

**Consolidated Results for
3Q of FY March 2019
Consolidated Full Year Projections for
FY March 2019**

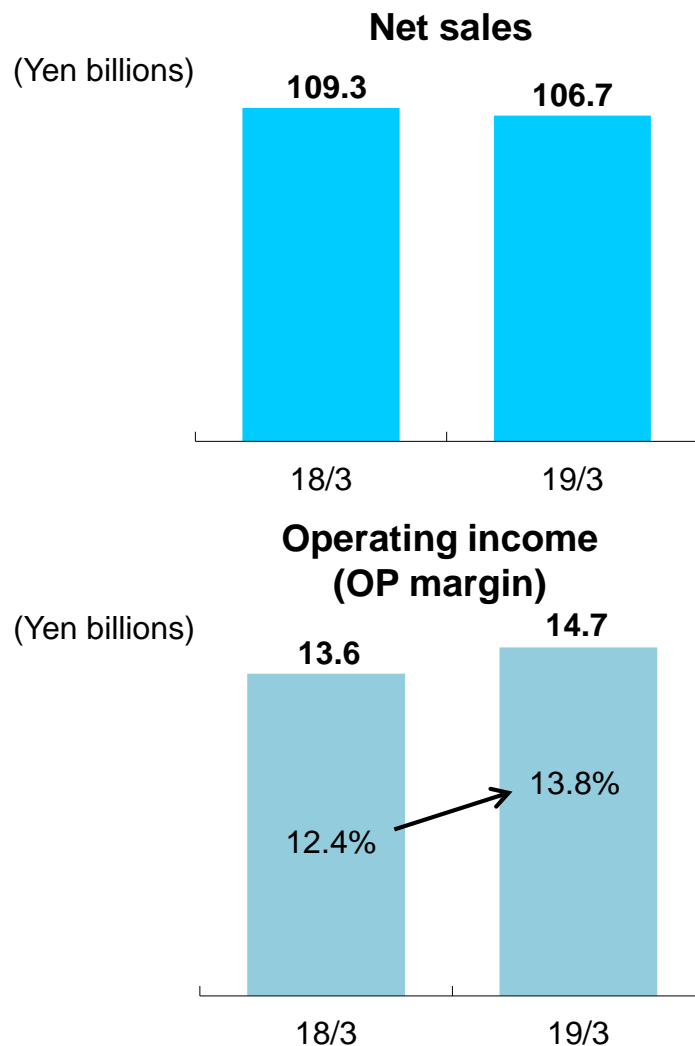
Tetsuji Yamanishi
Senior Vice President

- **Net sales for 3Q rose 2.8% year on year. Operating income decreased 2.1% year on year**
- **Net sales, operating income, income before income taxes, and net income all achieved new record highs for a nine-month period**
 - Brisk sales of Capacitors for the automotive market lifted the overall earnings base for the Passive Components segment.
 - Rechargeable Batteries drove overall earnings with expanded sales to the Chinese smartphone market maintaining high profitability.
- **Sharp deterioration in orders from midway through the third quarter due to the impact of the deceleration in the Chinese economy**
 - Revised consolidated full-year projections in light of the significant deterioration in the level of orders assumed at the time of the previous announcement (October 31, 2018).
 - Focused on achieving Medium-Term Plan targets in light of the medium-term management environment.

Consolidated results for 3Q of FY March 2019

(Yen billions)	FY March 2018 3Q results	FY March 2019 3Q results	Change	
			Yen billions	%
Net sales	341.1	350.8	9.7	2.8
Operating income	33.5	32.8	(0.7)	-2.1
Operating income margin	9.8%	9.4%	-0.4 pt	-
Income before income taxes	33.5	31.0	(2.5)	-7.5
Net income	21.6	22.4	0.8	3.7
Earning per share (JPY)	170.96	177.45	-	-
Ex-rate	US\$ (JPY)	112.97	112.90	Appreciated by 0.1%
	EURO (JPY)	133.00	128.87	Appreciated by 3.1%
Ex-rate impact to net sales & operating income	Net sales : Decreased by about 4.9 billion Yen Operating income : Decreased by about 0.3 billion Yen			

3Q results - Passive Components segment

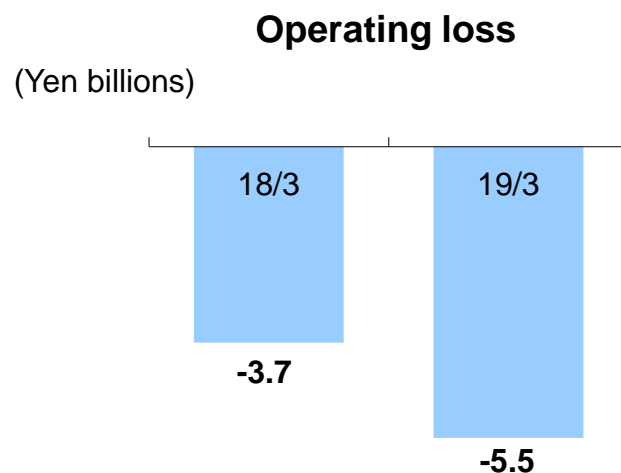
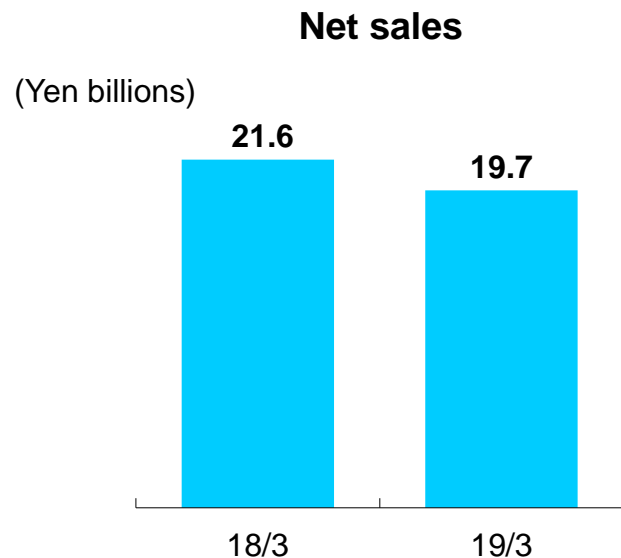


18/3: FY March 2018

Net sales 106.7 billion yen (down 2.4% year on year)
Operating income 14.7 billion yen (up 8.1% year on year)

- **Ceramic Capacitors**
 - ↪ Sales and profit increased year on year.
 - ↪ Sales increased due to strong demand in the automotive market.
- **Aluminum Electrolytic Capacitors and Film Capacitors**
 - ↪ Sales and profit decreased year on year.
 - ↪ Sales to the industrial equipment market decreased.
- **Inductive Devices**
 - ↪ Sales declined year on year while operating income maintained the same level.
 - ↪ Sales decreased for applications such as industrial equipment, game consoles, and home electric appliances.
- **High-Frequency Components**
 - ↪ Sales increased year on year.
 - ↪ Sales to the ICT market increased.
- **Piezoelectric Material Products and Circuit Protection Components**
 - ↪ Sales declined year on year while operating income maintained the same level.
 - ↪ Sales to the ICT market decreased.

3Q results - Sensor Application Products segment



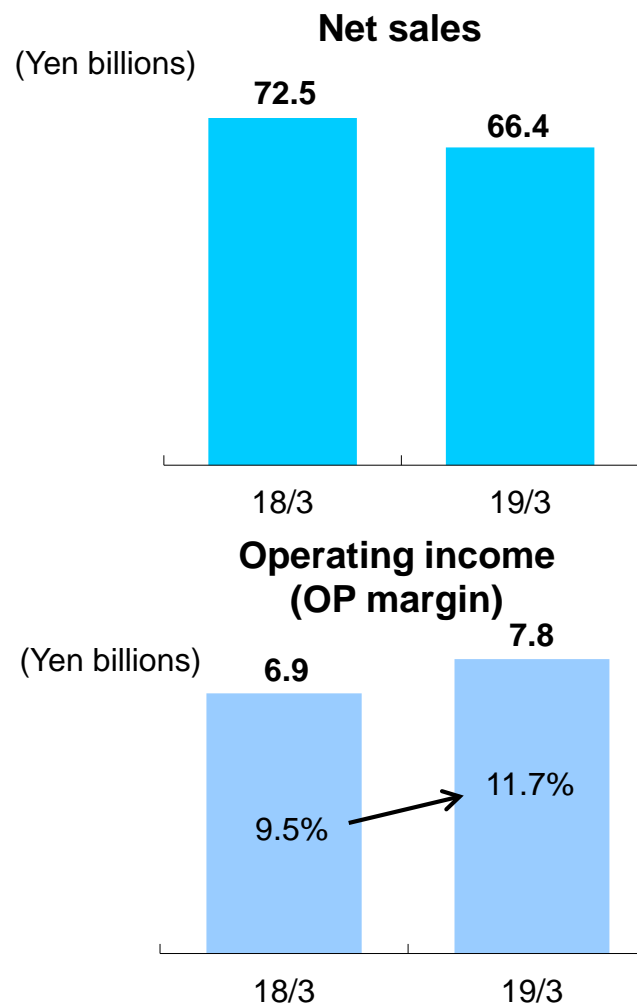
Net sales 19.7 billion yen (down 8.8% year on year)
Operating loss -5.5 billion yen (up —% year on year)

- **Sensors**

- Temperature and Pressure Sensors achieved higher sales year on year atop growth in sales for automobiles, while operating income maintained the same level.
- Magnetic Sensors achieved higher sales and profit atop growth in sales of Hall Sensors for automobiles. TMR Sensors saw improved profitability despite a decline in sales for smartphones.
- MEMS Sensors saw declines in sales and profits as sales of existing products slumped due to the impact of the deceleration in the Chinese economy.

18/3: FY March 2018

3Q results - Magnetic Application Products segment



18/3: FY March 2018

Net Sales 66.4 billion yen (down 8.4% year on year)
Operating income 7.8 billion yen (up 13.0% year on year)

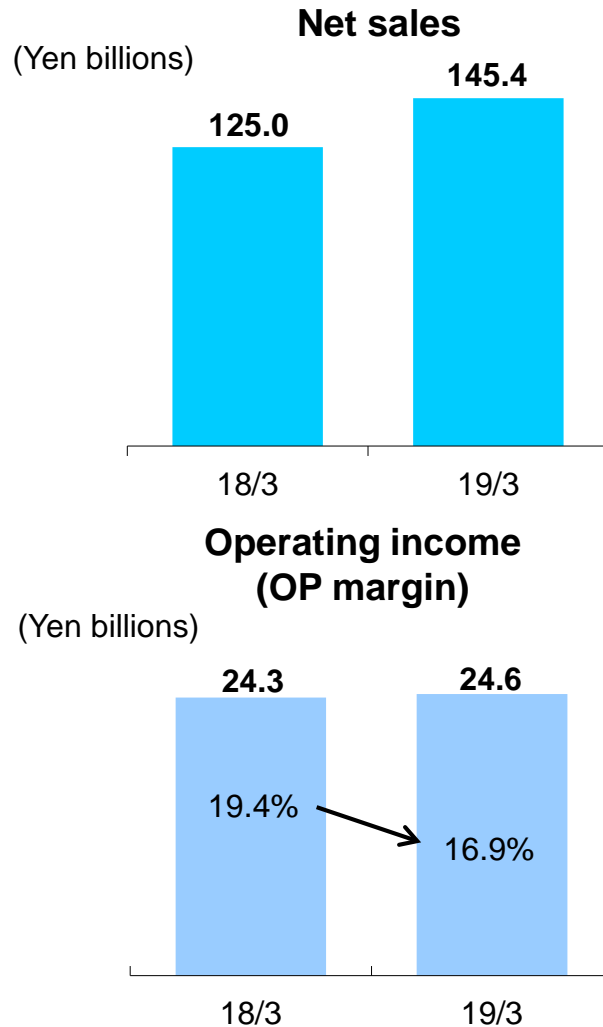
- **HDD Heads and HDD Suspension Assemblies**

- Sales decreased while profit increased year on year.
- Sales decreased mainly due to lower volume of HDD assembly.
- Profit increased due to the improved product mix of HDD Heads and Suspension Assemblies, as well as the enhanced profitability of Suspension Application Products (Additive Metal Deposition Components).

- **Magnets**

- Sales and profit decreased year on year.
- Sales decreased for wind power generation and industrial equipment.

3Q results - Energy Application Products segment



Net Sales 145.4 billion yen (up 16.3% year on year)
Operating income 24.6 billion yen (up 1.2% year on year)

- **Energy Devices (Rechargeable Batteries)**

- Sales and profit increased year on year.
- Sales expanded for mobile device application such as smartphones, notebook PCs, and tablets.

- **Power Supplies**

- Sales and profit of Power Supplies for industrial equipment decreased year on year due to slowdown in demand.

18/3: FY March 2018

Quarterly results by segment

(Yen billions)		3Q of FY March 2018 (A)	2Q of FY March 2019 (B)	3Q of FY March 2019 (C)	YoY change (C)-(A)		QoQ change (C)-(B)	
					Yen billions	%	Yen billions	%
Net sales	Capacitors	40.1	43.9	42.7	2.6	6.5	(1.2)	-2.7
	Inductive Devices	40.3	41.6	39.5	(0.8)	-2.0	(2.1)	-5.0
	Other Passive Components	28.9	26.6	24.5	(4.4)	-15.2	(2.1)	-7.9
	Passive Components	109.3	112.1	106.7	(2.6)	-2.4	(5.4)	-4.8
	Sensor Application Products	21.6	20.6	19.7	(1.9)	-8.8	(0.9)	-4.4
	Magnetic Application Products	72.5	75.4	66.4	(6.1)	-8.4	(9.0)	-11.9
	Energy Application Products	125.0	154.8	145.4	20.4	16.3	(9.4)	-6.1
	Other	12.8	16.0	12.6	(0.2)	-1.6	(3.4)	-21.3
	Total	341.1	378.9	350.8	9.7	2.8	(28.1)	-7.4
Operating income	Passive Components	13.6	16.4	14.7	1.1	8.1	(1.7)	-10.4
	Sensor Application Products	(3.7)	(4.6)	(5.5)	(1.8)	-	(0.9)	-
	Magnetic Application Products	6.9	0.9	7.8	0.9	13.0	6.9	766.7
	Energy Application Products	24.3	33.3	24.6	0.3	1.2	(8.7)	-26.1
	Other	(0.2)	(1.7)	(1.2)	(1.0)	-	0.5	-
	Sub total	40.9	44.4	40.5	(0.4)	-1.0	(3.9)	-8.8
	Corporate and eliminations	(7.4)	(7.6)	(7.7)	(0.3)	-	(0.1)	-
Total	33.5	36.8	32.8	(0.7)	-2.1	(4.0)	-10.9	
Operating income margin		9.8%	9.7%	9.4%	-0.4pt	-	-0.3pt	-
Ex-rate	US\$ (JPY)	112.97	111.50	112.90				
	EURO (JPY)	133.00	129.63	128.87				

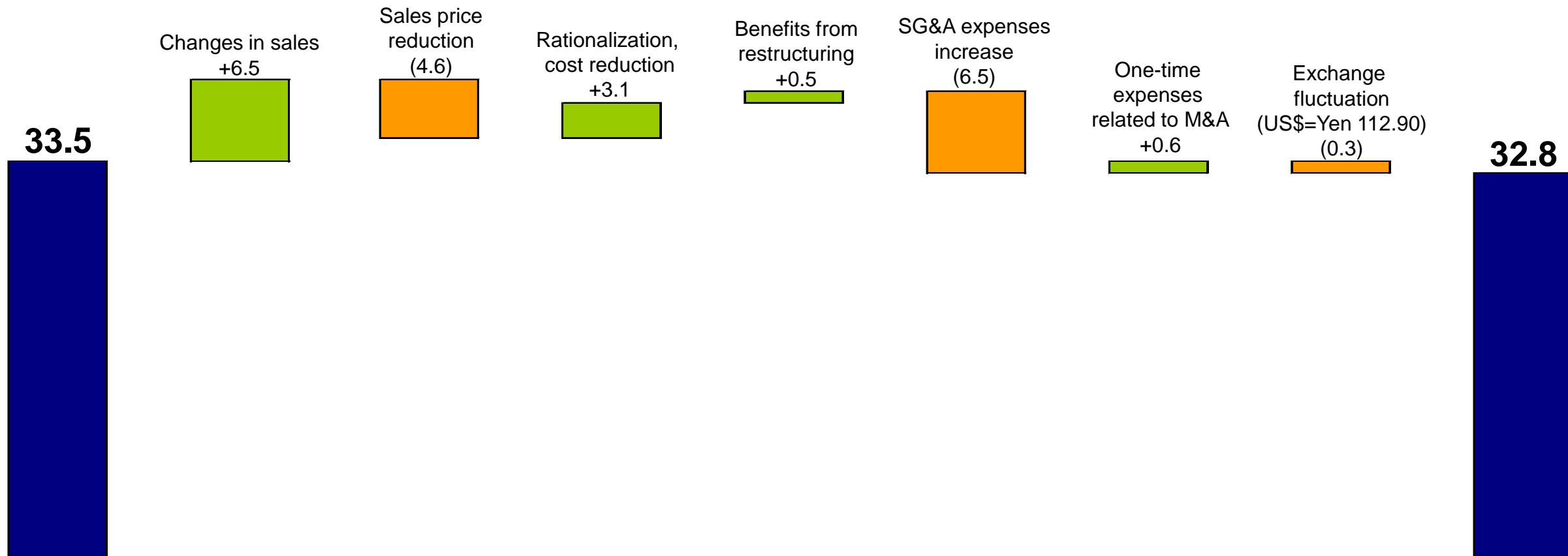
Breakdown of operating income changes

3Q of
FY March 2018
33.5 billion yen

Operating income -0.7 billion yen

3Q of
FY March 2019
32.8 billion yen

(Yen billions)



Consolidated results through 3Q of FY March 2019

(Yen billions)	FY March 2018 Results through 3Q (2017.4.1-2017.12.31)	FY March 2019 Results through 3Q (2018.4.1-2018.12.31)	Change	
			Yen billions	%
Net sales	964.7	1,072.7	108.0	11.2
Operating income	77.7	94.9	17.2	22.1
Operating income margin	8.1%	8.8%	+0.7pt	-
Income before income taxes	77.7	88.8	11.1	14.3
Net income	52.3	63.5	11.2	21.4
Earning per share (JPY)	414.12	502.78	-	-
Ex-rate	US\$ (JPY)	111.72	111.17	Appreciated by 0.5%
	EURO (JPY)	128.45	129.55	Depreciated by 0.9%
Ex-rate impact to net sales & operating income	Net sales : Decreased by about 2.8 billion Yen Operating income : Increased by about 1.2 billion Yen			

FY March 2019 full year / dividend projections

	FY March 2018 full year results (Yen billions)	FY March 2019 full year projections (announced on Apr. 27, 2018)	FY March 2019 full year projections (announced on Oct. 31, 2018)	FY March 2019 full year projections (announced on Jan. 30, 2019)	YoY change	
					Yen billions	%
Net sales	1,271.7	1,340.0	1,420.0	1,370.0	98.3	7.7
Operating income	89.7	100.0	120.0	110.0	20.3	22.6
Operating income margin	7.1%	7.5%	8.5%	8.0%	+0.9 pt	-
Income before income taxes	89.8	98.0	114.0	114.0	24.2	26.9
Net income	63.5	70.0	80.0	80.0	16.5	26.0
Earning per share (JPY)	502.80	554.43	633.53	633.53	-	-
Dividends (JPY)	1st half : 60 2nd half : 70 Annual: 130	1st half : 70 2nd half : 70 Annual : 140	1st half : 80 2nd half : 80 Annual : 160	1st half : 80 2nd half : 80 Annual : 160	-	-
Ex-rate	US\$ (JPY)	110.93	105.00	110.00 (2nd half)	108.00 (4Q)	-
	EURO (JPY)	129.64	129.00	130.00 (2nd half)	124.00 (4Q)	-
Capital expenditure	178.6	210.0	210.0	190.0	11.4	6.4
Depreciation and amortization	92.2	110.0	110.0	110.0	17.8	19.3
Research and development	102.6	110.0	110.0	110.0	7.4	7.2

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