

Consolidated Full Year Projections for FY March 2021

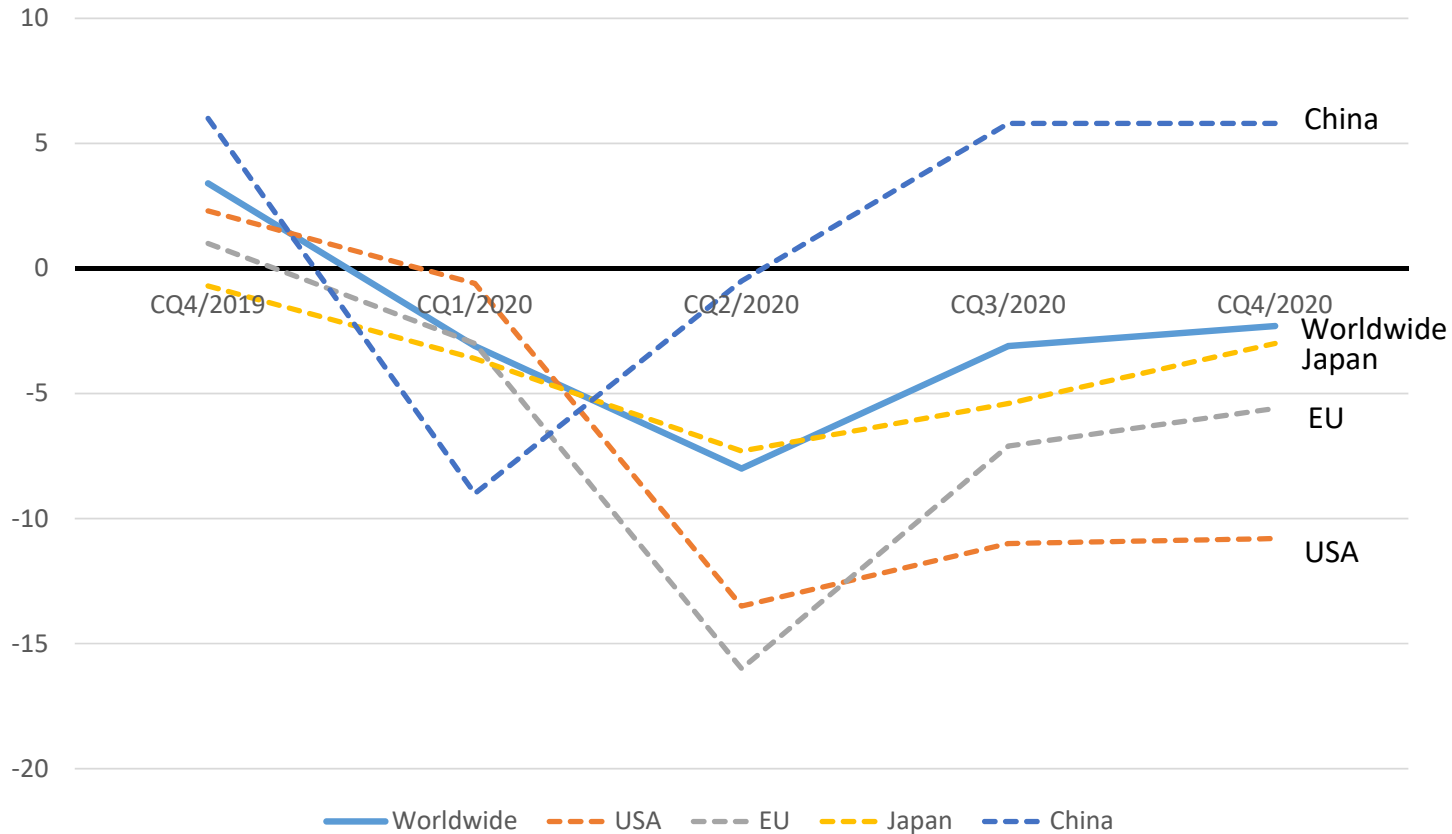
Shigenao Ishiguro
President & CEO

Quarterly World GDP Growth

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Y o Y%	CQ4/2019	CQ1/2020	CQ2/2020	CQ3/2020	CQ4/2020	CY2020
Worldwide	+3.4	-3.1	-8.0	-3.1	-2.3	-4.0



(Source: Nomura Global Market Research)

Market forecast of FY March 2021

Production Trend (Unit: Mil. unit)	FY2020	FY2021 (Y o Y)
Automobile*	87	75 (-14%)
<i>therein</i> xEV	4.4	4.9 (+11%)
Smartphone	1,365	1,240 (-9%)
<i>therein</i> 5G Smartphone	43	376 (x 9)
HDD	309	265 (-14%)
<i>therein</i> Nearline	56	62 (+10%)
Notebook PC	162	163 (+1%)
Tablet	122	127 (+5%)

*The number of Automobile includes commercial vehicles.

Projections for FY March 2021

- Image of changes in sales

(Yen billions)

Segment	FY March 2020 full year results	FY March 2021 full year projections (YoY change)
Passive Components	399.5	-7~-10%
Sensor Application Products	77.9	+8~+11%
Magnetic Application Products	219.7	-15~-18%
Energy Application Products	597.7	±0%
Other	72.3	—
Total	1,363.0	1,290.0

Forex assumptions

US\$(JPY)
EURO(JPY)

108.82
120.92

105.00
117.00

FY March 2021 full year / dividend projections

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		FY March 2020 full year results	FY March 2021 full year projections (announced on May 15, 2020)	YoY change	
				Yen billions	%
(Yen billions)					
Net sales		1,363.0	1,290.0	(73.0)	-5.4
Operating income		97.9	70.0	(27.9)	-28.5
Operating income margin		7.2%	5.4%	-1.8 pt	-
Income before income taxes		95.9	70.0	(25.9)	-27.0
Net income		57.8	48.0	(9.8)	-17.0
Earning per share (JPY)		457.47	379.99	-	-
Dividends (JPY)		1st half : 90 2nd half : 90 Annual: 180	1st half : 80 2nd half : 80 Annual : 160	-	-
Ex-rate	US\$ (JPY)	108.82	105.00	-	
	EURO (JPY)	120.92	117.00	-	
Capital expenditure		173.4	180.0	6.6	3.8
Depreciation and amortization		125.0	140.0	15.0	12.0
Research and development		117.5	120.0	2.5	2.1

Strengthening the Financial Base in FY March 2021

Mid-Term Financial Strategy (announced in 2018)

- Steadily recover growth investments executed towards transforming business earnings model
- Execute further growth investments based on well-balanced capital allocation

Well-balanced capital allocation

- Growth investments
- Shareholder returns
- Repayment of interest-bearing debt



Negative free cash flows



Positive free cash flows

Financial Targets for the FY March 2021 - The Final Year of the Medium-Term Plan (announced in 2018)

Capital efficiency

- Operating income margin Over 10%
- ROE Over 14%

Shareholder Returns

- Increase dividends stably through growth of income per share
- Target a 30% dividend payout ratio

Financial soundness

- Stockholders' equity ratio Over 50%
- Net cash

- The spread of coronavirus infections has had an impact and improvements to the financial structure will be delayed.
- During Fiscal Year March 2021 we will maintain positive free cash flow while preparing for future growth.
 - Make growth investments expected to expand future earnings on a priority basis.
 - Maintain fund-raising capacity while strengthening financial base.
 - Implement shareholder returns with a target dividend payout ratio of 30% over the cumulative period of the Medium-Term Plan.

Internal

(How TDK will change)

Become an energy eco-friendly company

- Improve productivity
- Promote thorough energy conservation measures
- Switch to renewable energies

External

(How to change society)

Contribute to energy conservation in society

- High efficiency power supply equipment and power supply components
- Products dealing with noise and heat
- Advanced utilization of sensors

Contributions to realization of a low-carbon society

- EV-related products
- Renewable energy generating equipment (wind power, etc.)
- Residential energy storage system
- Utilization of compact rechargeable batteries

Contributing to the improved efficiency of society through data utilization

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Internal

(How TDK will change)

Digitizing TDK

- Digitization of production activities (Industry 4.0 promotion)
- Digital marketing
- Digital communication platform integration

External

(How to change society)

Analog - digital conversion with sensing and actuation

- Various sensor ICs
- Various actuators

Communication networks, reduced size and improved convenience

- High-frequency components compatible with 5G
- Compact and low-profile electronic components
- Advanced mounting technologies
- Reduced energy consumption

Dealing with labor shortages

- Automation and robotics components
- Development of healthcare and lifecare applications

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