
**Performance Briefing
First Half of Fiscal Year March, 2017**

**TDK Corporation
November 1, 2016**

◆ **Consolidated Results for First Half of FY March 2017**

Tetsuji Yamanishi, Corporate Officer

◆ **Consolidated Full Year Projections for FY March 2017**

Shigenao Ishiguro, President and CEO

Consolidated Results for First Half of FY March 2017

**Tetsuji Yamanishi
Corporate Officer**

I'm Tetsuji Yamanishi, Corporate Officer at TDK. Thank you for taking the time to attend TDK's performance briefing for the first half (April to September) of the fiscal year ending March 2017. I will be presenting an overview of our consolidated results.

Key points concerning earnings for First Half of FY March 2017

- ◆ **Net sales declined 1.4% and operating income declined 2.9% year on year. Net income increased 3.8% year on year.**
- ◆ **The passive components segment secured a year on year increase in operating income, driven by improved earnings on high-frequency components. Operating income achieved a new record on both a first-half basis and a quarterly basis.**
- ◆ **Both sales and operating income on rechargeable batteries increased year on year due to an expansion of sales for the Chinese smartphone market. Operating income achieved a new record on a first-half basis.**
- ◆ **The HDD market is projected to perform slightly better than the initial forecast of a 10% reduction year on year.
(Number of units: previous fiscal year 444 million, initial forecast for this fiscal year 400 million, current forecast 410 million)**

First, let's take a look at the key points concerning earnings for the first half. Net sales decreased by 1.4% and operating income decreased by 2.9% year on year. This was in line with the yen's sharp appreciation since the beginning of the fiscal year. However, we managed to achieve a year-on-year increase of 3.8% in net income.

Looking at year-on-year comparison, TDK was strongly affected by the appreciation of the yen, which rose 16 yen against the U.S. dollar and 17 yen against the euro. Amid an emergent deceleration in the growth of our mainstay smartphone market as a whole, we sold passive components and film application products to customers in North America and made steady gains on capturing demand from customers in China. As a result, passive components absorbed the foreign exchange impact to set a new record high for both quarterly and half-yearly operating income, while rechargeable batteries also set a new record high for half-yearly operating income.

In the Passive Components segment, sales of high-frequency components expanded on sales promotion activities for discreet products and diversity modules. Productivity improvements also contributed to a major step forward in improving profitability. As a result, sales and income both increased year on year, driving earnings of the Passive Components segment as a whole.

In rechargeable batteries, we achieved both higher sales and income year on year. The main contributing factors were continued strong sales to winning Chinese customers, reducing dependence on North American customers. In addition to the expanded and more stable customer portfolio, another major contributor was growing sales for use in new applications such as drones.

In HDD heads, the initial expectation was for a year-on-year decline in demand of 10%, or around 400 million units. Recently, however, HDD demand has risen slightly, and the projection has been revised to 410 million units.

Shipments of HDD heads for Japanese customer continued to move strongly, driving a 10% year-on-year increase in overall shipments, beating our initial estimation by around 20%, with HDD head sales increasing 7% year on year.

Consolidated Results for First Half of FY March 2017

(Yen billions)	FY March 2016 Results through 2Q (2015.4.1-2015.9.30)	FY March 2017 Results through 2Q (2016.4.1-2016.9.30)	Change	
			Yen billions	%
Net Sales	587.6	579.2	(8.4)	-1.4
Operating Income	45.6	44.3	(1.3)	-2.9
Operating Income Margin	7.8%	7.6%	-0.2pt	-
Income before Income Taxes	44.1	44.3	0.2	0.5
Net Income	31.5	32.7	1.2	3.8
Earning Per Share (JPY)	249.69	259.01	-	-
Ex-rate	US\$ (JPY)	121.80	105.41	Appreciated by 13.5%
	EURO (JPY)	135.11	118.36	Appreciated by 12.4%
Ex-rate impact to Net sales & Operating Income	Net sales : Decreased by about 85.7 billion Yen Operating income : Decreased by about 18.1 billion Yen			

Next, let's take a look at our results for the first half. Net sales were 579.2 billion yen, down 8.4 billion yen, or 1.4% year on year. Operating income decreased 1.3 billion yen, or 2.9%, to 44.3 billion yen. The operating income margin was 7.6%, down 0.2 of a percentage point.

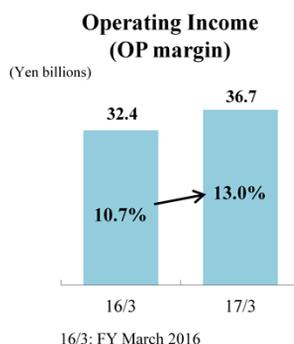
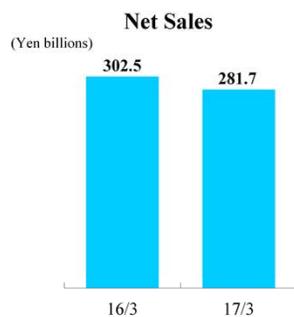
Income before income taxes was 44.3 billion, up 0.2 billion yen. Net income declined by 1.2 billion yen, or 3.8%, to 32.7 billion yen. Consequently, earning per share was 259.01 yen.

The average exchange rate for the first half of fiscal 2017 was 105.41 yen against the US dollar, an appreciation of 13.5%, and 118.36 yen against the euro, an appreciation of 12.4%. In terms of the impact of these exchange rate movements, exchange rates pushed down net sales and operating income by around 85.7 billion yen and 18.1 billion yen, respectively.

As for the exchange rate sensitivity, due to changes in the composition of foreign currency-denominated profits, there has been a slight fluctuation in the impact on operating income of a change of 1 yen in the exchange rate versus the U.S. dollar and the euro.

We estimate that a change of 1 yen against the U.S. dollar will have an impact of approximately 1.2 billion yen, while a change against the euro will have an impact of approximately 0.7 billion yen.

First Half Results - Passive Components Segment



Net Sales 281.7 billion yen (down 6.9% year on year)

Operating Income 36.7 billion yen (up 13.3% year on year)

◆ Ceramic Capacitors

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

◆ Inductive Devices

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

◆ High-frequency Components

- Sales increased year on year.
- Sales of discrete products and diversity modules increased.
- Operating income margin also increased year on year.

◆ Piezoelectric Material Products

- Sales decreased year on year.
- Sales for VCM and OIS for Chinese smartphone remained strong.

Next, I would like to explain our business segment performance.

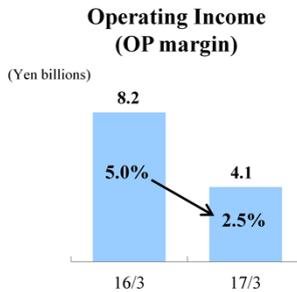
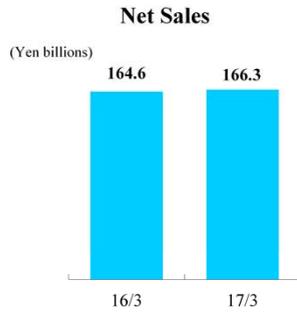
First, in the Passive Components segment, net sales were 281.7 billion yen, down 6.9% year on year, and operating income was 36.7 billion yen, up 13.3% year on year. The operating income margin was 13.0%. Profitability improved sharply, absorbing the impact of the yen's appreciation and expanding earnings.

In ceramic capacitors and inductive devices, both sales and profits decreased year on year. This was mainly owing to a decrease in sales to the ICT market, particularly sales for use in smartphones, while sales to the automobile market were solid, particularly in North America, Europe and China. Sales of ceramic capacitors and inductive devices in the automotive market account for around half of the overall sales for both products.

High-frequency components continued to see favorable sales of discrete products for smartphones to major customer in North America, as well as in China and South Korea. Wi-Fi module sales volume declined. On the other hand, the increase in diversity module sales absorbed the impact of foreign exchange to achieve an increase in sales overall. Earnings saw a significant increase, reflecting the increase in sales, utilization gain from an increase in production in the run up to the third-quarter production peak, and an increase in the number of products incorporated in devices. As a result, high frequency products drove not only the earnings of the Passive Components segment, but also that of the Company as a whole.

In piezoelectric material products, we saw strong sales of VCM and OIS for camera modules to smartphone manufacturers in China.

First Half Results - Magnetic Application Products Segment



16/3: FY March 2016

Net Sales 166.3 billion yen (up 1.0% year on year)

Operating income 4.1 billion yen (down 50.0% year on year)

◆ HDD Heads

- Sales increased year on year.
- HDD head sales were stronger than initially projected, despite the sluggish HDD market.

◆ 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.

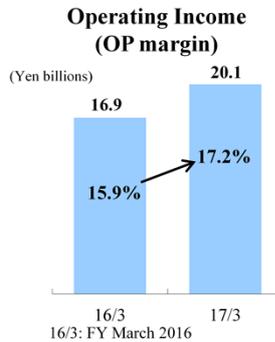
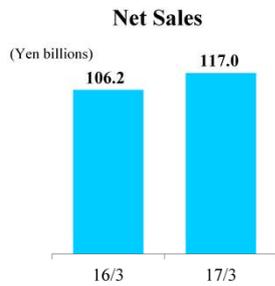
Turning to the Magnetic Application Products segment, net sales were 166.3 billion yen, an increase of 1.0% year on year. Operating income decreased by around 50% year on year to 4.1 billion yen, with an operating income margin of 2.5%.

In HDD heads, shipments of 2.5-inch HDD heads for Japanese customer continued to show strong activity. In addition, due to a 30% year-on-year increase in sales of 3.5-inch HDDs following a switch to full-turnkey sales, sales increased by 7%. With the HDD shipments of the first quarter indexed as 100, the second-quarter shipment index came in at 124 – a significant increase over the previous estimation of 111, increasing 11% year on year. In terms of profitability, earnings declined, mainly due to sales price reductions for new products and an end to HDD assembly sales to U.S. customers.

In magnets, conditions remained difficult, mainly due to a decline in HDD magnet sales in line with a drop in HDD demand, although sales of motors for wind power generation have been ramped up.

In power supplies, sales declined year on year with a decline in sales for the semiconductor manufacturing equipment and measuring equipment markets. However, profits increased owing to a steady improvement in profitability.

First Half Results - Film Application Products Segment



Net sales 117.0 billion yen (up 10.2% year on year)

Operating income 20.1 billion yen (up 18.9% year on year)

◆ Energy Devices (Rechargeable Batteries)

- Sales increased year on year.
- Sales for smartphones increased significantly.
- Sales for new applications other than smartphones were also strong.
- Operating income margin also increased year on year.

Next is the Film Application Products segment. In this segment, net sales were 117.0 billion yen and operating income was 20.1 billion yen. Sales rose by 10.2% and profits increased significantly by around 18.9%. The segment has maintained high profitability with an operating income margin of 17.2% amid increasing price pressure due to competition.

In rechargeable batteries, sales to North American customer outperformed initial expectations, and there were increases in sales to winning customers in China and in sales for use in new applications such as drones. TDK achieved much higher sales and profits as a result of meeting increased demand by executing timely investments to boost production capacity in conjunction with increasing productivity.

Quarterly Results by Segment

(Yen billions)		2Q of FY March 2016 (A)	1Q of FY March 2017 (B)	2Q of FY March 2017 (C)	YoY Change (C)-(A)		QoQ Change (C)-(B)	
					Yen billions	%	Yen billions	%
Net Sales	Capacitors	39.5	34.4	33.7	(5.8)	-14.7	(0.7)	-2.0
	Inductive Devices	40.2	35.7	35.5	(4.7)	-11.7	(0.2)	-0.6
	Other Passive Components	72.6	67.6	74.8	2.2	3.0	7.2	10.7
	Passive Components	152.2	137.7	144.0	(8.2)	-5.4	6.3	4.6
	Recording Devices	60.7	61.0	62.3	1.6	2.6	1.3	2.1
	Other Magnetic Application Products	24.6	21.4	21.6	(3.0)	-12.2	0.2	0.9
	Magnetic Application Products	85.3	82.4	83.9	(1.4)	-1.6	1.5	1.8
	Film Application Products	63.3	51.8	65.2	1.9	3.0	13.4	25.9
	Other	7.3	6.9	7.3	0.0	0.0	0.4	5.8
	Total	308.1	278.8	300.4	(7.7)	-2.5	21.6	7.7
Operating Income	Passive Components	17.4	16.0	20.7	3.3	19.0	4.7	29.4
	Magnetic Application Products	4.5	1.7	2.4	(2.1)	-46.7	0.7	41.2
	Film Application Products	11.8	7.1	13.0	1.2	10.2	5.9	83.1
	Other	0.1	(1.4)	(2.0)	(2.1)	-	(0.6)	42.9
	Sub total	33.7	23.4	34.1	0.4	1.2	10.7	45.7
	Corporate and Eliminations	(6.3)	(6.9)	(6.3)	0.0	-	0.6	-
	Total	27.4	16.5	27.8	0.4	1.5	11.3	68.5
Operating Income margin	8.9%	5.9%	9.3%	+0.4pt	-	+3.4pt	-	
Ex-rate	US\$ (JPY)	122.31	108.37	102.47				
	EURO (JPY)	136.06	122.41	114.36				

Next, I would like to explain the factors behind the changes in segment net sales and operating income from the first quarter to the second quarter. First, certain products have been reclassified between segments again in the fiscal year ending March 2017. Certain products in the Film Application Products segment have been reclassified to the Other segment. The impact of this change was to increase net sales of the Other segment by 0.8 billion yen in the second quarter of the previous fiscal year. Also, certain products in the Other segment have been reclassified to the Passive Components segment. The impact of this change was to increase net sales of the Passive Components segment by 2.1 billion yen in the second quarter of the previous fiscal year. These reclassifications had virtually no impact on operating income.

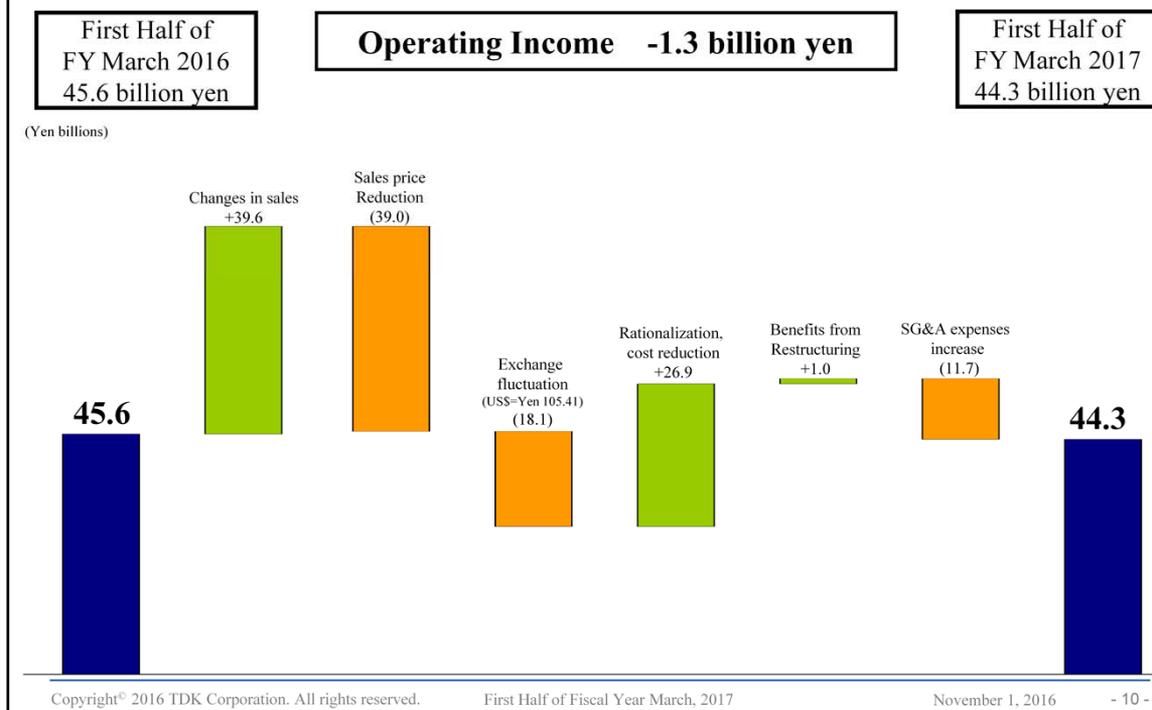
Let's now look at the changes in each segment, beginning with the Passive Components segment. In this segment, net sales increased by 6.3 billion yen, or 4.6%, from the first quarter. Capacitor sales were strong to the automotive market but declined for use in ICT. In aluminum electrolytic capacitors and film capacitors, sales declined slightly from the first quarter due to lackluster sales for use in industrial equipment owing to the continuing impacts of decelerating economies, particularly China, and low crude oil prices. However, excluding the impact of the yen's appreciation, sales rose slightly. Sales of inductive devices declined by 0.2 billion yen, or 0.6% from the first quarter. Sales to the automotive market remained strong from the first quarter. Excluding the impact of the yen's appreciation, sales increased slightly. In other passive components, sales increase by 7.2 billion yen, or 10.7%. Sales of high-frequency components expanded significantly driven by expanded sales to smartphone manufacturers in China as well as strong sales to North American customers, including sales to PA manufacturers. Sales of camera models increased, absorbing the impact of foreign exchange, thanks to steady sales of VCM and OIS to Chinese customers.

Operating income in the Passive Components segment increased by 4.7 billion yen, or 29.4%, from the first quarter, setting a new record high for quarterly performance. Profitability also improved markedly, with the operating margin reaching around 15%.

Next is the Magnetic Application Products segment. In this segment, net sales increased by 1.5 billion yen, or 1.8%, from the first quarter. In sales of recording devices, the HDD head shipment index rose by around 11% to 124 in the second quarter, up from 112 in the first quarter, and net sales were up 1.3 billion yen, or 2.1%. Operating income in the Magnetic Application Products segment increased by 0.7 billion yen from the first quarter. In HDD heads, operating profit increased as sales and profit both rose due to growth in shipment volume of 2.5-inch heads, while utilization gain in the front-end process also contributed.

Moving on to the Film Application Products segment, net sales increased significantly by 13.4 billion yen, or 25.9%, from the first quarter. Sales grew substantially owing to a major contribution from sales to winning Chinese customers. In addition, strong sales to North American smartphone customer were posted in line with initial forecasts. Operating income rose by 5.9 billion yen to 13.0 billion yen, from 7.1 billion yen in the first quarter. We achieved significant earnings growth as an increase in marginal profit due to higher sales volume, and the pursuit of cost improvements absorbed the impact of severe sales price reductions.

Breakdown of Operating Income Changes



Next is the breakdown of changes in operating income. Looking at the factors behind the 1.3 billion yen decrease in operating income, the first factor, changes in sales, had a positive impact of approximately 39.6 billion yen, reflecting sales increases attributable to factors including capacity utilization and product mix. The main contributor here was continued strong sales of high-frequency components and rechargeable batteries for use in smartphones. The next factor, sales price reduction, had a negative impact of approximately 39.0 billion yen. Exchange fluctuation, specifically the stronger yen, had a negative impact of approximately 18.1 billion yen on operating income. Rationalization and cost reduction, in combination with progress on boosting efficiency and improving production yields, as well as discounts on raw materials, had a positive impact of 26.9 billion yen on operating income. Benefits from restructuring lifted operating income by 1.0 billion yen. An increase in SG&A expenses had a negative impact of 11.7 billion yen on operating income. The main contributors to this increase were an increase in expenses associated with the consolidation of Micronas and an increase in costs related primarily to preparations for establishing a joint venture with Qualcomm. Another main contributor was an increase in research and development expenses for strengthening new product development and process development in connection with the expansion in high-frequency components and rechargeable batteries, and for promoting the TDK Monozukuri revolution.

Consolidated Results for 2Q of FY March 2017

(Yen billions)	FY March 2016 2Q Results	FY March 2017 2Q Results	Change	
			Yen billions	%
Net Sales	308.1	300.4	(7.7)	-2.5
Operating Income	27.4	27.8	0.4	1.5
Operating Income Margin	8.9%	9.3%	+0.4pt	-
Income before Income Taxes	25.1	27.9	2.8	11.2
Net Income	18.4	20.3	1.9	10.3
Earning Per Share (JPY)	145.72	160.71	-	-
Ex-rate	US\$ (JPY)	122.31	102.47	Appreciated by 16.2%
	EURO (JPY)	136.06	114.36	Appreciated by 15.9%
Ex-rate impact to Net sales & Operating Income	Net sales : Decreased by about 53.8 billion Yen Operating income : Decreased by about 12.2 billion Yen			

Next, let's take a look at consolidated results for the second quarter of the fiscal year ending March 2017.

For the second quarter, net sales were 300.4 billion yen, a decrease of 2.5% year on year. Operating income was 27.8 billion yen, up 1.5% year on year. The yen appreciated by about 20 yen against the U.S. dollar, and about 22 yen against the euro, producing a negative impact of around 12.2 billion yen on operating income attributable to foreign exchange impacts. Nevertheless, overall operating income increased owing to strong performances in high-frequency components and rechargeable batteries, which absorbed the foreign exchange impact. Net income was 20.2 billion yen, up 9.8% year on year.

That concludes my presentation. Thank you for your attention today.

Consolidated Full Year Projections for FY March 2017

**Shigenao Ishiguro
President and CEO**

My name is Shigenao Ishiguro.

Market trend in the second half

The arrow symbol “→” denotes changes from first-half trend

Priority Markets	Market Trend	
ICT	→	North American smartphone production is expected to peak in 3Q but to decline year on year. Chinese smartphone production is expected to maintain the level of the first half in the second half. South Korean smartphone production is expected to decrease from the first half.
	↘	The HDD market is expected to decrease from the first half.
Automobile	→	Domestic sales are expected to decline year on year, but sales growth in the European, North American and Chinese markets are expected to continue steadily in the second half.
Industrial Equipment and Energy	→	In the industrial equipment market, curbs on capital investment to continue overall, and part of the market, such as in relation to semiconductor manufacturing equipment, is expected to continue to be strong. The renewable energy market is expected to be flat as government subsidies for purchases in various countries have run their course.

(TDK's estimation)

First, let's review market trends. As we have explained already, the smartphone and HDD markets in the first half performed more strongly than initially expected, driving earnings. In the second half, we expect the tone in the third quarter to remain largely the same as in the second quarter, and we anticipate a correction to come in the fourth quarter.

(1) ICT Market

Within the ICT market, the market trend in smartphones for the second half should see production levels somewhere between flat and slightly up.

Major North American smartphone manufacturer is again expected to hit peak production in the third quarter this year, with a heavy correction in the fourth quarter. We therefore expect second half production levels to be down year on year.

Chinese major smartphone manufacturers' trends have been benchmarked, and although second-half production levels are slightly unclear for the fourth quarter, they are expected to continue at the same level as the first half.

South Korean smartphone manufacturers should see production levels drop in the second half compared to the first half.

In the HDD market, as we explained before, the HDD market projection (TAM) has been revised upward from the initial 400 million unit-level to the 410 million level. In the second half, we expect a correction in the fourth quarter, with the demand falling compared to the first half.

(2) Automobile Market

Automobile sales for consumers in Japan are expected to decline year on year. However, overall demand is projected to remain firm in the second half, led by the European and U.S. markets, and the Chinese market.

(3) Industrial Equipment Market

In the industrial equipment market, curbs on capital expenditures are expected to continue overall, while certain markets are expected to continue performing strongly, such as semiconductor manufacturing equipment and robot-related markets.

The renewable energy market is expected to be flat in the second half as government subsidies in various countries around the world have run their course.

Projections for 3Q of FY March 2017 -Image of change in sales

(Yen billions)

Segment	2Q of FY March 2017	3Q Projections (Q on Q Change)
Passive Components	144.0	±0%
Magnetic Application Products	83.9	±0%
Film Application Products	65.2	+6%~+8%
Other	7.3	—
Total	300.4	+1%~+3%

Forex assumptions

US\$/Yen	102.47	100.00
EURO/Yen	114.36	110.00

Let me now discuss our image of changes in sales for the third quarter of the fiscal year ending March 2017.

Looking first at Passive Components, we expect the market to remain flat overall. We expect steady growth in sales of products centered on capacitors and inductive devices. This outlook is based on expectations of continued strong sales of automobiles in the North American, European and the Chinese markets. In the smartphone market, we expect strong sales of products centered on high-frequency components. This outlook is mainly based on expectations of continued brisk sales to Chinese customers and the production peak for new devices of North American customer. However, overall we expect sales to be level as sales of Wi-Fi modules to North American customer have dropped sharply, while in sales to PA manufacturers, the incorporation of components by some customers was brought forward slightly into the second quarter, pushing second quarter sales to a high level.

In Magnetic Application Products, as we explained before, the HDD market projection has been revised upward from the initial 400 million unit-level to the 410 million level. In the second half, we expect buoyant sales to Japanese customers to continue. However, the impact of halting sales of models for U.S. customer from the third quarter onward is starting to increase, while assembled sales of 2.5-inch HDDs to U.S. customer remained more-or-less level in 2Q. As a result, the sales index is projected to slide by around 4% from 124 in the second quarter to 119 in the third quarter. On the other hand, having completed the acquisition of Hutchinson Technology Inc. on October 5, we will include its net sales, equivalent to around 5% over our overall Magnetic Application Products in 2Q, in our consolidated results from the third quarter onwards. As a result, overall sales are expected to be flat quarter on quarter.

Film Application Products sales are expected to increase by 6% to 8% year on year overall as North American customer ramps up production of new devices and sales to China remain strong.

As a result, we expect an increase of between 1% and 3% over the second-quarter sales of 300.4 billion yen.

FY March 2017 Full Year / Dividend Projections

	FY March 2016 Full Year Results (Yen billions)	FY March 2017 Full Year Projections (announced Apr. 28)	FY March 2017 Full Year Projections (Revised)	Y o Y Change	
				Yen billions	%
Net Sales	1,152.3	1,160.0	1,140.0	(12.3)	-1.1
Operating Income	93.4	74.0	76.0	(17.4)	-18.6
Operating Income Margin	8.1%	6.4%	6.7%	-1.4pt	-
Income before income taxes	91.8	73.0	75.0	(16.8)	-18.3
Net Income	64.8	50.0	52.0	(12.8)	-19.8
Earning Per Share (JPY)	514.23	396.00	412.19	-	-
Dividends (JPY)	1st half : 60 2nd half : 60 Annual: 120	1st half : 60 2nd half : 60 Annual: 120	1st half : 60 2nd half : 60 Annual : 120	-	-
Ex-rate	US\$ (JPY)	120.13	110.00 100.00 (Second half)	-	-
	EURO (JPY)	132.67	125.00 110.00 (Second half)	-	-
Capital Expenditure	160.7	200.0	190.0	29.3	18.2
Depreciation and amortization	83.2	95.0	90.0	6.8	8.2
Research and development	84.9	90.0	90.0	5.1	6.0

Finally, I will explain our full-year consolidated earnings projections.

The assumed average foreign exchange rate of the initial announcement has changed. For the second half, the exchange rate assumption has been revised to 100 yen to the U.S. dollar and 110 yen to the euro.

As a result, partly due to the impact of the yen's appreciation, we have revised our projection for net sales downward by 20.0 billion yen to 1,140.0 billion yen. On the other hand, our projections for operating income, income before income taxes, and net income have each been revised upward by 2.0 billion yen, with operating income up from 74.0 billion yen to 76.0 billion yen, net income from 50.0 billion yen to 52.0 billion yen, and the projection for earnings per share at 412.19 yen. Our dividend outlook is for interim and final dividends of 60 yen per share, for an annual dividend of 120 yen per share.

For the second half, as I explained before, in the third quarter we are expected sales growth of around 2% compared to the second quarter, taking account of foreign exchange rate effects. However, in the fourth quarter, the demand trends have become unclear for the smartphone market and HDD head market, and we have revised our full-year forecast down by 20.0 billion yen.

On the other hand, we expect operating income to absorb the impact of the yen's appreciation and we have revised the projection upward from the initial announcement. Since first-half operating income absorbed foreign exchange impacts to beat our initial projection, we have assumed that it will be able to absorb further the foreign exchange impacts expected in the second half, and so we have revised the full-year operating income projection up by 2.0 billion yen to 76.0 billion yen. This revision incorporates the earnings of Hutchison from the third quarter, which I mentioned before, as well as the current loss-making status and expenses arising in connection with the acquisition.

In line with the revision of our foreign exchange rate assumption, we have revised our plan for capital expenditures downward by 10.0 billion yen to 190.0 billion yen, and our depreciation and amortization expense down by 5.0 billion yen to 90.0 billion yen.

That concludes my presentation. Thank you for your attention.

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/2017/2q_1.htm