

[Summary Information and Financial Statements]

1. Business Results

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for fiscal 2014, the year ended March 31, 2014, were as follows.

Looking at the world economy in fiscal 2014, the U.S. economy continued to grow, mainly supported by export expansion and firm personal spending. The European economy also saw an end to its recession caused by the sovereign debt problem, and began to show signs of a recovery. In emerging countries such as China and India, the overall picture is one of continuing growth with signs of recovery in exports to advanced countries, although some countries are seeing economic growth decline due to factors such as fiscal tightening to rein in inflation and a slowdown in infrastructure investment. In Japan, a steady recovery continues, supported by expansion in demand, including growth in corporate earnings jump started by large-scale fiscal easing and the yen's depreciation, strong consumer spending due to a surge in demand ahead of the consumption tax hike, and a pick-up in housing investment activity.

Under these world economic conditions, the electronics market, which has a large bearing on the consolidated performance of TDK, saw production levels differ by finished product. Production of smartphones, for which demand is expanding, was much higher than in fiscal 2013, driven by the launch of new mobile handsets by major manufacturers. Production of tablet devices was much higher year on year. Production in the automobile market as a whole rose year on year, driven mainly by solid auto sales in the U.S. However PC production was down overall year on year, mainly due to the impact of the growing tablet device market, although there was a slight rise in production due to the impact of a surge in demand ahead of the consumption tax hike in Japan. Production of hard disk drives (HDDs) was lower than the previous fiscal year, when there was temporary demand from the impact of major flooding in Thailand. This drop in HDD production came despite demand for use in next-generation game consoles and higher demand for PCs spurred by the end of support for Windows XP.

In this business environment, the TDK Group's consolidated operating results for fiscal 2014 were as follows.

Term Item	FY2013 (April 1, 2012 - March 31, 2013)		FY2014 (April 1, 2013 - March 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
	Net sales	841,847	100.0	984,525	100.0	9,558,495	142,678
Operating income	22,054	2.6	36,616	3.7	355,495	14,562	66.0
Income from continuing operations before income taxes	19,765	2.3	39,772	4.0	386,136	20,007	101.2
Net income attributable to TDK	1,195	0.1	16,288	1.7	158,136	15,093	-
Per common share :							
Net income attributable to TDK / Basic	Yen 9.50		Yen 129.47		U.S.\$ 1.26		
Net income attributable to TDK / Diluted	Yen 5.36		Yen 120.97		U.S.\$ 1.17		

Notes:

1. U.S.\$1=Yen 103, for convenience only.
2. In accordance with the provisions of ASC No. 205-20, "Presentation of Financial Statements - Discontinued Operations", operating results relating to the data tape business and the blu-ray business are separately presented as discontinued operations in consolidated statements of income for FY2014. Also reclassifications are made to consolidated statement of income for FY2013 to conform to the presentation used for FY2014.

Average yen exchange rates for the U.S. dollar and the euro during fiscal 2014 were ¥100.26 and ¥134.42, respectively, as the yen depreciated 20.8% against the U.S. dollar and 25.6% against the euro. This increased net sales by approximately ¥147.5 billion and operating income by approximately ¥24.3 billion.

Sales by Product

Term Product	FY2013 (April 1, 2012 - March 31, 2013)		FY2014 (April 1, 2013 - March 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	117,986	14.0	139,615	14.2	1,355,486	21,629	18.3
Inductive devices	119,570	14.2	140,309	14.2	1,362,223	20,739	17.3
Other	142,058	16.9	191,749	19.5	1,861,641	49,691	35.0
Passive Components	379,614	45.1	471,673	47.9	4,579,350	92,059	24.3
Recording devices	233,534	27.7	256,703	26.1	2,492,262	23,169	9.9
Other	104,413	12.4	107,588	10.9	1,044,544	3,175	3.0
Magnetic Application Products	337,947	40.1	364,291	37.0	3,536,806	26,344	7.8
Film Application Products	102,893	12.2	129,304	13.1	1,255,378	26,411	25.7
Other	21,393	2.6	19,257	2.0	186,961	(2,136)	-10.0
Total	841,847	100.0	984,525	100.0	9,558,495	142,678	16.9
Overseas sales	736,015	87.4	890,520	90.5	8,645,825	154,505	21.0

Notes:

1. U.S.\$1=Yen 103, for convenience only.
2. The figures for FY2013 are restated based on current calculation method for sales by region.
3. Net sales relating to the data tape business and blu-ray business are excluded since they turned discontinued operations from FY2014. The prior year's sales are also excluded to conform to the presentation used for FY2014.

(1) Passive Components Segment

This segment is made up of (1) capacitors, (2) inductive devices, and (3) other passive components. Sales in the passive components segment were ¥471,673 million (U.S.\$4,579,350 thousand), up 24.3% year on year from ¥379,614 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥139,615 million (U.S.\$1,355,486 thousand), up 18.3% year on year from ¥117,986 million. Sales of ceramic capacitors increased to the automotive market, and sales of aluminum electrolytic capacitors and film capacitors increased to the automotive and industrial equipment markets.

Sales of inductive devices increased 17.3% year on year from ¥119,570 million to ¥140,309 million (U.S.\$1,362,223 thousand). Sales increased sharply for use in automobiles.

Other passive components include high-frequency devices, piezoelectric material products and circuit protection components, and sensors. Sales of other passive components climbed 35.0% year on year from ¥142,058 million to ¥191,749 million (U.S.\$1,861,641 thousand). Sales of high-frequency devices rose sharply to the communications equipment and the home information appliances markets. Sales of piezoelectric material products and circuit protection components increased to the communications equipment and automotive markets. Sales of sensors increased to the automotive market.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales increased 7.8% year on year, from ¥337,947 million to ¥364,291 million (U.S.\$3,536,806 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded sales of ¥256,703 million (U.S.\$2,492,262 thousand), up 9.9% from

¥233,534 million. In HDD heads and HDD suspension assemblies, sales volumes declined due to the absence of the temporary demand resulting from the impact of the major flooding in Thailand in the previous fiscal year and lackluster HDD production levels. However, the weaker yen against the U.S. dollar lifted sales in monetary terms.

Other magnetic application products include power supplies and magnets. Sales increased 3.0% year on year from ¥104,413 million to ¥107,588 million (U.S.\$1,044,544 thousand). Sales of power supplies increased to the industrial equipment market. On the other hand, sales of magnets decreased to the automotive market, partly due to the impact of lower prices.

(3) Film Application Products Segment

This segment includes energy devices (rechargeable batteries) and applied films. Segment sales increased 25.7% from ¥102,893 million to ¥129,304 million (U.S.\$1,255,378 thousand).

Sales of energy devices increased substantially to the communications equipment market, particularly for smartphone and tablet applications, and the home information appliances market.

(4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales decreased 10.0% from ¥21,393 million to ¥19,257 million (U.S.\$186,961 thousand).

The main businesses making up the three reporting segments and Other, which includes products not included in these reporting segments, are as follows:

Classification	Constituent Main Business
Passive Components	Ceramic capacitors, Aluminum electrolytic capacitors, Film capacitors, Inductive devices (Coils/Ferrite cores/Transformers), High-frequency devices, Piezoelectric material products and Circuit protection components, Sensors
Magnetic Application Products	Recording devices, Power supplies, Magnets,
Film Application Products	Energy devices (rechargeable batteries), Applied films
Other	Mechatronics (production equipments), other

(Note) The data tape business and blu-ray business, both of which have been classified as discontinued operations in fiscal 2014, had been included in applied films of the film application products segment.

[Sales by Region]

Overseas sales increased 21.0% year on year from ¥736,015 million to ¥890,520 million (U.S.\$8,645,825 thousand). Overseas sales accounted for 90.5% of consolidated net sales, a 3.1 percentage point increase from 87.4% one year earlier. Detailed information on sales by region can be found in the consolidated supplementary information on page 23.

[Fiscal 2015 Consolidated Projections]

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2015, the year ending March 31, 2015, are as follows.

Term Item	FY2015 (April 1, 2014 - March 31, 2015)	FY2014 (April 1, 2013 - March 31, 2014)	vs FY2014 Changes	
	Forecast in April'14	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	1,050,000	984,525	65,475	6.7
Operating income	57,000	36,616	20,384	55.7
Income from continuing operations before income taxes	56,000	39,772	16,228	40.8
Net income attributable to TDK	34,000	16,288	17,712	108.7
Capital expenditures	80,000	68,606	11,394	16.6
Depreciation and amortization	83,000	82,893	107	0.1
Research and development	68,000	63,385	4,615	7.3

(Exchange Rate Assumption)

Average yen exchange rates against the U.S. dollar and the euro of ¥100.00 and ¥135.00 respectively are assumed for fiscal 2015.

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 and/or its group companies ("TDK Group"). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs, and evaluations of TDK Group in light of information currently available to it, and contain known and unknown risks, uncertainties and other factors.

TDK Group therefore wishes to caution readers that, being subject to risks, uncertainties and other factors, TDK Group's actual results, performance, achievements or financial positions could be materially different from any future results, performance, achievements or financial positions expressed or implied by these forward-looking statements, and 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 applicable laws and ordinances.

The electronics markets in which TDK Group operates are highly susceptible to rapid changes. Risks, uncertainties and other factors that can have significant effects on TDK Group include, but are 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.

(2) Summary Information Regarding Consolidated Financial Position

(1) The following table summarizes TDK's consolidated balance sheet as of March 31, 2014.

Total assets	¥1,239,589 million	(6.0% increase)
Total TDK stockholders' equity	¥635,327 million	(13.2% increase)
Stockholders' equity ratio	51.3%	(3.3 point increase)

As of March 31, 2014, total assets had increased ¥69,947 million compared with March 31, 2013. In terms of liquidity, cash and cash equivalents mainly increased ¥37,161 million. In addition, net trade receivables increased ¥16,392 million, property, plant and equipment increased ¥8,131 million and other assets increased ¥12,971 million, respectively.

Total liabilities decreased ¥1,680 million from March 31, 2013. Short-term debt decreased ¥14,387 million and current installments of long-term debt decreased ¥14,368 million, respectively. On the other hand, trade payables increased ¥10,673 million and accrued expenses increased ¥10,015 million, respectively.

TDK stockholders' equity, which is included in total equity, increased ¥74,158 million from March 31, 2013. Accumulated other comprehensive income (loss) increased ¥71,882 million mainly due to a upturn in foreign currency translation adjustments compared with March 31, 2013 as a result of the yen's depreciation.

(2) Cash Flows

(Yen millions)

	FY 2013	FY 2014	Change
Net cash provided by operating activities	108,942	127,308	18,366
Net cash used in investing activities	(90,156)	(55,438)	34,718
Net cash provided by (used in) financing activities	4,395	(56,118)	(60,513)
Effect of exchange rate changes on cash and cash equivalents	23,491	21,409	(2,082)
Net increase in cash and cash equivalents	46,672	37,161	(9,511)
Cash and cash equivalents at beginning of period	167,015	213,687	46,672
Cash and cash equivalents at end of period	213,687	250,848	37,161

Operating activities provided net cash of ¥127,308 million (U.S.\$1,236,000 thousand), a year on year increase of ¥18,366 million. TDK recorded a net income of ¥18,234 million (U.S.\$177,029 thousand), an increase of ¥13,704 million year on year. Depreciation and amortization increased ¥5,171 million to ¥83,109 million (U.S.\$806,884 thousand). In changes in assets and liabilities, a ¥10,138 million increase in trade receivables reduced operating cash flows. However, a ¥18,881 million increase in trade payables contributed to the increase of operating cash flows.

Investing activities used net cash of ¥55,438 million (U.S.\$538,233 thousand), a decrease of ¥34,718 million year on year. There was a ¥17,000 million decrease in capital expenditures and a ¥9,481 million increase in proceeds from sale and maturity of short-term investments, which outweighed a ¥5,736 million increase in payment for purchase of short-term investments.

In FY 2014, TDK used net cash in financing activities, which provided net cash in FY 2013. The net change year on year was ¥60,513 million. In FY 2013, there were repayments of long-term debt of ¥37,710 million. On the other hand, ¥40,416 million was provided by proceeds from long-term debt. TDK provided net cash of ¥4,395 million in these and other financing activities. In FY 2014, there were proceeds from long-term debt of ¥33,747 million (U.S.\$327,641 thousand). On the other hand, there were repayments of long-term debt of ¥51,867 million (U.S.\$503,563 thousand) and a net decrease in short-term debt of ¥16,634 million (U.S.\$161,495 thousand) and acquisition of noncontrolling interests of ¥13,981 million (U.S.\$135,738 thousand). TDK used net cash of ¥56,118 million (U.S.\$544,835 thousand) in these and other financing activities.

(3) Trends in Cash Flow Indicators

	FY2011	FY2012	FY2013	FY2014
1) Stockholders' equity ratio (%)	50.4	46.4	48.0	51.3
2) Stockholders' equity ratio on a market value basis (%)	59.8	55.0	35.2	43.7
3) No. of years to redeem debt	2.40	4.93	2.71	2.10
4) Interest coverage ratio (times)	35.8	18.6	38.3	36.8

[Notes]

1) Stockholders' equity ratio = Total stockholders' equity/Total assets

2) Stockholders' equity ratio on a market value basis = Market capitalization (*1)/Total assets

(*1) Market capitalization = Closing price of TDK's common shares on the Tokyo Stock Exchange at fiscal year-end x Shares issued and outstanding at fiscal year-end after deducting treasury shares

3) No. of years to redeem debt = Interest-bearing liabilities (*2)/Cash flows from operating activities (*3)

(*2) Interest-bearing liabilities: "Short-term debt," "current installments of long-term debt," and "long-term debt, excluding current installments" on the consolidated balance sheets.

(*3) Cash flows from operating activities: "Net cash provided by operating activities" on the consolidated statements of cash flows.

4) Interest coverage ratio = Cash flows from operating activities/Interest payments (*4)

(*4) Interest payments: "Interest expense" on the consolidated statements of income

(3) Fundamental Policy for Distribution of Earnings, and Fiscal 2014 and Fiscal 2015 Dividends

TDK recognizes that achieving growth in corporate value over the long term ultimately translates into higher shareholder value. In line with this recognition, TDK's fundamental policy is to work to consistently increase dividends through growth in earnings per share. By actively investing for growth, mainly in the development of new products and technologies in key fields so as to respond precisely to rapid technological advances in the electronics industry, TDK is aiming to increase long-term corporate value. Accordingly, TDK actively reinvests the Company's profits in business activities and sets dividends taking comprehensively into consideration the return on equity (ROE) and dividends on equity (DOE) on a consolidated basis, as well as changes in the business environment, among other factors.

TDK plans to pay a year-end dividend of ¥40 per common share, subject to approval at the ordinary general meeting of shareholders scheduled for June 27, 2014. Combined with the interim dividend of ¥30 per common share paid in December 2013, the planned dividend per common share applicable to the year will be ¥70.

TDK plans to pay an interim dividend of ¥40 per common share and a year-end dividend of ¥40 per common share respectively in Fiscal 2015.

(Yen)	FY March 2015 Forecast	FY March 2014
Interim dividend	40.00	(Actual) 30.00
Year-end dividend	40.00	(Forecast) 40.00
Annual dividend	80.00	(Forecast) 70.00