

**Consolidated Results for  
3Q of FY March 2018  
Consolidated Full Year Projections for  
FY March 2018**

**Tetsuji Yamanishi  
Senior Vice President**

- ◆ **Net sales achieved new records for three consecutive quarters since the beginning of the fiscal year.**
- ◆ **Operating income was largely on par with profit in the same period of the previous fiscal year, even after including M&A-related expenses and the impact of the partial transfer of the High-Frequency Components business.**
  - **In the third quarter, net sales increased 5.0% year on year, while operating income remained mostly unchanged.**
  - **In the Passive Components segment, the Company steadily expanded the profit base of Capacitors by addressing growing demand in the solid automotive and industrial equipment markets.**
  - **In the Sensor Application Products segment, the Company posted a large increase in net sales driven by expanded sales of Magnetic Sensors to the ICT market.**
  - **In the Magnetic Application Products segment, the Company generated higher profit despite largely flat net sales due to the stabilization of earnings from HDD Heads and continuing expansion in sales of Magnets and Power Supplies to the industrial equipment market.**
  - **Both sales and operating income from Rechargeable Batteries achieved new records on a quarterly basis, reflecting continuing expansion in sales for use in smartphones and steady growth in sales for new applications.**

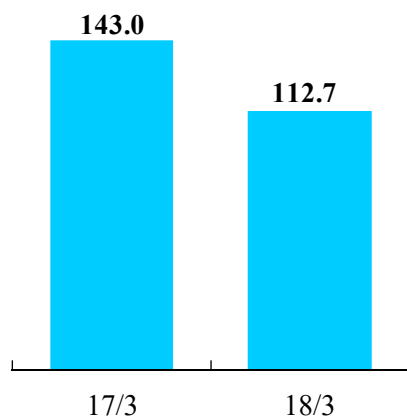
# Consolidated Results for 3Q of FY March 2018



(Yen billions)	FY March 2017 3Q Results	FY March 2018 3Q Results	Change	
			Yen billions	%
<b>Net Sales</b>	324.8	<b>341.1</b>	16.3	5.0
<b>Operating Income</b>	32.5	<b>32.4</b>	(0.1)	-0.3
<b>Operating Income Margin</b>	10.0%	<b>9.5%</b>	-0.5 pt	-
<b>Income before Income Taxes</b>	32.1	<b>33.5</b>	1.4	4.4
<b>Net Income</b>	24.4	<b>21.6</b>	(2.8)	-11.5
<b>Earning per Share (JPY)</b>	193.52	<b>170.96</b>	-	-
<b>Ex-rate</b>	<b>US\$ (JPY)</b>	109.19	<b>112.97</b>	Depreciated by 3.5%
	<b>EURO (JPY)</b>	117.74	<b>133.00</b>	Depreciated by 13.0%
<b>Ex-rate Impact to Net Sales &amp; Operating Income</b>	Net Sales : Increased by about 13.7 billion yen Operating Income : Increased by about 1.6 billion yen			

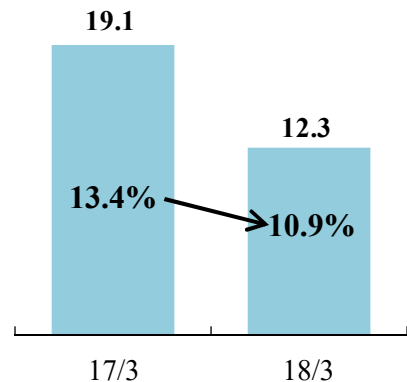
## Net Sales

(Yen billions)



## Operating Income (OP Margin)

(Yen billions)



17/3: FY March 2017

**Net Sales 112.7 billion yen** (down 21.2% year on year)

**Operating Income 12.3 billion yen** (down 35.6% year on year)

### ◆ Ceramic Capacitors

- Sales and profit increased year on year.
- Sales to the automotive market increased.

### ◆ Inductive Devices

- Sales increased year on year.
- Sales to the automotive and the industrial equipment market increased.

### ◆ High-Frequency Components

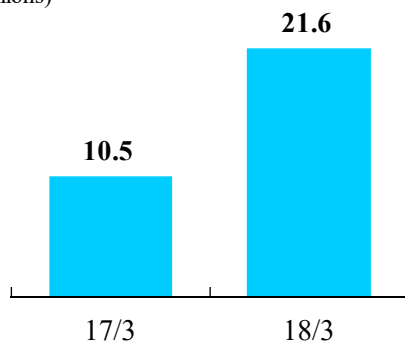
- Sales and profit decreased year on year due to the impact of the partial transfer of business.

### ◆ Piezoelectric Material Products

- Sales and profit decreased year on year.
- Sales of camera module actuators decreased.

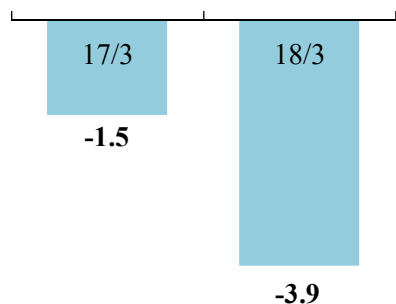
## Net Sales

(Yen billions)



## Operating Income (OP Margin)

(Yen billions)



17/3: FY March 2017

**Net Sales 21.6 billion yen** (up 105.7% year on year)

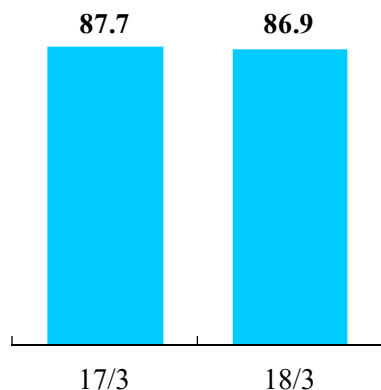
**Operating Income -3.9 billion yen** (down —% year on year)

### ◆ Sensors

- Sales increased year on year due to the consolidation of sales of InvenSense, Inc., following the completion of its acquisition in May.
- Sales of Magnetic Sensors increased to the ICT market in step with growth in applications.
- There was a larger operating loss mainly due to the recording of acquisition-related costs for InvenSense, Inc.

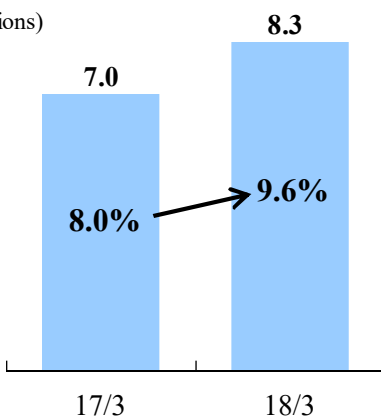
## Net Sales

(Yen billions)



## Operating Income (OP Margin)

(Yen billions)



17/3: FY March 2017

**Net Sales 86.9 billion yen** (down 0.9% year on year)

**Operating Income 8.3 billion yen** (up 18.6% year on year)

### ◆ HDD Heads

- Sales decreased year on year.
- Sales of HDD suspensions increased due to the acquisition of Hutchinson Technology Incorporated.

### ◆ Magnets

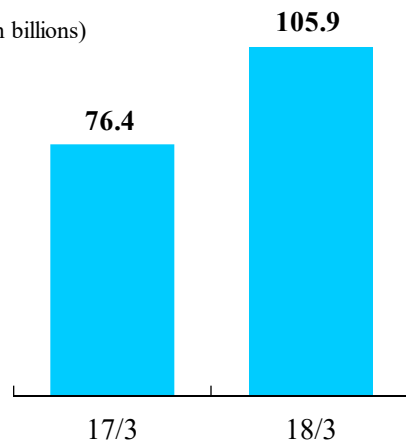
- Sales increased year on year and profitability improved.
- Sales increased for applications such as wind power generators and industrial equipment.

### ◆ Power Supplies

- Sales and profit increased year on year, reflecting strong conditions in the industrial equipment market.
- Solid sales for applications such as semiconductor manufacturing equipment and robotics-related applications.
- Profitability improved due to the launch of new products in the market.

## Net Sales

(Yen billions)



**Net Sales 105.9 billion yen** (up 38.6% year on year)

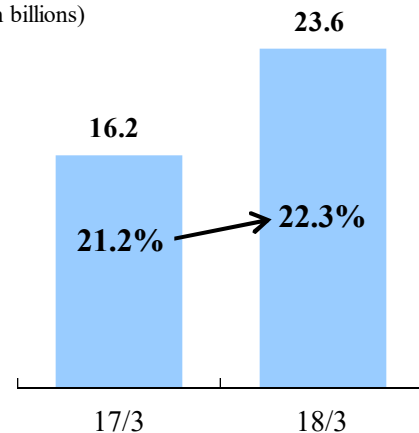
**Operating Income 23.6 billion yen** (up 45.7% year on year)

## ◆ Energy Devices (Rechargeable Batteries)

- Sales and profit increased year on year.
- Sales for mobile applications were firm.
- Sales also increased for new applications such as drones and game consoles.

## Operating Income (OP Margin)

(Yen billions)



17/3: FY March 2017

# Quarterly Results by Segment



(Yen billions)		3Q of FY March 2017 (A)	2Q of FY March 2018 (B)	3Q of FY March 2018 (C)	YoY Change (C)-(A)		QoQ Change (C)-(B)	
					Yen billions	%	Yen billions	%
Net Sales	Capacitors	33.6	39.2	<b>40.1</b>	6.5	19.3	0.9	2.3
	Inductive Devices	36.6	40.5	<b>40.3</b>	3.7	10.1	(0.2)	-0.5
	Other Passive Components	72.8	31.8	<b>32.3</b>	(40.5)	-55.6	0.5	1.6
	<b>Passive Components</b>	<b>143.0</b>	<b>111.5</b>	<b>112.7</b>	(30.3)	-21.2	1.2	1.1
	<b>Sensor Application Products</b>	<b>10.5</b>	<b>20.2</b>	<b>21.6</b>	11.1	105.7	1.4	6.9
	Recording Devices	66.0	61.8	<b>62.3</b>	(3.7)	-5.6	0.5	0.8
	Other Magnetic Application Products	21.6	23.7	<b>24.6</b>	3.0	13.9	0.9	3.8
	<b>Magnetic Application Products</b>	<b>87.7</b>	<b>85.6</b>	<b>86.9</b>	(0.8)	-0.9	1.3	1.5
	<b>Film Application Products</b>	<b>76.4</b>	<b>103.5</b>	<b>105.9</b>	29.5	38.6	2.4	2.3
	<b>Other</b>	<b>7.2</b>	<b>13.3</b>	<b>14.1</b>	6.9	95.8	0.8	6.0
	<b>Total</b>	<b>324.8</b>	<b>334.0</b>	<b>341.1</b>	16.3	5.0	7.1	2.1
Operating Income	<b>Passive Components</b>	19.1	12.4	<b>12.3</b>	(6.8)	-35.6	(0.1)	-0.8
	<b>Sensor Application Products</b>	(1.5)	(6.1)	<b>(3.9)</b>	(2.4)	-	2.2	-
	<b>Magnetic Application Products</b>	7.0	6.1	<b>8.3</b>	1.3	18.6	2.2	36.1
	<b>Film Application Products</b>	16.2	21.3	<b>23.6</b>	7.4	45.7	2.3	10.8
	<b>Other</b>	(1.0)	(1.2)	<b>(0.4)</b>	0.6	-	0.8	-
	<b>Sub Total</b>	<b>39.8</b>	<b>32.5</b>	<b>39.9</b>	0.1	0.3	7.4	22.8
	Corporate and Eliminations	(7.3)	(5.9)	<b>(7.5)</b>	(0.2)	-	(1.6)	-
	<b>Total</b>	<b>32.5</b>	<b>26.6</b>	<b>32.4</b>	(0.1)	-0.3	5.8	21.8
Operating Income Margin		10.0%	8.0%	<b>9.5%</b>	-0.5 pt	-	+1.5 pt	-
Ex-rate	US\$ (JPY)	109.19	111.01	<b>112.97</b>				
	EURO (JPY)	117.74	130.26	<b>133.00</b>				



# Breakdown of Operating Income Changes

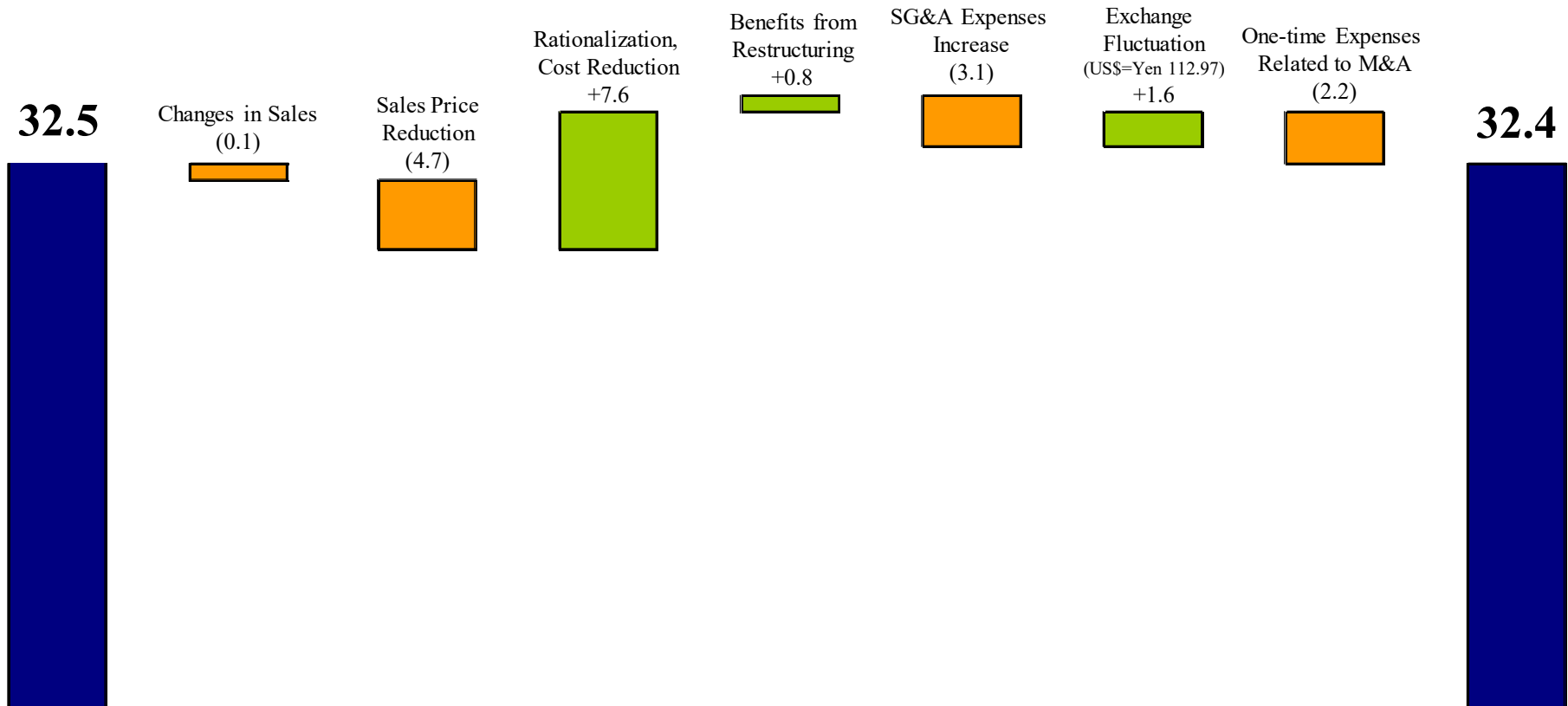


3Q of  
FY March 2017  
32.5 billion yen

**Operating Income -0.1 billion yen**

3Q of  
FY March 2018  
32.4 billion yen

(Yen billions)



# Consolidated Results through 3Q of FY March 2018



	(Yen billions)	FY March 2017 Results through 3Q (2016.4.1~2016.12.31)	FY March 2018 Results through 3Q (2017.4.1~2017.12.31)	Change	
				Yen billions	%
Net Sales		904.0	<b>964.7</b>	60.7	6.7
Operating Income		76.8	<b>74.7</b>	(2.1)	-2.7
Operating Income Margin		8.5%	<b>7.7%</b>	-0.8 pt	-
Income before Income Taxes		76.4	<b>77.7</b>	1.3	1.7
Net Income		57.1	<b>52.3</b>	(4.8)	-8.4
Earning per Share (JPY)		452.53	<b>414.12</b>	-	-
Ex-rate	US\$ (JPY)	106.67	<b>111.72</b>	Depreciated by 4.7%	
	EURO (JPY)	118.15	<b>128.45</b>	Depreciated by 8.7%	
Ex-rate Impact to Net Sales & Operating Income		Net Sales : Increased by about 41.1 billion yen Operating Income : Increased by about 6.6 billion yen			

# FY March 2018 Full Year / Dividend Projections



		FY March 2017 Full Year Results	FY March 2018 Full Year Projections (announced on May 10, 2017)	FY March 2018 Full Year Projections (announced on Oct. 30, 2017)	FY March 2018 Full Year Projections (announced on Jan. 31, 2018)	YoY Change	
						Yen billions	%
<b>Net Sales</b>		1,178.3	1,110.0	<b>1,250.0</b>	<b>1,250.0</b>	71.7	6.1
<b>Operating Income</b>		208.7	80.0	<b>85.0</b>	<b>85.0</b>	(123.7)	-59.3
<b>Operating Income Margin</b>		17.7%	7.2%	<b>6.8%</b>	<b>6.8%</b>	-10.9 pt	-
<b>Income before Income Taxes</b>		211.7	79.0	<b>88.0</b>	<b>88.0</b>	(123.7)	-58.4
<b>Net Income</b>		145.1	55.0	<b>60.0</b>	<b>60.0</b>	(85.1)	-58.6
<b>Earning per Share (JPY)</b>		1,150.16	435.82	<b>475.37</b>	<b>475.36</b>	-	-
<b>Dividends (JPY)</b>		1st half : 60 2nd half : 60 Annual: 120	1st half : 60 2nd half : 70 Annual : 130	<b>1st half : 60 2nd half : 70 Annual : 130</b>	<b>1st half : 60 2nd half : 70 Annual : 130</b>	-	-
<b>Ex-rate</b>	US\$(JPY)	108.46	108.00	108.00 (2nd half)	<b>108.00 (4Q)</b>	-	-
	EURO(JPY)	118.92	118.00	127.00 (2nd half)	<b>127.00 (4Q)</b>	-	-
<b>Capital Expenditure</b>		167.6	160.0	<b>170.0</b>	<b>170.0</b>	2.4	1.4
<b>Depreciation and Amortization</b>		87.5	88.0	<b>90.0</b>	<b>90.0</b>	2.5	2.9
<b>Research and Development</b>		91.3	86.0	<b>99.0</b>	<b>99.0</b>	7.7	8.4

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Text data including Q&A of performance briefing will be uploaded on following site  
[http://www.global.tdk.com/corp/en/ir/ir\\_events/conference/2018/3q\\_1.htm](http://www.global.tdk.com/corp/en/ir/ir_events/conference/2018/3q_1.htm)