

Consolidated Results for FY March 2017

Tetsuji Yamanishi
Corporate Officer

- ◆ **Net sales and operating income both achieved new records on a full year basis.**
 - Net sales rose 2.3% year on year. Operating income rose 123.4% year on year, reflecting the recording of a gain on transfer.
 - High-frequency components and rechargeable batteries generated higher earnings, absorbing the impact of the yen's appreciation, thereby driving overall earnings.
 - Rechargeable batteries achieved new records on a full year basis in terms of both net sales and operating income.

- ◆ **The HDD market performed stronger than initially forecast.**
 - HDD market forecast (TDK estimate):
initial forecast 400 million units → actual 420 million units

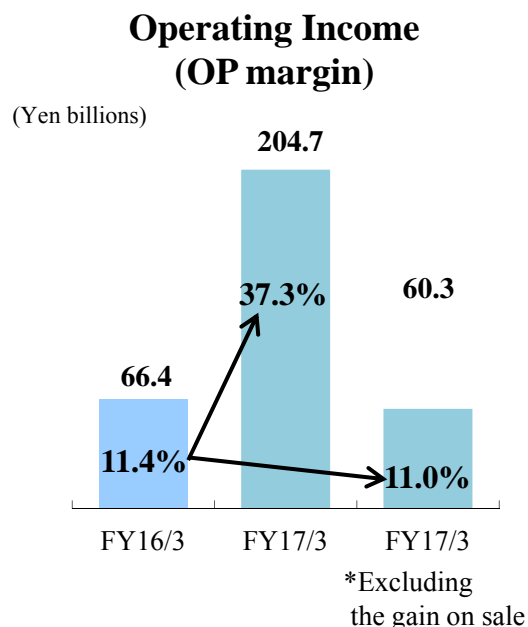
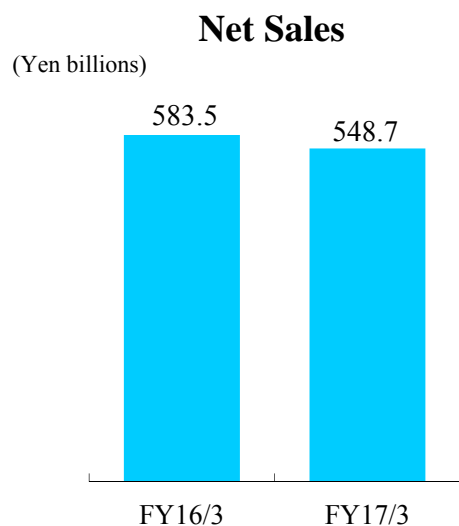
- ◆ **TDK executed a bold transformation of its business portfolio.**
 - TDK closed an agreement to establish a joint venture and expand collaboration with Qualcomm.
 - TDK undertook new M&A initiatives in line with its growth strategy, executing measures to boldly transform its business portfolio.
 - TDK executed structural reforms to strengthen its earnings structure, by accelerating the transformation of the profit structure of existing businesses.

Consolidated Full Year Results for FY March 2017



	(Yen billions)	FY March 2016 Full Year Results	FY March 2017 Full Year Results	Change	
				Yen billions	%
	Net sales	1,152.3	1,178.3	26.0	2.3
	Operating income	93.4	208.7	115.3	123.4
	Operating income margin	8.1%	17.7%		-
	Income before Income Taxes	91.8	211.7	119.9	130.6
	Net income	64.8	145.1	80.3	123.9
	Earning per share (JPY)	514.23	1,150.16	-	-
Ex-rate	US\$ (JPY)	120.13	108.46	Appreciated by 9.7%	
	EURO (JPY)	132.67	118.92	Appreciated by 10.4%	
Ex-rate impact to Net sales & Operating income		Net sales : Decreased by about 129.1 billion Yen Operating income : Decreased by about 26.7 billion Yen			

FY March 2017 Results - Passive Components Segment



Net Sales 548.7 billion yen (down 6.0% year on year)

Operating Income 204.7 billion yen (up 208.3% year on year)

*Operating income excluding the gain on sale was 60.3 billion yen (down 9.2% year on year).

◆ Ceramic Capacitors

- Sales decreased year on year.
- Sales to the automotive market increased, while sales to the ICT and the industrial equipment markets decreased.

◆ Inductive Devices

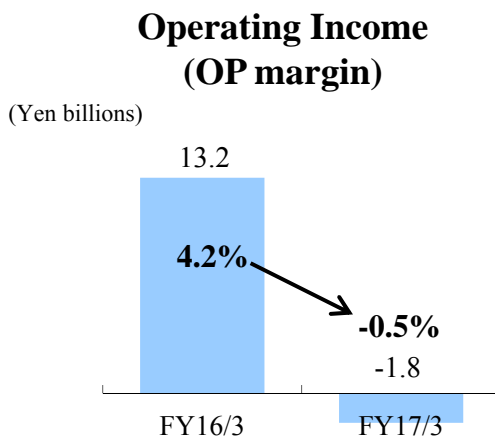
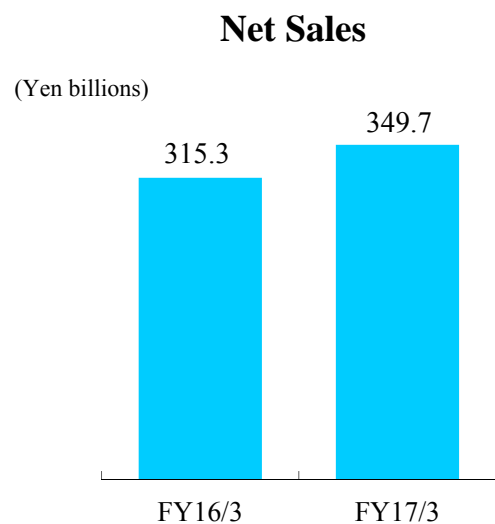
- Sales decreased year on year.
- Sales to the automotive market increased, while sales to the ICT market decreased.

◆ High-frequency Components

- Most products were transferred to RF360 Holdings Singapore PTE. Ltd., a joint venture established with Qualcomm. (Completed on February 3, 2017)
- Sales decreased year on year, due to lower sales of Wi-Fi modules and the impact of product transfers, despite higher sales of discrete products and diversity modules.
- Operating income margin increased year on year.

◆ Piezoelectric Material Products

- Sales decreased slightly year on year.
- Sales for camera module actuators for Chinese smartphone remained strong.



Net Sales 349.7 billion yen (up 10.9% year on year)
Operating income -1.8 billion yen (—% year on year)

◆ **HDD Heads**

- Sales increased year on year.
- HDD head sales were stronger than initially projected.

◆ **Magnetic Sensors**

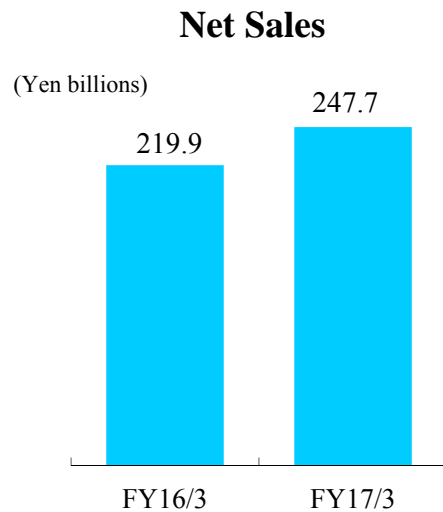
- Sales of the magnetic sensors of Micronas Semiconductor Holding AG trended firmly in the automotive market. TDK completed the acquisition of Micronas in 4Q of FY March 2016.

◆ **Magnets**

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

◆ **Power Supplies**

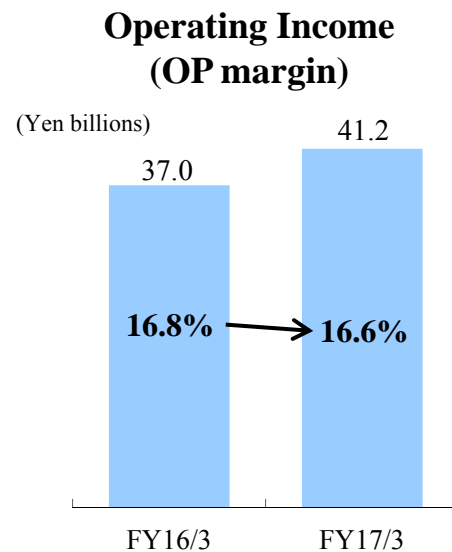
- Sales decreased year on year.
- Sales to the industrial equipment market decreased.



Net sales 247.7 billion yen (up 12.6% year on year)
Operating income 41.2 billion yen (up 11.4% year on year)

◆ **Energy Devices (Rechargeable Batteries)**

- Sales increased year on year.
- Sales for smartphones increased significantly due to expansion of the customer base.
- Sales for new applications other than smartphones were also strong.
- Maintained same level of high profit margins as in the previous fiscal year.



FY March 2017 Results by Segment



		FY March 2016 Full Year Results		FY March 2017 Full Year Results		Change	
		Yen billion	%	Yen billion	%	Yen billion	%
Net Sales	Capacitors	150.4	13.1	136.8	11.6	(13.6)	-9.0
	Inductive devices	155.1	13.5	145.3	12.3	(9.8)	-6.3
	Other Passive Components	278.0	24.1	266.6	22.6	(11.4)	-4.1
	Passive Components	583.5	50.6	548.7	46.6	(34.8)	-6.0
	Recording devices	219.8	19.1	262.1	22.2	42.3	19.2
	Other Magnetic Application Products	95.5	8.3	87.6	7.4	(7.9)	-8.3
	Magnetic Application Products	315.3	27.4	349.7	29.7	34.4	10.9
	Film Application Products	219.9	19.1	247.7	21.0	27.8	12.6
	Other	33.6	2.9	32.1	2.7	(1.5)	-4.5
	Total	1,152.3	100.0	1,178.3	100.0	26.0	2.3
Operating Income	Passive Components	66.4	11.4	204.7	37.3	138.3	208.3
	Magnetic Application Products	13.2	4.2	(1.8)	-0.5	(15.0)	-
	Film Application Products	37.0	16.8	41.2	16.6	4.2	11.4
	Other	1.2	3.6	(6.7)	-20.9	(7.9)	-
	Sub total	117.8	10.2	237.4	20.1	119.6	101.5
	Corporate and eliminations	(24.4)	-	(28.8)	-	(4.4)	-
Total	93.4	8.1	208.7	17.7	115.3	123.4	

Breakdown of Operating Income Changes

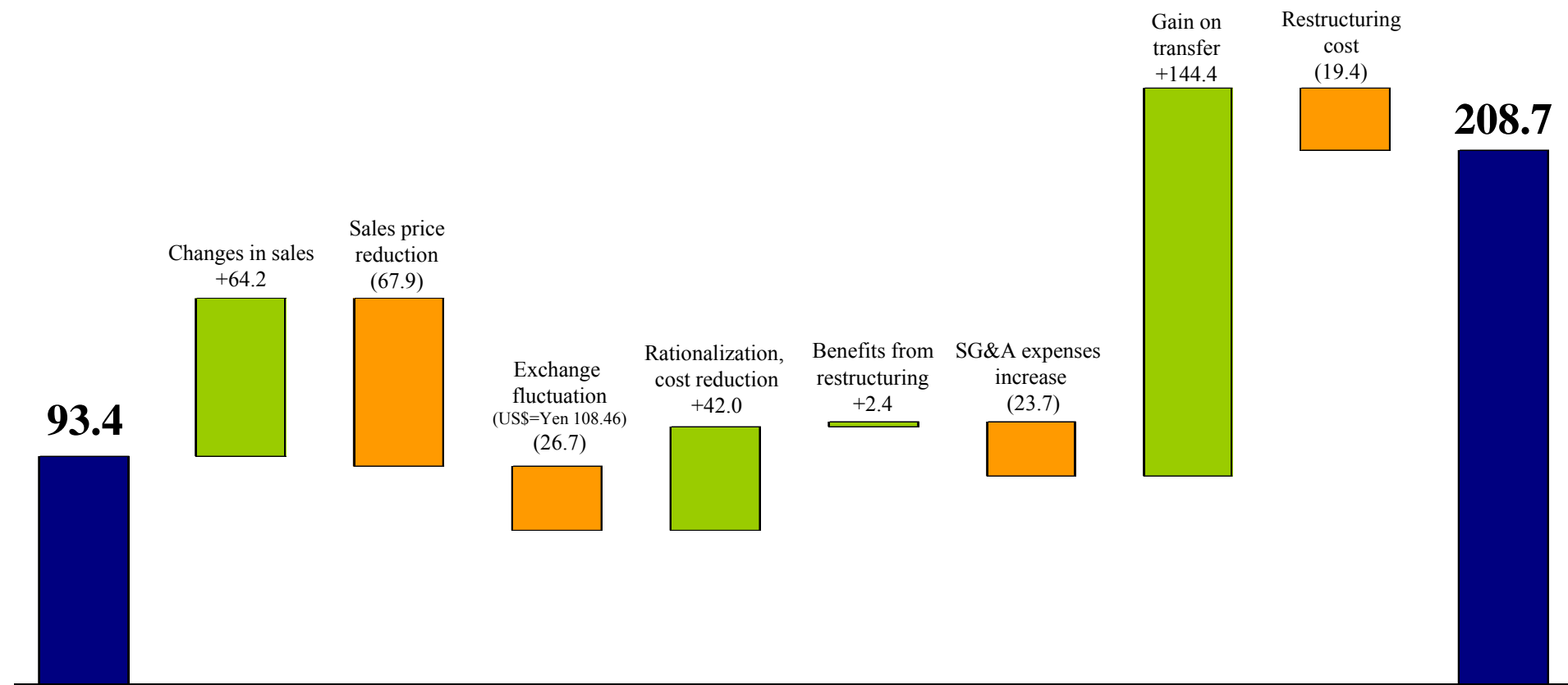


FY March 2016
93.4 billion yen

Operating Income +115.3 billion yen

FY March 2017
208.7 billion yen

(Yen billions)



FY March 2017 Quarterly Results by Segment



		4Q of FY March 2016 (A)	3Q of FY March 2017 (B)	4Q of FY March 2017 (C)	YoY Change (C)-(A)		QoQ Change (C)-(B)	
					Yen billions	%	Yen billions	%
Net Sales	Capacitors	35.4	33.6	35.0	(0.4)	-1.1	1.4	4.2
	Inductive Devices	36.3	36.6	37.6	1.3	3.6	1.0	2.7
	Other Passive Components	65.8	77.7	46.5	(19.3)	-29.3	(31.2)	-40.2
	Passive Components	137.4	147.9	119.1	(18.3)	-13.3	(28.8)	-19.5
	Recording Devices	46.0	70.7	68.1	22.1	48.0	(2.6)	-3.7
	Other Magnetic Application Products	22.9	21.6	22.9	0.0	0.0	1.3	6.0
	Magnetic Application Products	68.9	92.4	91.0	22.1	32.1	(1.4)	-1.5
	Film Application Products	46.1	76.4	54.4	8.3	18.0	(22.0)	-28.8
	Other	10.5	8.1	9.8	(0.7)	-6.7	1.7	21.0
	Total	262.9	324.8	274.3	11.4	4.3	(50.5)	-15.5
Operating Income	Passive Components	16.5	20.4	147.6	131.1	794.5	127.2	623.5
	Magnetic Application Products	0.2	4.8	(10.8)	(11.0)	-	(15.6)	-
	Film Application Products	5.6	16.2	5.0	(0.6)	-10.7	(11.2)	-69.1
	Other	1.2	(1.6)	(1.7)	(2.9)	-	(0.1)	-
	Sub total	23.5	39.8	140.1	116.6	496.2	100.3	252.0
	Corporate and Eliminations	(6.0)	(7.3)	(8.2)	(2.2)	-	(0.9)	-
	Total	17.5	32.5	131.8	114.3	-	99.3	305.5
Operating Income margin	6.7%	10.0%	48.0%	41.3pt	-	38.0pt	-	
Ex-rate	US\$ (JPY)	115.46	109.19	113.85				
	EURO (JPY)	127.37	117.74	121.25				

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, or its group companies (TDK Group). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs, and evaluations of the TDK Group in light of the information currently available to it, and contain known and unknown risks, uncertainties, and other factors. The TDK Group therefore wishes to caution readers that, being subject to risks, uncertainties, and other factors, the TDK Group's actual results, performance, achievements, or financial position could be materially different from any future results, performance, achievements, or financial position expressed or implied by these forward-looking statements, and the TDK Group undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material except as provided for in laws and ordinances.

The electronics markets in which the TDK Group operates are highly susceptible to rapid changes, risks, uncertainties, and other factors that can have significant effects on the TDK Group including, but 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. Also, since the purpose of these materials is only to give readers a general outline of business performance, many numerical values are shown in units of a billion yen. Because original values, which are managed in units of a million yen, are rounded off, the totals, differences, etc. shown in these materials may appear inaccurate. If detailed figures are necessary, please refer to our financial statements and supplementary materials.



Text data including Q&A of performance briefing will be uploaded on following site
http://www.global.tdk.com/ir/ir_events/conference/2017/4q_1.htm