



TDK Corporation  
April 27, 2018

Contact:  
TDK Corporation (Tokyo)

Corporate Communications Group  
Kazushige Atsumi

+81(3)6852-7102

## Consolidated results (U.S. GAAP) for FY March 2018

### Summary (April 1, 2017 - March 31, 2018)

Term Item	FY2017 (Apr. 1, 2016 - Mar. 31, 2017)		FY2018 (April 1, 2017 - March 31, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,178,257	100.0	1,271,747	100.0	11,997,613	93,490	7.9
Operating income	208,660	17.7	85,633	6.7	807,858	(123,027)	-59.0
Income before income taxes	211,717	18.0	89,811	7.1	847,274	(121,906)	-57.6
Net income attributable to TDK	145,099	12.3	63,463	5.0	598,708	(81,636)	-56.3
Per common share :							
Net income attributable to TDK / Basic	Yen 1,150.16		Yen 502.80		U.S.\$ 4.74		
Net income attributable to TDK / Diluted	Yen 1,147.57		Yen 501.47		U.S.\$ 4.73		
Total assets	1,664,333		1,905,209		17,973,670	240,876	
Total equity	802,118		831,232		7,841,811	29,114	
Total TDK stockholders' equity	793,614		824,634		7,779,566	31,020	
Stockholders' equity ratio	47.7%		43.3%				
Stockholders' equity per share	Yen 6,288.55		Yen 6,532.01		U.S.\$ 61.62		
Capital expenditures	167,631	-	178,612	-	1,685,019	10,981	6.6
Depreciation and amortization	87,491	7.4	92,171	7.2	869,538	4,680	5.3
Research and development	91,254	7.7	103,457	8.1	976,009	12,203	13.4
Result of financial income (loss)	724	-	1,908	-	18,000	1,184	-
Ratio of overseas production	86.1%	-	84.5%	-	-		
Number of employees	99,693	-	102,883	-	-		

**Note:**

U.S.\$1=Yen 106, for convenience only.

**[Contents]**

**1. Business Results**

- (1) Summary Information Regarding Consolidated Business Results ..... P.2
- (2) Summary Information Regarding Consolidated Financial Position ..... P.8
- (3) Fundamental Policy for Distribution of Earnings, and Fiscal 2018 and  
Fiscal 2019 Dividends ..... P.11

**2. Management Policies**

- (1) Fundamental Management Policy ..... P.12
- (2) Targeted Management Indicators ..... P.12
- (3) Medium- and Long-Term Management Strategy ..... P.12
- (4) Pressing Issues ..... P.13

**3. Basic Rationale for Selection of Accounting Standards** ..... P.14

**4. Consolidated Financial Statements**

- (1) Balance Sheets ..... P.15
- (2) Statements of Income and  
Statements of Comprehensive Income (loss) ..... P.16
- (3) Statements of Stockholders' Equity ..... P.17
- (4) Statements of Cash Flows ..... P.19
- (5) Note Relating to the Going Concern Assumption ..... P.20
- (6) Summary of Significant Accounting Policies ..... P.20
- (7) Segment Information ..... P.21
- (8) Fair Value of Securities ..... P.23
- (9) Fair Value of Derivatives ..... P.24
- (10) Net Income per Share ..... P.25
- (11) Significant Subsequent Events ..... P.25
- (12) Consolidated Supplementary Information ..... P.26

## [Summary Information and Financial Statements]

### 1. Business Results

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

Consolidated results for fiscal 2018, the year ended March 31, 2018, were as follows.

In fiscal 2018, the global economy maintained a gradual pace of recovery overall. In the U.S., Europe and Japan, corporate business conditions, employment levels, and personal consumption trended firmly. Emerging economies continued to experience higher rates of growth than developed countries, despite some signs of a slight deceleration in China.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, demand for components in the automotive market continued to surge, fueled by a continued increase in the number of components installed per vehicle in step with advances in the electrification of automobiles. In the industrial equipment market, demand was firm, supported mainly by surging investment in semiconductors and corporate investment in automation. In addition, demand was solid for home electric appliances such as game consoles and room air conditioners. Meanwhile, in the ICT (Information and Communications Technology) market, production of smartphones showed some signs of adjustment.

In this business environment, the TDK's consolidated operating results for fiscal 2018 were as follows.

#### Summary (April 1, 2017 - March 31, 2018)

Term Item	FY2017 (Apr. 1, 2016 - Mar. 31, 2017)		FY2018 (April 1, 2017 - March 31, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,178,257	100.0	1,271,747	100.0	11,997,613	93,490	7.9
Operating income	208,660	17.7	85,633	6.7	807,858	(123,027)	-59.0
Income before income taxes	211,717	18.0	89,811	7.1	847,274	(121,906)	-57.6
Net income attributable to TDK	145,099	12.3	63,463	5.0	598,708	(81,636)	-56.3
Per common share :							
Net income attributable to TDK / Basic	Yen 1,150.16		Yen 502.80		U.S.\$ 4.74		
Net income attributable to TDK / Diluted	Yen 1,147.57		Yen 501.47		U.S.\$ 4.73		

**Note:**

U.S.\$1=Yen 106, for convenience only.

Average yen exchange rates for the U.S. dollar and the euro during fiscal 2018 were ¥110.93 and ¥129.64, respectively, as the yen depreciated 2.3% against the U.S. dollar and 9.0% against the euro. This increased net sales by approximately ¥35.5 billion and operating income by approximately ¥6.1 billion. Besides, operating income for fiscal 2017 included one-time gain on sale of business according to forming a joint venture with Qualcomm Incorporated.

With regard to tax expense, TDK recorded income taxes of approximately ¥3.5 billion in the third quarter of fiscal 2018, in connection with the U.S. tax reforms enacted in December 2017.

## Sales by Product

Term Product	FY2017 (April 1, 2016 - March 31, 2017)		FY2018 (April 1, 2017 - March 31, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	136,790	11.6	156,990	12.3	1,481,038	20,200	14.8
Inductive Devices	145,334	12.4	157,529	12.4	1,486,123	12,195	8.4
Other Passive Components	246,101	20.8	123,120	9.7	1,161,509	(122,981)	-50.0
Passive Components	528,225	44.8	437,639	34.4	4,128,670	(90,586)	-17.1
Sensor Application Products	42,850	3.7	77,578	6.1	731,868	34,728	81.0
Recording Devices	242,287	20.6	237,865	18.7	2,244,009	(4,422)	-1.8
Other Magnetic Application Products	87,563	7.4	95,370	7.5	899,717	7,807	8.9
Magnetic Application Products	329,850	28.0	333,235	26.2	3,143,726	3,385	1.0
Film Application Products	247,693	21.0	370,953	29.2	3,499,557	123,260	49.8
Other	29,639	2.5	52,342	4.1	493,792	22,703	76.6
Total	1,178,257	100.0	1,271,747	100.0	11,997,613	93,490	7.9
Overseas sales	1,073,024	91.1	1,158,004	91.1	10,924,566	84,980	7.9

### Notes:

1. U.S.\$1=Yen 106, for convenience only.
2. In accordance with the reorganization in 1Q of FY2018, Sensor Application Products was newly established. Certain products of Other were reclassified into Other Passive Components and certain products of Recording Devices were reclassified into Other.  
The prior year's sales are also reclassified to conform to the new segmentation.

### 1) Passive Components Segment

This segment is made up of (1) Capacitors, (2) Inductive Devices, and (3) Other Passive Components. Sales in the Passive Components segment were ¥437,639 million (U.S.\$ 4,128,670 thousand), down 17.1% year on year from ¥528,225 million.

Capacitors is made up of Ceramic Capacitors, Aluminum Electrolytic Capacitors, and Film Capacitors. Sales in the Capacitors were ¥156,990 million (U.S.\$ 1,481,038 thousand), up 14.8% year on year from ¥136,790 million. Sales of Ceramic Capacitors increased to the automotive and the industrial equipment markets, while decreased to the ICT market. Sales of Aluminum Electrolytic Capacitors and Film Capacitors increased mainly to the industrial equipment market.

Sales of Inductive Devices increased by 8.4% year on year from ¥145,334 million to ¥157,529 million (U.S.\$ 1,486,123 thousand). Sales increased to the automotive and the industrial equipment markets, while decreased to the ICT market.

Other Passive Components include High-Frequency Devices, Piezoelectric Material Products and Circuit Protection Components. Sales of Other Passive Components decreased by 50.0% year on year from ¥246,101 million to ¥123,120 million (U.S.\$ 1,161,509 thousand). Sales to the ICT market decreased sharply due to the impact of transferring part of the high-frequency devices business to RF360 Holdings Singapore PTE. Ltd., a joint venture with Qualcomm Incorporated.

## 2) Sensor Application Products Segment

This segment is made up of Temperature and Pressure Sensors, Magnetic Sensors and MEMS Sensors. Segment sales increased by 81.0% year on year from ¥42,850 million to ¥77,578 million (U.S.\$ 731,868 thousand).

Sales to the ICT market increased due to the consolidation of the sales of InvenSense, Inc., following the completion of its acquisition in the first quarter of fiscal 2018.

## 3) Magnetic Application Products Segment

This segment is made up of (1) Recording Devices, and (2) Other Magnetic Application Products. Segment sales increased by 1.0% year on year, from ¥329,850 million to ¥333,235 million (U.S.\$ 3,143,726 thousand).

Recording Devices comprises mainly HDD (Hard Disk Drive) Heads and HDD Suspension Assemblies. It recorded sales of ¥237,865 million (U.S.\$ 2,244,009 thousand), down 1.8% from ¥242,287 million.

Other Magnetic Application Products include Power Supplies and Magnets. Sales increased by 8.9% year on year from ¥87,563 million to ¥95,370 million (U.S.\$ 899,717 thousand).

Sales of Power Supplies increased mainly to the industrial equipment market. Also, sales of Magnets increased mainly to the industrial equipment market.

## 4) Film Application Products Segment

This segment is made up of Energy Devices (Rechargeable Batteries). Segment sales increased by 49.8% from ¥247,693 million to ¥370,953 million (U.S.\$ 3,499,557 thousand).

Sales of Energy Devices increased significantly to the ICT market.

## 5) Other

Other includes Mechatronics (Production Equipment) and Others. Segment sales increased by 76.6% from ¥29,639 million to ¥52,342 million (U.S.\$ 493,792 thousand).

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

Classification	Constituent Main Business
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, Power Supplies, Magnets
Film Application Products	Energy Devices (Rechargeable Batteries)
Other	Mechatronics (Production Equipment), Others

**[Sales by Region]**

Overseas sales increased by 7.9% year on year from ¥1,073,024 million to ¥1,158,004 million (U.S.\$ 10,924,566 thousand). Overseas sales accounted for 91.1% of consolidated net sales, same as one year earlier. Detailed information on sales by region can be found in the consolidated supplementary information on page 26.

**[Fiscal 2019 Consolidated Projections]**

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2019, the year ending March 31, 2019, are as follows.

Term  Item	FY2019 (April 1, 2018 - March 31, 2019)	FY2018 (April 1, 2017 - March 31, 2018)	vs FY2018 Changes	
	Projection in April '18	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	1,340,000	1,271,747	68,253	5.4
Operating income	100,000	85,633	14,367	16.8
Income before income taxes	98,000	89,811	8,189	9.1
Net income attributable to TDK	70,000	63,463	6,537	10.3
Capital expenditures	210,000	178,612	31,388	17.6
Depreciation and amortization	110,000	92,171	17,829	19.3
Research and development	110,000	103,457	6,543	6.3

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥105 and ¥129 respectively will be assumed for fiscal 2019.

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

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

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

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



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

1) The following table summarizes TDK's consolidated balance sheet as of March 31, 2018.

Total assets	¥1,905,209 million	(14.5% increase)
Total TDK stockholders' equity	¥824,634 million	( 3.9% increase)
Stockholders' equity ratio	43.3%	( 4.4 point decrease)

As of March 31, 2018, total assets increased by ¥240,876 million compared with March 31, 2017. Net liquidity (cash and cash equivalent, short-term investments, marketable securities) decreased by ¥63,228 million. On the other hand, goodwill, net property, plant and equipment, inventories and net trade receivables increased by ¥96,827 million, ¥80,974 million, ¥53,033 million and ¥49,107 million, respectively. An increase of goodwill was mainly due to an acquisition of InvenSense, Inc.

Total liabilities increased by ¥211,762 million from March 31, 2017. Long-term debt, excluding current installments, trade payables and short-term debt increased by ¥79,945 million, ¥50,147 million and ¥46,893 million, respectively.

Total TDK stockholders' equity, which is included in total equity, increased by ¥31,020 million from March 31, 2017. Retained earnings increased by ¥40,679 million.

2) Cash Flows

(Yen millions)

	FY 2017	FY 2018	Change
Net cash provided by operating activities	160,136	91,310	(68,826)
Net cash used in investing activities	(71,111)	(246,099)	(174,988)
Net cash provided by (used in) financing activities	(37,753)	110,088	147,841
Effect of exchange rate changes on cash and cash equivalents	(6,352)	(6,063)	289
Net increase(decrease) in cash and cash equivalents	44,920	(50,764)	(95,684)
Cash and cash equivalents at beginning of period	285,468	330,388	44,920
Cash and cash equivalents at end of period	330,388	279,624	(50,764)

Operating activities provided net cash of ¥91,310 million (U.S.\$861,415 thousand), a decrease of ¥68,826 million year on year. It mainly came from an increase in working capital.

Investing activities used net cash of ¥246,099 million (U.S.\$2,321,689 thousand), an increase of ¥174,988 million year on year. There was an increase in acquisition of subsidiaries.

Financing activities provided net cash of ¥110,088 million (U.S.\$1,038,566 thousand), changed by ¥147,841 million year on year. It mainly came from an increase in short-term debt.

### 3) Trends in Cash Flow Indicators

	FY2015	FY2016	FY2017	FY2018
1) Stockholders' equity ratio (%)	52.6	46.6	47.7	43.3
2) Stockholders' equity ratio on a market value basis (%)	76.6	54.3	53.5	63.5
3) No. of years to redeem debt	1.88	2.22	2.09	5.29
4) Interest coverage ratio (times)	47.7	48.6	46.7	20.5

[Notes]

1) Stockholders' equity ratio = Total stockholders' equity/Total assets

2) Stockholders' equity ratio on a market value basis = Market capitalization (\*1)/Total assets

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

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

(\*3)

(\*2) Interest-bearing liabilities: "Short-term debt," "current installments of long-term debt," and "long-term debt, excluding current installments" on the consolidated balance sheets.

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

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

(\*4) Interest payments: "Interest expense" on the consolidated statements of income

### **(3) Fundamental Policy for Distribution of Earnings, and Fiscal 2018 and Fiscal 2019 Dividends**

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

TDK plans to pay a year-end dividend of ¥70 per common share, subject to approval at the ordinary general meeting of shareholders scheduled for June 28, 2018. Combined with the interim dividend of ¥60 per common share paid in December 2017, the planned dividend per common share applicable to the year will be ¥130.

TDK plans to pay an interim dividend of ¥70 per common share and a year-end dividend of ¥70 per common share respectively in Fiscal 2019.

(Yen)	FY 2019 Forecast	FY 2018
Interim dividend	70.00	(Actual) 60.00
Year-end dividend	70.00	(Forecast) 70.00
Annual dividend	140.00	(Forecast) 130.00

## **2. Management Policies**

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

TDK was established in 1935 as the world's first company to industrialize a magnetic material called ferrite. In the ensuing years, TDK has developed and commercialized passive components, magnetic application products and film application products, among other products. This drive has been based on the company's founding spirit: "Contribute to culture and industry through creativity."

To preserve its identity as a dynamic company, TDK believes that it must remain an organization that constantly provides even higher corporate value to all stakeholders, including shareholders, customers, suppliers, employees and society, by drawing on innovative thinking and a willingness to tackle new challenges.

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

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

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

\* TVA (TDK Value Added)

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

TVA is a TDK proprietary value-added yardstick that measures the extent of earnings commensurate with invested capital. This indicator compares earnings after taxes but without deducting interest expenses with the cost of capital (stockholders' equity + interest-bearing liabilities).

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

\* CO2 Emissions Reductions

As part of its environmental action plan to promote business activities in harmony with the natural environment, TDK has set a target for CO2 emissions reductions.

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

TDK has formulated a new three-year medium-term plan starting in the fiscal 2019, the year ending March 31, 2019. Under the plan, TDK aims to achieve sustainable growth and increase corporate value by refining the components and process technologies it has cultivated and strengthening provision of solutions that respond to market needs. TDK will pursue a zero-defect quality strategy based on advanced technological capabilities, along with working to truly globalize its operations by speed-focused management.

Turning to TDK's business, it will create a new Energy Application Products segment to integrate

the rechargeable battery, industrial equipment power supply, and automotive power supply businesses, and strengthen its business by generating synergies among its energy-related businesses. Four reorganized segments will form the main businesses: Passive Components, Sensor Application Products, Magnetic Application Products, and Energy Application Products through which TDK will expand its sales. In addition to investing in these core businesses, TDK aims to enhance the Group's overall profitability and capital efficiency, while efficiently investing in new product development and new businesses.

At the same time, as regards shareholder returns, TDK's policy is to continue paying stable dividends by leveraging the impact of these investments to grow earnings per share.

TDK has established the "TDK Basic Policy on Corporate Governance," and will endeavor to implement appropriate information disclosure and ensure transparency to further activate its constructive engagement (dialogue) with shareholders and investors and fulfill the role and obligations of the Board of Directors appropriately. Furthermore, TDK has established important CSR issues and themes based on both its own perspective and that of its stakeholders and will work to solve social issues through these activities.

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

The electronics market is experiencing solid demand for electrical components due to increasing sophistication and multifunction of electronic equipment. At the same time, product safety standards are increasingly high, and customers are demanding higher levels of performance and quality for automotive electrical components in particular.

In this situation, TDK recognizes the importance of quickly implementing a zero-defect quality strategy, and is pushing forward with further strengthening its production process with a management that unifies all stages from raw materials to manufacturing. On the other hand, TDK will implement measures to stably procure raw materials expected to be affected by tight supply-demand balance, and to develop new processing methods that reduce the use of rare metals.

In the previous fiscal year and the fiscal year under review, TDK positioned the sensor business as a core business for the Group and conducted M&As focused on sensor companies. TDK has steadily proceeded with the post-merger integration process, and the early creation of targeted synergies has become a priority. One such measure is to organize a global personnel system and enhance appropriate evaluation and training schemes to utilize acquired human resources in management.

In July 2016, TDK had an on-site inspection by Japan Fair Trade Commission regarding its HDD suspension business under the Anti-Monopoly Act in Japan. In February 2018, Japan Fair Trade Commission officially announced that they issued the cease-and-desist order and the surcharge payment order against the manufacturer of HDD suspensions. TDK and its subsidiaries are exempted from any surcharges and also have received no cease-and-desist order pursuant to an application for leniency.

TDK has appointed a Chief Compliance Officer to oversee the entire Group and has worked to develop a compliance structure with the aim of further reinforcing its compliance with laws and regulations. Going forward, TDK will pursue these efforts with increased vigor and speed and will strive to restore the trust of its stakeholders.

In this way, TDK will strengthen its compliance structure, while the governance structure will also be strengthened by the establishment of a Corporate Governance Committee as an advisory body to the Board of Directors.

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

TDK started to prepare its consolidated financial statements using U.S. GAAP when it issued an American Depositary Receipt (“ADR”) in July 1974. In April 2009, TDK delisted its shares on the New York Stock Exchange but maintained its ADR program in the U.S., and continues to use U.S. GAAP when it prepares consolidated financial statements. This was done from the viewpoint of protecting shareholders or investors and enabling them to make comparisons with past disclosures of information.

As for the application of International Financial Reporting Standards (“IFRS”), TDK’s policy is to respond appropriately after taking into consideration the circumstances unfolding both in Japan and overseas.

## 4. Consolidated Financial Statements

### (1) Balance Sheets

ASSETS						
Term Item	As of March 31, 2017		As of March 31, 2018			Change
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)
Current assets	866,136	52.0	899,936	47.2	8,489,962	33,800
Cash and cash equivalents	330,388		279,624		2,637,962	(50,764)
Short-term investments	56,131		43,613		411,443	(12,518)
Marketable securities	-		54		509	54
Net trade receivables	254,909		304,016		2,868,076	49,107
Inventories	154,499		207,532		1,957,849	53,033
Other current assets	70,209		65,097		614,123	(5,112)
Noncurrent assets	798,197	48.0	1,005,273	52.8	9,483,708	207,076
Investments in securities	161,825		155,240		1,464,528	(6,585)
Net property, plant and equipment	464,667		545,641		5,147,557	80,974
Goodwill	61,031		157,858		1,489,227	96,827
Other assets	110,674		146,534		1,382,396	35,860
<b>TOTAL</b>	<b>1,664,333</b>	<b>100.0</b>	<b>1,905,209</b>	<b>100.0</b>	<b>17,973,670</b>	<b>240,876</b>
LIABILITIES AND EQUITY						
Term Item	As of March 31, 2017		As of March 31, 2018			Change
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)
Current liabilities	477,594	28.7	603,037	31.7	5,689,028	125,443
Short-term debt	77,680		124,573		1,175,217	46,893
Current installments of long-term debt	42,517		64,566		609,113	22,049
Trade payables	176,644		226,791		2,139,538	50,147
Accrued expenses	148,609		159,618		1,505,830	11,009
Other current liabilities	32,144		27,489		259,330	(4,655)
Noncurrent liabilities	384,621	23.1	470,940	24.7	4,442,831	86,319
Long-term debt, excluding current installments	213,935		293,880		2,772,453	79,945
Retirement and severance benefits	125,202		125,137		1,180,538	(65)
Other noncurrent liabilities	45,484		51,923		489,840	6,439
<b>Total liabilities</b>	<b>862,215</b>	<b>51.8</b>	<b>1,073,977</b>	<b>56.4</b>	<b>10,131,859</b>	<b>211,762</b>
Common stock	32,641		32,641		307,934	-
Additional paid-in capital	15,349		8,738		82,434	(6,611)
Legal reserve	37,727		45,366		427,981	7,639
Retained earnings	833,884		874,563		8,250,594	40,679
Accumulated other comprehensive income (loss)	(108,575)		(119,492)		(1,127,283)	(10,917)
Treasury stock	(17,412)		(17,182)		(162,094)	230
<b>Total TDK stockholders' equity</b>	<b>793,614</b>	<b>47.7</b>	<b>824,634</b>	<b>43.3</b>	<b>7,779,566</b>	<b>31,020</b>
Noncontrolling interests	8,504	0.5	6,598	0.3	62,245	(1,906)
<b>Total equity</b>	<b>802,118</b>	<b>48.2</b>	<b>831,232</b>	<b>43.6</b>	<b>7,841,811</b>	<b>29,114</b>
<b>TOTAL</b>	<b>1,664,333</b>	<b>100.0</b>	<b>1,905,209</b>	<b>100.0</b>	<b>17,973,670</b>	<b>240,876</b>

**Note:**

U.S.\$1=Yen 106, for convenience only.



## (2) Statements of Income and Statements of Comprehensive Income

### Statements of Income

Term Item	FY2017 (April 1, 2016 - March 31, 2017)		FY2018 (April 1, 2017 - March 31, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	1,178,257	100.0	1,271,747	100.0	11,997,613	93,490	7.9
Cost of sales	855,948	72.6	930,516	73.2	8,778,453	74,568	8.7
Gross profit	322,309	27.4	341,231	26.8	3,219,160	18,922	5.9
Selling, general and administrative expenses	239,446	20.3	259,698	20.4	2,449,981	20,252	8.5
Other operating expense (income)	(125,797)	-10.6	(4,100)	-0.3	(38,679)	121,697	-
Operating income	208,660	17.7	85,633	6.7	807,858	(123,027)	-59.0
Other income (deductions):							
Interest and dividend income	4,152		6,369		60,085	2,217	
Interest expense	(3,428)		(4,461)		(42,085)	(1,033)	
Foreign exchange gain (loss)	368		(786)		(7,415)	(1,154)	
Other-net	1,965		3,056		28,831	1,091	
Total other income (deductions)	3,057	0.3	4,178	0.4	39,416	1,121	36.7
Income before income taxes	211,717	18.0	89,811	7.1	847,274	(121,906)	-57.6
Income taxes	66,157	5.6	25,834	2.1	243,717	(40,323)	-61.0
Net income	145,560	12.4	63,977	5.0	603,557	(81,583)	-56.0
Less: Net income attributable to noncontrolling interests	461	0.1	514	0.0	4,849	53	11.5
Net income attributable to TDK	145,099	12.3	63,463	5.0	598,708	(81,636)	-56.3

**Note:**

U.S.\$1=Yen 106, for convenience only.

### Statements of Comprehensive Income

Term Item	FY2017 (April 1, 2016 - March 31, 2017)	FY2018 (April 1, 2017 - March 31, 2018)		Change
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	145,560	63,977	603,557	(81,583)
Other comprehensive income (loss), net of taxes:				
Foreign currencies translation adjustments	(18,866)	(12,682)	(119,642)	6,184
Pension liability adjustments	13,465	2,134	20,132	(11,331)
Net unrealized gains (losses) on securities	(274)	(387)	(3,651)	(113)
Total other comprehensive income (loss)	(5,675)	(10,935)	(103,161)	(5,260)
Comprehensive income	139,885	53,042	500,396	(86,843)
Comprehensive income attributable to noncontrolling interests	933	569	5,368	(364)
Comprehensive income attributable to TDK	138,952	52,473	495,028	(86,479)

**Note:**

U.S.\$1=Yen 106, for convenience only.

### (3) Statements of Stockholders' Equity

(Yen millions)

<b>FY2017</b> <b>(April 1, 2016 - March 31, 2017)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2016	32,641	21,083	34,221	707,508	(102,285)	(17,807)	675,361
Equity transaction of consolidated subsidiaries and other		(5,734)		(80)	(143)	397	(5,560)
Cash dividends				(15,137)			(15,137)
Transferred to legal reserve			3,506	(3,506)			-
Comprehensive income							
Net income				145,099			145,099
Other comprehensive income (loss)					(6,147)		(6,147)
Total comprehensive income (loss)							138,952
Acquisition of treasury stock						(3)	(3)
Sale of treasury stock						1	1
Balance as of March 31, 2017	32,641	15,349	37,727	833,884	(108,575)	(17,412)	793,614

<b>FY2017</b> <b>(April 1, 2016 - March 31, 2017)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2016	9,272	684,633
Equity transaction of consolidated subsidiaries and other	(1,625)	(7,185)
Cash dividends	(76)	(15,213)
Transferred to legal reserve		-
Comprehensive income		
Net income	461	145,560
Other comprehensive income (loss)	472	(5,675)
Total comprehensive income (loss)	933	139,885
Acquisition of treasury stock		(3)
Sale of treasury stock		1
Balance as of March 31, 2017	8,504	802,118

(Yen millions)

<b>FY2018</b> <b>(April 1, 2017 - March 31, 2018)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2017	32,641	15,349	37,727	833,884	(108,575)	(17,412)	793,614
Equity transaction of consolidated subsidiaries and other		(6,611)			73	236	(6,302)
Cash dividends				(15,145)			(15,145)
Transferred to legal reserve			8,735	(8,735)			-
Transferred to retained earnings			(1,096)	1,096			-
Comprehensive income							
Net income				63,463			63,463
Other comprehensive income (loss)					(10,990)		(10,990)
Total comprehensive income (loss)							52,473
Acquisition of treasury stock						(7)	(7)
Sale of treasury stock						1	1
Balance as of March 31, 2018	32,641	8,738	45,366	874,563	(119,492)	(17,182)	824,634

<b>FY2018</b> <b>(April 1, 2017 - March 31, 2018)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2017	8,504	802,118
Equity transaction of consolidated subsidiaries and other	(1,977)	(8,279)
Cash dividends	(498)	(15,643)
Transferred to legal reserve		-
Transferred to retained earnings		-
Comprehensive income		
Net income	514	63,977
Other comprehensive income (loss)	55	(10,935)
Total comprehensive income (loss)	569	53,042
Acquisition of treasury stock		(7)
Sale of treasury stock		1
Balance as of March 31, 2018	6,598	831,232

TDK Corporation (6762) Consolidated FY March 2018 (U.S. GAAP)

(U.S.\$ thousands)

<b>FY2018</b> <b>(April 1, 2017 - March 31, 2018)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2017	307,934	144,802	355,915	7,866,830	(1,024,292)	(164,264)	7,486,925
Equity transaction of consolidated subsidiaries and other		(62,368)			689	2,227	(59,452)
Cash dividends				(142,878)			(142,878)
Transferred to legal reserve			82,406	(82,406)			-
Transferred to retained earnings			(10,340)	10,340			-
Comprehensive income							
Net income				598,708			598,708
Other comprehensive income (loss)					(103,680)		(103,680)
Total comprehensive income (loss)							495,028
Acquisition of treasury stock						(66)	(66)
Sale of treasury stock						9	9
Balance as of March 31, 2018	307,934	82,434	427,981	8,250,594	(1,127,283)	(162,094)	7,779,566

<b>FY2018</b> <b>(April 1, 2017 - March 31, 2018)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2017	80,226	7,567,151
Equity transaction of consolidated subsidiaries and other	(18,651)	(78,103)
Cash dividends	(4,698)	(147,576)
Transferred to legal reserve		-
Transferred to retained earnings		-
Comprehensive income		
Net income	4,849	603,557
Other comprehensive income (loss)	519	(103,161)
Total comprehensive income (loss)	5,368	500,396
Acquisition of treasury stock		(66)
Sale of treasury stock		9
Balance as of March 31, 2018	62,245	7,841,811

**Note:**

U.S.\$1=Yen 106, for convenience only.

**(4) Statements of Cash Flows**

Term Item	FY2017	FY2018	
	(April 1, 2016 - March 31, 2017)	(April 1, 2017 - March 31, 2018)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
<b>Cash flows from operating activities:</b>			
Net income	145,560	63,977	603,557
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	87,491	92,171	869,538
Deferred income taxes	30,723	(1,354)	(12,774)
Impairment of long-lived assets	16,811	1,282	12,094
Impairment of goodwill	2,600	-	-
Gain on sale of business	(149,538)	(5,427)	(51,198)
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(59,152)	(51,961)	(490,198)
Decrease (increase) in inventories	(21,709)	(49,731)	(469,160)
Increase (decrease) in trade payables	67,913	53,761	507,179
Increase (decrease) in accrued expenses	12,467	8,410	79,340
Decrease (increase) in other assets and liabilities, net	19,941	(18,277)	(172,425)
Other-net	7,029	(1,541)	(14,538)
<b>Net cash provided by operating activities</b>	<b>160,136</b>	<b>91,310</b>	<b>861,415</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(167,631)	(178,612)	(1,685,019)
Proceeds from sales of tangible and intangible assets	21,085	9,083	85,689
Proceeds from sale and maturity of short-term investments	38,697	168,256	1,587,321
Payment for purchase of short-term investments	(73,632)	(156,621)	(1,477,557)
Proceeds from sale and maturity of securities	523	24,933	235,217
Payment for purchase of securities	(837)	(1,208)	(11,396)
Proceeds from sale of business, net of cash transferred	128,210	30,365	286,462
Acquisition of subsidiaries, net of cash acquired	(16,819)	(141,499)	(1,334,896)
Other-net	(707)	(796)	(7,510)
<b>Net cash used in investing activities</b>	<b>(71,111)</b>	<b>(246,099)</b>	<b>(2,321,689)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt	119,275	147,010	1,386,887
Repayment of long-term debt	(52,246)	(61,643)	(581,538)
Proceeds from short-term debt with maturities longer than three months	2,457	4,086	38,547
Repayment of short-term debt with maturities longer than three months	(1,578)	(3,220)	(30,377)
Increase (decrease) in short-term debt, net	(81,942)	48,067	453,462
Dividends paid	(15,132)	(15,138)	(142,811)
Acquisition of noncontrolling interests	(8,914)	(8,796)	(82,981)
Other-net	327	(278)	(2,623)
<b>Net cash provided by (used in) financing activities</b>	<b>(37,753)</b>	<b>110,088</b>	<b>1,038,566</b>
Effect of exchange rate changes on cash and cash equivalents	(6,352)	(6,063)	(57,198)
Net increase (decrease) in cash and cash equivalents	44,920	(50,764)	(478,906)
Cash and cash equivalents at beginning of period	285,468	330,388	3,116,868
Cash and cash equivalents at end of period	330,388	279,624	2,637,962

**Note:**

U.S.\$1=Yen 106, for convenience only.

**(5) Note Relating to the Going Concern Assumption**

Nothing to report.

**(6) Summary of Significant Accounting Policies**

- 1) The consolidated financial statements are prepared in conformity with the U.S. GAAP.  
Inventories are valued at the lower of cost or market as in the past, with cost mainly determined by the periodic average method.
- 2) As of March 31, 2018, TDK Corporation had 142 subsidiaries (15 in Japan and 127 overseas).  
TDK Corporation also had 8 affiliates (3 in Japan and 5 overseas) whose financial statements are accounted for by the equity method.  
TDK acquired InvenSense, Inc. and its subsidiaries. As a result, these 12 entities were newly included in the scope of consolidation of TDK in the year ended March 31, 2018.
- 3) In July 2015, Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2015-11 “Simplifying the Measurement of Inventory”.  
This ASU applies to all inventory except for which is measured using last-in, first-out (LIFO) or the retail inventory method, and requires an entity to measure inventory at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. TDK adopted this ASU prospectively from April 1, 2017.  
The adoption of this ASU did not have a material impact on TDK’s results of operations and financial position.
- 4) In January 2017, FASB issued ASU 2017-04 “Simplifying the Test for Goodwill Impairment”. This ASU eliminates Step 2 of the goodwill impairment test, instead requires an entity to recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. TDK early adopted this ASU prospectively from April 1, 2017.  
The adoption of this ASU did not have an impact on TDK’s results of operations and financial position for FY2018.
- 5) The following items have been omitted from this earnings release because they are not deemed to be that necessary for disclosure.

Notes Concerning Consolidated Financial Statements

- Lease transactions
- Related-party transactions
- Tax-effect accounting
- Financial instruments
- Retirement benefits
- Stock options, etc.
- Business combinations, etc.
- Real estate for leasing
- Asset retirement obligations
- Hedge accounting

## **(7) Segment Information**

TDK has four reporting segments: Passive Components, Sensor Application Products, Magnetic Application Products and Film Application Products, as well as Other, which includes products not included in these four reporting segments.

In addition, TDK newly established Sensor Systems Business Company on April 1, 2017, and established Sensor Application Products segment from the quarter ended June 30, 2017 in accordance with the change of control segment of certain businesses. Sensors of Passive Components, Magnetic Sensors of Magnetic Application Products and certain products of Other were reclassified into newly established reporting segment of Sensor Application Products from the quarter ended June 30, 2017.

Furthermore, in accordance with the reorganization in 1Q of FY2018, certain products of Other were reclassified into Passive Components and certain products of Magnetic Application Products were reclassified into Other.

In accordance with the above, the prior year's figures are also reclassified to conform to the new segmentation.

New Classification	Constituent Main Business
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, Power Supplies, Magnets
Film Application Products	Energy Devices (Rechargeable Batteries)
Other	Mechatronics (Production Equipment), Others

Previous Classification	Constituent Main Business
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils / Ferrite Cores / Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components, Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Magnetic Sensors, Power Supplies, Magnets
Film Application Products	Energy Devices (Rechargeable Batteries)
Other	Mechatronics (Production Equipment), Others

**Sales by industry segment**

		FY2017 (April 1, 2016 - March 31, 2017)		FY2018 (April 1, 2017 - March 31, 2018)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	528,225	44.8	437,639	34.4	4,128,670	(90,586)	-17.1
	Intersegment	3,424		3,851		36,330	427	12.5
	Total	531,649		441,490		4,165,000	(90,159)	-17.0
Sensor Application Products	External customers	42,850	3.7	77,578	6.1	731,868	34,728	81.0
	Intersegment	48		167		1,575	119	247.9
	Total	42,898		77,745		733,443	34,847	81.2
Magnetic Application Products	External customers	329,850	28.0	333,235	26.2	3,143,726	3,385	1.0
	Intersegment	134		170		1,604	36	26.9
	Total	329,984		333,405		3,145,330	3,421	1.0
Film Application Products	External customers	247,693	21.0	370,953	29.2	3,499,557	123,260	49.8
	Intersegment	-		-		-	-	-
	Total	247,693		370,953		3,499,557	123,260	49.8
Other	External customers	29,639	2.5	52,342	4.1	493,792	22,703	76.6
	Intersegment	26,393		32,804		309,472	6,411	24.3
	Total	56,032		85,146		803,264	29,114	52.0
Intersegment eliminations		(29,999)		(36,992)		(348,981)	(6,993)	
Total		1,178,257	100.0	1,271,747	100.0	11,997,613	93,490	7.9

**Note:**

U.S.\$1=Yen 106, for convenience only.

**Segment profit (loss) by industry segment**

		FY2017 (April 1, 2016 - March 31, 2017)		FY2018 (April 1, 2017 - March 31, 2018)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		200,320	37.9	46,278	10.6	436,585	(154,042)	-76.9
Sensor Application Products		(6,478)	-15.1	(19,381)	-25.0	(182,840)	(12,903)	-
Magnetic Application Products		9,706	2.9	20,877	6.3	196,953	11,171	115.1
Film Application Products		41,217	16.6	70,384	19.0	664,000	29,167	70.8
Other		(7,324)	-24.7	(2,381)	-4.5	(22,462)	4,943	-
Sub total		237,441	20.2	115,777	9.1	1,092,236	(121,664)	-51.2
Corporate and Eliminations		(28,781)		(30,144)		(284,378)	(1,363)	
Operating income		208,660	17.7	85,633	6.7	807,858	(123,027)	-59.0

**Notes:**

1. U.S.\$1=Yen 106, for convenience only.
2. % to sales of each corresponding segment

**(8) Fair Value of Securities**

(Yen millions)

	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
<b>As of March 31, 2017</b>				
Investments (Debt securities):				
Commercial papers	25	91	-	116
Public-utility bonds	2	-	-	2
Investments (Equity securities):				
Manufacturing companies	2,717	4,179	112	6,784
Other	1,147	1,042	-	2,189
Investments (Mutual funds)	936	96	5	1,027
Total	4,827	5,408	117	10,118
<b>As of March 31, 2018</b>				
Marketable securities (Debt securities):				
U.S. Treasury	54	-	0	54
Investments (Debt securities):				
Commercial papers	7	102	-	109
Public-utility bonds	0	-	-	0
Investments (Equity securities):				
Manufacturing companies	2,725	3,073	67	5,731
Other	1,143	1,516	-	2,659
Investments (Mutual funds)	1,108	86	3	1,191
Total	5,037	4,777	70	9,744

(U.S.\$ thousands)

	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
<b>As of March 31, 2018</b>				
Marketable securities (Debt securities):				
U.S. Treasury	509	-	0	509
Investments (Debt securities):				
Commercial papers	66	963	-	1,029
Public-utility bonds	0	-	-	0
Investments (Equity securities):				
Manufacturing companies	25,708	28,990	632	54,066
Other	10,783	14,302	-	25,085
Investments (Mutual funds)	10,453	811	28	11,236
Total	47,519	45,066	660	91,925

**Note:**

U.S.\$1=Yen 106, for convenience only.



**(9) Fair Value of Derivatives**

(Yen millions)

	Contract Amount	Carrying Amount	Estimated Fair Value
<b>As of March 31, 2017</b>			
Forward foreign exchange contracts	231,038	174	174
Non-deliverable forward contracts	5,181	(71)	(71)
Currency swap contracts	17,093	1,528	1,528
Commodity forward contracts	943	186	186
<b>As of March 31, 2018</b>			
Forward foreign exchange contracts	218,426	(985)	(985)
Currency swap contracts	20,866	574	574
Interest rate swap contracts	31,872	293	293
Commodity forward contracts	157	(3)	(3)

(U.S.\$ thousands)

(U.S.\$ thousands)	Contract Amount	Carrying Amount	Estimated Fair Value
<b>As of March 31, 2018</b>			
Forward foreign exchange contracts	2,060,623	(9,292)	(9,292)
Currency swap contracts	196,849	5,415	5,415
Interest rate swap contracts	300,679	2,764	2,764
Commodity forward contracts	1,481	(28)	(28)

**Note:**

U.S.\$1=Yen 106, for convenience only.

### (10) Net Income per Share

Item	Term	FY2017 (April 1, 2016 - March 31, 2017)		FY2018 (April 1, 2017 - March 31, 2018)	
		Basic	Diluted	Basic	Diluted
Net income attributable to TDK		(Yen millions) 145,099	145,099	(Yen millions) 63,463	63,463
Weighted average common shares outstanding		Number of shares (Thousands) 126,156	126,156	Number of shares (Thousands) 126,220	126,220
Incremental shares arising from the exercise of stock options		-	284	-	334
Weighted average common shares outstanding - Total		126,156	126,440	126,220	126,554
Per common share :		(Yen)		(Yen)	
Net income attributable to TDK		1,150.16	1,147.57	502.80	501.47

Item	Term	FY2018 (April 1, 2017 - March 31, 2018)	
		Basic	Diluted
Net income attributable to TDK		(U.S.\$ thousands) 598,708	598,708
Weighted average common shares outstanding		Number of shares (Thousands) 126,220	126,220
Incremental shares arising from the exercise of stock options		-	334
Weighted average common shares outstanding - Total		126,220	126,554
Per common share :		(U.S.\$)	
Net income attributable to TDK		4.74	4.73

**Notes:**

1. U.S.\$1=Yen 106, for convenience only.
2. The dilution of net income attributable to TDK was caused by presuming the exercise of stock options issued by a subsidiary of TDK Corporation.

### (11) Significant Subsequent Events

Nothing to report.

## (12) Consolidated Supplementary Information

### 1) Exchange rates used for conversion

Item \ Term	As of March 31, 2017		As of March 31, 2018	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	112.19	119.79	106.24	130.52

### 2) Sales by region

Region \ Term	FY2017 (April 1, 2016 - March 31, 2017)		FY2018 (April 1, 2017 - March 31, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	104,910	8.9	112,929	8.9	1,065,368	8,019	7.6
Europe	146,201	12.4	166,192	13.1	1,567,849	19,991	13.7
Asia and others	821,913	69.8	878,883	69.1	8,291,349	56,970	6.9
Overseas sales total	1,073,024	91.1	1,158,004	91.1	10,924,566	84,980	7.9
Japan	105,233	8.9	113,743	8.9	1,073,047	8,510	8.1
Net sales	1,178,257	100.0	1,271,747	100.0	11,997,613	93,490	7.9

**Notes:**

1. U.S.\$1=Yen 106, for convenience only.
2. Overseas sales are based on the location of the customers.

### 3) Overview of sales by product

Product \ Term	1Q of FY2017 (April 1, 2016 - June 30, 2016)		2Q of FY2017 (July 1, 2016 - September 30, 2016)		3Q of FY2017 (October 1, 2016 - December 31, 2016)		4Q of FY2017 (January 1, 2017 - March 31, 2017)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	34,356	12.3	33,746	11.2	33,644	10.4	35,044	12.8
Inductive Devices	35,706	12.8	35,461	11.8	36,595	11.3	37,572	13.7
Other	62,599	22.5	70,014	23.3	72,772	22.4	40,716	14.8
Passive Components	132,661	47.6	139,221	46.3	143,011	44.1	113,332	41.3
Sensor Application Products	10,445	3.7	10,472	3.5	10,474	3.2	11,459	4.2
Recording Devices	55,877	20.0	57,343	19.1	66,035	20.3	63,032	23.0
Other	21,423	7.7	21,605	7.2	21,639	6.7	22,896	8.3
Magnetic Application Products	77,300	27.7	78,948	26.3	87,674	27.0	85,928	31.3
Film Application Products	51,812	18.6	65,166	21.7	76,364	23.5	54,351	19.8
Other	6,551	2.4	6,605	2.2	7,249	2.2	9,234	3.4
Total	278,769	100.0	300,412	100.0	324,772	100.0	274,304	100.0

Product \ Term	1Q of FY2018 (April 1, 2017 - June 30, 2017)		2Q of FY2018 (July 1, 2017 - September 30, 2017)		3Q of FY2018 (October 1, 2017 - December 31, 2017)		4Q of FY2018 (January 1, 2018 - March 31, 2018)		(U.S.\$ thousands)
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	
Capacitors	36,280	12.5	39,178	11.8	40,089	11.8	41,443	13.5	390,972
Inductive Devices	37,603	13.0	40,484	12.1	40,284	11.8	39,158	12.7	369,415
Other	29,629	10.3	31,804	9.5	32,349	9.5	29,338	9.6	276,773
Passive Components	103,512	35.8	111,466	33.4	112,722	33.1	109,939	35.8	1,037,160
Sensor Application Products	16,393	5.7	20,199	6.0	21,617	6.3	19,369	6.3	182,726
Recording Devices	56,733	19.6	61,819	18.5	62,309	18.3	57,004	18.6	537,774
Other	23,310	8.0	23,749	7.1	24,569	7.2	23,742	7.7	223,981
Magnetic Application Products	80,043	27.6	85,568	25.6	86,878	25.5	80,746	26.3	761,755
Film Application Products	79,699	27.5	103,481	31.0	105,859	31.0	81,914	26.7	772,774
Other	9,879	3.4	13,331	4.0	14,050	4.1	15,082	4.9	142,283
Total	289,526	100.0	334,045	100.0	341,126	100.0	307,050	100.0	2,896,698

**Notes:**

1. U.S.\$1=Yen 106, for convenience only.
2. In accordance with the reorganization in 1Q of FY2018, Sensor Application Products was newly established. Certain products of Other were reclassified into Other Passive Components and certain products of Recording Devices were reclassified into Other.  
The prior year's sales are also reclassified to conform to the new segmentation.