



TDK Corporation
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Contact;

TDK Corporation (Tokyo)

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Consolidated results (U.S. GAAP) for the 2nd quarter of FY March 2015

Summary (April 1, 2014 - September 30, 2014)

Term Item	1H of FY2014 (Apr. 1, 2013 - Sep. 30, 2013)		1H of FY2015 (April 1, 2014 - September 30, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	483,784	100.0	502,275	100.0	4,608,028	18,491	3.8
Operating income	17,035	3.5	27,922	5.6	256,165	10,887	63.9
Income from continuing operations before income taxes	18,081	3.7	27,356	5.4	250,972	9,275	51.3
Net income attributable to TDK	6,404	1.3	18,140	3.6	166,422	11,736	183.3
Per common share :							
Net income attributable to TDK / Basic	Yen 50.90		Yen 144.17		U.S.\$ 1.32		
Net income attributable to TDK / Diluted	Yen 48.32		Yen 140.45		U.S.\$ 1.29		
Capital expenditures	29,288	-	42,802	-	392,679	13,514	46.1
Depreciation and amortization	41,126	8.5	39,183	7.8	359,477	(1,943)	-4.7
Research and development	31,164	6.4	34,104	6.8	312,881	2,940	9.4
Result of financial income (loss)	(275)	-	782	-	7,174	1,057	-
Ratio of overseas production	86.7%	-	87.4%	-	-		
Number of employees	86,777	-	86,291	-	-		

**2nd quarter consolidated results
(July 1, 2014 - September 30, 2014)**

Term Item	2Q of FY2014 (Jul. 1, 2013 - Sep. 30, 2013)		2Q of FY2015 (July 1, 2014 - September 30, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	249,385	100.0	264,813	100.0	2,429,477	15,428	6.2
Operating income	12,509	5.0	18,327	6.9	168,138	5,818	46.5
Income from continuing operations before income taxes	12,896	5.2	17,001	6.4	155,972	4,105	31.8
Net income attributable to TDK	6,032	2.4	12,386	4.7	113,633	6,354	105.3
Per common share :							
Net income attributable to TDK / Basic	Yen 47.95		Yen 98.43		U.S.\$ 0.90		
Net income attributable to TDK / Diluted	Yen 46.60		Yen 95.16		U.S.\$ 0.87		
Capital expenditures	14,844	-	22,828	-	209,431	7,984	53.8
Depreciation and amortization	20,469	8.2	19,533	7.4	179,202	(936)	-4.6
Research and development	15,683	6.3	17,388	6.6	159,523	1,705	10.9
Result of financial income (loss)	(59)	-	475	-	4,358	534	-
Ratio of overseas production	87.5%	-	88.5%	-	-		

Notes:

1. U.S.\$1=Yen 109, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are restated.

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[Summary Information and Financial Statements]

1. Summary Information Regarding Financial Results for the Second Quarter of Fiscal 2015

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first half of fiscal 2015, the period from April 1 to September 30, 2014, are as follows.

Looking at the world economy in the first half of fiscal 2015, global recovery continued, mainly due to improvements in corporate earnings, an improving employment environment and firm personal spending. In Japan, the economy temporarily declined due to the consumption tax hike, but then became generally strong, partly due to being underpinned by the depreciation of the yen. Under these economic circumstances, the electronics market, which has a significant bearing on the consolidated performance of TDK, saw production levels differ by finished product. Production of smartphones was much higher than in the same period of fiscal 2014, mainly due to growing demand in the Chinese market and the launch of new mobile handsets by major manufacturer. Production of tablet devices was higher year on year, but a few uncertainties about future growth in demand are also starting to appear. Production of automobiles rose year on year, driven mainly by solid automobile sales in the U.S. Production of PCs remained at the same level year on year, upsetting initial market expectations of a decline, as demand for replacement PCs spurred by the end of support for Windows XP continued after April 2014. Production of hard disk drives (HDDs) was slightly higher than in the same period of the previous fiscal year, due to higher demand for PCs and game consoles.

In this business environment, the TDK Group's consolidated operating results for the first half of fiscal 2015 were as follows.

Term Item	1H of FY2014 (Apr. 1, 2013 - Sep. 30, 2013)		1H of FY2015 (April 1, 2014 - September 30, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	483,784	100.0	502,275	100.0	4,608,028	18,491	3.8
Operating income	17,035	3.5	27,922	5.6	256,165	10,887	63.9
Income from continuing operations before income taxes	18,081	3.7	27,356	5.4	250,972	9,275	51.3
Net income attributable to TDK	6,404	1.3	18,140	3.6	166,422	11,736	183.3
Per common share :							
Net income attributable to TDK / Basic	Yen 50.90		Yen 144.17		U.S.\$ 1.32		
Net income attributable to TDK / Diluted	Yen 48.32		Yen 140.45		U.S.\$ 1.29		

Notes:

1. U.S.\$1=Yen 109, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are restated.

Average first-half yen exchange rates for the U.S. dollar and euro were ¥103.02 and ¥138.96, respectively, as the yen depreciated 4.2% versus the U.S. dollar and 6.9% against the euro, compared with the first half of fiscal 2014. This increased net sales by approximately ¥16.9 billion and operating income by approximately ¥3.2 billion.

Sales by Product

Term Product	1H of FY2014 (April 1, 2013 - September 30, 2013)		1H of FY2015 (April 1, 2014 - September 30, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	68,834	14.2	73,798	14.7	677,046	4,964	7.2
Inductive devices	70,518	14.6	75,549	15.0	693,110	5,031	7.1
Other Passive Components	97,079	20.1	106,427	21.2	976,394	9,348	9.6
Passive Components	236,431	48.9	255,774	50.9	2,346,550	19,343	8.2
Recording devices	126,515	26.1	122,813	24.4	1,126,725	(3,702)	-2.9
Other Magnetic Application Products	52,535	10.9	54,687	10.9	501,716	2,152	4.1
Magnetic Application Products	179,050	37.0	177,500	35.3	1,628,441	(1,550)	-0.9
Film Application Products	59,182	12.2	59,719	11.9	547,881	537	0.9
Other	9,121	1.9	9,282	1.9	85,156	161	1.8
Total	483,784	100.0	502,275	100.0	4,608,028	18,491	3.8
Overseas sales	438,011	90.5	455,257	90.6	4,176,670	17,246	3.9

Notes:

1. U.S.\$1=Yen 109, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are excluded.

(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 ¥255,774 million (U.S.\$2,346,550 thousand), up 8.2% year on year from ¥236,431 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥73,798 million (U.S.\$677,046 thousand), up 7.2% year on year from ¥68,834 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 7.1% year on year from ¥70,518 million to ¥75,549 million (U.S.\$693,110 thousand). Sales increased to the automotive and the ICT (Information and Communications Technology) markets.

Other passive components include high-frequency devices, piezoelectric material products and circuit protection components, and sensors. Sales of other passive components increased 9.6% year on year from ¥97,079 million to ¥106,427 million (U.S.\$976,394 thousand). Sales of high-frequency devices increased to the automotive and the ICT markets. Sales of piezoelectric material products and circuit protection components

increased to the automotive and the ICT 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 decreased 0.9% year on year, from ¥179,050 million to ¥177,500 million (U.S.\$1,628,441 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded consolidated sales of ¥122,813 million (U.S.\$1,126,725 thousand), down 2.9% from ¥126,515 million. The decrease reflected lower sales volumes of HDD heads and HDD suspension assemblies.

Other magnetic application products include power supplies and magnets. Sales increased 4.1% year on year from ¥52,535 million to ¥54,687 million (U.S.\$501,716 thousand). Sales of power supplies increased to the industrial equipment market. Sales of magnets overall were almost on a par with the corresponding period of the previous fiscal year.

(3) Film Application Products Segment

This segment includes energy devices (rechargeable batteries) and applied films. Sales increased 0.9% from ¥59,182 million to ¥59,719 million (U.S.\$547,881 thousand).

Sales of energy devices remained at the same level year on year.

(4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales increased 1.8% from ¥9,121 million to ¥9,282 million (U.S.\$85,156 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

[Sales by Region]

Overseas sales increased 3.9% year on year from ¥438,011 million to ¥455,257 million (U.S.\$4,176,670 thousand). Overseas sales accounted for 90.6% of consolidated net sales, a 0.1 percentage point increase from 90.5% in the first half of fiscal 2014. Detailed information on sales by region can be found in the consolidated supplementary information on page 17.

(2) Summary Information Regarding Consolidated Financial Position

(1) The following table summarizes TDK's consolidated balance sheet as of September 30, 2014.

Total assets	¥1,312,257 million	(5.9% increase)
Total TDK stockholders' equity	¥673,679 million	(6.0% increase)
Stockholders' equity ratio	51.3%	(Unchanged)

As of September 30, 2014, total assets had increased ¥72,668 million compared with March 31, 2014. Net liquidity (cash and cash equivalent, short-term investments) decreased ¥1,221 million. This increase mainly reflected a ¥32,715 million increase in net trade-receivables, a ¥13,579 million increase in inventories and a ¥22,128 million increase in net property, plant and equipment.

Total liabilities increased ¥32,820 million from March 31, 2014. Short-term debt decreased ¥17,338 million, while trade payable, accrued expenses and long-term debt, excluding current installments increased ¥19,917 million, ¥12,260 million and ¥18,607 million, respectively.

TDK stockholders' equity, which is included in total equity, increased ¥38,352 million from March 31, 2014. Accumulated other comprehensive income (loss) increased ¥35,243 million, mainly due to a upturn in foreign currency translation adjustments compared with March 31, 2014 as a result of the yen's depreciation.

(2) Cash Flows

(Yen millions)

	FY 2014 2Q	FY 2015 2Q	Change
Net cash provided by operating activities	57,309	43,915	(13,394)
Net cash used in investing activities	(22,956)	(45,012)	(22,056)
Net cash used in by financing activities	(21,400)	(18,925)	2,475
Effect of exchange rate changes on cash and cash equivalents	8,792	13,415	4,623
Net increase (decrease) in cash and cash equivalents	21,745	(6,607)	(28,352)
Cash and cash equivalents at beginning of period	213,687	250,848	37,161
Cash and cash equivalents at end of period	235,432	244,241	8,809

Operating activities provided net cash of ¥43,915 million (U.S.\$402,890 thousand), a decrease of ¥13,394 million year on year. It mainly came from the excess of the increase in trade receivable and inventories over the increase in net income.

Investing activities used net cash of ¥45,012 million (U.S.\$412,954 thousand), an increase of ¥22,056 million year on year. It mainly came from the increase in capital expenditure and the decrease in proceed from sales and maturity of short-term investments.

Financing activities used net cash of ¥18,925 million (U.S.\$173,624 thousand), a decrease of ¥2,475 million year on year.

(3) Summary Information Regarding Consolidated Projections

(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 Projections (April 1, 2014 - March 31, 2015) announced on October 31, 2014	FY2015 Projections (April 1, 2014 - March 31, 2015) announced on April 28, 2014	FY2014 Results (April 1, 2013 - March 31, 2014)	vs FY2014 Changes	
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	1,050,000	1,050,000	984,525	65,475	6.7
Operating income	63,000	57,000	36,616	26,384	72.1
Income from continuing operations before income taxes	62,000	56,000	39,772	22,228	55.9
Net income attributable to TDK	37,000	34,000	16,288	20,712	127.2
Capital expenditures	90,000	80,000	68,606	21,394	31.2
Depreciation and amortization	83,000	83,000	82,893	107	0.1
Research and development	68,000	68,000	63,385	4,615	7.3

(Notes)

The TDK Group (defined below) has revised its performance projections from those announced on April 28, 2014. The revisions are based on projections for electronics demand in light of the Group's current information about electronics markets and its main finished products, and the yen is also expected to grow weaker against the U.S. dollar than previously assumed.

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥105.00 and ¥135.00 respectively will be assumed from the third quarter onward.

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 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. Other Information

(1) Changes in Significant Subsidiaries

Media Technology Corporation finalized its liquidation process in the quarter ended June 30, 2014.

(2) Simplified Accounting Treatment and Special Accounting Treatment

Nothing to report

(3) Accounting Policy Changes, Accounting Estimate Changes and Restatements

Nothing to report

(4) Fundamental Policy for Distribution of Earnings, 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 its 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.

Projected dividends per share for fiscal 2015 are as follows. TDK keeps initial dividend forecast unchanged.

	(Yen)	
	FY2015	FY2014 Actual
Interim dividend	40.00	30.00
Year-end dividend	(Forecast) 40.00	40.00
Annual dividend	(Forecast) 80.00	70.00

3. Consolidated Financial Statements

(1) Balance Sheets

ASSETS									
Term Item	As of March 31, 2014		As of September 30, 2014			Change from March 31, 2014	As of June 30, 2014		Change from June 30, 2014
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	653,285	52.7	702,427	53.5	6,444,284	49,142	655,451	52.8	46,976
Cash and cash equivalents	250,848		244,241		2,240,743	(6,607)	249,307		(5,066)
Short-term investments	8,691		14,077		129,147	5,386	8,194		5,883
Net trade receivables	206,472		239,187		2,194,376	32,715	204,432		34,755
Inventories	136,387		149,966		1,375,835	13,579	139,570		10,396
Other current assets	50,887		54,956		504,183	4,069	53,948		1,008
Noncurrent assets	586,304	47.3	609,830	46.5	5,594,771	23,526	585,822	47.2	24,008
Investments in securities	38,401		41,462		380,385	3,061	39,095		2,367
Net property, plant and equipment	374,032		396,160		3,634,496	22,128	375,484		20,676
Other assets	173,871		172,208		1,579,890	(1,663)	171,243		965
TOTAL	1,239,589	100.0	1,312,257	100.0	12,039,055	72,668	1,241,273	100.0	70,984

LIABILITIES AND EQUITY									
Term Item	As of March 31, 2014		As of September 30, 2014			Change from March 31, 2014	As of June 30, 2014		Change from June 30, 2014
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	373,781	30.2	386,594	29.5	3,546,734	12,813	391,831	31.6	(5,237)
Short-term debt	132,237		114,899		1,054,119	(17,338)	147,075		(32,176)
Current installments of long-term debt	37,147		36,171		331,844	(976)	36,486		(315)
Trade payables	95,688		115,605		1,060,596	19,917	101,243		14,362
Accrued expenses	86,664		98,924		907,560	12,260	85,502		13,422
Other current liabilities	22,045		20,995		192,615	(1,050)	21,525		(530)
Noncurrent liabilities	213,565	17.2	233,572	17.8	2,142,862	20,007	213,384	17.2	20,188
Long-term debt, excluding current installments	97,623		116,230		1,066,330	18,607	98,270		17,960
Retirement and severance benefits	93,777		95,490		876,055	1,713	92,844		2,646
Other noncurrent liabilities	22,165		21,852		200,477	(313)	22,270		(418)
Total liabilities	587,346	47.4	620,166	47.3	5,689,596	32,820	605,215	48.8	14,951
Common stock	32,641		32,641		299,459	-	32,641		-
Additional paid-in capital	57,635		47,435		435,183	(10,200)	49,446		(2,011)
Legal reserve	26,651		26,998		247,688	347	26,643		355
Retained earnings	624,919		637,652		5,850,018	12,733	625,621		12,031
Accumulated other comprehensive income (loss)	(87,134)		(51,891)		(476,064)	35,243	(96,765)		44,874
Treasury stock	(19,385)		(19,156)		(175,743)	229	(19,364)		208
Total TDK stockholders' equity	635,327	51.3	673,679	51.3	6,180,541	38,352	618,222	49.8	55,457
Noncontrolling interests	16,916	1.3	18,412	1.4	168,918	1,496	17,836	1.4	576
Total equity	652,243	52.6	692,091	52.7	6,349,459	39,848	636,058	51.2	56,033
TOTAL	1,239,589	100.0	1,312,257	100.0	12,039,055	72,668	1,241,273	100.0	70,984

Note:

U.S.\$1=Yen 109, for convenience only.

(2) Statements of Income and Statements of Comprehensive Income

[1st half results]

Statements of Income

Term Item	1H of FY2014 (April 1, 2013 - September 30, 2013)		1H of FY2015 (April 1, 2014 - September 30, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	483,784	100.0	502,275	100.0	4,608,028	18,491	3.8
Cost of sales	377,546	78.0	376,145	74.9	3,450,872	(1,401)	-0.4
Gross profit	106,238	22.0	126,130	25.1	1,157,156	19,892	18.7
Selling, general and administrative expenses	89,203	18.5	98,208	19.5	900,991	9,005	10.1
Operating income	17,035	3.5	27,922	5.6	256,165	10,887	63.9
Other income (deductions):							
Interest and dividend income	1,403		2,229		20,449	826	
Interest expense	(1,678)		(1,447)		(13,275)	231	
Foreign exchange gain (loss)	179		(1,276)		(11,706)	(1,455)	
Other-net	1,142		(72)		(661)	(1,214)	
Total other income (deductions)	1,046	0.2	(566)	-0.2	(5,193)	(1,612)	-
Income from continuing operations before income taxes	18,081	3.7	27,356	5.4	250,972	9,275	51.3
Income taxes	7,276	1.5	7,769	1.5	71,275	493	6.8
Income from continuing operations	10,805	2.2	19,587	3.9	179,697	8,782	81.3
Loss from discontinued operations	(3,779)	-0.8	-	-	-	3,779	-
Net income	7,026	1.4	19,587	3.9	179,697	12,561	178.8
Less: Net income attributable to noncontrolling interests	622	0.1	1,447	0.3	13,275	825	132.6
Net income attributable to TDK	6,404	1.3	18,140	3.6	166,422	11,736	183.3

Notes:

1. U.S.\$1=Yen 109, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are restated.

Statements of Comprehensive Income

Term Item	1H of FY2014 (April 1, 2013 - September 30, 2013)	1H of FY2015 (April 1, 2014 - September 30, 2014)		Change
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	7,026	19,587	179,697	12,561
Other comprehensive income (loss), net of taxes:				
Foreign currencies translation adjustments	28,756	37,228	341,541	8,472
Pension liability adjustments	1,091	(2,372)	(21,761)	(3,463)
Net unrealized gains (losses) on securities	3,131	1,305	11,973	(1,826)
Total other comprehensive income (loss)	32,978	36,161	331,753	3,183
Comprehensive income	40,004	55,748	511,450	15,744
Comprehensive income attributable to noncontrolling interests	1,439	2,653	24,340	1,214
Comprehensive income attributable to TDK	38,565	53,095	487,110	14,530

Note:

U.S.\$1=Yen 109, for convenience only.

[2nd quarter results]
Statements of Income

Term Item	2Q of FY2014 (July 1, 2013 - September 30, 2013)		2Q of FY2015 (July1, 2014 - September 30, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	249,385	100.0	264,813	100.0	2,429,477	15,428	6.2
Cost of sales	191,944	77.0	196,151	74.1	1,799,550	4,207	2.2
Gross profit	57,441	23.0	68,662	25.9	629,927	11,221	19.5
Selling, general and administrative expenses	44,932	18.0	50,335	19.0	461,789	5,403	12.0
Operating income	12,509	5.0	18,327	6.9	168,138	5,818	46.5
Other income (deductions):							
Interest and dividend income	760		1,093		10,028	333	
Interest expense	(819)		(618)		(5,670)	201	
Foreign exchange gain (loss)	(94)		(1,587)		(14,560)	(1,493)	
Other-net	540		(214)		(1,964)	(754)	
Total other income (deductions)	387	0.2	(1,326)	-0.5	(12,166)	(1,713)	-
Income from continuing operations before income taxes	12,896	5.2	17,001	6.4	155,972	4,105	31.8
Income taxes	3,611	1.5	3,701	1.4	33,954	90	2.5
Income from continuing operations	9,285	3.7	13,300	5.0	122,018	4,015	43.2
Loss from discontinued operations	(3,339)	-1.3	-	-	-	3,339	-
Net income	5,946	2.4	13,300	5.0	122,018	7,354	123.7
Less: Net income (loss) attributable to noncontrolling interests	(86)	-0.0	914	0.3	8,385	1,000	-
Net income attributable to TDK	6,032	2.4	12,386	4.7	113,633	6,354	105.3

Notes:

1. U.S.\$1=Yen 109, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are restated.

Statements of Comprehensive Income

Term Item	2Q of FY2014 (July 1, 2013 - September 30, 2013)		2Q of FY2015 (July1, 2014 - September 30, 2014)		Change
	(Yen millions)	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	5,946	13,300	13,300	122,018	7,354
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	(1,182)	47,368	47,368	434,569	48,550
Pension liability adjustments	504	(2,739)	(2,739)	(25,128)	(3,243)
Net unrealized gains (losses) on securities	584	1,458	1,458	13,376	874
Total other comprehensive income (loss)	(94)	46,087	46,087	422,817	46,181
Comprehensive income	5,852	59,387	59,387	544,835	53,535
Comprehensive income (loss) attributable to noncontrolling interests	(227)	2,371	2,371	21,752	2,598
Comprehensive income attributable to TDK	6,079	57,016	57,016	523,083	50,937

Note:

U.S.\$1=Yen 109, for convenience only.

(3) Statements of Cash Flows

Term Item	1H of FY2014	1H of FY2015	
	(April 1, 2013 - September 30, 2013)	(April 1, 2014 - September 30, 2014)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	7,026	19,587	179,697
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	41,305	39,183	359,477
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(6,922)	(18,634)	(170,954)
Decrease (increase) in inventories	(3,915)	(8,925)	(81,881)
Increase (decrease) in trade payables	11,430	9,660	88,624
Increase (decrease) in accrued expenses	3,649	1,125	10,321
Decrease (increase) in other assets and liabilities, net	2,503	(3,608)	(33,101)
Other-net	2,233	5,527	50,707
Net cash provided by operating activities	57,309	43,915	402,890
Cash flows from investing activities:			
Capital expenditures	(29,288)	(42,802)	(392,679)
Proceeds from sale and maturity of short-term investments			
	13,160	6,369	58,431
Payment for purchase of short-term investments	(10,218)	(10,898)	(99,982)
Payment for purchase of securities	(955)	(225)	(2,064)
Proceeds from sales of tangible and intangible assets	2,027	1,727	15,844
Other-net	2,318	817	7,496
Net cash used in investing activities	(22,956)	(45,012)	(412,954)
Cash flows from financing activities:			
Proceeds from long-term debt	33,597	18,650	171,101
Repayment of long-term debt	(3,370)	(1,538)	(14,110)
Increase (decrease) in short-term debt, net	(33,292)	(18,826)	(172,716)
Dividends paid	(3,776)	(5,033)	(46,174)
Acquisition of noncontrolling interests	(13,981)	(14,995)	(137,569)
Other-net	(578)	2,817	25,844
Net cash used in financing activities	(21,400)	(18,925)	(173,624)
Effect of exchange rate changes			
on cash and cash equivalents	8,792	13,415	123,073
Net increase (decrease) in cash and cash equivalents	21,745	(6,607)	(60,615)
Cash and cash equivalents at beginning of period	213,687	250,848	2,301,358
Cash and cash equivalents at end of period	235,432	244,241	2,240,743

Notes:

1. U.S.\$1=Yen 109, for convenience only.
2. The cash flows attributable to the discontinued operations are not presented separately from the cash flows attributable to the continuing operations in the statements of cash flows.

(4) Notes Relating to Going Concern Assumptions

Nothing to report.

(5) 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.

In accordance with the Financial Accounting Standards Board Accounting Standards Codification No. 205-20, "Presentation of Financial Statements-Discontinued Operations", figures related to the discontinued operations are excluded.

[1st half results]

Net sales by industry segment

		1H of FY2014 (April 1, 2013 - September 30, 2013)		1H of FY2015 (April 1, 2014 - September 30, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	236,431	48.9	255,774	50.9	2,346,550	19,343	8.2
	Intersegment	1,534		1,466		13,450	(68)	-4.4
	Total	237,965		257,240		2,360,000	19,275	8.1
Magnetic Application Products	External customers	179,050	37.0	177,500	35.3	1,628,441	(1,550)	-0.9
	Intersegment	321		86		789	(235)	-73.2
	Total	179,371		177,586		1,629,230	(1,785)	-1.0
Film Application Products	External customers	59,182	12.2	59,719	11.9	547,881	537	0.9
	Intersegment	1,454		1,468		13,468	14	1.0
	Total	60,636		61,187		561,349	551	0.9
Other	External customers	9,121	1.9	9,282	1.9	85,156	161	1.8
	Intersegment	4,433		7,868		72,183	3,435	77.5
	Total	13,554		17,150		157,339	3,596	26.5
Intersegment eliminations		(7,742)		(10,888)		(99,890)	(3,146)	
Total		483,784	100.0	502,275	100.0	4,608,028	18,491	3.8

Segment profit (loss) by industry segment

		1H of FY2014 (April 1, 2013 - September 30, 2013)		1H of FY2015 (April 1, 2014 - September 30, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		9,033	3.8	17,601	6.9	161,477	8,568	94.9
Magnetic Application Products		12,436	6.9	15,312	8.6	140,477	2,876	23.1
Film Application Products		5,400	9.1	5,512	9.2	50,569	112	2.1
Other		(1,638)	-18.0	(312)	-3.4	(2,862)	1,326	-
Sub total		25,231	5.2	38,113	7.6	349,661	12,882	51.1
Corporate and Eliminations		(8,196)		(10,191)		(93,496)	(1,995)	
Operating income		17,035	3.5	27,922	5.6	256,165	10,887	63.9

Note:

U.S.\$1=Yen 109, for convenience only.

[2nd quarter results]

Net sales by industry segment

		2Q of FY2014 (July 1, 2013 - September 30, 2013)		2Q of FY2015 (July 1, 2014 - September 30, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	119,404	47.9	132,360	50.0	1,214,312	12,956	10.9
	Intersegment	675		651		5,972	(24)	-3.6
	Total	120,079		133,011		1,220,284	12,932	10.8
Magnetic Application Products	External customers	92,855	37.2	90,443	34.1	829,752	(2,412)	-2.6
	Intersegment	29		65		597	36	124.1
	Total	92,884		90,508		830,349	(2,376)	-2.6
Film Application Products	External customers	32,715	13.1	37,235	14.1	341,606	4,520	13.8
	Intersegment	720		755		6,926	35	4.9
	Total	33,435		37,990		348,532	4,555	13.6
Other	External customers	4,411	1.8	4,775	1.8	43,807	364	8.3
	Intersegment	2,219		4,787		43,918	2,568	115.7
	Total	6,630		9,562		87,725	2,932	44.2
Intersegment eliminations		(3,643)		(6,258)		(57,413)	(2,615)	
Total		249,385	100.0	264,813	100.0	2,429,477	15,428	6.2

Segment profit (loss) by industry segment

		2Q of FY2014 (July 1, 2013 - September 30, 2013)		2Q of FY2015 (July 1, 2014 - September 30, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		6,211	5.2	9,783	7.4	89,752	3,572	57.5
Magnetic Application Products		7,813	8.4	8,189	9.1	75,129	376	4.8
Film Application Products		3,290	10.1	5,226	14.0	47,945	1,936	58.8
Other		(816)	-18.5	105	2.2	963	921	-
Sub total		16,498	6.6	23,303	8.8	213,789	6,805	41.2
Corporate and Eliminations		(3,989)		(4,976)		(45,651)	(987)	
Operating income		12,509	5.0	18,327	6.9	168,138	5,818	46.5

Note:

U.S.\$1=Yen 109, for convenience only.

(6) Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.

(7) Consolidated Supplementary Information

1. Exchange rates used for conversion

Item	Term	As of September 30, 2013		As of September 30, 2014		As of March 31, 2014	
		US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period		97.75	131.87	109.45	138.87	102.92	141.65

2. Sales by region

(1st half results)

Region	Term	1H of FY2014 (April 1, 2013 - September 30, 2013)		1H of FY2015 (April 1, 2014 - September 30, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		42,223	8.7	41,487	8.2	380,615	(736)	-1.7
Europe		68,935	14.2	73,887	14.7	677,862	4,952	7.2
Asia and others		326,853	67.6	339,883	67.7	3,118,193	13,030	4.0
Overseas sales total		438,011	90.5	455,257	90.6	4,176,670	17,246	3.9
Japan		45,773	9.5	47,018	9.4	431,358	1,245	2.7
Net sales		483,784	100.0	502,275	100.0	4,608,028	18,491	3.8

(2nd quarter results)

Region	Term	2Q of FY2014 (July 1, 2013 - September 30, 2013)		2Q of FY2015 (July 1, 2014 - September 30, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		20,895	8.4	22,292	8.4	204,514	1,397	6.7
Europe		34,549	13.9	36,969	14.0	339,165	2,420	7.0
Asia and others		170,887	68.5	182,431	68.9	1,673,679	11,544	6.8
Overseas sales total		226,331	90.8	241,692	91.3	2,217,358	15,361	6.8
Japan		23,054	9.2	23,121	8.7	212,119	67	0.3
Net sales		249,385	100.0	264,813	100.0	2,429,477	15,428	6.2

Notes:

1. U.S.\$1=Yen 109, for convenience only.
2. Overseas sales are based on the location of the customers.
3. Net sales related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are excluded.

3. Company group

As of September 30, 2014, TDK had 115 consolidated subsidiaries (12 in Japan and 103 overseas). TDK also had 7 affiliates (4 in Japan and 3 overseas), the financial statements for which are accounted for by the equity method.

4. Overview of net sales by product

Term Product	1Q of FY2014 (April 1, 2013 - June 30, 2013)		2Q of FY2014 (July 1, 2013 - September 30, 2013)		3Q of FY2014 (October 1, 2013 - December 31, 2013)		4Q of FY2014 (January 1, 2014 - March 31, 2014)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	33,739	14.4	35,095	14.1	34,706	13.5	36,075	14.9
Inductive devices	34,969	14.9	35,549	14.3	34,903	13.5	34,888	14.4
Other	48,319	20.6	48,760	19.5	47,528	18.4	47,142	19.4
Passive Components	117,027	49.9	119,404	47.9	117,137	45.4	118,105	48.7
Recording devices	60,210	25.7	66,305	26.6	68,989	26.7	61,199	25.2
Other	25,985	11.1	26,550	10.6	26,750	10.4	28,303	11.7
Magnetic Application Products	86,195	36.8	92,855	37.2	95,739	37.1	89,502	36.9
Film Application Products	26,467	11.3	32,715	13.1	41,031	15.9	29,091	12.0
Other	4,710	2.0	4,411	1.8	4,332	1.6	5,804	2.4
Total	234,399	100.0	249,385	100.0	258,239	100.0	242,502	100.0

Term Product	1Q of FY2015 (April 1, 2014 - June 30, 2014)		2Q of FY2015 (July 1, 2014 - September 30, 2014)		
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	36,490	15.4	37,308	14.1	342,275
Inductive devices	36,738	15.5	38,811	14.7	356,064
Other	50,186	21.1	56,241	21.2	515,973
Passive Components	123,414	52.0	132,360	50.0	1,214,312
Recording devices	59,074	24.8	63,739	24.0	584,761
Other	27,983	11.8	26,704	10.1	244,991
Magnetic Application Products	87,057	36.6	90,443	34.1	829,752
Film Application Products	22,484	9.5	37,235	14.1	341,606
Other	4,507	1.9	4,775	1.8	43,807
Total	237,462	100.0	264,813	100.0	2,429,477

- Notes:**
1. U.S.\$1=Yen 109, for convenience only.
 2. Net sales related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are excluded.