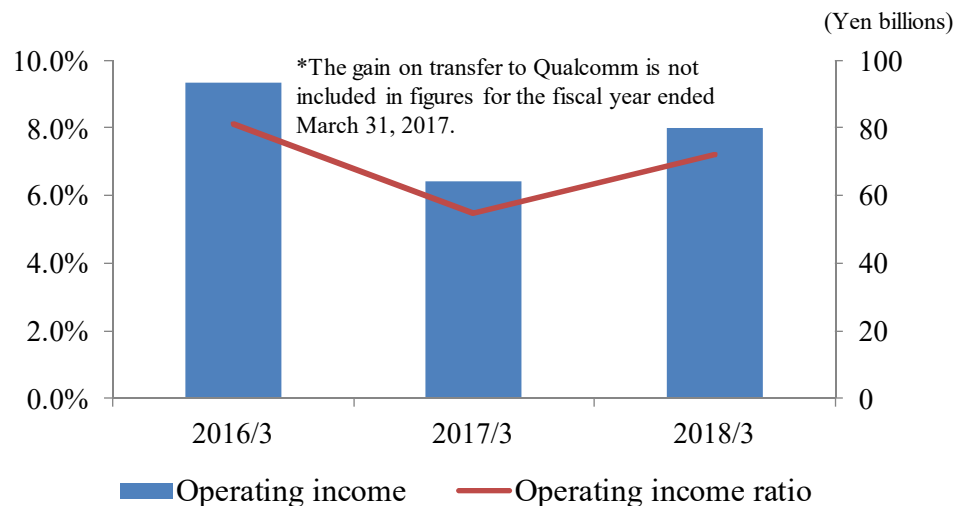


Corporate Strategy

Shigenao Ishiguro
President and CEO

The current Mid-term Plan



	Fiscal 2018 target (current Med-Term target)	Fiscal 2018 plan (fiscal 2017 guidance)
Operation profit margin	Over 10%	7.2%
ROE	Over 10%	6.8%

◆ Differences between assumptions in the current Medium-Term Plan and results

■ Shortfalls and delays against earnings forecasts

- Earnings levels of passive components and rechargeable batteries
- Timing of earnings contributions from acquired companies

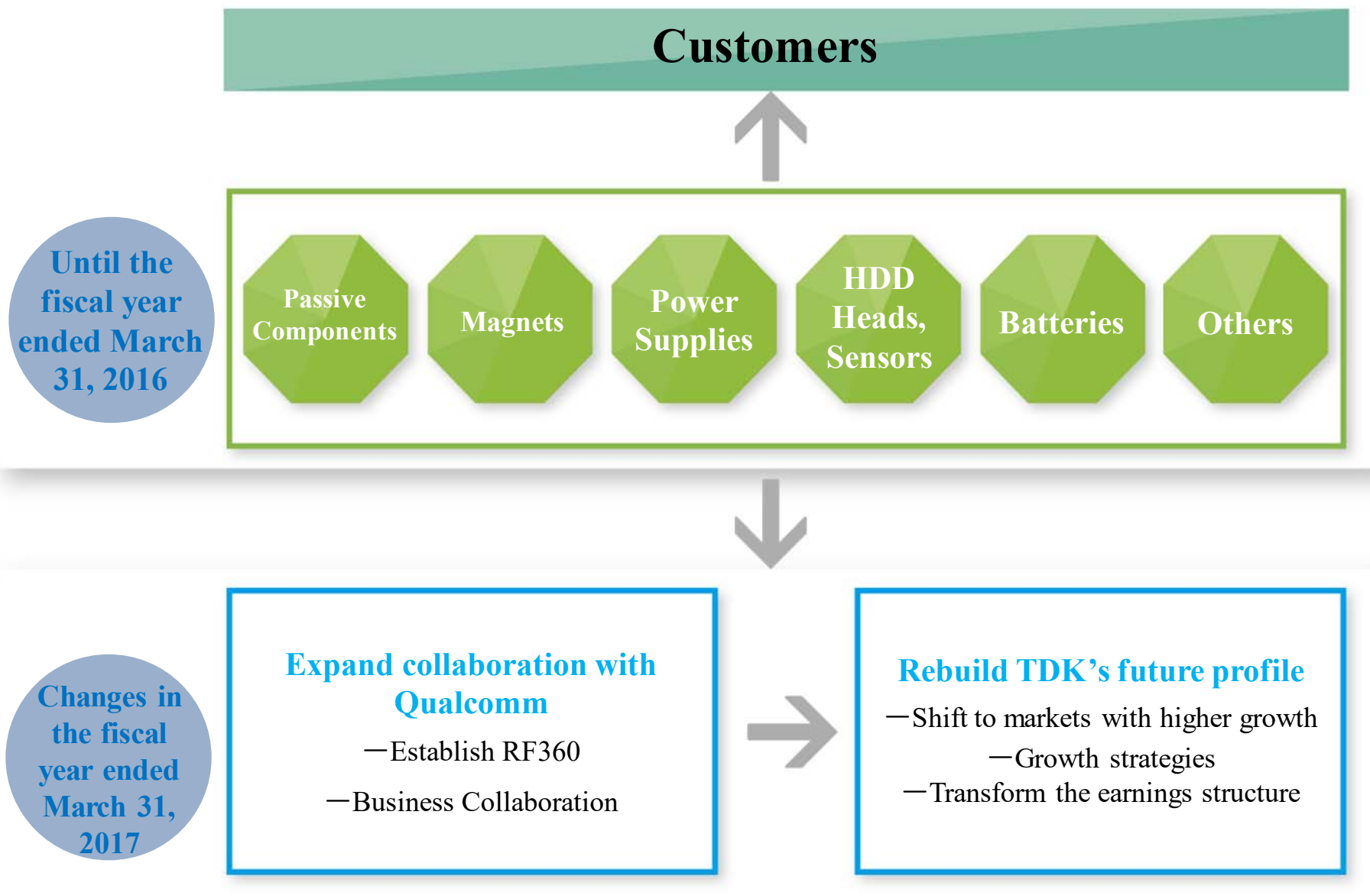
■ Measures that were not achieved

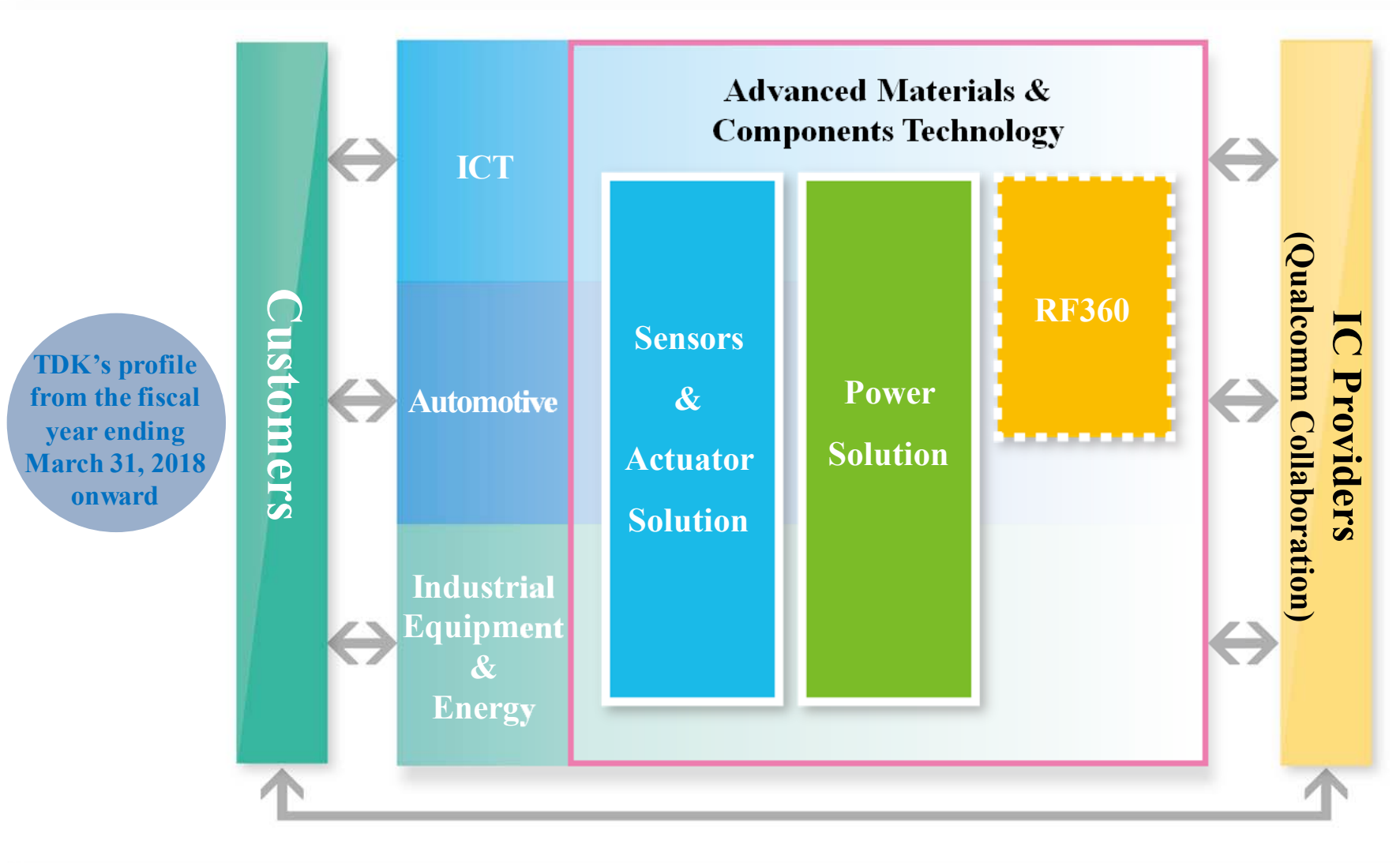
- Business acquisitions
- Certain strategic growth products

■ Delays in business restructuring

- Improved earnings in the magnet business

(Yen billions)	FY March 2017 Full Year Results	FY March 2018 Full Year Projections
Net sales	1,178.3	1,110.0
Operating income	208.7	80.0
Operating income margin	17.7%	7.2%
Income before income taxes	211.7	79.0
Net income	145.1	55.0
Earning per share (JPY)	1,150.16	435.82





- a. Boost the capabilities of the passive components and materials businesses
- b. Integrate and speedily launch the sensor business
- c. Rebuild and develop a platform for the energy-related business
- d. Maintain the long-term profitability of the HDD head-related business

a. Boost the capabilities of the passive components and materials businesses



1. Enhance Quality, Cost, Delivery (QCD) competitiveness by strengthening *Monozukuri* power
2. Successfully deliver high value-added products first to market by taking full advantage of the alliance with Qualcomm
3. Continue to tirelessly pursue smaller dimensions and lower height (Thin-film components & SESUB)
4. Fundamentally restructure the magnetic materials business, the origin of TDK's materials business

1. Achieve a borderless marketing and R&D structure by integrating the spread-out organization
2. Provide high-performance, high value-added sensing solutions by integrating IC technology and packaging technology with core sensing technologies and materials technologies
3. Expand the customer base for existing sensor products

c. Rebuild and develop a platform for the energy-related business



1. Provide the highest level of performance and reliability as a leading manufacturer of consumer battery products
2. Expand the entire range of energy-related product lineups by harnessing strengths derived from vertical integration starting from materials and components
3. Commence development of a platform for future business expansion

d. Maintain the long-term profitability of the HDD head-related business

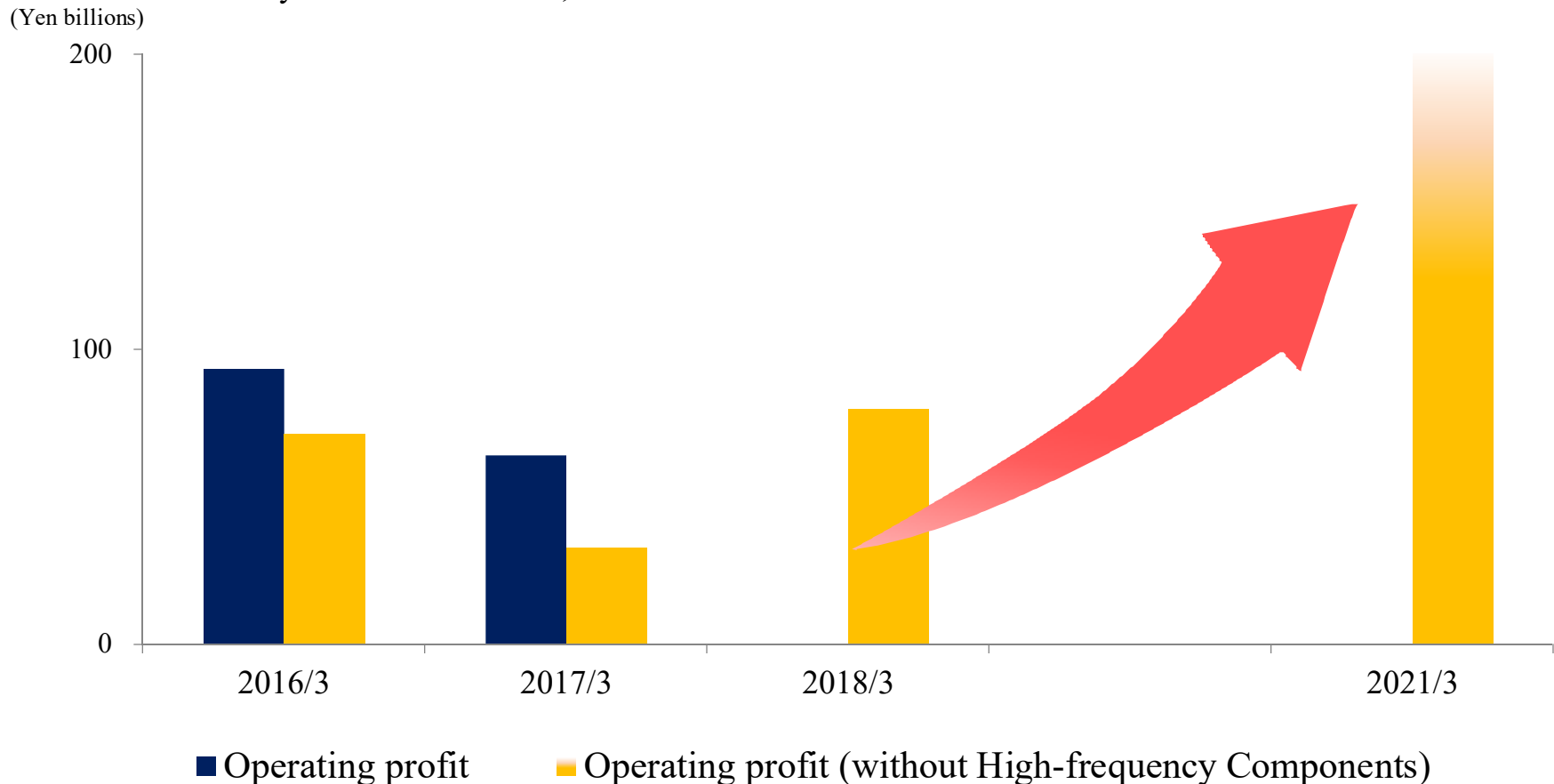


1. Continue to provide technologies needed by customers in a timely manner
2. Build a platform for executing lean operations
3. Improve the earning power of HDD suspensions and related businesses

Annual Operating Profit Results and Projections



- *1 The high-frequency components business (carved out in February 2017) is included only in figures for the fiscal years ended March 31, 2016 and 2017.
- *2 The gain on transfer to Qualcomm is not included in figures for the fiscal year ended March 31, 2017.



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