

# Consolidated Results for First Half of FY March 2019

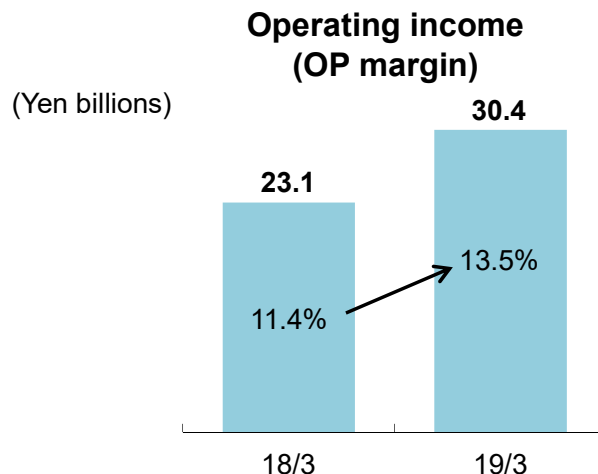
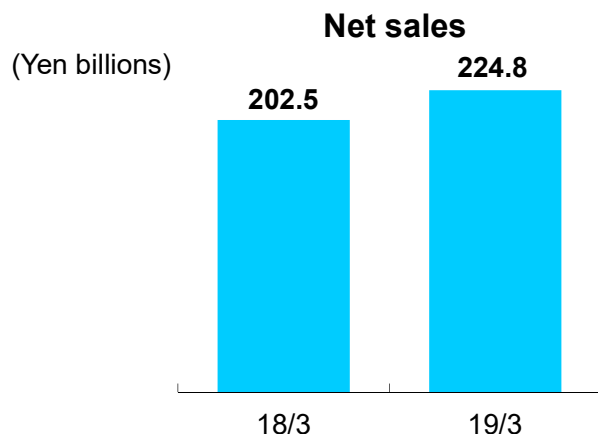
Tetsuji Yamanishi  
Senior Vice President

- **Net sales and operating income both achieved new records both on a half-yearly and a quarterly basis\***
    - Net sales rose 15.8% year on year. Operating income increased 40.7% year on year.
    - In the Passive Components segment, TDK continued to expand earnings centered on Capacitors against a backdrop of strong demand in the automotive market.
    - The ICT market drove overall earnings with brisk sales of Rechargeable Batteries for mobile device applications including smartphones, notebook PCs and tablets.
    - HDD Heads increased profits as strong demand from data centers continued with further support gained from the restructuring of production sites.
    - An impairment loss was recorded for ferrite magnets ahead of revitalizing the magnet business.
- \* Operating income is compared on the basis excluding a gain on sale of business recorded in the year ended March 2017.

# Consolidated results for first half of FY March 2019

	(Yen billions)	FY March 2018 Results through 2Q (2017.4.1-2017.9.30)	FY March 2019 Results through 2Q (2018.4.1-2018.9.30)	Change	
				Yen billions	%
Net sales		623.6	<b>721.9</b>	98.3	15.8
Operating income		44.2	<b>62.2</b>	18.0	40.7
Operating income margin		7.1%	<b>8.6%</b>	+1.5pt	-
Income before income taxes		44.3	<b>57.8</b>	13.5	30.5
Net income		30.7	<b>41.1</b>	10.4	33.9
Earning per share (JPY)		243.15	<b>325.30</b>	-	-
Ex-rate	US\$ (JPY)	111.08	<b>110.30</b>	Appreciated by 0.7%	
	EURO (JPY)	126.16	<b>129.90</b>	Depreciated by 3.0%	
Ex-rate impact to net sales & operating income		Net sales : Increased by about 2.1 billion Yen Operating income : Increased by about 1.5 billion Yen			

# First half results - Passive Components segment



**Net sales 224.8 billion yen (up 11.0% year on year)**  
**Operating income 30.4 billion yen (up 31.6% year on year)**

- **Ceramic Capacitors**

- Sales and earnings increased year on year as strong demand continued.
- Sales mainly to the automotive market increased.

- **Aluminum Electrolytic Capacitors and Film Capacitors**

- Sales and profit increased year on year.
- Sales to the industrial equipment and the automotive markets increased.

- **Inductive Devices**

- Sales and profit increased year on year.
- Sales to the automotive and the ICT markets were firm.

- **High-Frequency Components**

- Sales increased year on year.
- Sales to the ICT market increased.

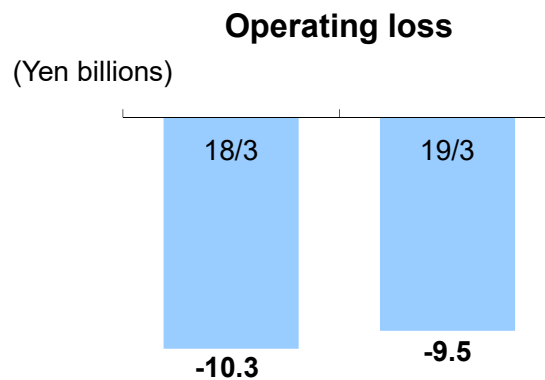
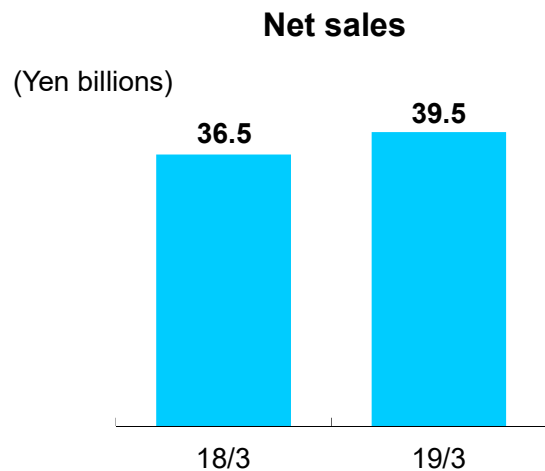
- **Piezoelectric Material Products and Circuit Protection Components**

- Sales and profit increased year on year.
- Sales to the industrial equipment market increased.

18/3: FY March 2018

# First half results - Sensor Application Products segment

Attracting Tomorrow

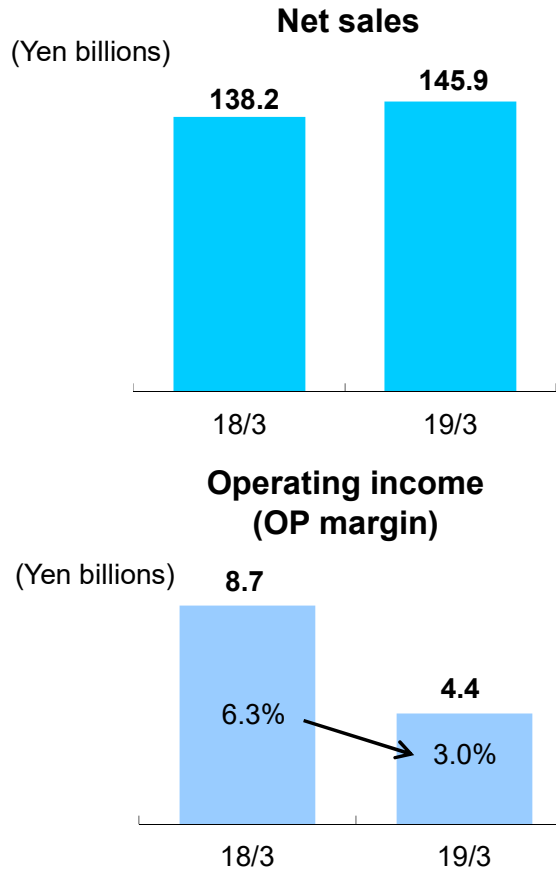


**Net sales 39.5 billion yen (up 8.2% year on year)**  
**Operating loss -9.5 billion yen (down —% year on year)**

- **Sensors**

- Sales increased year on year.
- Sales of Temperature and Pressure Sensors and Magnetic Sensors increased to the automotive market.
- Sales of Magnetic Sensors also increased to the ICT market.

18/3: FY March 2018



18/3: FY March 2018

**Net Sales 145.9 billion yen (up 5.6% year on year)**  
**Operating income 4.4 billion yen (down 49.4% year on year)**

- **HDD Heads**

- Both sales and operating income of HDD Heads increased year on year due to an improved product mix and strong demand from data centers despite a decrease in sales volume.

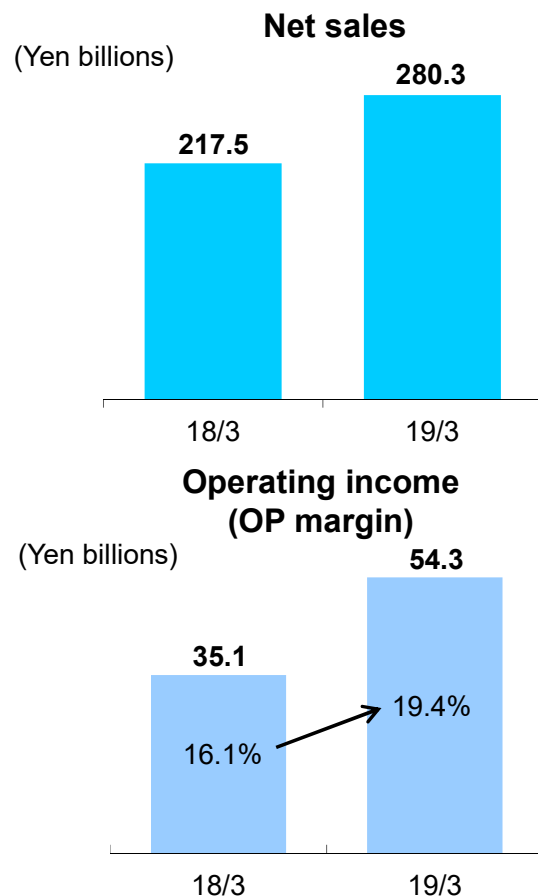
- **HDD Suspension Assemblies**

- Sales of HDD suspensions increased due to an increase in sales volume and an improved product mix.
- Sales of Suspension Application Products (Additive Metal Deposition Components) increased to the ICT market.

- **Magnets**

- Sales and profit decreased year on year.
- The product mix worsened due to decreased sales for wind power generation.
- Impairment loss recorded in 2Q.

# First half results - Energy Application Products segment



**Net Sales 280.3 billion yen (up 28.9% year on year)**  
**Operating income 54.3 billion yen (up 54.7% year on year)**

- **Energy Devices (Rechargeable Batteries)**

- Sales and profit increased year on year.
- In the ICT market, sales expanded for mobile device application such as smartphones, notebook PCs, tablets.
- Sales also increased for new applications such as game consoles.

- **Power Supplies**

- Sales and profit of Power Supplies for industrial equipment increased year on year due to strong demand.

18/3: FY March 2018

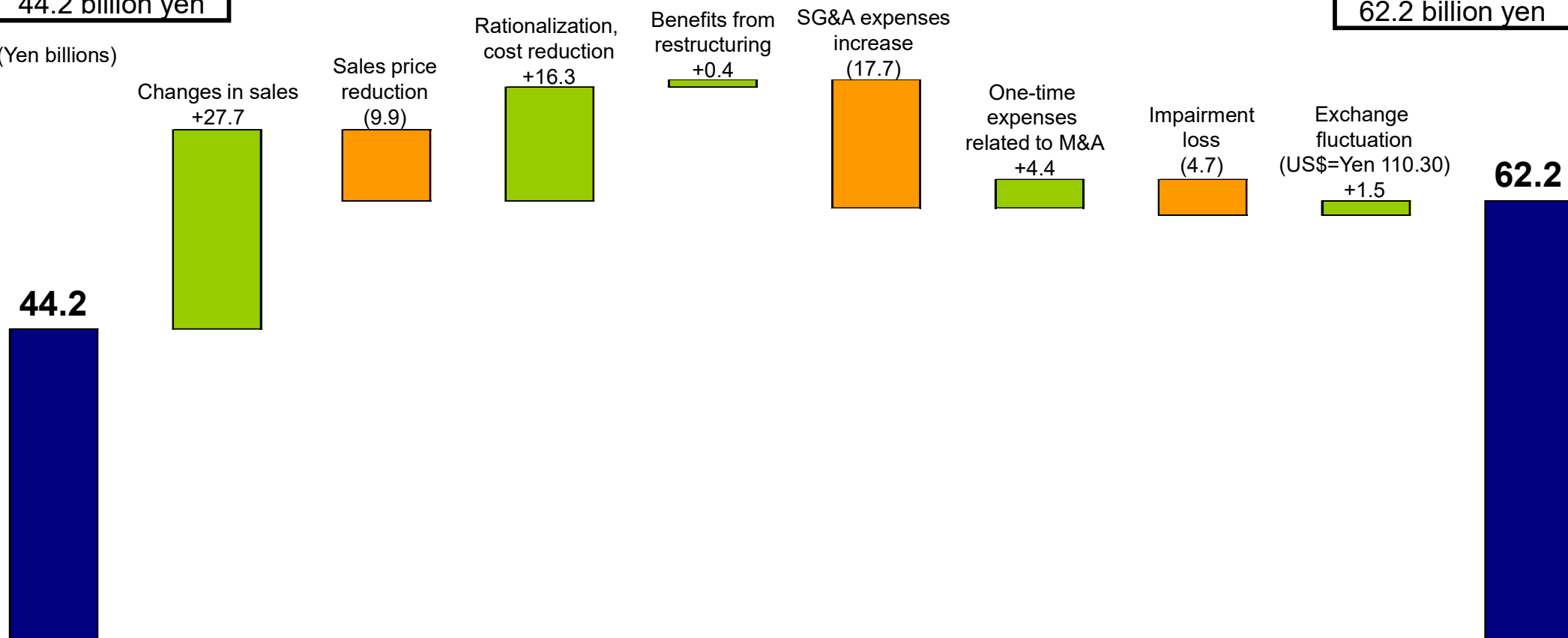
# Breakdown of operating income changes

First half of  
FY March 2018  
44.2 billion yen

**Operating income +18.0 billion yen**

First half of  
FY March 2019  
62.2 billion yen

(Yen billions)





# Consolidated results for 2Q of FY March 2019

(Yen billions)		FY March 2018 2Q results	FY March 2019 2Q results	Change	
				Yen billions	%
<b>Net sales</b>		334.0	<b>378.9</b>	44.9	13.4
<b>Operating income</b>		27.6	<b>36.8</b>	9.2	33.3
Operating income margin		8.3%	<b>9.7%</b>	+1.4 pt	-
<b>Income before income taxes</b>		27.3	<b>34.1</b>	6.8	24.9
<b>Net income</b>		19.7	<b>24.9</b>	5.2	26.4
<b>Earning per share (JPY)</b>		156.35	<b>197.03</b>	-	-
Ex-rate	US\$ (JPY)	111.01	<b>111.50</b>	Depreciated by 0.4%	
	EURO (JPY)	130.26	<b>129.63</b>	Appreciated by 0.5%	
<b>Ex-rate impact to net sales &amp; operating income</b>		Net sales : Decreased by about 0.7 billion Yen Operating income : Increased by about 0.4 billion Yen			

# Quarterly results by segment

Attracting Tomorrow



(Yen billions)		2Q of FY March 2018 (A)	1Q of FY March 2019 (B)	2Q of FY March 2019 (C)	YoY change (C)-(A)		QoQ change (C)-(B)	
					Yen billions	%	Yen billions	%
Net sales	Capacitors	39.2	44.5	<b>43.9</b>	4.7	12.0	(0.6)	-1.3
	Inductive Devices	40.5	41.3	<b>41.6</b>	1.1	2.7	0.3	0.7
	Other Passive Components	26.2	26.9	<b>26.6</b>	0.4	1.5	(0.3)	-1.1
	<b>Passive Components</b>	<b>105.8</b>	<b>112.7</b>	<b>112.1</b>	<b>6.3</b>	<b>6.0</b>	<b>(0.6)</b>	<b>-0.5</b>
	<b>Sensor Application Products</b>	<b>20.2</b>	<b>18.9</b>	<b>20.6</b>	<b>0.4</b>	<b>2.0</b>	<b>1.7</b>	<b>9.0</b>
	<b>Magnetic Application Products</b>	<b>71.8</b>	<b>70.5</b>	<b>75.4</b>	<b>3.6</b>	<b>5.0</b>	<b>4.9</b>	<b>7.0</b>
	<b>Energy Application Products</b>	<b>122.2</b>	<b>125.6</b>	<b>154.8</b>	<b>32.6</b>	<b>26.7</b>	<b>29.2</b>	<b>23.2</b>
	<b>Other</b>	<b>14.1</b>	<b>15.4</b>	<b>16.0</b>	<b>1.9</b>	<b>13.5</b>	<b>0.6</b>	<b>3.9</b>
	<b>Total</b>	<b>334.0</b>	<b>343.1</b>	<b>378.9</b>	<b>44.9</b>	<b>13.4</b>	<b>35.8</b>	<b>10.4</b>
Operating income	<b>Passive Components</b>	<b>12.8</b>	<b>14.0</b>	<b>16.4</b>	<b>3.6</b>	<b>28.1</b>	<b>2.4</b>	<b>17.1</b>
	<b>Sensor Application Products</b>	<b>(5.8)</b>	<b>(4.9)</b>	<b>(4.6)</b>	<b>1.2</b>	<b>-</b>	<b>0.3</b>	<b>-</b>
	<b>Magnetic Application Products</b>	<b>5.0</b>	<b>3.5</b>	<b>0.9</b>	<b>(4.1)</b>	<b>-82.0</b>	<b>(2.6)</b>	<b>-74.3</b>
	<b>Energy Application Products</b>	<b>21.6</b>	<b>21.0</b>	<b>33.3</b>	<b>11.7</b>	<b>54.2</b>	<b>12.3</b>	<b>58.6</b>
	<b>Other</b>	<b>(0.2)</b>	<b>(1.0)</b>	<b>(1.7)</b>	<b>(1.5)</b>	<b>-</b>	<b>(0.7)</b>	<b>-</b>
	<b>Sub total</b>	<b>33.4</b>	<b>32.5</b>	<b>44.4</b>	<b>11.0</b>	<b>32.9</b>	<b>11.9</b>	<b>36.6</b>
	<b>Corporate and eliminations</b>	<b>(5.8)</b>	<b>(7.1)</b>	<b>(7.6)</b>	<b>(1.8)</b>	<b>-</b>	<b>(0.5)</b>	<b>-</b>
<b>Total</b>	<b>27.6</b>	<b>25.4</b>	<b>36.8</b>	<b>9.2</b>	<b>33.3</b>	<b>11.4</b>	<b>44.9</b>	
Operating income margin		8.3%	7.4%	<b>9.7%</b>	+1.4pt	-	+2.3pt	-
Ex-rate	US\$ (JPY)	111.01	109.09	<b>111.50</b>				
	EURO (JPY)	130.26	130.16	<b>129.63</b>				

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