

### 3. Consolidated Financial Statements

#### (1) Balance Sheets

| ASSETS                                  |                      |              |                          |              |                       |                               |                     |              |                              |
|---|----------------------|--------------|--------------------------|--------------|-----------------------|-------------------------------|---------------------|--------------|------------------------------|
| Term<br>Item                            | As of March 31, 2019 |              | As of September 30, 2019 |              |                       | Change from<br>March 31, 2019 | As of June 30, 2019 |              | Change from<br>June 30, 2019 |
|   | (Yen<br>millions)    | %            | (Yen<br>millions)        | %            | (U.S.\$<br>thousands) | (Yen<br>millions)             | (Yen<br>millions)   | %            | (Yen<br>millions)            |
| Current assets                          | 922,485              | 46.3         | 982,290                  | 50.3         | 9,095,278             | 59,805                        | 923,079             | 45.8         | 59,211                       |
| Cash and cash equivalents               | 289,175              |              | 320,372                  |              | 2,966,407             | 31,197                        | 262,291             |              | 58,081                       |
| Short-term investments                  | 40,505               |              | 9,737                    |              | 90,158                | (30,768)                      | 34,556              |              | (24,819)                     |
| Marketable securities                   | 57                   |              | 55                       |              | 509                   | (2)                           | 55                  |              | 0                            |
| Net trade receivables                   | 308,154              |              | 372,307                  |              | 3,447,287             | 64,153                        | 330,626             |              | 41,681                       |
| Inventories                             | 226,892              |              | 221,277                  |              | 2,048,861             | (5,615)                       | 234,215             |              | (12,938)                     |
| Other current assets                    | 57,702               |              | 58,542                   |              | 542,056               | 840                           | 61,336              |              | (2,794)                      |
| Noncurrent assets                       | 1,069,995            | 53.7         | 970,407                  | 49.7         | 8,985,250             | (99,588)                      | 1,094,305           | 54.2         | (123,898)                    |
| Investments in securities               | 155,306              |              | 32,726                   |              | 303,019               | (122,580)                     | 151,337             |              | (118,611)                    |
| Net property, plant and equipment       | 603,110              |              | 603,274                  |              | 5,585,870             | 164                           | 607,325             |              | (4,051)                      |
| Right-of-use assets of operating leases | -                    |              | 41,828                   |              | 387,296               | 41,828                        | 37,091              |              | 4,737                        |
| Goodwill                                | 164,794              |              | 159,535                  |              | 1,477,176             | (5,259)                       | 160,155             |              | (620)                        |
| Other assets                            | 146,785              |              | 133,044                  |              | 1,231,889             | (13,741)                      | 138,397             |              | (5,353)                      |
| <b>TOTAL</b>                            | <b>1,992,480</b>     | <b>100.0</b> | <b>1,952,697</b>         | <b>100.0</b> | <b>18,080,528</b>     | <b>(39,783)</b>               | <b>2,017,384</b>    | <b>100.0</b> | <b>(64,687)</b>              |

| LIABILITIES AND EQUITY                            |                      |              |                          |              |                       |                               |                     |              |                              |
|---|----------------------|--------------|--------------------------|--------------|-----------------------|-------------------------------|---------------------|--------------|------------------------------|
| Term<br>Item                                      | As of March 31, 2019 |              | As of September 30, 2019 |              |                       | Change from<br>March 31, 2019 | As of June 30, 2019 |              | Change from<br>June 30, 2019 |
|   | (Yen<br>millions)    | %            | (Yen<br>millions)        | %            | (U.S.\$<br>thousands) | (Yen<br>millions)             | (Yen<br>millions)   | %            | (Yen<br>millions)            |
| Current liabilities                               | 714,320              | 35.8         | 694,295                  | 35.6         | 6,428,657             | (20,025)                      | 767,487             | 38.1         | (73,192)                     |
| Short-term debt                                   | 221,310              |              | 232,947                  |              | 2,156,917             | 11,637                        | 254,115             |              | (21,168)                     |
| Current installments of long-term debt            | 91,276               |              | 40,968                   |              | 379,333               | (50,308)                      | 111,622             |              | (70,654)                     |
| Current portion of operating lease obligations    | -                    |              | 6,767                    |              | 62,657                | 6,767                         | 5,963               |              | 804                          |
| Trade payables                                    | 189,892              |              | 207,016                  |              | 1,916,815             | 17,124                        | 193,684             |              | 13,332                       |
| Accrued expenses                                  | 192,800              |              | 182,825                  |              | 1,692,824             | (9,975)                       | 180,971             |              | 1,854                        |
| Other current liabilities                         | 19,042               |              | 23,772                   |              | 220,111               | 4,730                         | 21,132              |              | 2,640                        |
| Noncurrent liabilities                            | 394,404              | 19.8         | 396,834                  | 20.3         | 3,674,389             | 2,430                         | 397,639             | 19.7         | (805)                        |
| Long-term debt,<br>excluding current installments | 207,682              |              | 184,265                  |              | 1,706,158             | (23,417)                      | 184,469             |              | (204)                        |
| Long-term operating lease obligations             | -                    |              | 30,751                   |              | 284,731               | 30,751                        | 28,965              |              | 1,786                        |
| Retirement and severance benefits                 | 129,050              |              | 121,442                  |              | 1,124,463             | (7,608)                       | 126,098             |              | (4,656)                      |
| Other noncurrent liabilities                      | 57,672               |              | 60,376                   |              | 559,037               | 2,704                         | 58,107              |              | 2,269                        |
| <b>Total liabilities</b>                          | <b>1,108,724</b>     | <b>55.6</b>  | <b>1,091,129</b>         | <b>55.9</b>  | <b>10,103,046</b>     | <b>(17,595)</b>               | <b>1,165,126</b>    | <b>57.8</b>  | <b>(73,997)</b>              |
| Common stock                                      | 32,641               |              | 32,641                   |              | 302,231               | -                             | 32,641              |              | -                            |
| Additional paid-in capital                        | 5,958                |              | 2,044                    |              | 18,926                | (3,914)                       | 6,114               |              | (4,070)                      |
| Legal reserve                                     | 44,436               |              | 45,085                   |              | 417,454               | 649                           | 44,867              |              | 218                          |
| Retained earnings                                 | 935,649              |              | 969,835                  |              | 8,979,954             | 34,186                        | 940,703             |              | 29,132                       |
| Accumulated<br>other comprehensive income (loss)  | (124,435)            |              | (176,480)                |              | (1,634,074)           | (52,045)                      | (161,297)           |              | (15,183)                     |
| Treasury stock                                    | (16,959)             |              | (16,854)                 |              | (156,056)             | 105                           | (16,924)            |              | 70                           |
| <b>Total TDK stockholders' equity</b>             | <b>877,290</b>       | <b>44.0</b>  | <b>856,271</b>           | <b>43.9</b>  | <b>7,928,435</b>      | <b>(21,019)</b>               | <b>846,104</b>      | <b>41.9</b>  | <b>10,167</b>                |
| Noncontrolling interests                          | 6,466                | 0.4          | 5,297                    | 0.2          | 49,047                | (1,169)                       | 6,154               | 0.3          | (857)                        |
| <b>Total equity</b>                               | <b>883,756</b>       | <b>44.4</b>  | <b>861,568</b>           | <b>44.1</b>  | <b>7,977,482</b>      | <b>(22,188)</b>               | <b>852,258</b>      | <b>42.2</b>  | <b>9,310</b>                 |
| <b>TOTAL</b>                                      | <b>1,992,480</b>     | <b>100.0</b> | <b>1,952,697</b>         | <b>100.0</b> | <b>18,080,528</b>     | <b>(39,783)</b>               | <b>2,017,384</b>    | <b>100.0</b> | <b>(64,687)</b>              |

**Note:**

U.S.\$1=Yen 108, for convenience only.