General Meeting of Shareholders): 0 year
<ul style="list-style-type: none"> ➤ Attendance at Meetings of the Board of Directors, etc. during Fiscal 2024 (Number of attendances/ Number of times held) <ul style="list-style-type: none"> • Meetings of the Board of Directors: - 		
<ul style="list-style-type: none"> ➤ Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts 		
Apr. 1982	Entered Sony Corporation (current Sony Group Corporation)	Jun. 2018 Executive Vice President and Managing Director of the said company
Nov. 2012	Senior Vice President of the said company	Jun. 2019 Executive Vice President and Senior Managing Director of the said company
Apr. 2013	Representative Director and President of Sony Olympus Medical Solutions Inc.	Jun. 2020 Senior Executive Vice President of the said company
Apr. 2017	Representative Director and Executive Deputy President of Sony Imaging Products & Solutions Inc. (current Sony Corporation)	Dec. 2020 Senior Executive Vice President and CTO of the said company
Apr. 2018	Executive Vice President of Sony Corporation	Apr. 2022 Senior Executive Vice President of Sony Group Corporation (resigned in Jun. 2022)
Situation regarding Significant Concurrent Posts -		
[Candidate for Outside Director]		
<ul style="list-style-type: none"> ➤ Reasons for nomination as a candidate for Outside Director and expected roles 		
<p>Mr. Toru Katsumoto has an abundance of experience and knowledge as a head of the technology division, CTO, and manager of a company that operates globally in the game, music and movie, consumer electronics equipment 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, in the event that the proposal of election of Mr. Toru Katsumoto 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, as well as contribute to continuous enrichment in corporate governance as a member of the Corporate Governance Committee.</p>		
<ul style="list-style-type: none"> ➤ Matters relating to independence 		
<p>Mr. Toru Katsumoto meets each of the criteria in the items to be verified regarding independence established by the Company, and the Company has submitted him as an Independent Director to Tokyo Stock Exchange, Inc. In the event that the proposal of election of Mr. Toru Katsumoto 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>		

- 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, Messrs. Mutsuo Iwai and Shoei Yamana 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. Toru Katsumoto 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 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.

[Reference] Policy and Procedures for Election of Directors and Audit & Supervisory Board Members

■ Policy for Election of Directors and Audit & Supervisory Board Members

The Company's policy for election of Directors and Audit & Supervisory Board Members is as follows.

- (1) The candidate must be able to understand the Company's board culture and share its values.
- (2) The candidate must have excellent character and insight, as well as experience and abilities to contribute to the sustainable growth of TDK and the enhancement of its corporate value over the medium to long term.
- (3) The candidate must have a high sense of legal compliance and ethics.
- (4) The Company shall strive to balance diversity, including gender, internationality, and professional experience, with appropriate size for the Board of Directors as a whole, including Directors and Audit & Supervisory Board Members.
- (5) Outside Directors and Outside Audit & Supervisory Board Members must satisfy the requirements provided in the items to be verified regarding independence established by the Company.
- (6) Independent Outside Directors must include those with management experience at other companies.
- (7) At least one (1) of the Audit & Supervisory Board Members must have sufficient knowledge of finance and accounting.

■ Procedures for Election of Directors and Audit & Supervisory Board Members

The Company's procedures for election of Directors and Audit & Supervisory Board Members are as follows.

In selecting candidates for Directors and Audit & Supervisory Board Members, the Nomination Advisory Committee, the Chair and more than half of the members of which are Independent Outside Directors, shall thoroughly deliberate on the candidates and report to the Board of Directors. The Board of Directors shall respect and deliberate the contents of the report, decide on the candidates for Directors and Audit & Supervisory Board Members, and submit them to the General Meeting of Shareholders. In selecting candidates for Audit & Supervisory Board Members, the Audit & Supervisory Board shall review the candidates in advance, and with the consent of the Audit & Supervisory Board, the Board of Directors shall select the candidates.

[Reference] 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)

**[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 Senior Executive Vice President	●	●					●	●
	Shigeki Sato	Director Senior Vice President	●	●			●	●		
	Kozue Nakayama	Outside Director	●	●	●	●				
	Mutsuo Iwai	Outside Director	●	●						●
	Shoei Yamana	Outside Director	●	●	●	●				
	Toru Katsumoto	Outside Director	●	●			●	●		
Audit & Supervisory Board Members	Masato Ishikawa	Full-time Audit & Supervisory Board Member		●				●		●
	Takakazu Momozuka	Full-time Audit & Supervisory Board Member		●		●			●	●
	Douglas K. Freeman	Outside Audit & Supervisory Board Member		●						●
	Chizuko Yamamoto	Outside Audit & Supervisory Board Member		●					●	●
	Takashi Fujino	Outside Audit & Supervisory Board Member	●	●					●	●

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

Skills the Company expect	Reasons for selecting the skills in question
Corporate Management	To contribute to a sustainable society and increase corporate value, the ability to perform in corporate management and to manage and supervise executive divisions is required.
Global Business Experience	Experience and knowledge in global business are essential in TDK where over 90% of net sales is recorded outside of Japan.
Sales/Marketing	Sales and marketing skills are necessary to understand market demands and create new business opportunities from the conception of both technology-out and market-in.
ESG/Sustainability	An adequate understanding of ESG and sustainability, one of the most crucial issues in present-day society, is an important ability to supervise the corporate management.
Technology/Research & Development	As under the Corporate Motto “Contribute to culture and industry through creativity”, the Company aims to be a company that contributes to the realization of a sustainable future by accelerating the advancements in technology and the transformation of society.
Manufacture/Production Technology	An adequate understanding and passion for <i>monozukuri</i> (i.e., manufacturing experience) is required as quality and reliability of products are the foundation of TDK’s business.
Finance/Accounting	To aim for sustainable growth and carry out necessary investments, knowledge in finance and accounting, which supports a sound and solid financial basis, is required.
Legal/Compliance/Risk Management	Legal, compliance and risk management skills are necessary to respond to the trust of all stakeholders and to increase corporate value in a sound and sustainable manner.

Third Item: Partial Revision of Post-delivery Type Stock Remuneration Plan for Directors

1. Reason for the proposal

The remuneration for Directors of the Company consists of basic remuneration, results-linked bonuses, and post-delivery type stock remuneration. Of these, the Company has two types of post-delivery type stock remuneration for Directors of the Company (excluding Outside Directors, hereinafter referred to as "Eligible Directors"): Restricted Stock Units (hereinafter referred to as "RSUs") as stock remuneration which is issued based on continuous service, and Performance Share Units (hereinafter referred to as "PSUs") as stock remuneration which is issued based on performance. At the 124th Ordinary General Meeting of Shareholders held on June 23, 2020, the shareholders of the Company approved the introduction of a post-delivery type stock remuneration plan (hereinafter referred to as the "Plan"), and the Plan has been in operation.

This proposal requests the approval of the shareholders to revise the upper limit of the total amount of monetary remuneration claims, etc. and the total number of shares under the Plan, to revise the evaluation indicators such as the degree of achievement of performance targets in the PSUs, and to make necessary revisions in connection with the continuation of the Plan.

The Plan was introduced to share the benefits and risks of stock price fluctuations with the shareholders and to enhance the willingness to contribute to the improvement in medium-term performance and corporate value. The revision of the Plan is intended to increase the ratio of stock remuneration linked to business performance, etc., while maintaining the current level of basic remuneration, which is fixed compensation, in order to further increase such willingness and ensure a competitive remuneration level in the human capital market in the rapidly changing and difficult-to-predict global business environment. In addition, as evaluation indicators for PSUs, the Company proposes to introduce environmental and social indicators in order to increase the willingness to contribute to the realization of a sustainable society, and to introduce stock price indicators in order to further motivate management practices that are conscious of the cost of capital and stock price. In light of the above, the Directors of the Company will further motivate themselves to achieve sustainable growth and increase corporate value, while promoting further value sharing with the shareholders.

2. Reasons why the revision of the Plan is appropriate

To ensure the appropriateness of remuneration for Directors and the transparency of the decision-making process, the Company has established the Compensation Advisory Committee as an advisory body to the Board of Directors, and a majority of the members and the Chair of the said Committee are Independent Outside Directors.

When revising the Plan, the Board of Directors consulted with the said Committee and, upon receiving the Committee's report, resolved a determining policy regarding the details of remuneration, etc. for individual Directors. An outline of the details of the determining policy after the revision is shown on pages 27 to 28. The Company believes that the contents of the proposal in this Item are reasonable and appropriate in accordance with the said revised determining policy.

3. Amount and specific contents of remuneration, etc. under the revised Plan

(1) Overview

1) RSU

RSU is a stock remuneration which is issued based on continuous service. In case of RSU, subject to continuous service for three years from the first year to the last day of the last year of the Medium-Term Plan (or a period of longer than three years as determined by the Board of Directors, hereinafter referred to as the "Target Period"), monetary remuneration claims to be applied to payment in exchange for common shares of the Company to be determined in advance (hereinafter referred to as the "Monetary Remuneration Claims") and money to secure funds for tax payment arising from the delivery of such shares (hereinafter referred to as the "Money for Tax Purposes", and together with

the Monetary Remuneration Claims, the "Total Amount of Monetary Remuneration Claims, Etc.") are delivered as remuneration after the end of the Target Period. Each Eligible Director shall receive delivery of common shares of the Company by contributing in kind the Monetary Remuneration Claims, and the amount to be paid in such case shall be the amount determined by the Board of Directors of the Company based on the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors of the Company regarding the issuance or disposition of such shares (if no trades are executed on the same day, the closing price of the most recent trading day prior to the date of resolution) (hereinafter referred to as the "Stock Price at Delivery"), to the extent not particularly favorable to each Eligible Director who subscribes to the common shares of the Company.

2) PSU

PSU is a stock remuneration which is issued based on performance. In case of PSU, Monetary Remuneration Claims and Money for Tax Purposes, calculated in accordance with the degree of achievement of the performance targets of the Medium-Term Plan, etc., are delivered as remuneration after the end of the Target Period. Each Eligible Director shall receive common shares of the Company by contributing in kind the Monetary Remuneration Claims, and the amount to be paid in such case shall be the amount determined by the Board of Directors based on the Stock Price at Delivery, to the extent not particularly favorable to each Eligible Director who subscribes to the common shares of the Company.

(2) Eligible persons for the grant

1) RSU

Directors (excluding Outside Directors) shall be eligible for the grant and the number of such Directors will be three, if the proposal in the Second Item is approved as originally proposed.

2) PSU

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

(3) The upper limit of Total Amount of Monetary Remuneration Claims, Etc. and total number of shares, and the method of calculating the number of shares to be delivered, the amount of money to be paid and the Total Amount of Monetary Remuneration Claims, Etc.

At the 124th Ordinary General Meeting of Shareholders held on June 23, 2020, it was approved that the upper limit of the Total Amount of Monetary Remuneration Claims, Etc. for RSUs and PSUs shall be 457 million yen per year and the upper limit of the total number of common shares of the Company to be issued or disposed of otherwise to Eligible Directors shall be 39,000 shares per year (*1), and the said approval has been effective to date. As stated in "1. Reason for the proposal," in order to further enhance the willingness to contribute to the improvement in medium-term performance and corporate value, the Company proposes to separate the remuneration framework for RSUs and PSUs. With respect to RSUs, the Company proposes to revise the upper limit of the Total Amount of Monetary Remuneration Claims, Etc. (annual amount) to be "the amount obtained by multiplying the upper limit of Base Stock Units (*2) (40,000 shares) by the Stock Price at Delivery" and the upper limit of the number of shares to be delivered to Eligible Directors to be 20,000 shares per year. With respect to PSUs, the Company proposes to revise the upper limit of the Total Amount of Monetary Remuneration Claims, Etc. to be "the amount obtained by multiplying the upper limit of Base Stock Units (*2) by the Percentage of Payment (*3) (up to 200,000 shares) by the Stock Price at Delivery" and the upper limit of the number of shares to be delivered to Eligible Directors to be 100,000 shares per year. In the event of a stock split of the common shares of the Company (including gratis allotment of shares of the Company) or reverse stock split of the same after the date of resolution of this proposal, the above number of shares will be adjusted and any fraction less than one share resulting from the adjustment will be rounded down.

【Upper limit of Total Amount of Monetary Remuneration Claims, Etc. and total number of shares - Comparison chart before and after revision】

Item	Type	Before Revision	After Revision
Total amount of Monetary Remuneration Claims, Etc. to be paid to Eligible Directors	RSU	Up to 457 million yen per year	Up to the amount obtained by multiplying the upper limit of the number of Base Stock Units (*2) (40,000 shares) by the Stock Price at Delivery
	PSU		Up to the amount obtained by multiplying the upper limit of the number of Base Stock Units (*2) by the Percentage of Payment (*3) (up to 200,000 shares) by the Stock Price at Delivery
Number of shares to be delivered to Eligible Directors	RSU	Up to 39,000 shares per year (up to 117,000 shares per year after the split)	Up to 20,000 shares per year
	PSU		Up to 100,000 shares per year

The number of common shares of the Company to be delivered to and the amount of Money for Tax Purposes to be paid to each Eligible Director shall be calculated based on the following formulas:

1) RSU

- (i) Number of common shares of the Company to be delivered to each Eligible Director
 $\text{Number of Base Stock Units (*2)} \times 50\%$
Any fraction of less than 100 shares resulting from the calculation shall be rounded up to the nearest 100 shares.
- (ii) Amount of Money for Tax Purposes to be paid to each Eligible Director
 $(\text{Base Stock Units (*2)} - \text{Number of common shares of the Company calculated in (i) above}) \times \text{Stock Price at Delivery}$
Any fraction less than one yen resulting from the calculation will be rounded up to the nearest one yen.

2) PSU

- (i) Number of common shares of the Company to be delivered to each Eligible Director
 $\text{Base Stock Units (*2)} \times \text{Percentage of Payment (*3)} \times 50\%$
Any fraction of less than 100 shares resulting from the calculation shall be rounded up to the nearest 100 shares.
- (ii) Amount of Money for Tax Purposes to be paid to each Eligible Director
 $(\text{Base Stock Units (*2)} \times \text{Percentage of Payment (*3)} - \text{Number of common shares of the Company calculated in (i) above}) \times \text{Stock Price at Delivery}$
Any fraction of less than one yen resulting from the calculation shall be rounded up to the nearest one yen.

The Total Amount of Monetary Remuneration Claims, Etc. to be paid to each Eligible Director shall be calculated based on the following formula:

<Common to RSU and PSU>

Total Amount of Monetary Remuneration Claims, Etc. = (i) above × Stock Price at Delivery + (ii) above

*1: The Company conducted a 3-for-1 stock split of common shares, effective October 1, 2021. As a result, the upper limit of the total number of shares related to post-delivery type stock remuneration was adjusted to 117,000 shares per year.

*2: Base Stock Units = Base Amount (determined by the Board of Directors of the Company in accordance with the level of responsibility, etc. of each Eligible Director) / Stock Price at Grant (the average of the closing price of the common shares the Company on the Tokyo Stock Exchange during the one-month period preceding the day before the date of grant)

*3: The Percentage of Payment is determined as follows for each PSU evaluation indicator. The Company plans to resolve evaluation indicators (including a review of the evaluation indicators), Percentage of Payment, etc. at the Board of Directors each time a medium-term management plan is formulated in the future.

【PSU Evaluation Indicators】

Classification	Evaluation Indicators	Percentage of Payment
Financial indicators	Operating income targets in the Medium-Term Plan	0~100%
	ROIC targets in the Medium-Term Plan	
Pre-financial indicators	Targets for CO2 emission reduction in the Medium-Term Plan	
	Targets for employee engagement in the Medium-Term Plan	
Stock price indicator	Relative TSR (vs. TOPIX)	0~200%

Notes: 1. Relative TSR (vs. TOPIX): TSR stands for Total Shareholder Return and refers to the total investment yield for shareholders, including capital gains and dividends. Relative TSR (vs. TOPIX) compares the Company's TSR for the Target Period with the average TSR of TOPIX component stocks.

2. PSUs linked to financial indicators and PSUs linked to pre-financial indicators will be linked to the Medium-Term Plan and will be granted in a lump sum for three (3) years in the first year, while PSUs linked to the stock price indicator will be granted annually for one (1) year.

(4) Delivery Requirements

Under the Plan, upon the completion of the Target Period and fulfillment of the following requirements, the Company will deliver common shares of the Company to each Eligible Director and pay Money for Tax Purposes to each Eligible Director. The delivery of common shares of the Company will be made by way of an issuance of shares or disposition of treasury shares by the Company, and the actual recipients among the Eligible Directors and the subscription requirements for such issuance of shares or disposition of treasury shares will be determined at a meeting of the Board of Directors of the Company after the expiration of the Target Period.

- i) The Eligible Director shall have continuously held the position of either Director or Corporate Officer of the Company or any of its subsidiaries during the Target Period.
- ii) The Eligible Director shall not have committed any of the illegal acts determined by the Board of Directors of the Company.
- iii) Other requirements determined by the Board of Directors of the Company as necessary to achieve the purpose of the Plan.

In addition, the malus and clawback provisions are introduced in the Plan, and the Board of Directors may, upon its decision, forfeit or demand a reduction or return of the remuneration under the Plan in certain cases, such as when the Eligible Director has committed a wrongful act.

If the proposal in this Item is approved, the Company plans to make similar revisions to the stock remuneration plan operated for Corporate Officers of the Company. The ratio of the total number of shares to be delivered to the total number of issued and outstanding shares of the Company is expected to be no more than 0.1% per year.

[Reference] Policy on determining the details of remuneration, etc. for individual Directors

At the Board of Directors meeting held on April 26, 2024, the Company resolved to revise the policy on determining the details of remuneration, etc. for individual Directors on the condition that the proposal in this Item is approved. An outline of the content of the determining policy after the revision is as follows.

Basic Policy	
<p>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.</p> <p>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.</p>	

Policy, Etc. Concerning Determination of Each Remuneration, Etc.	
(1) Fixed Compensation	<p>For fixed compensation, the Company pays basic remuneration on a monthly basis. Remuneration amounts for individual Directors are determined based on remuneration tables by job responsibilities approved by the Board of Directors 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.</p>
(2) Results-linked Compensation, Etc.	<p>Results-linked bonuses (monetary compensation) and Performance Share Units (PSUs) (see (3) below) shall be paid as results-linked compensation to Directors who are also Corporate Officers. With respect to the results-linked bonus, 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 department in charge, with an emphasis placed on short-term performance. With respect to PSUs, the degree of achievement of targets shall fluctuate according to the degree of achievement of consolidated performance indicators and other target values in the Medium-Term Plan. Results-linked bonuses are paid at a certain time each year, and PSUs are paid, in principle, in the first year of the Medium-Term Plan, as determined by the Board of Directors after consulting with and obtaining a report from the Compensation Advisory Committee.</p>
(3) Non-monetary Compensation, Etc.	<p>Non-monetary compensation, etc. shall be a post-delivery type stock remuneration. Restricted Stock Units (RSUs) shall be granted as a fixed stock remuneration to Directors, excluding Outside Directors. Approximately half of the RSUs are delivered in the form of shares and the remainder are paid in cash at the end of the three-year period 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 longer than three years as determined by the Board of Directors. Performance Share Units (PSUs) for Directors who also serve as Corporate Officers will be granted in the form of shares for approximately half of the number of shares to be delivered, calculated according to the degree of achievement of targets, with the remainder to be paid in cash. These details are decided by the Board of Directors after consulting the original proposal with and obtaining a report from the Compensation Advisory Committee.</p>

<p>(4) Ratio of Remuneration</p>	<p>Regarding the ratio of remuneration by type for Directors concurrently serving as Corporate Officers, the ratio of results-linked compensation is structured so that it becomes higher in proportion to the severity of job responsibilities, 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. The Board of Directors respects the report from the Compensation Advisory Committee and resolves the remuneration table by job responsibilities based on the ratio of remuneration by type indicated in the report.</p> <p>The guideline for the ratio of remuneration by type is basic remuneration : results-linked bonus : post-delivery type stock remuneration = 1 : approximately 0.6-1.0 : approximately 0.8-1.6 (assuming 100% achievement of performance targets).</p>
<p>(5) Return of Remuneration, Etc. (Malus and Clawback)</p>	<p>In the event of a sudden and substantial deterioration in performance, illegal acts or violations of laws and regulations, the Company may forfeit the right to receive payment or delivery of remuneration, or demand a reduction or return of remuneration, based on deliberations by the Compensation Advisory Committee and a resolution by the Board of Directors.</p>

[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. Board members consisting of Directors and Audit & Supervisory Board Members and the executive side such as Corporate Officers, based on their respective responsibilities, are working toward the common purpose of achieving sustainable corporate growth and increasing the medium- to long-term corporate value of TDK. The philosophy and culture shared by the Board of Directors to achieve this purpose are set forth in the Basic Policy as follows.

<TDK’s Board Culture>

- Board members and the executive side build and maintain a relationship of deep mutual trust and a sound tension.
- Board members and the executive side achieve both the delegation of authority to encourage prompt and autonomous decision-making and the transparency in business execution (Empowerment & Transparency).
- Based on the premise that discussions at the Board of Directors meetings should be essential discussions that contribute to corporate value, Board members actively and diversely make remarks and engage in discussions from each member’s standpoint and from a broad point of view, regardless of whether they are inside or outside members or whether they are Directors or Audit & Supervisory Board Members.
- The executive side takes the opinions of the Board of Directors sincerely as an opportunity to improve management and implements necessary measures. Directors and Audit & Supervisory Board Members supervise and audit from an objective standpoint. Through these efforts, they aim to further improve TDK’s corporate value.

(2) 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 2024, as a survey was conducted by a third-party evaluation institution in the fiscal year ended March 2022, the Corporate Governance Committee (Chaired by Shigenao Ishiguro, Chairman & Director of the Company), which is an advisory body to the Board of Directors, conducted a primary evaluation in a neutral position, and after discussion by the Board of Directors, the Company 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, the Compensation Advisory Committee and the Corporate Governance Committee) was sufficiently secured in terms of their size and composition, content of agenda items and deliberations, status of discussions, reflection on management, etc. Details are posted on the Company’s website.

Information on the corporate governance of the Company is available at the Company’s website below.

<https://www.tdk.com/en/ir/governance/index.html>

End

BUSINESS REPORT

(From: April 1, 2023)
(To: March 31, 2024)

1. Business Conditions

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

Looking at the global economy in the fiscal year ended March 31, 2024 (“Fiscal 2024”), while North America has remained firm, fears of economic slowdown intensified due to the impact of tensions 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. However, from the third quarter of Fiscal 2024 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 (electric-powered vehicles such as electric vehicles, hybrid vehicles and plug-in hybrids) 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.

As a result, consolidated operating results for the Company for Fiscal 2024 were as:

(¥ in millions)

	Fiscal 2023	Fiscal 2024	YoY Change
Net sales	2,180,817	2,103,876	(3.5)%
Operating profit	168,827	172,893	2.4%
Profit before tax	167,219	179,241	7.2%
Net profit attributable to owners of parent	114,187	124,687	9.2%
Net profit attributable to owners of parent / Basic per common share (¥)	301.19	328.70	27.51

Note: For Fiscal 2024, as a result of the review of future changes in demand and projections, TDK posted ¥19.8 billion in impairment losses and restructuring costs mainly for businesses facing challenges in improving profitability.

(2) Segment Information of TDK

TDK's net sales are made up of four reporting segments — “Passive Components”, “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:

[Consolidated]

(¥ in millions)

Business Segment	Net Sales	Share of Sales (%)	YoY Change (%)
Capacitors	245,047	11.7	1.0
Inductive Devices	191,950	9.1	(3.3)
Other Passive Components	128,652	6.1	(6.6)
Passive Components	565,649	26.9	(2.3)
Sensor Application Products	180,511	8.6	6.5
Magnetic Application Products	184,211	8.7	(8.2)
Energy Application Products	1,121,662	53.3	(4.4)
Other	51,843	2.5	(11.5)
Consolidated Total	2,103,876	100.0	(3.5)
Incl. Overseas Sales	1,919,245	91.2	(4.2)

Note: In accordance with a reorganization at the beginning of the Fiscal 2024, certain products of “Other” are reclassified into Capacitors under “Passive Components.” Thus, calculation of year on year change figures are based on the previous year's net sales, which have been reclassified to conform to the new segmentation.

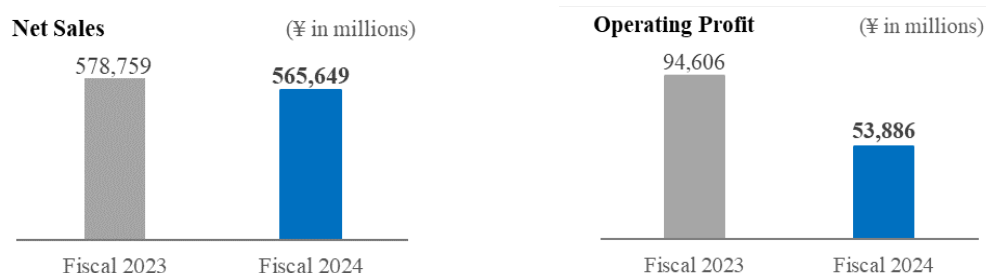
[Passive Components Segment]

This segment consists of Capacitors, Inductive Devices and Other Passive Components, and the main applications for its products include automotive, industrial equipment, communications devices, and computers. The segment is achieving growth by steadily capturing the trends of energy transformation (EX) and digital transformation (DX).

Sales of Capacitors and Inductive Devices increased to the automotive market but decreased to the industrial equipment market.

Sales of Other Passive Components decreased to the industrial equipment market and ICT market.

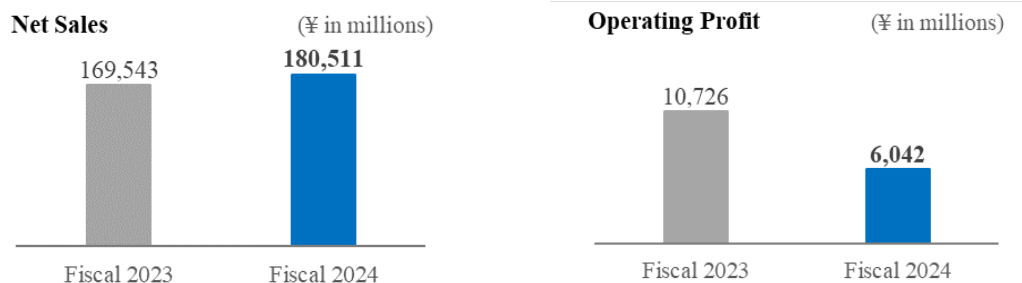
As a result, sales and profits declined due to sluggish sales in the industrial equipment market and ICT market.



[Sensor Application Products Segment]

This segment consists of Temperature and Pressure Sensors, Magnetic Sensors and MEMS Sensors, and the main applications for its products include communications devices, automotive, and industrial equipment. The spread of AI (Artificial Intelligence) and other DX advances have expanded the needs to digitize various physical information.

Sales rose but profits declined as sales to the automotive market increased, but decreased to the industrial equipment market and ICT market.

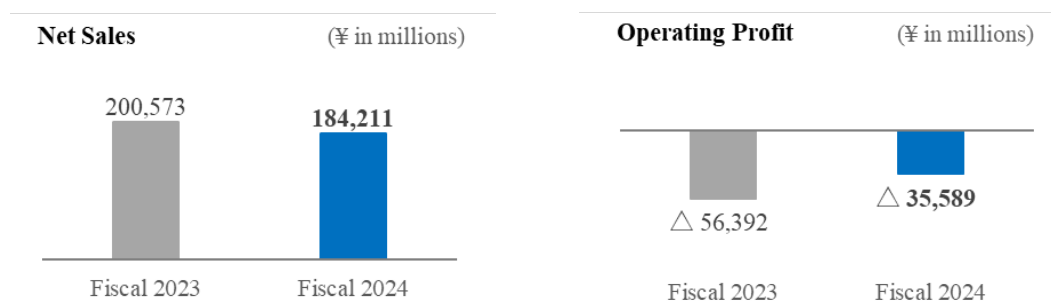


[Magnetic Application Products Segment]

This segment consists of HDD Heads, HDD Suspension Assemblies, and Magnets, and the main applications for its products include HDD storage for data centers, computer periphery equipment, and automotive. The segment provides advanced technologies to respond to the needs of the mass storage age.

Sales of HDD Heads and HDD Suspension Assemblies decreased due to the sluggish HDD demand compared to the previous fiscal year, but profitability improved due to the effects of structural reforms carried out in Fiscal 2023.

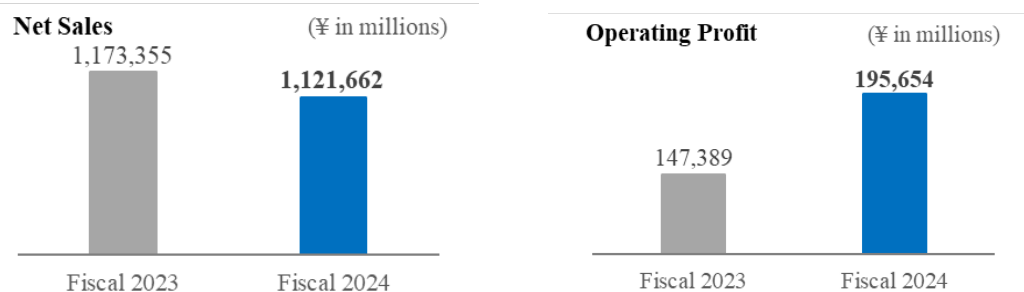
Sales of Magnets decreased mainly to the industrial equipment market.



[Energy Application Products Segment]

This segment consists of Energy Devices (Rechargeable Batteries) and Power Supplies, and the main applications for its products include communications devices, computers, and automotive. The segment contributes to the realization of a sustainable society through the rechargeable battery and power supply business.

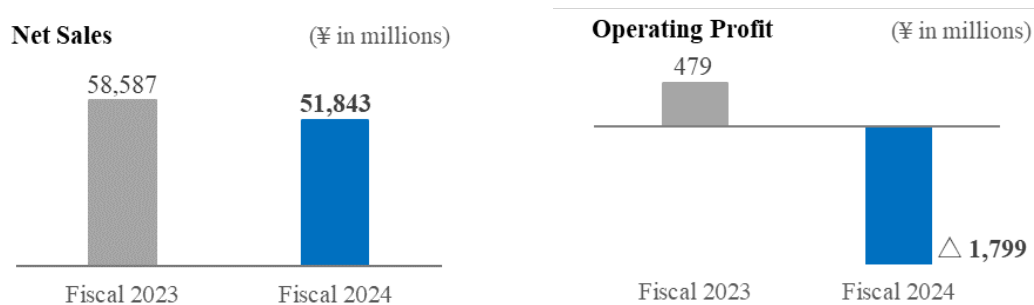
Sales of Energy Devices decreased mainly to the industrial equipment market, but profits increased as sales quantity to ICT market increased and also through streamlining and other cost improvement efforts.



[Other]

Other consists of Mechatronics (Production Equipment), Camera Module Micro Actuators for smartphones and others, and the main applications for its products are industrial equipment and communications devices.

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



[Reference] Projections for the Fiscal Year Ending March 31, 2025 (Announced April 26, 2024)

	Fiscal 2024 Actual (¥ in millions)	Fiscal 2025 Projection (¥ in millions)	vs Fiscal 2024 Changes
Net sales	2,103,876	2,105,000	0.1%
Operating profit	172,893	180,000	4.1%
Profit before tax	179,241	184,000	2.7%
Net profit attributable to owners of parent	124,687	128,000	2.7%
Annual dividend per share	¥116.00	¥120.00	¥4.00

(3) Capital Expenditures of TDK

TDK invested ¥218,589 million in capital expenditures in Fiscal 2024, down 20.7% from ¥275,709 million in Fiscal 2023, to provide an accurate response to fast-paced technological innovation and escalating sales competition in the electronics market.

Content of the main capital expenditures included for factories and new production equipment for Rechargeable Batteries; factories and equipment to increase production and raise production efficiency of Ceramic Capacitors for automotive use; and equipment to increase production and raise production efficiency of Magnetic Sensors and Inductive Devices. In Fiscal 2024, TDK executed capital expenditures in the aforementioned core business operations.

(4) Research and Development of TDK

The expenditure for R&D activities in Fiscal 2024 was ¥ 188,860 million, up 5.2% from ¥ 179,467 million in Fiscal 2023. 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 DX and 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 First-to-Market mindset.

(5) Fund Procurement of TDK

The balances of straight bonds and debt as of the end of Fiscal 2024 were as follows:

(¥ in millions)

Issue	Balance at March 31, 2023	Balance at March 31, 2024	YoY Change
Bonds	199,399	219,439	20,040
Short- and long-term debt	552,759	466,297	(86,462)
Total	752,158	685,736	(66,422)

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, 2024 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 (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
11th Series Unsecured Straight Bonds (Green Bonds)	September 7, 2023	20,000	0.519% per annum	September 7, 2028

Notes: 1. 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. Green Bonds are straight bonds that specify the use of proceeds for projects that contribute to the reduction of CO₂ emissions from products.

2) Main Lenders

(¥ in millions)

Lender	Amount
Resona Bank, Limited	71,000
Sumitomo Mitsui Banking Corporation	50,500
MUFG Bank, Ltd.	50,500
Sumitomo Mitsui Trust Bank, Limited	50,000
Mizuho Bank, Ltd.	48,000
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 Previous Three Fiscal Years

[Consolidated Results]

(¥ in millions)

Item \ Term	125th (Apr. 1, 2020 to Mar. 31, 2021)	126th (Apr. 1, 2021 to Mar. 31, 2022)		127th (Apr. 1, 2022 to Mar. 31, 2023)	128th (Apr. 1, 2023 to Mar. 31, 2024)
	U.S. GAAP	U.S. GAAP	IFRS	IFRS	IFRS
Net sales	1,479,008	1,902,124	1,902,124	2,180,817	2,103,876
Operating profit	111,535	166,665	166,775	168,827	172,893
Profit before tax	121,904	234,185	172,490	167,219	179,241
Net profit attributable to owners of parent	79,340	183,632	131,298	114,187	124,687
Net profit attributable to owners of parent / Basic per common share (¥)	209.36	484.53	346.44	301.19	328.70
Total assets	2,401,433	3,086,924	3,041,653	3,147,027	3,415,304
Total equity attributable to owners of parent	1,003,538	1,346,683	1,300,317	1,458,446	1,707,332
Total equity attributable to owners of parent per share (¥)	2,648.08	3,553.02	3,430.69	3,845.28	4,500.19
Annual dividends per share (¥)	60.00	78.33	78.33	106.00	116.00
Return on Equity (ROE) (%)	8.6	15.6	11.6	8.3	7.9
Return on Assets (ROA) (%)	3.7	6.7	4.9	3.7	3.8
Dividend on Equity (DOE) (%)	2.5	2.5	2.6	2.9	2.8

Notes: 1. The Company has produced consolidated financial statements in accordance with IFRS as of the 127th fiscal year, and the above items are presented in accordance with IFRS. Figures for the 126th fiscal year have been reclassified and are presented in accordance with both U.S. GAAP and IFRS.

2. Net profit attributable to owners of parent / Basic per common share and total equity attributable to owners of parent 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.

3. The Company split one share of its common stock into three shares with the effective date of October 1, 2021. Net profit attributable to owners of parent / Basic per common share, total equity attributable to owners of parent per share and annual dividends per share are calculated based on the assumption that the stock split was conducted at the beginning of the 125th fiscal year (April 1, 2020).

4. The annual dividend for the 128th fiscal year is ¥116.00 per share, including a year-end dividend of ¥58.00 per share. The year-end dividend is scheduled for approval at the 128th Ordinary General Meeting of Shareholders on June 21, 2024.

(8) Pressing Issues

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

The global economy is facing a crisis of fragmentation due to the ongoing opposition between the U.S. and China against a backdrop of a struggle for hegemony in economic security, including technology. However, even in the face of this crisis, the shift to renewable energy is expected to continue from the perspective of countermeasures against global warming, energy security, and other issues. Moreover, the sophistication and permeation of technologies such as AI, the metaverse (virtual online space), robotics, and ADAS (Advanced Driver Assistance System) have led to major social changes such as labor savings and greater efficiency in industry, as well as advancement of urban functions. This transformation of society, including DX and EX, is expected to further accelerate in the future.

Amid such circumstances, TDK has formulated its new long-term vision to contribute to the transformation of society through business based on the Corporate Motto to “Contribute to culture and industry through creativity.”

<Long-Term Vision>

TDK Transformation ~ Accelerating transformation for a sustainable future ~
<ul style="list-style-type: none">● Contribute to the transition towards a sustainable future by accelerating the transformation of society and advancements in technology enabled by electronic devices developed through leveraging cutting-edge innovation in materials, processes, and software technology● Become the No.1 partner growing alongside our worldwide customers by pursuing continuous “transformation”

TDK will strive to “capture a position that can detect change ahead of time” and “establish and operate a system that can respond rapidly to change” to realize the long-term vision. In the aim to “capture a position that can detect change ahead of time”, TDK will further auger the strengths it has already cultivated in domains such as materials, processes and software technology, and seek out new strengths as well as carry out various initiatives to establish a leading position in the electronic device domain. In the aim to “establish and operate a system that can respond quickly to change”, TDK will leverage having captured “a position of being able to detect change ahead of time” and strengthen its capability to envision the future and focus on acquiring and training diverse and outstanding human resources, thus reinforcing the ability to execute the envisioned future in a speedy and efficient manner. Through these initiatives, TDK will secure permanent investment capacity and realize optimal investments to aim for further enhancement in its position to detect change ahead of time.

2) Pressing Issues of TDK

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, 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 TDK 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 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 transition to upgraded current 5G i.e. new cellular technology (beyond 5G), the practical use of ADAS in automobiles, the growing use of IoT (Internet of Things) products 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 has identified materiality as key issues that should be addressed based on the long-term vision to further improve enterprise value. TDK identified the following three areas for “value creation and establishment of competitive advantage through business activities”: “create customer value and build strong relationships”, “contribute to social transformation through R&D”, “stabilize supply of high-quality products and increase production efficiency”. Then, TDK identified the following three areas to support “strengthening of the management foundation that envisions and realizes future”: “transformation through promoting and cultivating a diverse pool of human resources to further enhance competitive advantage”; “advance group governance”; and “address environmental and social issues”. For example, to “advance corporate governance” TDK defined the following two themes: evaluate the business portfolio continuously and Empowerment & Transparency. Under the theme of evaluate the business portfolio continuously, TDK will establish a business portfolio management system and operate it continuously. In this way, TDK aims to achieve sustainable growth and increase enterprise value by advancing initiatives to address key issues and continuously operating a cycle of creating value through business activities.

From a financial aspect, TDK will allocate management resources and expand free cash flow while paying due consideration to business risks, and by maintaining an appropriate balance between capital efficiency, shareholder returns, and financial soundness, aims to build a strong financial foundation that will support TDK's sustainable growth and improve enterprise value.

<Value Creation Cycle and Key Issues (Materiality) of TDK >



(9) Principal Businesses of TDK

TDK is 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 / 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

(10) Major Business Offices and Factories 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.)
Factories	Honjo (Akita Pref.), Nikaho (Akita Pref.), Inakura (Akita Pref.), Ouchi (Akita Pref.), Narita (Chiba Pref.), Kofu (Yamanashi Pref.), Asama Techno (Nagano Pref.), Shizuoka (Shizuoka Pref.), Mikumagawa (Oita Pref.)
Research & Development Sites	Ichikawa-shi (Chiba Pref.), Saku-shi (Nagano Pref.)

2) Subsidiaries

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

(11) Status of 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	Manufacture and sale of energy application products
TDK Electronics Factories Corporation (Yurihonjo-shi, Akita Pref.)	¥200 million	100	Manufacture of passive components
TDK China Co., Ltd. (Shanghai, China)	RMB1,488,074 thousand	100	Management and supervision of Chinese subsidiaries
TDK HONGKONG COMPANY LIMITED (Hong Kong, China)	HK\$25,500 thousand	100	Sale of passive components
SAE Magnetics (Hong Kong) Limited (Hong Kong, China)	HK\$50 thousand	*100	Manufacture and sale of magnetic application products
TDK Xiamen Co., Ltd. (Xiamen, China)	RMB770,098 thousand	*100	Manufacture and sale of passive components
Amperex Technology Limited (Hong Kong, China)	US\$267,588 thousand	*100	Manufacture and sale of energy application products
TDK (Shanghai) International Trading Co., Ltd. (Shanghai, China)	RMB1,659 thousand	*100	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	Sale of passive components
TDK U.S.A. Corporation (New York, U.S.A.)	US\$8 hundred	100	Management and supervision of U.S. subsidiaries
InvenSense Inc. (California, U.S.A.)	US\$79 thousand	*100	Manufacture and sale of sensor application products
TDK Corporation of America (Illinois, U.S.A.)	US\$3,800 thousand	*100	Sale of passive components
TDK Europe S.A. (Windhof, Luxembourg)	Euro 20,974 thousand	100	Management and supervision of European subsidiaries
TDK Electronics AG (Munich, Germany)	Euro 66,682 thousand	100	Manufacture and sale of passive components

Name of Company	Capital	Percentage of Votes Held by the Company (%)	Outline of Principal Business
TDK Europe GmbH (Munich, Germany)	Euro 46,545 thousand	*100	Sale of passive components
TDK-Micronas GmbH (Freiburg, Germany)	Euro 500 thousand	100	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.

2) Business Combinations

Classification		No. of Companies	YoY Change
Consolidated Subsidiaries	Domestic	10	—
	Overseas	133	+3 companies (+4 companies, -1 company)
	Total	143	+3 companies (+4 companies, -1 company)
Equity-method Affiliates	Domestic	3	—
	Overseas	3	—
	Total	6	—

(12) Employees

Employees of TDK

Number of Employees	YoY Change
101,453	-1,455

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

2. Matters Concerning Shares of the Company

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

1,440,000,000 shares

(2) Total Number of Issued Shares

388,771,977 shares (inclusive of 9,380,867 shares of treasury stock)

(3) Number of Shareholders

27,031 shareholders (6,251 less than at the previous fiscal year-end)

(4) Top 10 Largest Shareholders

Name of shareholder	Number of shares held (thousands of shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	102,039	26.90
Custody Bank of Japan, Ltd. (Trust account)	52,147	13.74
JP MORGAN CHASE BANK 385632	16,314	4.30
STATE STREET BANK WEST CLIENT - TREATY 505234	8,111	2.14
SSBTC CLIENT OMNIBUS ACCOUNT	7,517	1.98
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	6,855	1.81
CITIBANK,N.A. -NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	5,607	1.48
JP MORGAN CHASE BANK 385781	4,994	1.32
GOVERNMENT OF NORWAY	4,090	1.08
STATE STREET BANK AND TRUST COMPANY 505103	3,660	0.96

Notes: 1. The 9,380,867 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.

(5) Status of Shares Granted to Directors of the Company During the Fiscal Year Under Review in Consideration for the Performance of Their Duties

Classification	Number of shares	Number of recipients issued
Directors (excluding Outside Directors)	12,000 shares	6 people

Note: The above shares were issued as the restricted stock unit (RSU) portion of the post-delivery type stock remuneration plan. Please refer to “(3) Remuneration for Directors and Audit & Supervisory Board Members” of “3. Matters Concerning Directors and Audit & Supervisory Board Members” for details of the post-delivery type stock remuneration plan.

3. 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	Noboru Saito	• General Manager of Humidifier Countermeasures HQ of the Company
Representative Director Executive Vice President	Tetsuji Yamanishi	• General Manager of Finance & Accounting HQ of the Company
Chairman & Director	Shigenao Ishiguro	• Outside Director of NTT DATA Group Corporation • Outside Director of Ricoh Company, Ltd.
Director Senior Vice President	Shigeki Sato	• General Manager of Technology and Intellectual Property HQ of the Company
Outside Director	Kozue Nakayama	• Outside Audit & Supervisory Board Member of Imperial Hotel, Ltd. • Outside Director of Isuzu Motors Limited • Outside Director of Nanto Bank, Ltd.
Outside Director	Mutsuo Iwai	• Member and Chairperson of the Board of Japan Tobacco Inc. • Outside Director of Benesse Holdings, Inc.
Outside Director	Shoei Yamana	• Outside Director of Zensho Holdings Co., Ltd.
Full-time Audit & Supervisory Board Member	Takakazu Momozuka	
Full-time Audit & Supervisory Board Member	Masato Ishikawa	
Outside Audit & Supervisory Board Member	Douglas K. Freeman	• Principal of FREEMAN & PARTNERS
Outside Audit & Supervisory Board Member	Chizuko Yamamoto	• Principal of Chizuko Yamamoto CPA Office • Outside Audit & Supervisory Board Member of Ozu Corporation • Outside Director of Tokyo Rope Mfg. Co., Ltd.
Outside Audit & Supervisory Board Member	Takashi Fujino	• Outside Director of Kyokuto Boeki Kaisha, Ltd.

- Notes: 1. Directors Ms. Kozue Nakayama, Messrs. Mutsuo Iwai and Shoei Yamana 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 Mr. Douglas K. Freeman, Ms. Chizuko Yamamoto and Mr. Takashi Fujino 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. The following changes in positions, responsibilities, and important concurrent positions have been made since the end of the fiscal year under review.

Date of change	Position	Name	Duties at the Company and situation regarding significant concurrent posts
April 1, 2024	Representative Director President & CEO	Noboru Saito	• General Manager of Humidifier Countermeasures HQ
April 1, 2024	Representative Director Senior Executive Vice President	Tetsuji Yamanishi	• Chief Financial Officer
April 1, 2024	Director Senior Vice President	Shigeki Sato	• Chief Technology Officer • General Manager of Technology and Intellectual Property HQ of the Company

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

- Although Ms. Kozue Nakayama serves as an Outside Director of Isuzu Motors Limited and TDK has a business relationship with the Isuzu 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, 2024, sales of Isuzu group to TDK account for less than 1% of consolidated sales of Isuzu Group.
- Although Mr. Mutsuo Iwai serves as Member and Chairperson of the Board of Japan Tobacco Inc. and TDK has business relationships with the JT 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, 2024, sales of TDK to the JT Group account for less than 1% of consolidated sales of TDK.

5. Audit & Supervisory Board Members, Mr. Takakazu Momozuka, Ms. Chizuko Yamamoto and Mr. Takashi Fujino 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. Chizuko Yamamoto is a certified public accountant; thus she has considerable knowledge in the field of financing and accounting.
- Outside Audit & Supervisory Board Member Mr. Takashi Fujino has experience in fields such as accounting, finance, investor relations and corporate management in global companies; thus he 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

Regarding the Company's policy on determining the details of remuneration for individual Directors (hereinafter, "Determining Policy"), the Board of Directors meeting held on February 25, 2021 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	
<p>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.</p> <p>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.</p>	

Policy, Etc. Concerning Determination of Each Remuneration	
(1) Fixed Compensation	<p>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.</p>
(2) Results-linked Compensation, Etc.	<p>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.</p>
(3) Non-monetary Compensation, Etc.	<p>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.</p> <p>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.</p>

(4) Ratio of Remuneration	<p>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.</p> <p>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)</p>
(5) Other Important Matters	<p>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.</p>

Remuneration Determination Process, Etc.

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.

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 "Policy, Etc. Concerning Determination of Each Remuneration" 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.

Note: At the Board of Directors meeting held on April 26, 2024, the Company resolved to change its decision-making policy, subject to approval of the Third Item on the agenda of this Ordinary General Meeting of Shareholders. A summary of the content of the revised decision-making policy is provided on pages 27 to 28.

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	Restricted Stock Unit (RSU)	RSU is a type of stock remuneration which is issued based on continuous service. In case of RSU, subject to continuous service for a period of three years from the first day of the first year to the last day of the last year of the Medium-Term Plan (or a period of three years or more as determined by the Board of Directors of the Company, the "Target Period"), a pre-determined amount of the Company's shares and money is delivered after the end of the Target Period.	Fixed
	Performance Share Unit (PSU)	PSU is a type of stock remuneration which is issued based on performance. In case of PSU, an amount of the Company's shares and money calculated in accordance with the degree of achievement of performance targets set by the Medium-Term Plan is delivered after the end of the Target Period. 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.	Fluctuating (medium- to long-term)

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:

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

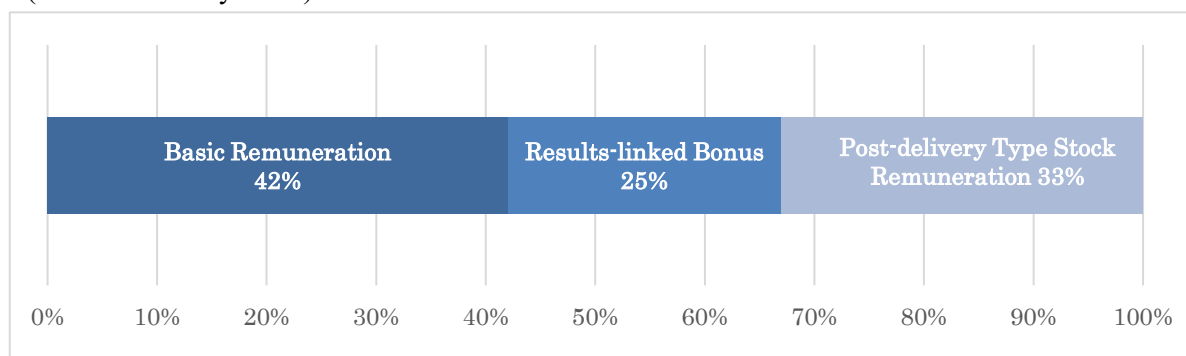
* Under RSU, the stock remuneration portion is classified as "Non-monetary compensation, etc." and the monetary compensation portion is classified under "Other compensation, etc."

** 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 466,200 shares	0.12%
Shares to be Issued as Post-delivery Type Stock Remuneration	Common Stock 196,400 shares equivalent	0.05%
Total	Common Stock 662,600 shares equivalent	0.17%

- 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 the fiscal year under review, 12,000 shares were delivered to six (6) Directors of the Company (excluding Outside Directors, including retired Directors) and 14,100 shares were delivered to fourteen (14) Corporate Officers of the Company (including retired Corporate Officers) as RSUs among the post-delivery type stock remuneration. The Company plans to deliver 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	Post-delivery type stock remuneration		
				Restricted Stock Units (RSU)	Performance Share Units (PSU)	
Directors (Excluding Outside Directors)	413	231	49	93	40	4
Outside Directors	58	58	-	-	-	3
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	62	62	-	-	-	3
Outside Audit & Supervisory Board Members	43	43	-	-	-	5

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 four (4), three (3), two (2), and three (3), respectively.

The total amount of remuneration, total amount of remuneration, etc. by type and number of eligible Directors/Audit & Supervisory Board Members of Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members as shown above include one (1) Audit & Supervisory Board Member and two (2) Outside Audit & Supervisory Board Members who retired at the close of the 127th Ordinary General Meeting of Shareholders held on June 22, 2023 and the amount of remuneration paid to them.

2. As for the results-linked bonuses and post-delivery type stock remuneration for Directors, the amounts shown above are those recorded as an expense for the fiscal year under review.

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 .

Consolidated operating income ¥190,214 million (target), ¥172,893 million (result)

Consolidated ROE 10.1% (target), 7.9% (result)

Trends in consolidated operating income and consolidated ROE, including those for the fiscal year under review, are shown in “1. (7) Assets and Earnings in the Previous Three 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 .

Consolidated operating income (cumulative amount for three-years)

¥635,100 million (target), ¥508,495 million (result)

Consolidated ROE (amount for the last year) 16.8% (target), 7.9% (result)

5. In the fiscal year under review, 12,000 shares were delivered to six (6) Directors of the Company (excluding Outside Directors, including retired Directors) as RSUs among the post-delivery type stock remuneration. The Company plans to deliver PSUs in or after the fiscal year ending March 31, 2025.
6. The total amount of remuneration, etc. by type in the above table 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, described under “Note” in “2) Structure of Remuneration for Directors and Audit & Supervisory Board Members.”

4) Matters Concerning Resolutions of General Meeting of Shareholders

Type of remuneration		Eligible for payment	Upper limit	Resolution of general meeting of shareholders	Number of eligible Directors/Audit & Supervisory Board Members at the time of relevant resolution
Basic remuneration		Directors	¥25 million per month	The 106th Ordinary General Meeting of Shareholders held on June 27, 2002	Seven (7) Directors (including one (1) Outside Director)
		Audit & Supervisory Board Members	¥120 million per year	The 124th Ordinary General Meeting of Shareholders held on June 23, 2020	Five (5) Audit & Supervisory Board Members (including three (3) Outside Audit & Supervisory Board Members)
Results-linked bonus		Directors concurrently serving as Corporate Officers	¥350 million per year	The 119th Ordinary General Meeting of Shareholders held on June 26, 2015	Four (4) Directors
Post-delivery type stock remuneration	Restricted Stock Units (RSU)	Directors (Excluding Outside Directors)	¥457 million per year (39,000 shares or less per year)	The 124th Ordinary General Meeting of Shareholders held on June 23, 2020	Four (4) Directors
	Performance Share Units (PSU)	Directors concurrently serving as Corporate Officers			Three (3) Directors

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 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 “3. Matters Concerning Directors and Audit & Supervisory Board Members (1) Names and Other Details of Directors and Audit & Supervisory Board Members.”

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
Kozue Nakayama (Outside Director)	Meetings of the Board of Directors: 14 of the 14 meetings Nomination Advisory Committee: 10 out of the 10 meetings Compensation Advisory Committee: 9 out of the 9 meetings Corporate Governance Committee: 4 out of the 4 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.
Mutsuo Iwai (Outside Director)	Meetings of the Board of Directors: 14 of the 14 meetings Nomination Advisory Committee: 10 out of the 10 meetings Compensation Advisory Committee: 9 out of the 9 meetings Corporate Governance Committee: 4 out of the 4 meetings	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 the Chair of the Board of Directors, playing an important role in strengthening the supervisory function of the Board of Directors while aiming to clearly separate management oversight and business execution.
Shoei Yamana (Outside Director)	Meetings of the Board of Directors: 14 of the 14 meetings Nomination Advisory Committee: 10 out of the 10 meetings Compensation Advisory Committee: 9 out of the 9 meetings Corporate Governance Committee: 4 out of the 4 meetings	Mr. Yamana 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 in a company that operates globally in multifunction devices, digital printing systems, health care and other businesses. Mr. Yamana serves as the Chair of the Compensation 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.

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
Douglas K. Freeman (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 14 of the 15 meetings Meetings of the Board of Directors: 13 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.
Chizuko Yamamoto (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 10 of the 10 meetings Meetings of the Board of Directors: 10 of the 10 meetings (following appointment in June 2023)	Ms. Yamamoto 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.
Takashi Fujino (Outside Audit & Supervisory Board Member)	Meetings of the Audit & Supervisory Board: 10 of the 10 meetings Meetings of the Board of Directors: 10 of the 10 meetings (following appointment in June 2023)	Mr. Fujino 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 and experience in fields such as accounting, finance, investor relations and corporate management for global companies with glass, chemicals and other operations.

Note: Unless otherwise noted, each item in this business report describes the status as of Fiscal 2024 (from April 1, 2023 to March 31, 2024) or as of the end of Fiscal 2024 (March 31, 2024).

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.

Consolidated statements of financial position

As of March 31, 2024

(¥ in millions)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	1,727,975	Current liabilities	1,016,890
Cash and cash equivalents	649,998	Borrowings	212,907
Trade receivables	558,298	Lease liabilities	11,627
Other financial assets	47,052	Trade payables	351,940
Inventories	406,084	Other financial liabilities	81,774
Income taxes receivables	4,828	Income taxes payables	38,746
Other current assets	61,715	Provisions	12,605
Non-current assets	1,687,329	Other current liabilities	307,291
Investments accounted for using the equity method	36,990	Non-current liabilities	683,473
Other financial assets	184,425	Bonds and borrowings	400,259
Property, plant and equipment	991,072	Lease liabilities	60,943
Right-of-use assets	71,334	Other financial liabilities	5,837
Goodwill	168,383	Retirement benefit liabilities	98,388
Intangible assets	57,114	Provisions	13,660
Long-term advances to suppliers	105,941	Deferred tax liabilities	91,616
Deferred tax assets	56,183	Other non-current liabilities	12,770
Other non-current assets	15,887	Total liabilities	1,700,363
		Equity	
		Equity attributable to owners of parent	1,707,332
		Share capital	32,641
		Capital surplus	34
		Retained earnings	1,138,732
		Other components of equity	551,998
		Treasury shares	(16,073)
		Non-controlling interests	7,609
		Total equity	1,714,941
Total assets	3,415,304	Total liabilities and equity	3,415,304

Note: The amounts are rounded to the nearest million yen.

Consolidated statements of profit or loss

Fiscal year ended March 31, 2024

(¥ in millions)

Account	Amount
Net sales	2,103,876
Cost of sales	(1,500,858)
Gross profit	603,018
Selling, general and administrative expenses	(452,520)
Other operating income	22,712
Other operating expenses	(317)
Operating profit	172,893
Finance income	35,902
Finance costs	(30,224)
Share of profit/(loss) of investments accounted for using the equity method	670
Profit before tax	179,241
Income tax expense	(53,106)
Net profit	126,135
Net profit attributable to:	
Owners of parent	124,687
Non-controlling interests	1,448
Net profit	126,135

Note: The amounts are rounded to the nearest million yen.

Consolidated statements of cash flows (for reference)

Fiscal year ended March 31, 2024

(¥ in millions)

Account	Amount
Cash flows from operating activities	
Net profit	126,135
Depreciation and amortization	190,546
Impairment losses (reversal of impairment losses)	9,570
Finance income	(35,902)
Finance costs	30,224
Share of (profit)/loss of investments accounted for using the equity method	(670)
Income tax expense	53,106
Changes in assets and liabilities:	
Decrease (increase) in trade receivables	36,976
Decrease (increase) in inventories	72,950
Decrease (increase) in long-term advances to suppliers	13,093
Decrease (increase) in other current assets	(2,905)
Increase (decrease) in trade payables	(19,744)
Increase (decrease) in other current liabilities	14,966
Increase (decrease) in retirement benefit liabilities	(4,533)
Net change in other financial assets and liabilities	10,163
Other	(18,794)
Subtotal	475,181
Interest and dividends received	20,965
Interest paid	(8,942)
Income taxes paid	(40,197)
Cash flows from operating activities	447,007

Note: The amounts are rounded to the nearest million yen.

Consolidated statements of cash flows (for reference)

Fiscal year ended March 31, 2024

(¥ in millions)

Account	Amount
Cash flows from investing activities	
Purchase of tangible and intangible assets	(218,589)
Proceeds from sale of tangible and intangible assets	26,100
Proceeds from withdrawal of time deposits	44,796
Payments into time deposits	(43,183)
Proceeds from sale and redemption of securities	1,952
Payment for purchase of securities	(17,918)
Purchase of investments in associates	(9,693)
Other	(57)
Cash flows from investing activities	(216,592)
Cash flows from financing activities	
Proceeds from long-term borrowings	80,339
Repayment of long-term borrowings	(25,478)
Net increase (decrease) in short-term borrowings	(168,237)
Proceeds from bonds	20,000
Repayment of lease liabilities	(12,286)
Dividends paid	(42,152)
Other	1,446
Cash flows from financing activities	(146,368)
Effect of exchange rate changes on cash and cash equivalents	59,766
Net increase in cash and cash equivalents	143,813
Cash and cash equivalents at beginning of year	506,185
Cash and cash equivalents at end of year	649,998

Note: The amounts are rounded to the nearest million yen.

CERTIFIED COPY OF ACCOUNTING AUDITOR'S REPORT
FOR CONSOLIDATED FINANCIAL STATEMENTS

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

Independent Auditor's Report

(May 17, 2024)

To the Board of Directors of TDK Corporation:

KPMG AZSA LLC
Tokyo Office, Japan

Michitaka Shishido
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Ryoma Dodo
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity and notes to the consolidated financial statements of TDK Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is

responsible for the preparation and presentation of the other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

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

Our objectives are 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 issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting

and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act 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 for the conveniences of the reader.

End

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 128th fiscal year commencing on April 1, 2023 and ending on March 31, 2024 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" (Business Accounting Council), 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 the Financial Statements) and the supplementary schedules thereof, and the consolidated financial statements (Consolidated Statement of Financial Position, Consolidated Statement of Operations, Consolidated Statement of Changes in Equity and List of Notes to the 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 21, 2024

Audit & Supervisory Board
TDK Corporation

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

Full-time Audit & Supervisory Board Member
Masato Ishikawa (Seal)

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

Outside Audit & Supervisory Board Member
Chizuko Yamamoto (Seal)

Outside Audit & Supervisory Board Member
Takashi Fujino (Seal)

End