

# **Consolidated Full Year Projections for FY March 2016 and Mid-Term Policy**

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# Consolidated Full Year Projections for FY March 2016

# FY March 2016 Full Year / Dividend Projections



	(Yen billions)	FY March 2015 Full Year Results	FY March 2016 Full Year Projections	YoY Change	
				Yen billions	%
<b>Net sales</b>		1,082.6	<b>1,180.0</b>	97.4	9.0%
<b>Operating income</b>		72.5	<b>95.0</b>	22.5	31.0%
<b>Operating income margin</b>		6.7%	<b>8.1%</b>	+1.4pt	-
<b>Income from continuing operations before income taxes</b>		74.5	<b>95.0</b>	20.5	27.5%
<b>Net income</b>		49.4	<b>65.0</b>	15.6	31.6%
<b>Earning per share (JPY)</b>		392.78	<b>515.92</b>	-	-
<b>Dividends (JPY)</b>		1st half : 40 2nd half : 50 Annual: 90	<b>1st half : 60 2nd half : 60 Annual : 120</b>	-	-
<b>Ex-rate</b>	US\$(JPY)	109.84	<b>115.00</b>	-	
	EURO(JPY)	138.88	<b>130.00</b>	-	

# Projections for FY March 2016 -Image of change in sales

(Yen billions)

Segment	FY March 2015 Full Year Results	FY March 2016 Full Year Projections (YoY Change)
Passive Components	541.2	+7~+10%
Magnetic Application Products	369.2	±0%
Film Application Products	151.3	+25%+α
Other	20.9	-
<b>Total</b>	<b>1,082.6</b>	<b>1,180.0</b>

Forex assumptions

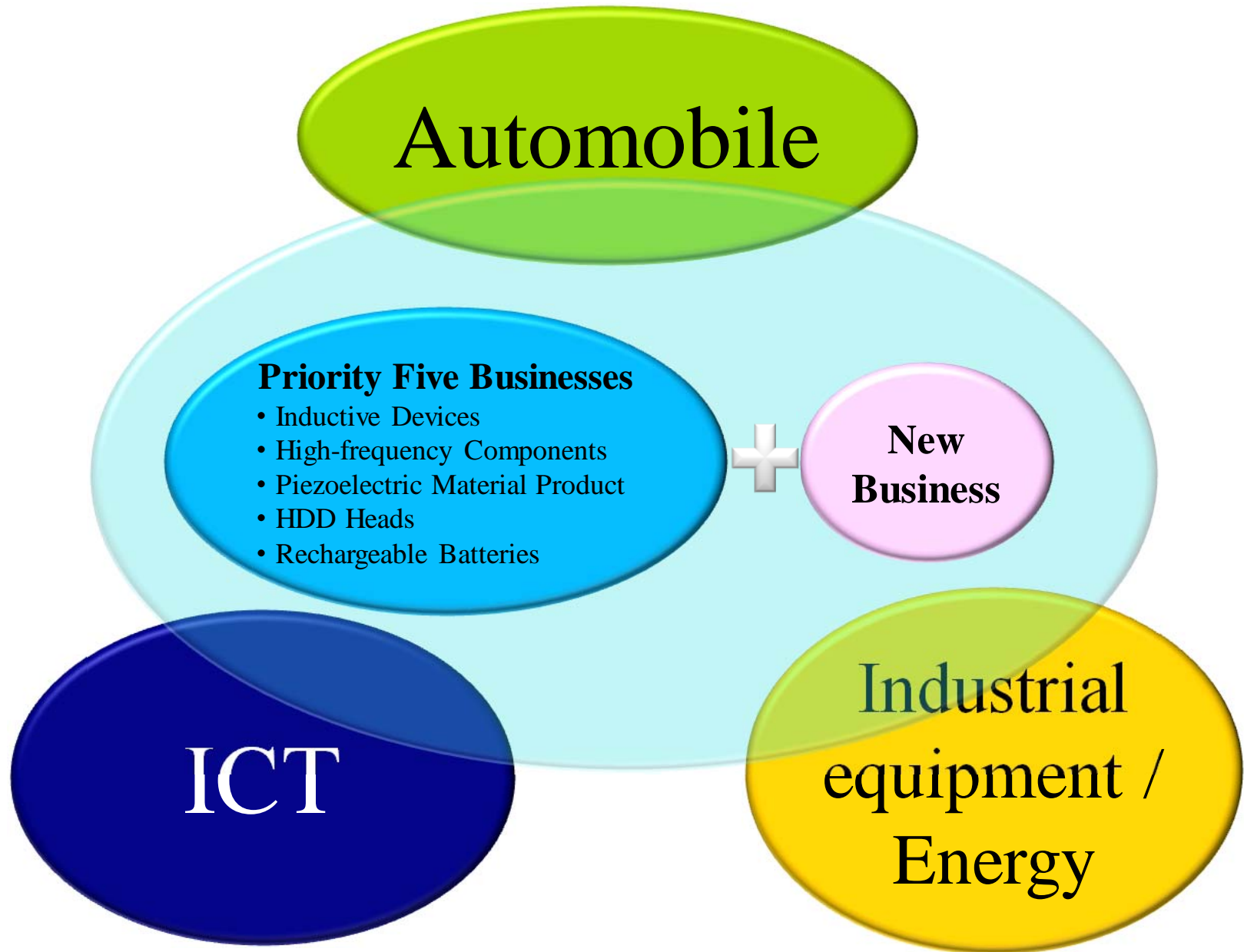
US\$(JPY) 109.84  
EURO(JPY) 138.88

115.00  
130.00

Segment	The Market Environment and Key Themes
<b>Passive Components</b> (Inductive Devices)	Share expansion of thin-film and multi-layered products in the ICT and automotive markets
<b>Passive Components</b> (High-frequency Components)	Sales growth of small, high performance discrete components (TC-SAW, BAW) as a result of the LTE market expanding Expanded market share of modular products
<b>Passive Components</b> (Piezoelectric Materials)	Expansion of the OIS business (increased usage rate among smartphones in China)
<b>Magnetic Application Products</b> (HDD Heads)	Unit decrease in the HDD market due to demand for PCs diminishing 551 million units in FY March 2015 ⇒530 million units in FY March 2016 (3.8% decrease) Continued expansion in products for data centers, and improved product mix
<b>Film Application Products</b> (Rechargeable Batteries)	Continued expansion in demand for polymer batteries as a result of thinner profile mobile devices Customer portfolio expansion

# Mid-Term Policy

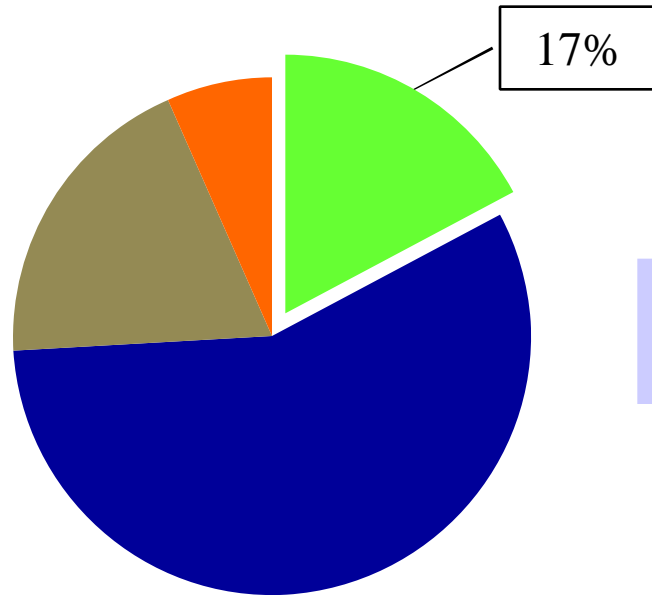
## (FY March 2016 – FY March 2018)



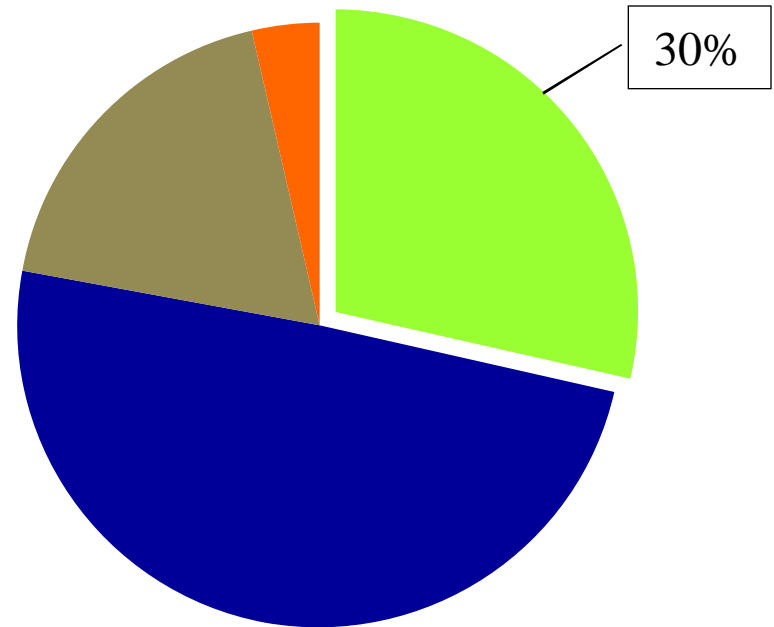
# Sales Growth Projections by Priority Markets

Sales ratio for Automobile market to be 30%

**FY March 2015**



**FY March 2018**

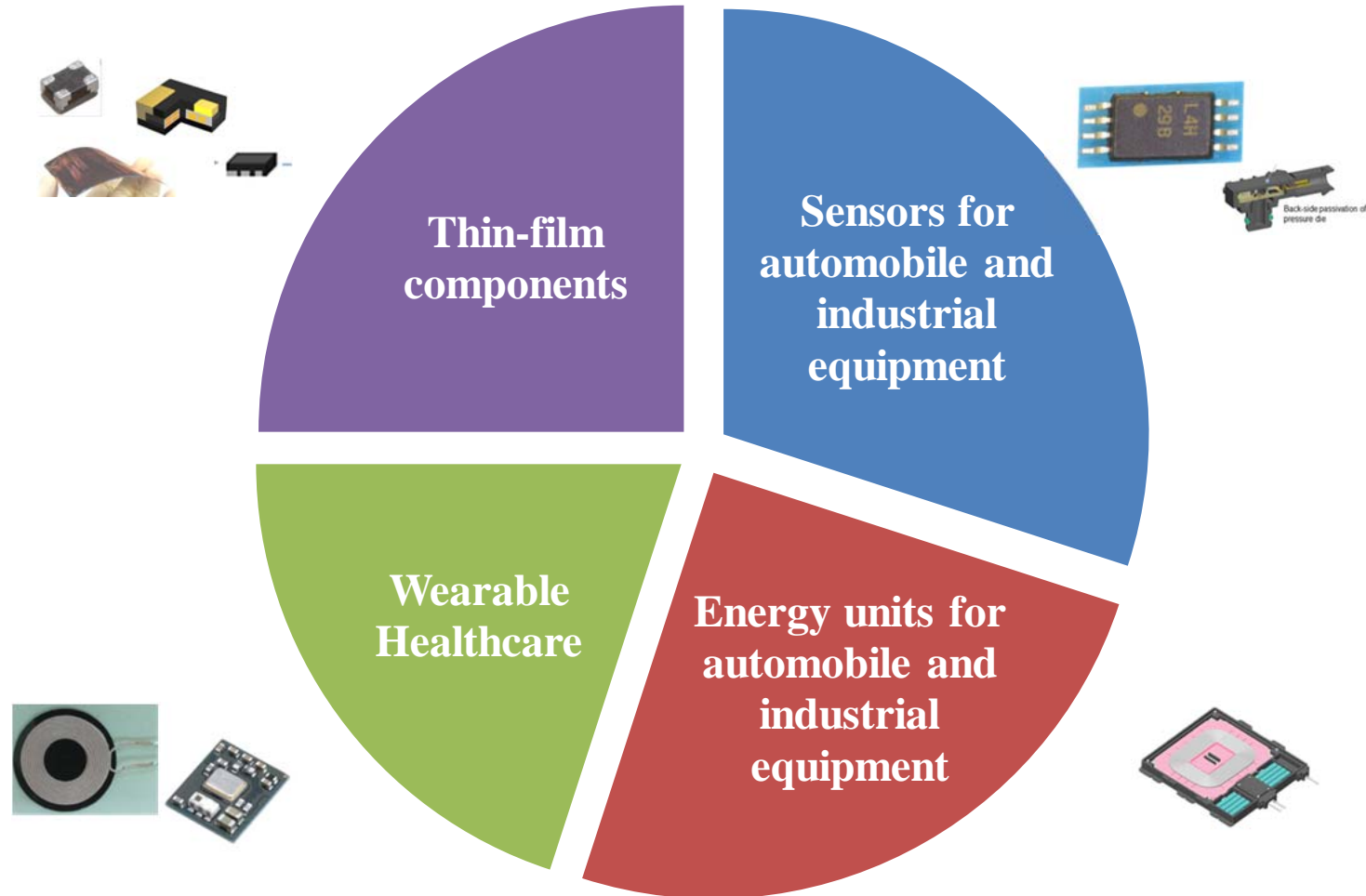


■ Automobile   ■ ICT\*   ■ Industrial & Others   ■ Consumer

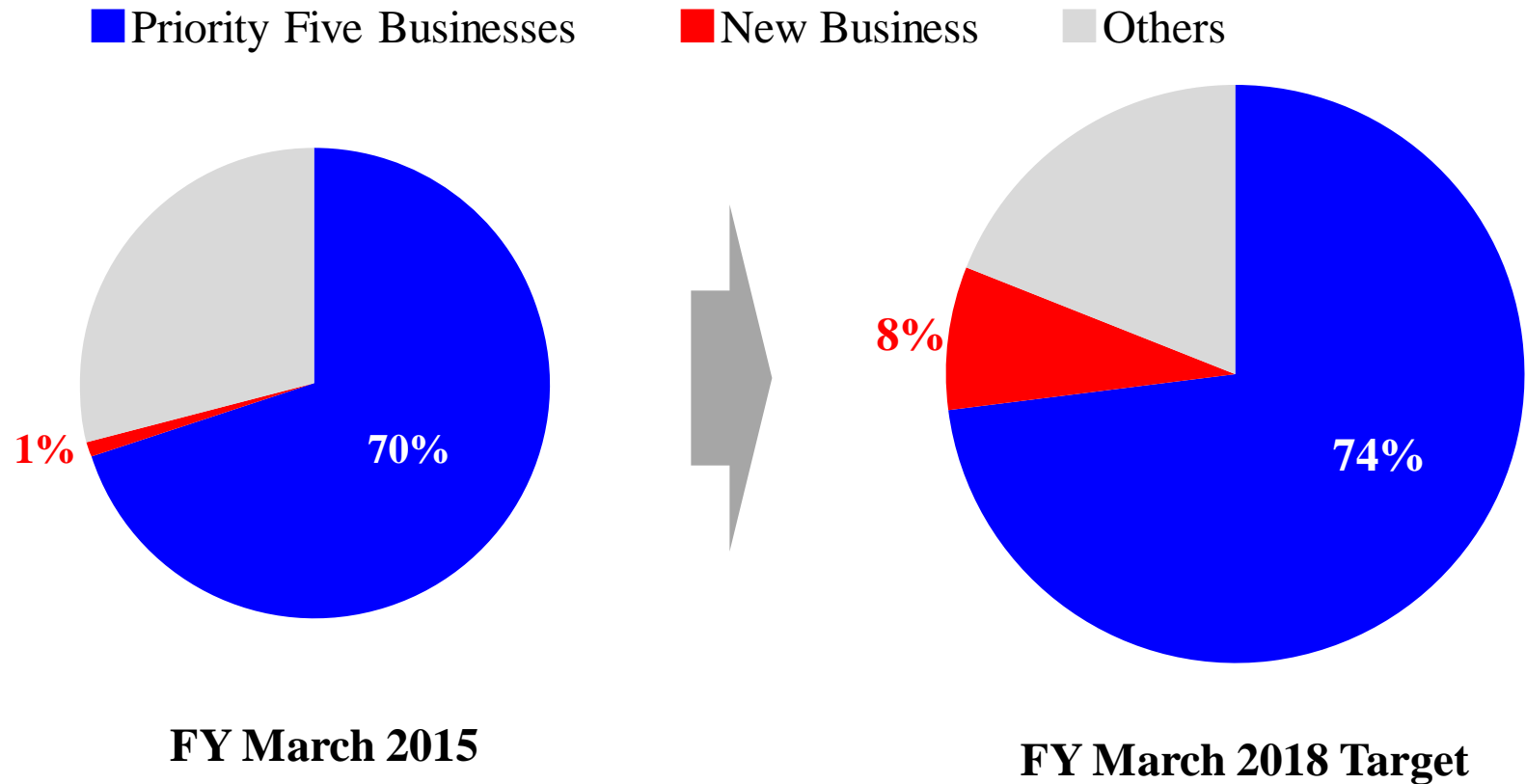
\*Includes HDD Heads and HDD Suspensions



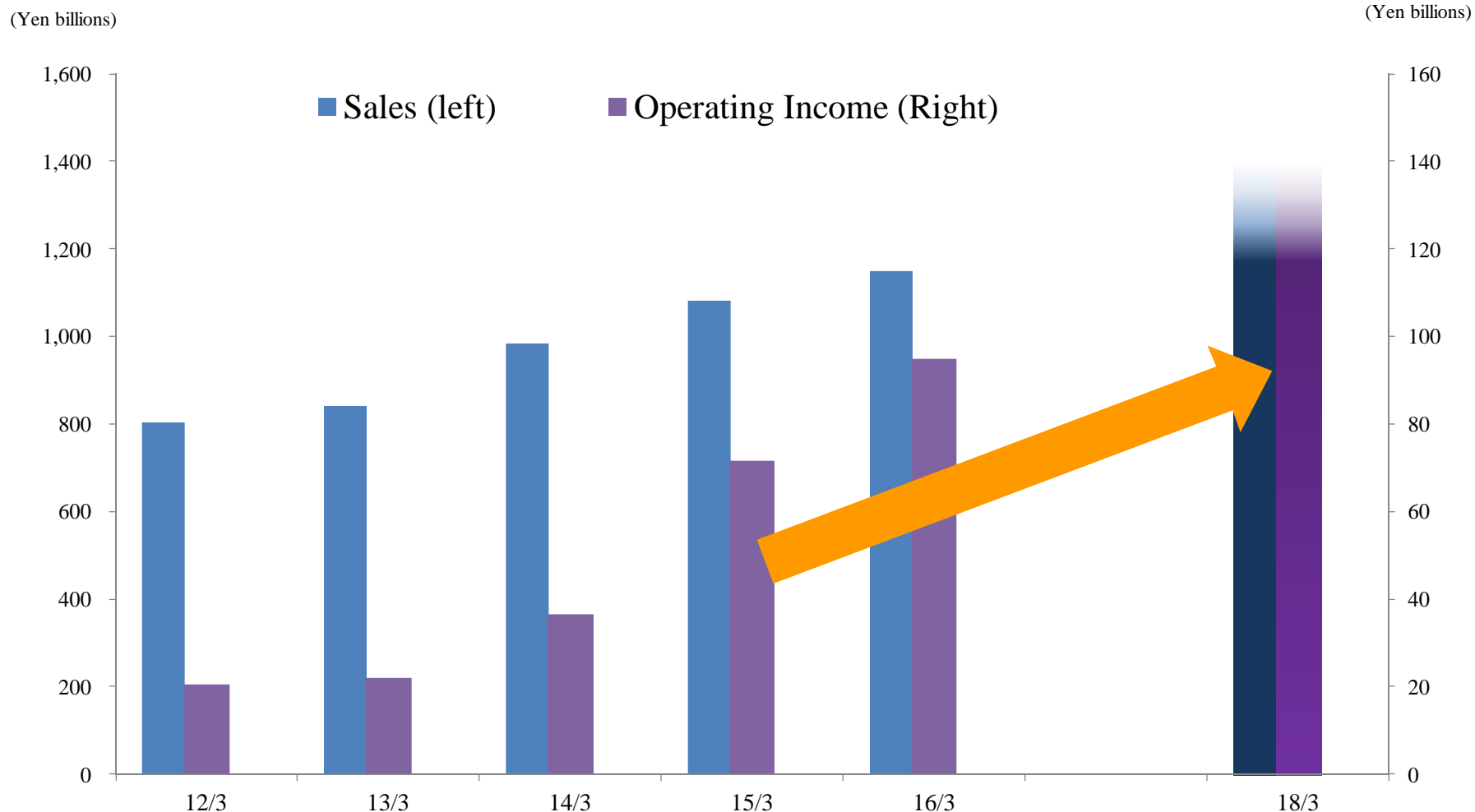
**Aim for over 100.0 billion yen or more in sales by FY March 2018**



# Sales Growth of Priority Five Businesses & New Business



# Operating results and mid-term projections



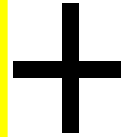
\*Forex assumptions after FY March 2016 onward : US\$ 115 yen, EURO 130 yen

## Industrial 4.0

Monitoring network with the sensor and ICT

Real time control of manufacturing process

Big data analyses  $\Rightarrow$  feedback to Monozukuri



## Pursuit of zero defects

Construct an origin control scheme

Monozukuri innovation

Inventory control innovation

Energy control innovation



Implement this innovation to Akita new factory  
 $\Rightarrow$  Roll out to other factories

(Yen billions)

## Total investment over the next 3 years (Mid-Term Business Plan)

## FY March 2016 Projections

<b>Capital Expenditure</b>	<b>350.0~ 400.0</b>	<b>130.0</b>
<b>R&amp;D Investment</b>	<b>About 230.0</b>	<b>77.0</b>

- Construction of new factory buildings in the Akita area
- Production capacity increase in the 5 core businesses
- Investment in new products and new businesses

## Growth Investment

- Investment in new products, new businesses, and M&A
- Increase production capacity of existing businesses

## Return to Shareholders

- Stabilize or increase dividends through EPS growth
- Target a 30% dividend payout ratio

	<b>FY March 2015 Results</b>	<b>FY March 2018 Target</b>
<b>Operating Income Margin</b>	6.7%	Over 10%
<b>ROE</b>	7.2%	Over 10%

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Text data including Q&A of performance briefing will be uploaded on following site  
[http://www.global.tdk.com/ir/ir\\_events/conference/2015/4q\\_1.htm](http://www.global.tdk.com/ir/ir_events/conference/2015/4q_1.htm)