

(5) Note Relating to the Going Concern Assumption

Nothing to report.

(6) Summary of Significant Accounting Policies

1. The consolidated financial statements are prepared in conformity with the U.S. GAAP.
Inventories are valued at the lower of cost or market as in the past, with cost mainly determined by the periodic average method. Furthermore, the method for depreciating property, plant and equipment is the same as in the past—assets located in Japan and of certain foreign subsidiaries are principally computed by the declining-balance method, and assets of other foreign subsidiaries are computed by the straight-line method.
2. As of March 31, 2013, TDK had 119 subsidiaries (12 in Japan and 107 overseas).
TDK also had 8 affiliates (5 in Japan and 3 overseas) whose financial statements are accounted for by the equity method.
3. The following items have been omitted from this earnings release because they are not deemed to be that necessary for disclosure.

Notes Concerning Consolidated Financial Statements

- Lease transactions
- Related-party transactions
- Tax-effect accounting
- Financial instruments
- Retirement benefits
- Stock options, etc.
- Business combinations, etc.
- Real estate for leasing
- Asset retirement obligations

(7) Segment Information

TDK has three reporting segments: Passive Components, Magnetic Application Products and Film Application Products, as well as Other, which includes products not included in these three reporting segments.

Net sales by industry segment

		FY2012 (April 1, 2011 - March 31, 2012)		FY2013 (April 1, 2012 - March 31, 2013)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	381,576	46.9	379,614	44.6	4,038,447	(1,962)	-0.5
	Intersegment	2,664		3,272		34,808	608	22.8
	Total	384,240		382,886		4,073,255	(1,354)	-0.4
Magnetic Application Products	External customers	316,402	38.8	337,947	39.7	3,595,181	21,545	6.8
	Intersegment	335		277		2,947	(58)	-17.3
	Total	316,737		338,224		3,598,128	21,487	6.8
Film Application Products	External customers	92,727	11.4	112,621	13.2	1,198,096	19,894	21.5
	Intersegment	4,186		2,869		30,521	(1,317)	-31.5
	Total	96,913		115,490		1,228,617	18,577	19.2
Other	External customers	23,792	2.9	21,393	2.5	227,585	(2,399)	-10.1
	Intersegment	20,998		16,478		175,298	(4,520)	-21.5
	Total	44,790		37,871		402,883	(6,919)	-15.4
Intersegment eliminations		(28,183)		(22,896)		(243,574)	5,287	
Consolidated total		814,497	100.0	851,575	100.0	9,059,309	37,078	4.6

Segment profit (loss) by industry segment

		FY2012 (April 1, 2011 - March 31, 2012)		FY2013 (April 1, 2012 - March 31, 2013)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		(6,610)	-1.7	(11,053)	-2.9	(117,585)	(4,443)	-
Magnetic Application Products		39,028	12.3	37,088	11.0	394,553	(1,940)	-5.0
Film Application Products		6,255	6.7	12,418	11.0	132,106	6,163	98.5
Other		(4,839)	-20.3	(1,775)	-8.3	(18,883)	3,064	-
Sub total		33,834	4.2	36,678	4.3	390,191	2,844	8.4
Corporate and Eliminations		(15,147)		(15,030)		(159,893)	117	
Operating income		18,687	2.3	21,648	2.5	230,298	2,961	15.8

Note:

U.S.\$1=Yen 94, for convenience only.