

Consolidated Results for 1Q of FY March 2017

Tetsuji Yamanishi
Corporate Officer

Key points concerning earnings for 1Q of FY March 2017

- ◆ **Net sales decreased by 0.3% and operating income decreased by 8.8% year on year.**
- ◆ **The passive components segment secured a year on year increase in operating income, driven by an improvement in profit margin on high-frequency components.**
- ◆ **Both sales and operating income on rechargeable batteries increased year on year after the customer portfolio expanded and sales for new applications continued to grow.**
- ◆ **HDD head sales were stronger than initially projected, despite the sluggish HDD market.**

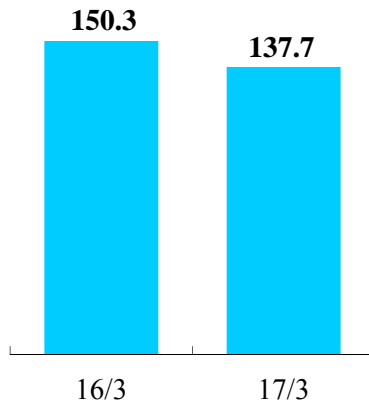
Consolidated Results for 1Q of FY March 2017

	(Yen billions)	FY March 2016 1Q Results	FY March 2017 1Q Results	Change	
				Yen billions	%
Net Sales		279.6	278.8	(0.8)	-0.3
Operating Income		18.1	16.5	(1.6)	-8.8
Operating Income Margin		6.5%	5.9%	-0.6 pt	-
Income before Income Taxes		18.9	16.4	(2.5)	-13.2
Net Income		13.1	12.4	(0.7)	-5.3
Earning Per Share (JPY)		103.96	98.32	-	-
Ex-rate	US\$ /JPY	121.29	108.37	Appreciated by 10.7%	
	EURO /JPY	134.15	122.41	Appreciated by 8.8%	
Ex-rate impact to Net sales & Operating Income	Net sales : Decreased by about 31.9 billion Yen Operating income : Decreased by about 5.9 billion Yen				

1Q Results - Passive Components Segment

Net Sales

(Yen billions)

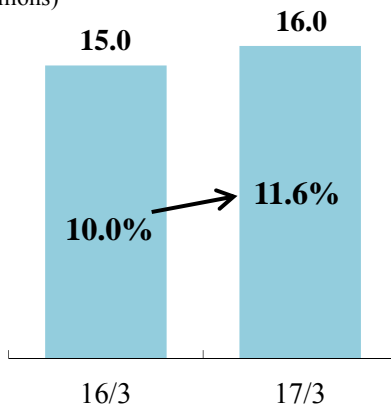


Net Sales 137.7 billion yen (down 8.4% year on year)

Operating Income 16.0 billion yen (up 6.7% year on year)

Operating Income (OP margin)

(Yen billions)



16/3: FY March 2016

◆ Ceramic Capacitors

- Sales decreased year on year.
- Sales to the automobile market increased, while sales to the ICT market decreased.

◆ Inductive Devices

- Sales decreased year on year.
- Sales to the automobile market increased, while sales to the ICT market decreased.

◆ High-frequency Components

- Sales decreased slightly year on year.
- Sales of discrete products increased, while sales of modules decreased.

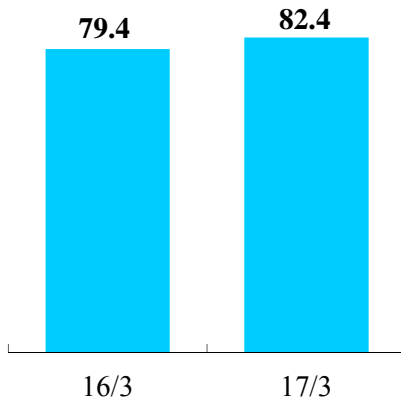
◆ Piezoelectric Material Products

- Sales decreased year on year.
- Sales of OIS for camera modules increased.

1Q Results - Magnetic Application Products Segment

Net Sales

(Yen billions)



Net Sales 82.4 billion yen (up 3.8% year on year)

Operating income 1.7 billion yen (down 55.3% year on year)

◆ HDD Heads

- Sales increased year on year.
- HDD head sales were stronger than initially projected, despite the sluggish HDD market.

◆ Magnets

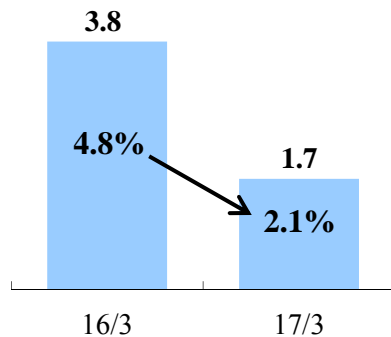
- Sales decreased year on year.
- Sales to the HDD market decreased.

◆ Power Supplies

- Sales decreased year on year.
- Sales to the industrial equipment market decreased.

Operating Income (OP margin)

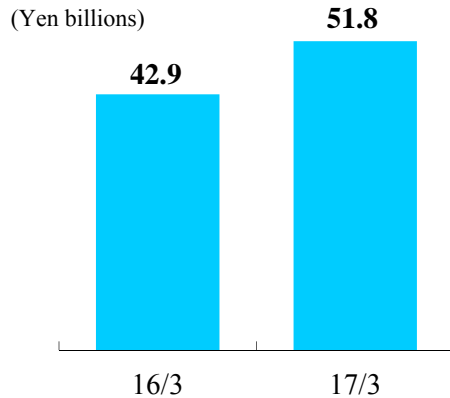
(Yen billions)



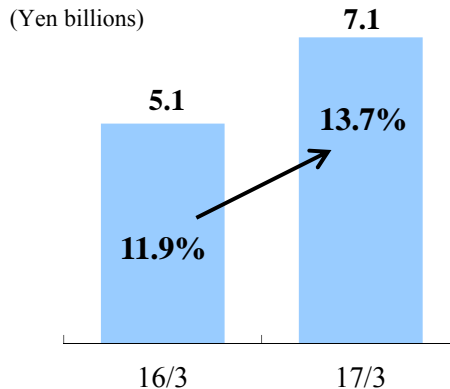
16/3: FY March 2016

1Q Results - Film Application Products Segment

Net Sales



Operating Income (OP margin)



16/3: FY March 2016

Net sales 51.8 billion yen (up 20.7% year on year)

Operating income 7.1 billion yen (up 39.2% year on year)

◆ Energy Devices (Rechargeable Batteries)

- Sales increased year on year.
- Sales for smartphones and new applications other than smartphones increased.
- Operating income margin also increased year on year.

Quarterly Results by Segment

(Yen billions)		1Q of FY March 2016 (A)	4Q of FY March 2016 (B)	1Q of FY March 2017 (C)	YoY Change (C)-(A)		QoQ Change (C)-(B)	
					Yen billions	%	Yen billions	%
Net Sales	Capacitors	39.1	35.4	34.4	(4.7)	-12.0	(1.0)	-2.8
	Inductive Devices	39.7	36.3	35.7	(4.0)	-10.1	(0.6)	-1.7
	Other Passive Components	71.4	65.8	67.6	(3.8)	-5.3	1.8	2.7
	Passive Components	150.3	137.4	137.7	(12.6)	-8.4	0.3	0.2
	Recording Devices	54.6	46.0	61.0	6.4	11.7	15.0	32.6
	Other Magnetic Application Products	24.8	22.9	21.4	(3.4)	-13.7	(1.5)	-6.6
	Magnetic Application Products	79.4	68.9	82.4	3.0	3.8	13.5	19.6
	Film Application Products	42.9	46.1	51.8	8.9	20.7	5.7	12.4
	Other	7.0	10.5	6.9	(0.1)	-1.4	(3.6)	-34.3
	Total	279.6	262.9	278.8	(0.8)	-0.3	15.9	6.0
Operating Income	Passive Components	15.0	16.5	16.0	1.0	6.7	(0.5)	-3.0
	Magnetic Application Products	3.8	0.2	1.7	(2.1)	-55.3	1.5	750.0
	Film Application Products	5.1	5.6	7.1	2.0	39.2	1.5	26.8
	Other	0.0	1.2	(1.4)	(1.4)	-	(2.6)	-
	Sub total	23.9	23.5	23.4	(0.5)	-2.1	(0.1)	-0.4
	Corporate and Eliminations	(5.8)	(6.0)	(6.9)	(1.1)	-	(0.9)	-
	Total	18.1	17.5	16.5	(1.6)	-8.8	(1.0)	-5.7
Operating Income margin		6.5%	6.7%	5.9%	-0.6 pt	-	-0.8 pt	-
Ex-rate	US\$/JPY	121.29	115.46	108.37				
	EURO/JPY	134.15	127.37	122.41				

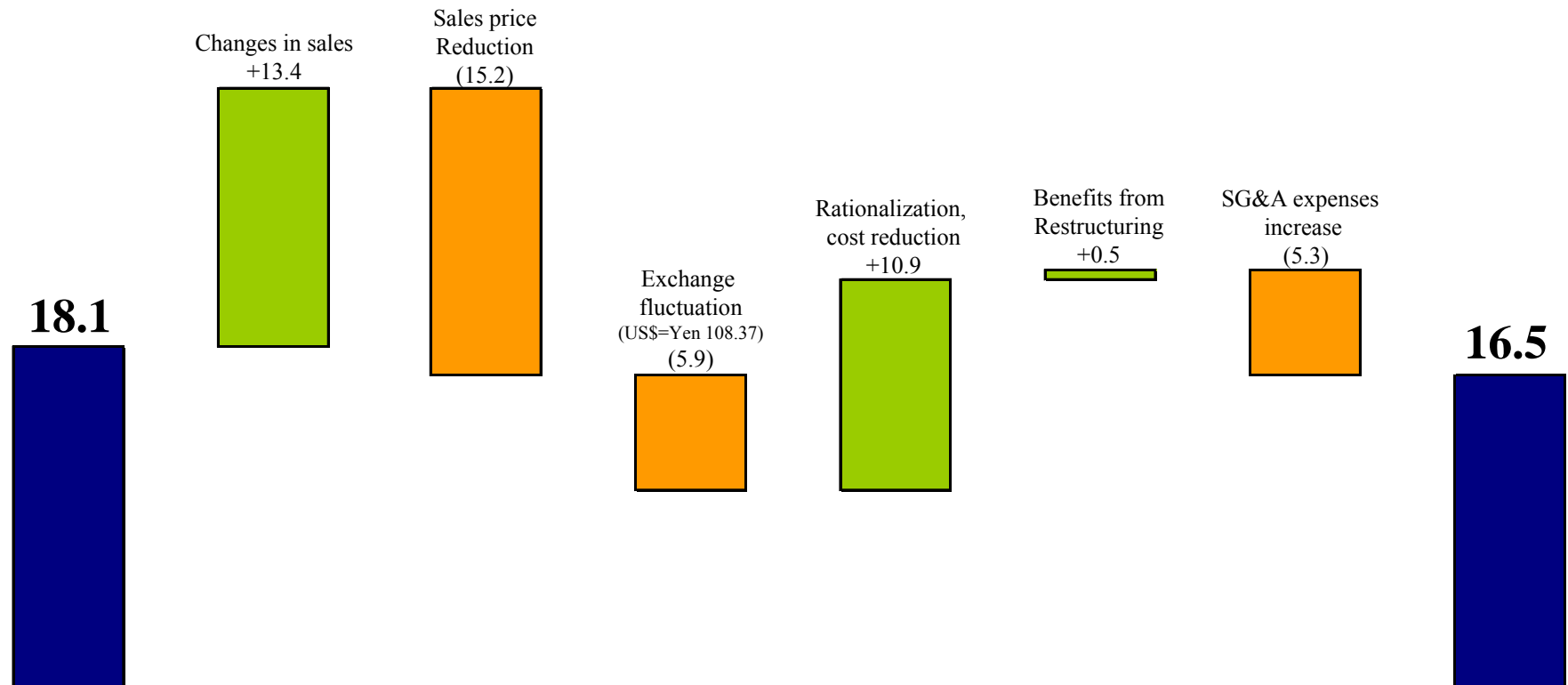
Breakdown of Operating Income Changes

1Q of
FY March 2016
18.1 billion yen

Operating Income -1.6 billion yen

1Q of
FY March 2017
16.5 billion yen

(Yen billions)



Projections for 2Q of FY March 2017 -Image of change in sales

(Yen billions)

Segment	1Q of FY March 2017	2Q Projections (Q on Q Change)
Passive Components	137.7	+7%~+9%
Magnetic Application Products	82.4	±0%
Film Application Products	51.8	+30%+α
Other	6.9	—
Total	278.8	+9%~+11%

Forex assumptions

US\$/Yen	108.37	110.00
EURO/Yen	122.41	125.00

FY March 2017 Full Year / Dividend Projections

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

(Yen billions)		FY March 2016 Full Year Results	FY March 2017 Full Year Projections	YoY Change	
				Yen billions	%
Net sales		1,152.3	1,160.0	7.7	0.7%
Operating income		93.4	74.0	(19.4)	-20.8%
Operating income margin		8.1%	6.4%	1.7 pt	-
Income before income taxes		91.8	73.0	(18.8)	-20.5%
Net income		64.8	50.0	(14.8)	-22.8%
Earning per share (JPY)		514.23	396.00	-	-
Dividends (JPY)		1st half : 60 2nd half : 60 Annual: 120	1st half : 60 2nd half : 60 Annual : 120	-	-
Ex-rate	US\$(JPY)	120.13	110.00	-	-
	EURO(JPY)	132.67	125.00	-	-
Capital expenditure		160.7	200.0	39.3	24.5%
Depreciation and amortization		83.2	95.0	11.8	14.2%
Research and development		84.9	90.0	5.1	6.0%

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