

**Consolidated Results
for 3Q of FY March 2016
Consolidated Full Year Projections
for FY March 2016**

**Tetsuji Yamanishi
Corporate Officer**

- ◆ **Net sales and operating income achieved historical highs for both the third quarter and the nine-month period. The third-quarter operating income margin was 10% on a companywide basis.**
- ◆ **Operating income of passive components and film application products achieved historical highs for both the third quarter and the nine-month period.**
- ◆ **HDD market in FY March 2016 *TDK's estimation**
 - About 463 million units (Previous estimation)
 - About 452 million units (Current estimation)
- ◆ **Growth strategies (announced projects)**
 - **Acquisition of Hutchinson Technology Incorporated (HDD suspension business)**
 - **Acquisition of Micronas Semiconductor Holding AG (Sensor business)**
 - **Forming a joint venture with Qualcomm Incorporated (high-frequency components business)**
 - **Transfer of Renesas Semiconductor Manufacturing's Tsuruoka factory (thin-film components business)**
 - **Business Cooperation with Trigen Semiconductor (SESUB business)**

Consolidated Results for 3Q of FY March 2016

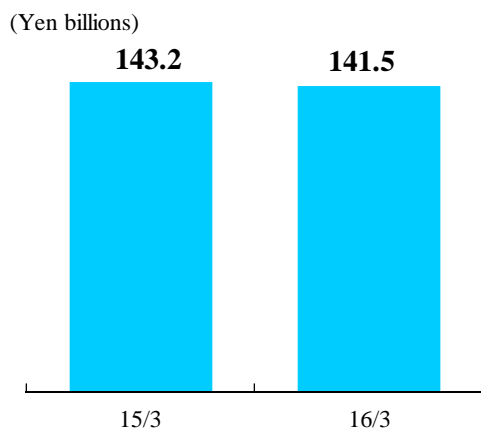


(Yen billions)	FY March 2015 3Q Results	FY March 2016 3Q Results	Change	
			Yen billions	%
Net Sales	300.4	301.7	1.3	0.4
Operating Income	25.2	30.3	5.1	20.2
Operating Income Margin	8.4%	10.0%	+1.6pt	-
Income before Income Taxes	22.2	29.9	7.7	34.7
Net Income	16.4	24.9	8.5	51.8
Earning Per Share (JPY)	130.24	197.83	-	-
US\$ (JPY)	114.25	121.41	Depreciated by 6.3%	
EURO (JPY)	142.79	133.05	Appreciated by 6.8%	
Ex-rate impact to Net sales & Operating Income	Net sales : Increased by about 15.2 billion Yen Operating income : Increased by about 4.1 billion Yen			

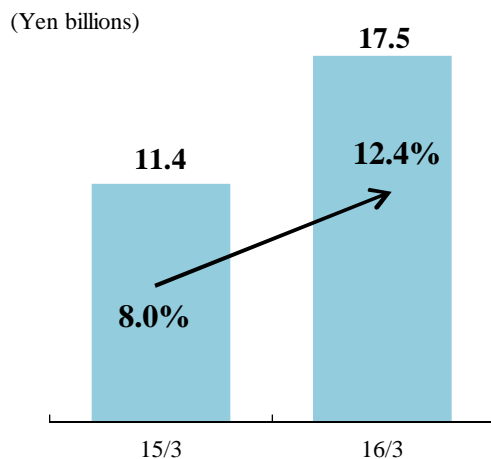
Forex Sensitivity (impact by 1 (one) yen change)

- US\$: Sales 5.0 billion yen, Operating Income 1.4 billion yen

Net Sales



Operating Income (OP margin)



15/3 : FY March 2015

Net Sales 141.5 billion yen (down 1.2% year on year)

Operating Income 17.5 billion yen (up 53.5% year on year)

◆ Ceramic Capacitors

- Sales were level year on year with strong sales to the automotive market offset by a decline in sales to the industrial machinery market.

◆ Inductive Devices

- Sales were level year on year with an increase in sales to the automotive market driven by electrification automobiles offset by a decline in sales to the ICT market and the industrial machinery market.

◆ High-frequency Components

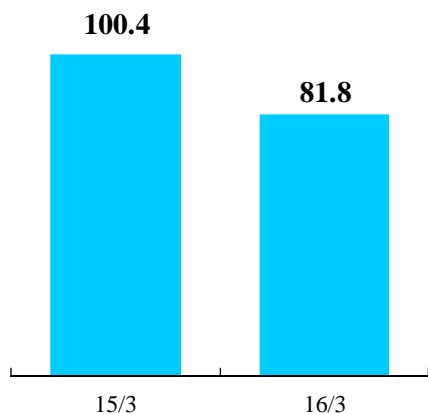
- Sales were level year on year with brisk sales of discrete products for smartphones offset by a decline in Wi-Fi module sales.
- Profit margins also improved significantly year on year due to increased productivity and improved product portfolio.

◆ Piezoelectric Material Products

- Sales increased year on year due to sales growth in OIS for camera modules.

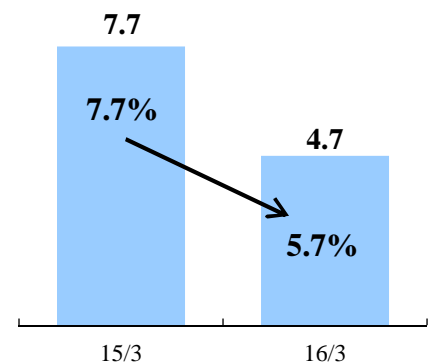
Net Sales

(Yen billions)



Operating Income (OP margin)

(Yen billions)



15/3 : FY March 2015

Net Sales 81.8 billion yen (down 18.5% year on year)

Operating income 4.7 billion yen (down 39.0% year on year)

◆ Recording Devices (HDD Heads)

- Shipment volume declined significantly year on year.

◆ Magnets

- Sales for the HDD market declined, and also declined for the automotive (xEV*) and industrial machinery markets due to the decline in oil prices and the economic slowdown in China.

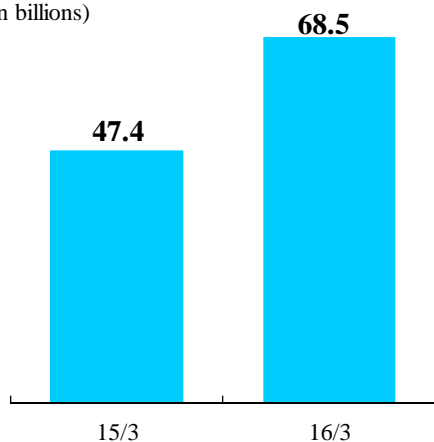
◆ Power Supplies

- Sales to the industrial equipment market of products such as semiconductor manufacturing equipment and measuring equipment remained strong.

*xEV : EV, HEV, PHEV

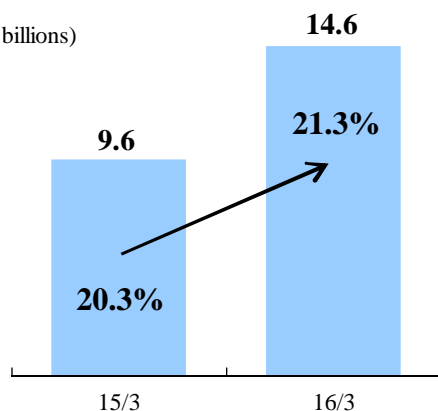
Net Sales

(Yen billions)



Operating Income (OP margin)

(Yen billions)



Net sales 68.5 billion yen (up 44.5% year on year)

Operating income 14.6 billion yen (up 52.1% year on year)

◆ Energy Devices (Rechargeable Batteries)

- Sales and profits increased year on year.
- Increased share among major customers and expanded customer portfolio.
- Expanded applications beyond smartphones to include drones, etc.

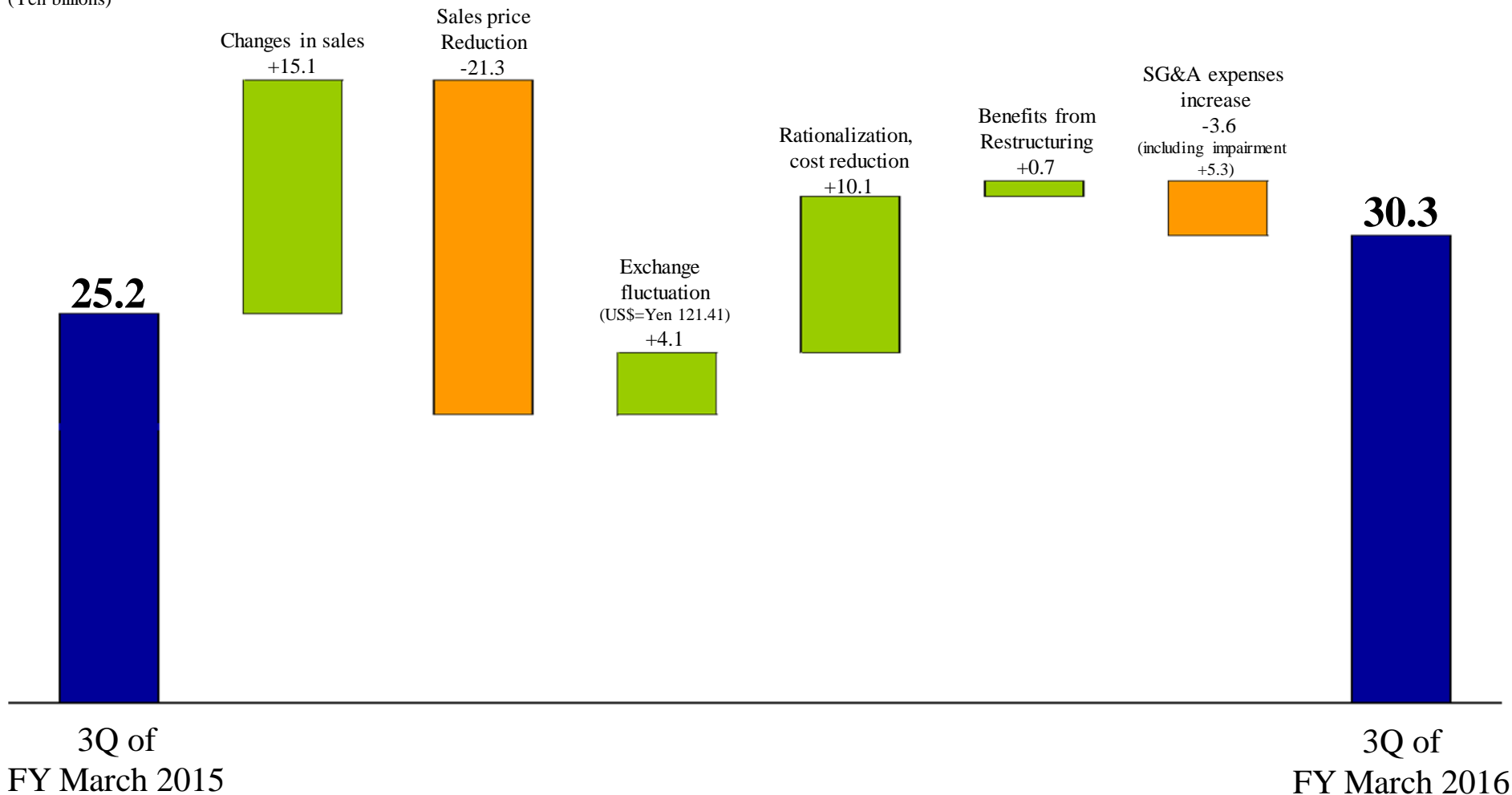
15/3 : FY March 2015

Breakdown of Operating Income Changes (3Q)



Operating Income + 5.1 billion yen

(Yen billions)



Quarterly Results by Segment



(Yen billions)		3Q of FY March 2015 (A)	2Q of FY March 2016 (B)	3Q of FY March 2016 (C)	YoY Change (C)-(A)		QoQ Change (C)-(B)	
					Yen billions	%	Yen billions	%
Net Sales	Capacitors	37.5	39.5	36.4	(1.1)	-2.9	(3.1)	-7.8
	Inductive Devices	38.1	38.6	37.4	(0.7)	-1.8	(1.2)	-3.1
	Other Passive Components	67.6	72.1	67.7	0.1	0.1	(4.4)	-6.1
	Passive Components	143.2	150.2	141.5	(1.7)	-1.2	(8.7)	-5.8
	Recording Devices	75.1	60.7	58.5	(16.6)	-22.1	(2.2)	-3.6
	Other Magnetic Application Products	25.3	24.6	23.3	(2.0)	-7.9	(1.3)	-5.3
	Magnetic Application Products	100.4	85.3	81.8	(18.6)	-18.5	(3.5)	-4.1
	Film Application Products	47.4	64.1	68.5	21.1	44.5	4.4	6.9
	Other	9.4	8.6	10.0	0.6	6.4	1.4	16.3
	Total	300.4	308.1	301.7	1.3	0.4	(6.4)	-2.1
Operating Income	Passive Components	11.4	17.4	17.5	6.1	53.5	0.1	0.6
	Magnetic Application Products	7.7	4.5	4.7	(3.0)	-39.0	0.2	4.4
	Film Application Products	9.6	11.6	14.6	5.0	52.1	3.0	25.9
	Other	0.2	0.2	(0.1)	(0.3)	-	(0.3)	-
	Sub total	28.9	33.7	36.7	7.8	27.0	3.0	8.9
	Corporate and Eliminations	(3.8)	(6.3)	(6.4)	(2.6)	-	(0.1)	-
Total	25.1	27.4	30.3	5.2	20.7	2.9	10.6	
Operating Income margin		8.4%	8.9%	10.0%	+1.6pt	-	+1.1pt	-
Ex-rate	US\$/Yen	114.25	122.31	121.41				
	EURO/Yen	142.79	136.06	133.05				

Consolidated Results through 3Q of FY March 2016



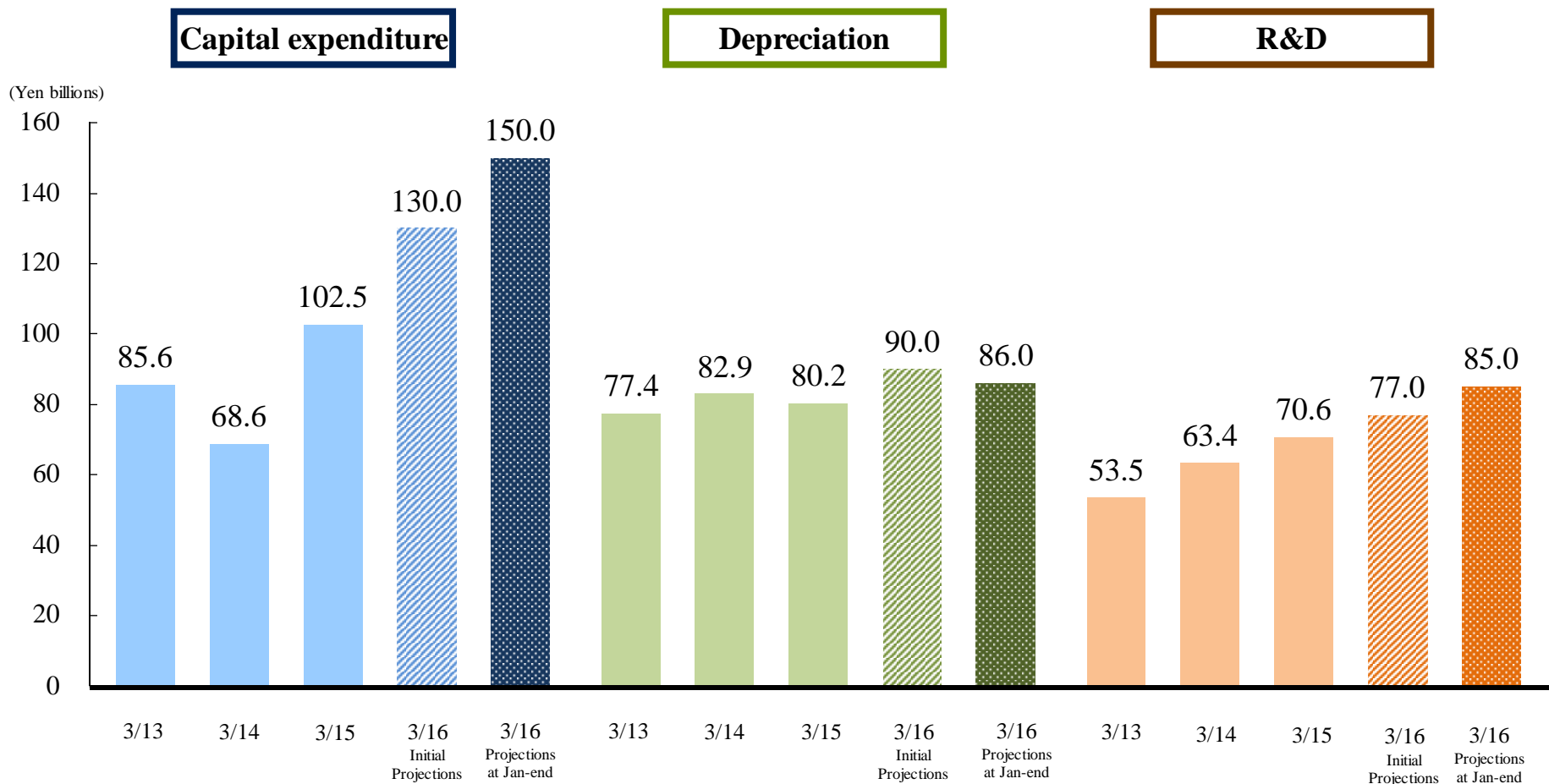
(Yen billions)	FY March 2015 Results through 3Q	FY March 2016 Results through 3Q	Change	
			Yen billions	%
Net Sales	802.7	889.3	86.6	10.8
Operating Income	53.1	75.9	22.8	42.9
Operating Income Margin	6.6%	8.5%	+1.9 pt	-
Income before Income Taxes	49.6	73.9	24.3	49.0
Net Income	34.5	56.4	21.9	63.5
Earning Per Share (JPY)	274.43	447.54	-	-
US\$ (JPY)	106.78	121.67	Depreciated by 13.9%	
EURO (JPY)	140.24	134.42	Appreciated by 4.2%	
Ex-rate impact to Net sales & Operating Income	Net sales : Increased by about 94.0 billion Yen Operating income : Increased by about 18.3 billion Yen			

FY March 2016 Full Year Projections



TDK keeps initial projections (announced on April 28) unchanged.

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



3/13 : FY March 2013

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