May 11, 2017
TDK Corporation

Business Strategy Meeting
## Attendees

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>President and CEO</td>
<td>Shigenao Ishiguro</td>
</tr>
<tr>
<td>Senior Executive Vice President</td>
<td>Hiroyuki Uemura</td>
</tr>
<tr>
<td>CEO of Electronic Components Business Company</td>
<td>Seiji Osaka</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Noboru Saito</td>
</tr>
<tr>
<td>General Manager of Corporate Strategy HQ</td>
<td>Joachim Zichlarz</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Mitsuru Nagata</td>
</tr>
<tr>
<td>CEO of Sensor Systems Business Company</td>
<td>Tetsuji Yamanishi</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Albert Ong</td>
</tr>
<tr>
<td>CFO of Electronic Components Business Company</td>
<td>Fumio Sashida</td>
</tr>
<tr>
<td>Corporate Officer</td>
<td>Dai Matsuoka</td>
</tr>
<tr>
<td>General Manager of Electronic Components Sales &amp; Marketing Group</td>
<td>Matthias Bopp</td>
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<tr>
<td>Corporate Officer</td>
<td>Joe Lam</td>
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<tr>
<td>General Manager of Finance &amp; Accounting HQ</td>
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<tr>
<td>Corporate Officer</td>
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<tr>
<td>CEO of Magnetic Heads Business Company</td>
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<tr>
<td>CEO of Energy Devices Business Company</td>
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<tr>
<td>General Manager of Technology and Intellectual Property HQ</td>
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<tr>
<td>General Manager of Magnetic Sensor Business Group</td>
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<tr>
<td>COO of Amperex Technology Limited</td>
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Schedule

◆ Presentation
   1. Corporate Strategy (Ishiguro)
   2. Passive Components Business Strategy (Uemura / Zichlarz)
   3. Sensor Business Strategy (Saito / Bopp)
   4. HDD Head Business Strategy (Ong)
   5. Energy Devices Business Strategy (Sashida / Lam)

◆ Q&A
Corporate Strategy

Shigenao Ishiguro
President and CEO
The current Mid-term Plan

- 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

<table>
<thead>
<tr>
<th>Fiscal 2018 target (current Med-Term target)</th>
<th>Fiscal 2018 plan (fiscal 2017 guidance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation profit margin</td>
<td>Over 10%</td>
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<tr>
<td>ROE</td>
<td>Over 10%</td>
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</table>

<table>
<thead>
<tr>
<th>(Yen billions)</th>
<th>FY March 2017 Full Year Results</th>
<th>FY March 2018 Full Year Projections</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>1,178.3</td>
<td>1,110.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>208.7</td>
<td>80.0</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>211.7</td>
<td>79.0</td>
</tr>
<tr>
<td>Net income</td>
<td>145.1</td>
<td>55.0</td>
</tr>
<tr>
<td>Earning per share (JPY)</td>
<td>1,150.16</td>
<td>435.82</td>
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</tbody>
</table>

*The gain on transfer to Qualcomm is not included in figures for the fiscal year ended March 31, 2017.
The current Mid-term Plan

Customers

Until the fiscal year ended March 31, 2016
- Passive Components
- Magnets
- Power Supplies
- HDD Heads, Sensors
- Batteries
- Others

Expand collaboration with Qualcomm
- Establish RF360
- Business Collaboration

Rebuild TDK’s future profile
- Shift to markets with higher growth
  - Growth strategies
  - Transform the earnings structure

Changes in the fiscal year ended March 31, 2017
Towards the next Mid-term Plan

TDK’s profile from the fiscal year ending March 31, 2018 onward

Customers

ICT

Automotive

Industrial Equipment & Energy

Advanced Materials & Components Technology

Sensors & Actuator Solution

Power Solution

RF360

IC Providers (Qualcomm Collaboration)
Towards the next Mid-term Plan

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
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
b. Integrate and speedily launch the sensor 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.
Passive Components
Business Strategy

Hiroyuki Uemura
Senior Executive Vice President
CEO of Electronic Components Business Company

Joachim Zichlarz
Senior Vice President
CFO of Electronic Components Business Company
Agenda

- Sustainable growth and profit after the RF360 carve-out
  Joachim Zichlarz

- Execute Monozukuri innovation & Product development of Next-generation electronic components with IC collaboration
  Hiroyuki Uemura
Agenda

◆ Sustainable growth and profit after the RF360 carve-out
  Joachim Zichlarz

◆ Execute Monozukuri innovation & Product development of Next-generation electronic components with IC collaboration
  Hiroyuki Uemura
Our house of success

Sustainable growth and double digit profit margins, positive FCFs

- Strong presence in priority markets
- Customized solutions
- Competitive product portfolio
- Strategic partnerships
- IC collaborations
- Next generation electronic components
- Innovative strength
- Outstanding quality
- Industry 4.0 processes
- Monozukuri evolution

Global sales force, R&D and production set-up

Broad portfolio of material and process technologies

FCF = free cash flow
Our passive components support electronics mega trends

Priority markets & applications
- Automotive
- Information & Communication
- Industrial & Home Appliances

Energy storage, conversion, efficiency improvement


MegaTrends

PPD, CER, MAG

ESD, EMI, Protecting

Smart grid
Renewable energies
Converter

Smart city
4.0
Robotics
Smart home

Communication signal processing

HEV/EV
ADAS
Comfort & Safety

5G networks
Intelligent & Multi-functional devices

Wearables
Virtual reality

Sensing, Actuating

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Priority market Automotive

Market growth of xEVs and Advanced Driver Assistance Systems (ADAS) is very strong, while absolute demand for conventional engine, body and driver information remains big.

TDK provides a comprehensive and competitive product portfolio for automotive applications and targets over-proportional growth.
Promising perspectives in eMobility

TDK offers 4 key ‘system level’ products for e-mobility as well as many passive components.

**Systems level**
- On-board chargers
- Power grid
- Wireless charging systems
- High voltage battery
- DC/DC converters
- Low voltage board net
- Electric motor
- Inverters

**Components level**

<table>
<thead>
<tr>
<th>Ceramic capacitors</th>
<th>Inductors (incl. transformers)</th>
<th>WPT coil packages</th>
<th>DC link capacitors</th>
<th>Aluminum capacitors</th>
<th>Sensors</th>
<th>Magnets</th>
</tr>
</thead>
<tbody>
<tr>
<td>MegaCap</td>
<td>CeraLink</td>
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</table>

Growing demand for xEVs will fuel strong growth for passive components and systems from TDK.
Our comprehensive portfolio for ADAS and in-vehicle-infotainment (1)

ADAS = Advanced Driver Assistance Systems
Comprehensive portfolio for ADAS and in-vehicle-infotainment (2)

Application fields

**Signal circuit**

**Power supply**

**EMC**

**V2X/In-vehicle infotainment**

- Multilayer HF filters
- Chip antennas
- HF inductors
- HF capacitors
- Wireless charging systems

**Human-Machine interface**

- Buzzers
- MEMS microphones
- Piezo haptic actuators

**3D LiDAR**

- TMR angle sensors

**Camera**

- Choke coils

**Ultrasonic**

- Transducers
- Transformers

**ADAS/Autonomous driving/V2X/LiDAR**

- NTC thermistors
- Power inductors
- MLCCs
- Common-mode chokes
- EMC filters
- Chip beads
- Chip varistors

V2X = Vehicle-to-everything communication
ADAS = Advanced Driver Assistance Systems
LiDAR = Light Detection and Ranging
Our haptic solutions – New dimensions in performance

Based on our advanced multilayer piezo ceramics technology, TDK opens up new applications especially in the promising area of Human-Machine interfaces (HMIs).

**PowerHap™**
- Highest displacement (up to 200 μm), force (up to 20 N) and acceleration (up to 15 g)
- Extremely fast response time

**PiezoHapt™**
- Lowest insertion height (0.35 mm)

**Strong trend toward haptics**

**Outstanding features**
- Power-saving solution
- Flexible vibration patterns/customizable profiles

**TDK has started sampling and has received a very positive market response.**
Priority market Information & Communication (ICT)

The total available market for TDK will double in the next 4 years. (Source: TDK estimates)

Key trends & drivers

Intelligent & Multifunctional
- Improved image quality, power storage, user interface
- Low-power cameras
- Advanced sensing for positioning and user ID

Evolution to 5G
- Higher data rates
- More and higher frequencies
- New antennas, user features, enabling technologies

Miniaturization
- Ever smaller, low profile
- Functional integration
- Lower power consumption

TDK provides a comprehensive and competitive product portfolio for ICT applications and targets over-proportional growth.

TDK products (excerpt)
- Camera module actuators
- Optical image stabilizers
- Power inductors
- Sensors
- MEMS
- WPT systems
- RF antennas
- Filters, diplexers, couplers, baluns
- Thin-film devices
- EMC solutions
- HF & power coils
- Tunable capacitors
- Beads
- Embedding technologies
Example for our technological competence in key components for ICT: camera module actuators (CMAs)

The requirements for autofocus speed & accuracy and image quality in smartphone cameras are rising.

<table>
<thead>
<tr>
<th>Voice coil actuators (VCAs)</th>
<th>Bi-directional VCAs</th>
<th>Closed-loop (CL) VCAs</th>
<th>Optical image stabilizers (OISs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>World’s thinnest profile</em></td>
<td></td>
<td>2-axis CL OIS</td>
</tr>
</tbody>
</table>

**CL VCA features**
- Highly responsive
- High positioning accuracy
- Low power consumption

**OIS features**
- High control performance
- High displacement accuracy
- Good frequency response

**Major applications**
- Cameras in mobile phones
- Tablets
- Projectors

**TDK lens actuators improve the performance of smartphone cameras.**
Priority market Industrial

The industrial markets offer good growth opportunities created by mega trends.

Important trends & drivers

<table>
<thead>
<tr>
<th>Energy efficiency</th>
<th>Green energy</th>
<th>Smart grid</th>
<th>Smart manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>➤ Strong demand for energy efficient devices</td>
<td>➤ Global energy demand constantly increasing</td>
<td>➤ Low-loss power transmission systems (HVDC High-Voltage Direct Current) and smart metering</td>
<td>➤ Global trend towards smart manufacturing</td>
</tr>
<tr>
<td>➤ New generations of IGBTs and semiconductors (GaN, SiC)</td>
<td>➤ Strong demand for wind and solar power generation</td>
<td>➤ Decentralized power generation with storage and buffering</td>
<td>➤ New applications for connectivity and sensing</td>
</tr>
</tbody>
</table>

TDK is well established and delivers state-of-the-art solutions for Industrial. TDK targets to grow faster than the market.
Example for our strong position in key industrial applications: frequency converters

Frequency converters are an integral part of energy efficient drives and other industrial applications and enjoy strong growth prospects. (9.4% per annum expected growth rate for 2016 – 2020 in USD; Source: Technavio 2017/1)

TDK offers attractive and competitive solutions for frequency converters in more than 15 product groups.

TDK offers almost all required passive components.
Agenda

◆ Sustainable growth and profit after the RF360 carve-out
  Joachim Zichlarz

◆ Execute Monozukuri innovation & Product development of Next-generation electronic components with IC collaboration
  Hiroyuki Uemura
Execution of Monozukuri innovation ~Material & Passive components~

Pursuit TDK industry 4.0 + Zero defect

Monozukuri innovation based on the Arubeki-sugata concept

Location free
- Monozukuri NOT depends location.
- Material process
  - Products finishing process.
  - Integrated process

Establish platform of robot utilization
- Process optimization of process Robot utilized.
  - Handling
  - Harmonized cell line by Man and Robot
  - Robot location free process

Model line
- Monozukuri aiming Zeroizing defect on each process.

Activity based on Arubeki-sugata
- Zeroizing defect on management quality
- Optimization for Man and Equipment
- Make bottom up of skill of Quality activity

Demonstrate Model line

Design

Material

Process

Management

Pursuit Arubeki sugata
Development of next-generation components for continuous growth

Responding to Modularization

Next generation components

Module
- SESUB
  - Layout Flexibility
  - Miniaturizations
  - Integrated Package
  - High Performance
  - Passive Module

Custom designed compo
- Inductor (Power/RF)
- Capacitor (MLCC/Thin-film)
- High frequency components

Improve module performance with customized passive components

Components made by New construction method and material
- Thin-film
  - HI-Q IPD for RF Frontend Module
- Plating
  - Power Inductor for Automotive
- Roll to Roll
  - WPT
- Roll to Roll Plating

Optimized products for a Application
- Applied method
  - High current Power Inductor
  - High-L Power Inductor

Thin-film capacitor
- Zero defect
- Quick charge

Business collaboration
Production base ~Roll out for W/W production base from Akita’s new factory~

Strengthen elemental technology for passive component in each area
(Material / Lamination / Thin-film / Wire wound / Assembling)

- **Honjo East site**
  - Floor area: 50,000 m²

- **Inakura East site**
  - Floor area: 15,000 m²
Sensor Business Strategy

Noboru Saito
Senior Vice President
CEO of Sensor Systems Business Company

Matthias Bopp
General Manager of Magnetic Sensors Business Group
Agenda

◆ Sensor Business Strategy

   Noboru Saito

◆ Magnetic Sensor Business Strategy

   Matthias Bopp
Agenda

◆ Sensor Business Strategy

   Noboru Saito

◆ Magnetic Sensor Business Strategy

   Matthias Bopp
Sensor Systems Business Company Organization

Established since April 1\textsuperscript{st}, 2017

Sensor Systems Business Company

N. Saito

Management Committee

- R&D
- Marketing
- Process Eng.
- System Eng.

Magnetic Sensors BG

M. Bopp

Temperature & Pressure Sensors BG

P. Balzer

MEMS Microphones BD

H. Hayashi

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Targeted Sensor Market

Global sensor demand forecast (non-optical)

By sensor type

By application

(TDK estimate)

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Business Development with Full Sensor Portfolio

Non-Magnetic MEMS

Existing sensors

MEMS
- Pressure
- Gas

NTC / PTC
- Temperature

InvenSense
MEMS
- Inertial
- Microphone
- Barometric Pressure
- Ultrasonic

Newly acquired

Advanced Combo Sensors

TMR
- Angle / Linear scale

Hall
- Angle / Current
- Gear tooth / Position

Advanced Combo Sensors

Magnetic

Mobile & IoT

Development of Sensor Fusion and Solutions

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Materialize Total Value Chain

Be a World No.1 Sensor Solution Provider!

Contribute to culture and industry through Sensing Solutions
Synergy: Business Expansion Strategy

TDK Solutions

Priority Areas

Automotive

Mobile

IoT/Industrial

Sophisticated Fusion

Advanced Combo Sensor

Expanded Sensor Portfolio

Safety (Roll-over, ESC)
Efficiency (Current, Pressure)
Comfort (Navigation)

Entertainment (Imaging)
Convenience (Indoor Navi)

Security (Fingerprint)

Entertainment (AR/VR)

Safety (Autopilot)

Comfort (Env. Monitoring)

Software/Algorithm

Strengthened Business Collaboration with IC Manufactures

TDK Solutions

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**Synergy: Operational Excellence**

Take full advantage from in-house and external resources.

<table>
<thead>
<tr>
<th></th>
<th>MEMS Foundry</th>
<th>Packaging</th>
<th>MEMS/ASIC Design</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Magnetic</strong></td>
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<tr>
<td><strong>Temperature &amp; Pressure</strong></td>
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<tr>
<td><strong>MEMS Microphones</strong></td>
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<tr>
<td><strong>InvenSense</strong></td>
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**In-house**
- **Unique Wafers**
- **Unique Packaging**

**External**
- **Standard Wafers**
- **Standard Packaging**

Existing

Synergy
Sensor Business Sales Target
Agenda

Sensor Business Strategy
Noboru Saito

Magnetic Sensor Business Strategy
Matthias Bopp
Business Expansion Strategy

① Expand business in Automotive market by HALL and TMR technology (and combinations)
② Penetrate ICT market and dominate the presence of the TMR technology in the market.
③ Develop further vertical integration by deploying Modules with TMR and Hall sensors.

Strengthened ASIC Design Capabilities with

Automotive & Industrial

- Hall 2D/3D
- Hall Linear
- Hall Switches

Sensing Element

- Stroke Sensor
- Current Sensor
- Gear Tooth Sensor

1st Level Package

- Current Sensor
- Gear Tooth Sensor
- Angle Sensor
- Motor Position Sensor
- Linear Scale
- Encoder/Bearing

Module

E-Motor Controller

- Camera module
- GMR Encoder
- Indoor Navigation

ICT

TMR

FY2021 Market Size Approx. $0.3bil

FY2021 Market Size Approx. $1.1bil

FY2021 Market Size Approx. $0.3bil

+ Module add-on

① FY2021 Market Size Approx. $1.1bil
② FY2021 Market Size Approx. $0.3bil
③ FY2021 Market Size Approx. $0.3bil
Focus Applications for Magnetic Sensors

- Combined technology portfolio enables new applications and offers more flexibility to our customers.
- Long term strategy based on new large platform developments
- Faster penetration of TMR in the automotive market
- Short term growth opportunities in ICT (e.g. sensors for camera modules & indoor navigation)
HDD Head Business Strategy

Albert Ong

Corporate Officer
CEO of Magnetic Heads Business Company
Size of the Global Data creation

< Worldwide Data Creation Volume Forecast >
( TDK estimation )

- Worldwide data creation volume will be significantly increasing, due to Cloud computing growth and spread of IoT.
Application of HDD

- Declining for Note-PC market
- Increasing Server/Data Center use

TDK’s estimation
HDD Head Demand Forecast

HDD Head Market Outlook

1) HDD shifts to High capacity market. Number of heads per HDD will be increasing. Especially Nearline HDD.

2) HDD head market will be steady.
Changes and technology innovation of HDD industry

- Continuous R&D and improvement activities for HDD/HDD Head.
  - Needs multi disk and multi head technology for high capacity HDD.
  - Thermal assist (TAMR) & Microwave Assisted Head (MAMR)
  - Two dimension Magnetic Recording (TDMR)
  - Micro dual stage actuator (Micro DSA)
- TDK leads on HDD Head technology development and will fully support growing Near-Line / Datacenter.
Business Strategy of Magnetic Head

- Integrate Hutchinson’s HDD suspension operation / technology, and maximize synergy.

- Promote vertical integrated HDD suspension business with advanced component technology & process automation.

- Improves suspension value chain.
  - Contribute to the HDD industry through Advanced technology.

- Leverage Hutchinson’s innovative technologies: Additive Metal Deposition, precision components and SMA technology for cameras.
  - Apply HDD Suspension component technologies for micro electronic components in ICT market.

Multilayer circuits by additive deposition
High density, thin micro coil by additive deposition
SMA (Shape Memory Alloy) Optical Image Stabilizer
Camera Module Components Business

Camera Module Business in ICT Market
(Shape Memory Alloy Technology for OIS)

- Easier to implement Automation process.
- Leverages existing HDD suspension process, components and technology
- Enables lower module (AF + OIS) height. (3.0 mm thickness, Other types are 3.2-3.5mm) and Larger lens size for same footprint
- Lower power consumption (2-5x less than VCM), and low heat dissipation
- Inherent position sensing through resistance of SMA wire. Does not need position sensors
- No magnetic influence benefits Dual Camera applications
- Auto Focus applications under development
Energy Devices Business Strategy
(Rechargeable Batteries Business)

Fumio Sashida
CEO of Energy Devices Business Company

Joe Lam
COO of Amperex Technology Limited
Agenda

◆ Energy Device Business
  • Stage 1: FY06-17
  • Stage 2: FY18-

Fumio Sashida

◆ Target market and application for Stage 2

  Joe Lam
Agenda

- **Energy Device Business**
  - Stage 1: FY06-17
  - Stage 2: FY18-

  **Fumio Sashida**

- **Target market and application for Stage 2**

  **Joe Lam**
Energy Device Business (Stage 1)

Stage 1 (FY06-17)

- Our Product: Pouch cell battery (from niche to main product)
- Target Market: ICT
- Application: Blue tooth, MP3, Smartphone, Tablet, Notebook,…
- Our strength: Speed and flexibility to catch up dynamism of ICT industry and customer needs

Revenue history (FY06-17)
Energy Device Business (Stage 2)

Stage 2 (FY18-)

◆ Overall Strategy
  • Invest next generation technology for higher reliability and safety
  • Perpetual technology innovation

◆ Target Market /Application:
  ① ICT : Smartphone, Tablet, Notebook, …
     ⇒ Realize higher growth than market average to build solid foundation
     [Opportunity]
     ✓ Replacement from prismatic cell
     ✓ Development of new emerging countries

  ② Non-ICT & Industrial
     • Drone, AR/VR, Robots, AGV, ESS/UPS, Power Tool, …
     ⇒ Utilize unique characteristic of punch cell to capture business opportunity in the market
     [Challenge]
     ✓ To provide value-added products to provide solution to customers
     ✓ Higher requirement of product reliability and safety
Agenda

◆ Energy Device Business
  • Stage 1: FY06-17
  • Stage 2: FY18-

Fumio Sashida

◆ Target market and application for Stage 2

Joe Lam
All Li-ion battery Market

Healthy growth of ATL & industry

Data Source: B3 Report 2017 (including cylindrical and prismatic)

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ICT market outlook by Application

Smartphone (Maturing)

Wearable (Fast Growing)

Table (Recovering)

Laptop (Stabilizing)

Li-ion battery market by Type

Source: B3 2017

Source: IDC 2017 (including cylindrical and prismatic)

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Target application in Non-ICT market (Untapped Market)

Power tool market as big as Laptop

All Li-ion battery market by Application

Data Source: B3 Report 2017 (including cylindrical and prismatic)
## Potential Growth/Target Application at Stage 2

<table>
<thead>
<tr>
<th>Market</th>
<th>Status</th>
<th>Application</th>
<th>Growth Path</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE</td>
<td>Existing/Mature</td>
<td>Smartphone Laptop</td>
<td>Replace prismatic organically</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tablet</td>
<td></td>
</tr>
<tr>
<td>CE/Consumer/Industrial</td>
<td>New/Emerging</td>
<td>AR/VR Drone</td>
<td>New product development</td>
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<td></td>
<td></td>
<td>Robots</td>
<td></td>
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<td>Consumer/Industrial</td>
<td>Existing/Mature</td>
<td>AGV ESS/UPS</td>
<td>New product development</td>
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<tr>
<td>Consumer/Industrial</td>
<td>Existing/Mature</td>
<td>Power Tool Garden</td>
<td>New product development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tool Floor Care</td>
<td></td>
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</tbody>
</table>
Our Competitive Advantages

Superior Customer Service
- Delegated sales
- Fastest sample
- Sharp ramps

Technology Advancement
- Product
- Production
- Reliability

Operation Excellence
- Refinement
- Efficiency
- Scale
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.