

**Consolidated Results for
3Q of FY March 2020
Consolidated Full Year Projections for
FY March 2020**

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Key points concerning earnings for 3Q of FY March 2020

Attracting Tomorrow



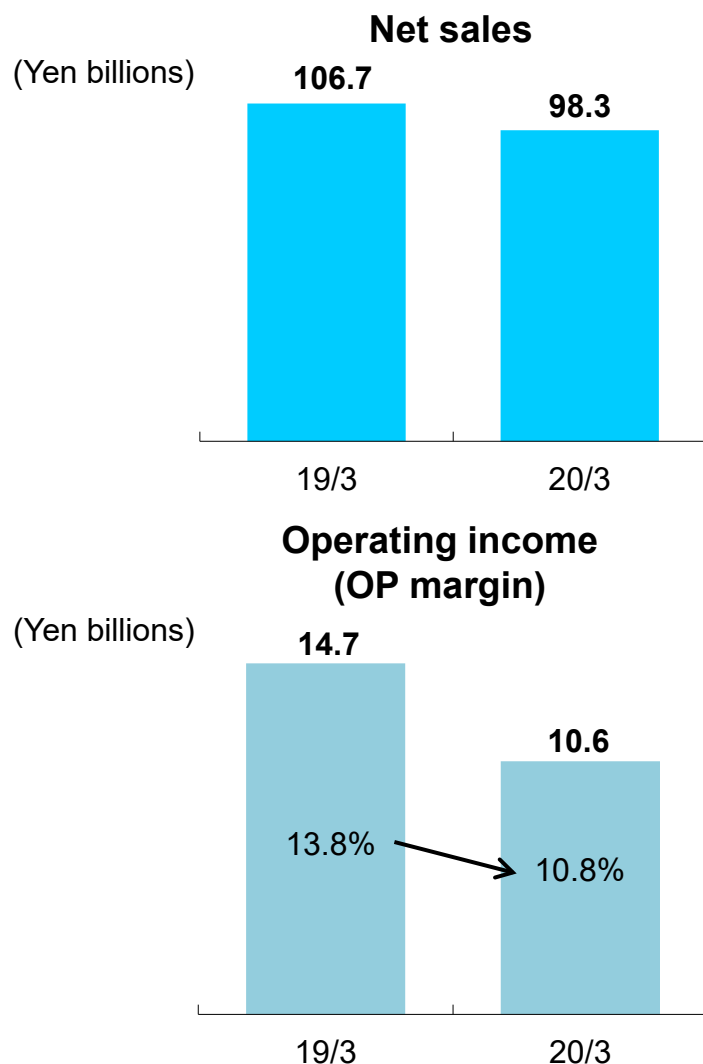
TDK delivered increases in net sales and earnings in 3Q, amid continuing global economic uncertainty and no major changes in the demand environment.

- **Net sales for 3Q rose 1.4% year on year. Operating income increased 23.2% year on year.**
- **Operating income, income before income taxes, and net income all achieved new record highs for a nine-month period.**
 - Rechargeable Batteries maintained high profitability, driving overall earnings.
 - Sales to the ICT market increased year on year, continuing on from the previous quarter to show a strong performance against the backdrop of increased demand for 5G products.
TDK's overall earnings increased due to sales growth in products for use in smartphones and base stations, such as Rechargeable Batteries and High-Frequency Components.
 - Sales in the automotive and the industrial equipment markets declined year on year as a lower-than-expected level of demand persisted.
In the Passive Components segment, TDK posted lower earnings on lower sales.
In the Sensor Application Products segment, an improvement in earnings was delayed as sales to the automotive market remained lackluster.
 - Based on the premise that no rapid recovery in the world economy is expected, TDK will make preparations to steadily capture growth opportunities while anticipating market needs.

Consolidated results for 3Q of FY March 2020

(Yen billions)		FY March 2019 3Q results	FY March 2020 3Q results	Change	
				Yen billions	%
Net sales		350.8	355.6	4.8	1.4
Operating income		32.8	40.4	7.6	23.2
Operating income margin		9.4%	11.4%	+2.0 pt	-
Income before income taxes		31.0	41.2	10.2	32.9
Net income		22.4	29.5	7.1	31.7
Earning per share (JPY)		177.45	233.35	-	-
Ex-rate	US\$ (JPY)	112.90	108.74	Appreciated by 3.7%	
	EURO (JPY)	128.87	120.34	Appreciated by 6.6%	
Ex-rate impact to net sales & operating income		Net sales : Decreased by about 14.5 billion Yen Operating income : Decreased by about 1.5 billion Yen			

3Q results - Passive Components segment

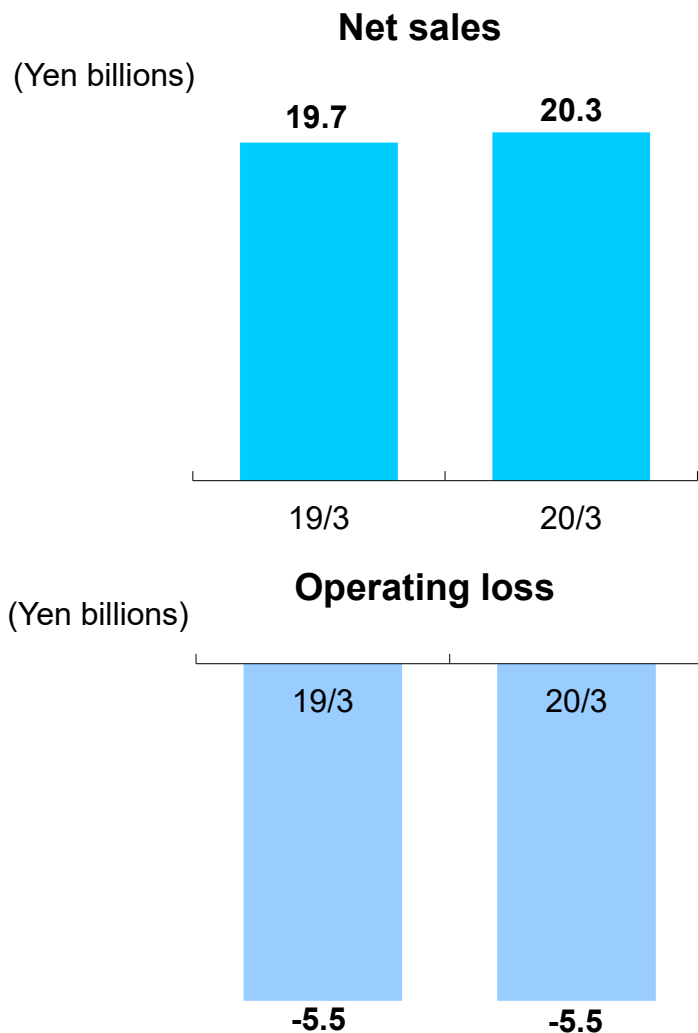


19/3: FY March 2019

Net sales 98.3 billion yen (down 7.9% year on year)
Operating income 10.6 billion yen (down 27.9% year on year)

- **Ceramic Capacitors**
 - Sales and profit decreased year on year.
 - Sales increased to the automotive market, while decreased to the industrial equipment market and distributors.
- **Aluminum Electrolytic Capacitors and Film Capacitors**
 - Sales and profit decreased year on year.
 - Sales decreased mainly to the industrial equipment market.
- **Inductive Devices**
 - Sales and profit decreased year on year.
 - Sales decreased to the automotive and the industrial equipment markets.
- **High-Frequency Components**
 - Sales and profit increased year on year.
 - Sales increased to the ICT market.
- **Piezoelectric Material Products and Circuit Protection Components**
 - Sales and profit decreased year on year.
 - Sales decreased to the automotive and the ICT markets.

3Q results - Sensor Application Products segment



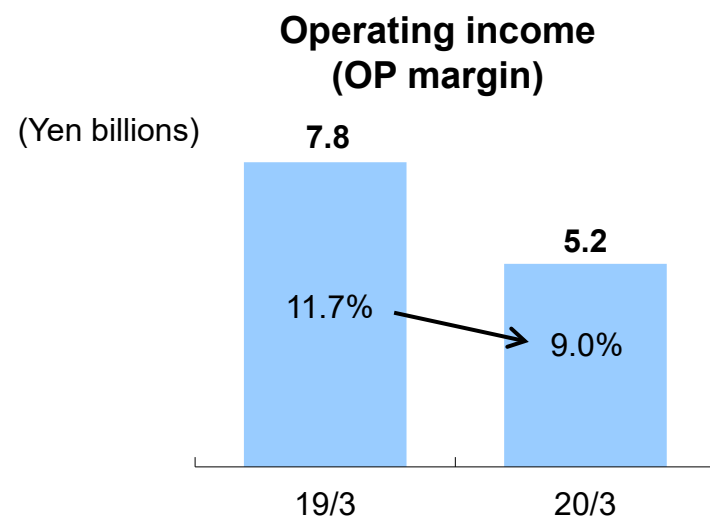
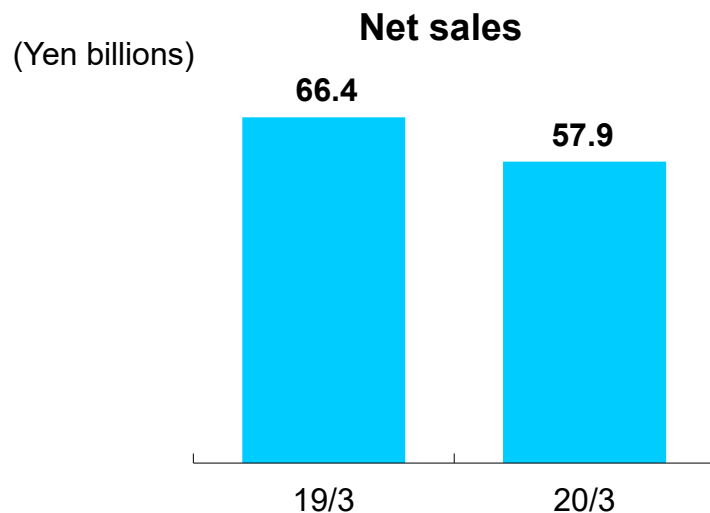
Net sales 20.3 billion yen (up 3.0% year on year)
Operating loss -5.5 billion yen (up —% year on year)

- **Sensors**

- Sales of conventional products (Temperature and Pressure Sensors, and Hall Sensors) to the automotive and the industrial equipment markets declined, with earnings also worsening.
- Earnings from TMR Sensors rose, driven by dramatic growth in sales to the automotive and ICT markets.
- In MEMS Sensors, sales of Motion Sensors increased to the ICT market due to an expanded customer base. In addition, sales to the automotive market and the industrial equipment market, such as drones, also rose due to expansion in the application base.
Sales of MEMS Microphones increased for smartphones and IoT equipment.

19/3: FY March 2019

3Q results - Magnetic Application Products segment

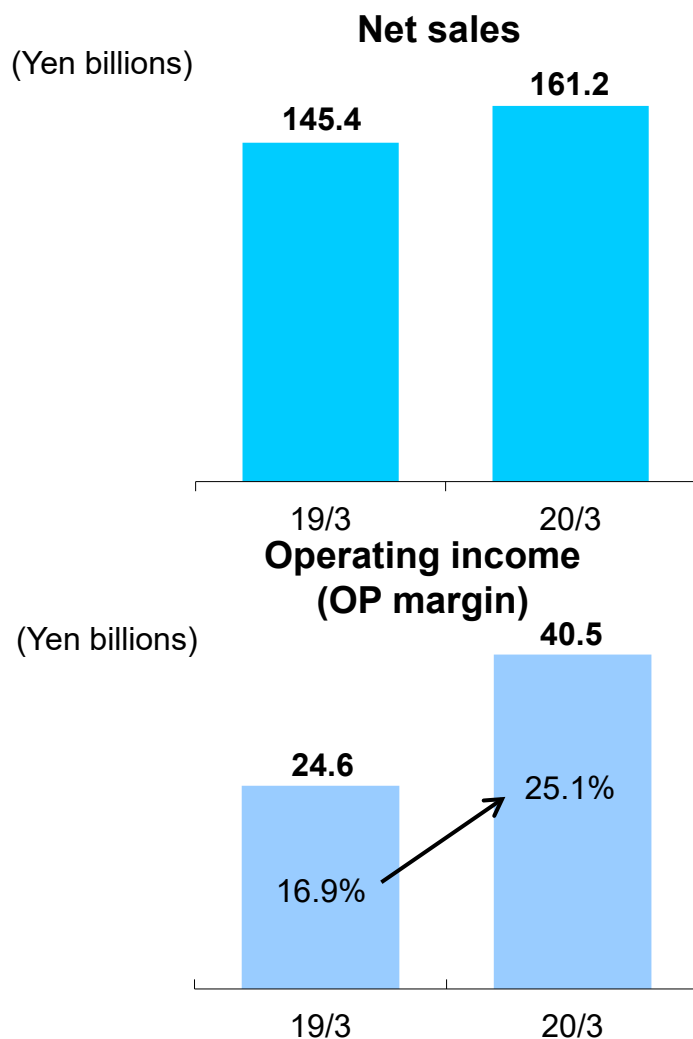


Net sales 57.9 billion yen (down 12.8% year on year)
Operating income 5.2 billion yen (down 33.3% year on year)

- **HDD Heads and HDD Suspension Assemblies**
 - Sales and profit decreased year on year.
 - Volume of HDD assembly decreased sharply.
 - Volume of Suspension Application Products (Additive Metal Deposition Components) decreased.
- **Magnets**
 - Sales and profit decreased year on year.
 - Sales to the industrial equipment market decreased.

19/3: FY March 2019

3Q results - Energy Application Products segment



Net sales 161.2 billion yen (up 10.9% year on year)
Operating income 40.5 billion yen (up 64.6% year on year)

- **Energy Devices (Rechargeable Batteries)**
 - Sales and profit increased year on year.
 - Sales expanded for smartphones and notebook PCs.
 - Sales of mini cell products expanded for small size equipment such as wireless earphones (True Wireless Stereo).
- **Power Supplies**
 - Sales and profit of Power Supplies for industrial equipment decreased year on year due to slowdown in demand.

19/3: FY March 2019

Quarterly results by segment

(Yen billions)		3Q of FY March 2019 (A)	2Q of FY March 2020 (B)	3Q of FY March 2020 (C)	YoY change (C)-(A)		QoQ change (C)-(B)	
					Yen billions	%	Yen billions	%
Net sales	Capacitors	42.7	39.6	37.3	(5.4)	-12.6	(2.3)	-5.8
	Inductive Devices	37.3	35.7	34.8	(2.5)	-6.7	(0.9)	-2.5
	Other Passive Components	26.7	26.6	26.3	(0.4)	-1.5	(0.3)	-1.1
	Passive Components	106.7	101.9	98.3	(8.4)	-7.9	(3.6)	-3.5
	Sensor Application Products	19.7	20.8	20.3	0.6	3.0	(0.5)	-2.4
	Magnetic Application Products	66.4	54.5	57.9	(8.5)	-12.8	3.4	6.2
	Energy Application Products	145.4	173.7	161.2	15.8	10.9	(12.5)	-7.2
	Other	12.6	19.4	17.9	5.3	42.1	(1.5)	-7.7
	Total	350.8	370.2	355.6	4.8	1.4	(14.6)	-3.9
Operating income	Passive Components	14.7	11.4	10.6	(4.1)	-27.9	(0.8)	-7.0
	Sensor Application Products	(5.5)	(5.5)	(5.5)	0.0	-	0.0	-
	Magnetic Application Products	7.8	3.5	5.2	(2.6)	-33.3	1.7	48.6
	Energy Application Products	24.6	42.5	40.5	15.9	64.6	(2.0)	-4.7
	Other	(1.2)	(0.6)	(2.5)	(1.3)	-	(1.9)	-
	Sub total	40.5	51.2	48.4	7.9	19.5	(2.8)	-5.5
	Corporate and eliminations	(7.7)	(7.3)	(8.0)	(0.3)	-	(0.7)	-
Total	32.8	43.9	40.4	7.6	23.2	(3.5)	-8.0	
Operating income margin		9.4%	11.9%	11.4%	+2.0pt	-	-0.5pt	-
Ex-rate	US\$ (JPY)	112.90	107.39	108.74				
	EURO (JPY)	128.87	119.48	120.34				

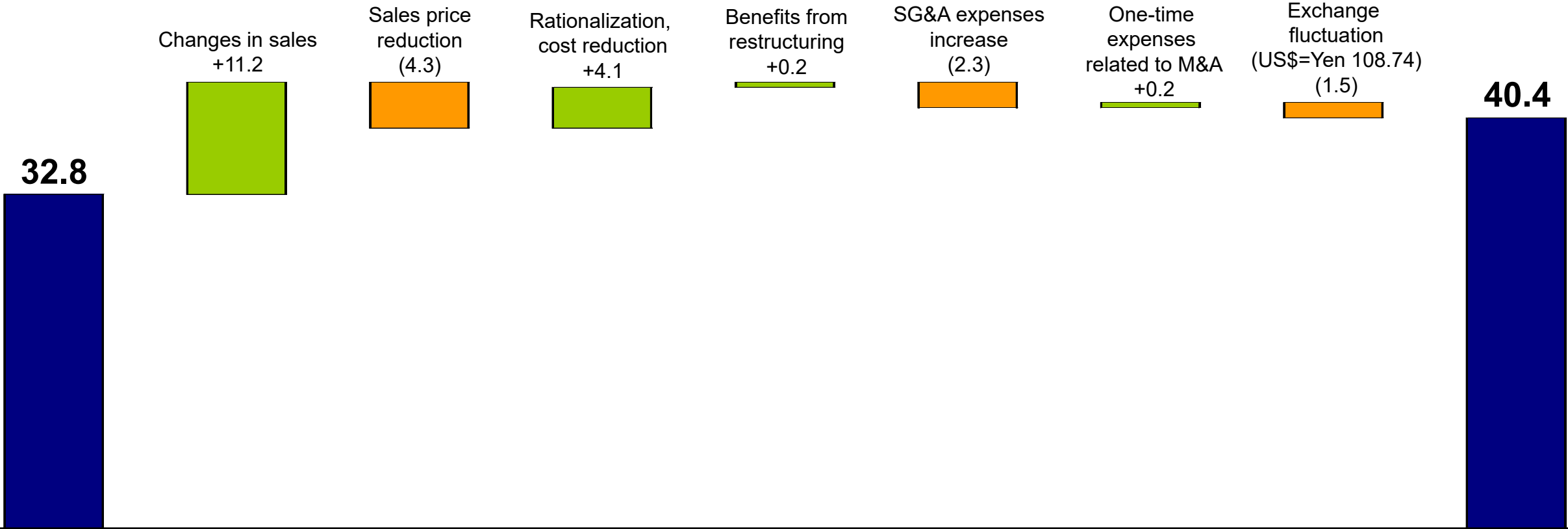
Breakdown of operating income changes

3Q of
FY March 2019
32.8 billion yen

Operating income +7.6 billion yen

3Q of
FY March 2020
40.4 billion yen

(Yen billions)



Consolidated results through 3Q of FY March 2020

	(Yen billions)	FY March 2019 Results through 3Q (2018.4.1-2018.12.31)	FY March 2020 Results through 3Q (2019.4.1-2019.12.31)	Change	
				Yen billions	%
Net sales		1,072.7	1,062.7	(10.0)	-0.9
Operating income		94.9	109.2	14.3	15.1
Operating income margin		8.8%	10.3%	+1.5pt	-
Income before income taxes		88.8	109.8	21.0	23.6
Net income		63.5	74.4	10.9	17.2
Earning per share (JPY)		502.78	589.16	-	-
Ex-rate	US\$ (JPY)	111.17	108.74	Appreciated by 2.2%	
	EURO (JPY)	129.55	121.12	Appreciated by 6.5%	
Ex-rate impact to net sales & operating income		Net sales : Decreased by about 34.5 billion Yen Operating income : Decreased by about 3.5 billion Yen			

FY March 2020 full year / dividend projections

		FY March 2019 full year results (Yen billions)	FY March 2020 full year projections (announced on Apr. 26, 2019)	FY March 2020 full year projections (announced on Oct. 31, 2019)	YoY change	
					Yen billions	%
Net sales		1,381.8	1,420.0	1,390.0	8.2	0.6
Operating income		107.8	120.0	120.0	12.2	11.3
Operating income margin		7.8%	8.5%	8.6%	+0.8 pt	-
Income before income taxes		115.6	118.0	118.0	2.4	2.1
Net income		82.2	84.0	84.0	1.8	2.2
Earning per share (JPY)		651.02	665.11	665.06	-	-
Dividends (JPY)		1st half : 80 2nd half : 80 Annual: 160	1st half : 90 2nd half : 90 Annual : 180	1st half : 90 2nd half : 90 Annual : 180	-	-
Ex-rate	US\$ (JPY)	110.94	108.00	108.00	-	-
	EURO (JPY)	128.48	122.00	122.00	-	-
Capital expenditure		173.6	200.0	200.0	26.4	15.2
Depreciation and amortization		106.6	130.0	130.0	23.4	22.0
Research and development		115.2	120.0	120.0	4.8	4.2

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