

[Summary Information and Financial Statements]

1. Summary Information Regarding Financial Results for the Second Quarter of Fiscal 2016

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first half of fiscal 2016, the period from April 1 to September 30, 2015, were as follows.

Looking at the first half of fiscal 2016, the global economy kept expanding against a backdrop of employment and income improvements in the U.S. The economy in Europe continued to recover gradually. For the most part, growth rates in the emerging economies stayed higher than those among the industrialized nations. However, economic growth slowing down in China has begun to have a ripple effect on the countries that trade a large extent with it.

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 increased from the same period last fiscal year, driven by sustained growth in demand in the Chinese market. Production in the automobile market was slightly higher than in the same period of the previous fiscal year, driven mainly by solid automobile sales in the U.S. Meanwhile, production of PCs declined compared to the same period of the previous fiscal year when there had been firm demand for replacement of PCs spurred by the end of support for Windows XP. Production of hard disk drives (HDDs) declined compared to the same period of the previous fiscal year due to the decreased demand for PCs despite the continued strength of the market for data center applications.

In this business environment, the TDK's consolidated operating results for the first half of fiscal 2016 were as follows.

Term Item	1H of FY2015 (Apr. 1, 2014 - Sep. 30, 2014)		1H of FY2016 (April 1, 2015 - September 30, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	502,275	100.0	587,614	100.0	4,896,783	85,339	17.0
Operating income	27,922	5.6	45,575	7.8	379,792	17,653	63.2
Income before income taxes	27,356	5.4	44,082	7.5	367,350	16,726	61.1
Net income attributable to TDK	18,140	3.6	31,469	5.4	262,242	13,329	73.5
Per common share :							
Net income attributable to TDK / Basic	Yen 144.17		Yen 249.69		U.S.\$ 2.08		
Net income attributable to TDK / Diluted	Yen 140.45		Yen 239.43		U.S.\$ 2.00		

Note:

U.S.\$1=Yen 120, for convenience only.

Average first-half yen exchange rates for the U.S. dollar and the euro were ¥121.80 and ¥135.11, respectively, as the yen depreciated 18.2% against the U.S. dollar and the yen appreciated 2.8% against the euro. This increased net sales by approximately ¥78.8 billion and operating income by approximately ¥14.2 billion.

Sales by Product

Term Product	1H of FY2015 (April 1, 2014 - September 30, 2014)		1H of FY2016 (April 1, 2015 - September 30, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	73,798	14.7	78,587	13.4	654,892	4,789	6.5
Inductive devices	72,781	14.5	76,465	13.0	637,208	3,684	5.1
Other Passive Components	105,265	20.9	142,915	24.3	1,190,958	37,650	35.8
Passive Components	251,844	50.1	297,967	50.7	2,483,058	46,123	18.3
Recording devices	122,813	24.4	115,292	19.6	960,767	(7,521)	-6.1
Other Magnetic Application Products	51,631	10.3	49,332	8.4	411,100	(2,299)	-4.5
Magnetic Application Products	174,444	34.7	164,624	28.0	1,371,867	(9,820)	-5.6
Film Application Products	59,719	11.9	107,297	18.3	894,142	47,578	79.7
Other	16,268	3.3	17,726	3.0	147,716	1,458	9.0
Total	502,275	100.0	587,614	100.0	4,896,783	85,339	17.0
Overseas sales	455,257	90.6	543,249	92.4	4,527,075	87,992	19.3

Notes:

1. U.S.\$1=Yen 120, for convenience only.
2. In accordance with the reorganization in 1Q of FY2016, certain products of Inductive devices, Other Passive Components and Other Magnetic Application Products were reclassified into Other that wasn't a part of three reportable segments. The prior year's sales are also reclassified to conform to the new segmentation.

(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 ¥297,967 million (U.S.\$2,483,058 thousand), up 18.3% year on year from ¥251,844 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥78,587 million (U.S.\$654,892 thousand), up 6.5% year on year from ¥73,798 million. Sales of ceramic capacitors, aluminum electrolytic capacitors and film capacitors increased to the automotive market.

Sales of inductive devices increased 5.1% year on year from ¥72,781 million to ¥76,465 million (U.S.\$637,208 thousand). Sales increased to the automotive and the information and communications technology (ICT) markets.

Other passive components include high-frequency devices, piezoelectric material products, circuit protection components, and sensors. Sales of other passive components increased 35.8% year on year from ¥105,265 million to ¥142,915 million (U.S.\$1,190,958 thousand). Sales of high-frequency devices increased significantly to the ICT market. Sales of piezoelectric material products, circuit protection components and sensors also increased to the ICT market.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales decreased 5.6% year on year, from ¥174,444 million to ¥164,624 million (U.S.\$1,371,867 thousand).

The recording devices business comprises mainly HDD heads and HDD suspension assemblies. It recorded sales of ¥115,292 million (U.S.\$960,767 thousand), down 6.1% from ¥122,813 million. Sales of HDD heads and HDD suspension assemblies declined due to the lackluster HDD production levels.

Other magnetic application products include power supplies and magnets. Sales decreased 4.5% year on year from ¥51,631 million to ¥49,332 million (U.S.\$411,100 thousand).

Sales of power supplies increased to the industrial equipment market. However, sales of magnets decreased to the automotive market and ICT market for use in HDDs.

(3) Film Application Products Segment

This segment includes energy devices (rechargeable batteries) and applied films. Segment sales increased 79.7% from ¥59,719 million to ¥107,297 million (U.S.\$894,142 thousand).

Sales of energy devices increased significantly to the ICT market.

(4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales increased 9.0% from ¥16,268 million to ¥17,726 million (U.S.\$147,716 thousand).

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

The classification of segments is 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, Circuit protection components, Sensors
Magnetic Application Products	HDD heads, HDD suspension assemblies, Power supplies, Magnets
Film Application Products	Energy devices (rechargeable batteries), Applied films
Other	Mechatronics (production equipment), other

[Sales by Region]

Overseas sales increased 19.3% year on year from ¥455,257 million to ¥543,249 million (U.S.\$4,527,075 thousand). Overseas sales accounted for 92.4% of consolidated net sales, a 1.8 percentage point increase from 90.6% in the first half of fiscal 2015. 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, 2015.

Total assets	¥1,445,089 million	(2.9% increase)
Total TDK stockholders' equity	¥735,721 million	(0.4% decrease)
Stockholders' equity ratio	50.9%	(1.7 point decrease)

As of September 30, 2015, total assets had increased ¥40,807 million compared with March 31, 2015. Net liquidity (cash and cash equivalent, short-term investments, marketable securities) decreased ¥17,289 million. On the other hand, net property, plant and equipment increased ¥30,796 million, net trade receivables increased ¥16,863 million and inventories increased ¥10,762 million.

Total liabilities increased ¥55,248 million from March 31, 2015. Long-term debt, excluding current installment decreased ¥19,488 million. On the other hand, current installment of long-term debt increased ¥34,798 million, short-term debt increased ¥16,530 million and trade payables increased ¥15,413 million.

TDK stockholders' equity, which is included in total equity, decreased ¥3,140 million from March 31, 2015. Accumulated other comprehensive income (loss) decreased ¥9,963 million, due to a decrease in foreign currencies translation adjustments compared with March 31, 2015.

(2) Cash Flows

(Yen millions)

	1H of FY2015	1H of FY2016	Change
Net cash provided by operating activities	43,915	60,910	16,995
Net cash used in investing activities	(45,012)	(67,387)	(22,375)
Net cash used in financing activities	(18,925)	(3,395)	15,530
Effect of exchange rate changes on cash and cash equivalents	13,415	(2,239)	(15,654)
Net decrease in cash and cash equivalents	(6,607)	(12,111)	(5,504)
Cash and cash equivalents at beginning of period	250,848	265,104	14,256
Cash and cash equivalents at end of period	244,241	252,993	8,752

Operating activities provided net cash of ¥60,910 million (U.S.\$507,583 thousand), an increase of ¥16,965 million year on year. It mainly came from an increase in net income.

Investing activities used net cash of ¥67,387 million (U.S.\$561,558 thousand), an increase of ¥22,375 million year on year. It mainly came from an increase in capital expenditure.

Financing activities used net cash of ¥3,395 million (U.S.\$28,292 thousand), a decrease of ¥15,530 million year on year. Net increase in short-term debt provided cash, while an acquisition of noncontrolling interests also increased.

(3) Summary Information Regarding Consolidated Projections

(Fiscal 2016 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2016, the year ending March 31, 2016, are as follows. TDK keeps initial projections unchanged.

Term Item	FY2016 (April 1, 2015 - March 31, 2016)	FY2015 (April 1, 2014 - March 31, 2015)	vs FY2015 Changes	
	Projection in April '15	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	1,180,000	1,082,560	97,440	9.0
Operating income	95,000	72,459	22,541	31.1
Income before income taxes	95,000	74,517	20,483	27.5
Net income attributable to TDK	65,000	49,440	15,560	31.5
Capital expenditures	130,000	102,525	27,475	26.8
Depreciation and amortization	90,000	80,249	9,751	12.2
Research and development	77,000	70,644	6,356	9.0

(Notes)

Management has judged that compared with TDK's projections as of April 28, 2015, there should be no major change in demand for electronic components used in major finished products based on information regarding trends in the electronics market and major finished products etc, which is currently available to TDK (as defined below).

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥115 and ¥130 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 Corporation and its group companies ("TDK"). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs and evaluations of TDK in light of information currently available to it, and contain known and unknown risks, uncertainties and other factors. TDK therefore wishes to caution readers that, being subject to risks, uncertainties and other factors, TDK'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 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 operates are highly susceptible to rapid changes. Risks, uncertainties and other factors that can have significant effects on TDK 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

Nothing to report.

(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 2016 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 2016 are as follows. TDK keeps initial dividend forecast unchanged.

	(Yen)	
	FY2016	FY2015 Actual
Interim dividend	60.00	40.00
Year-end dividend	(Forecast) 60.00	50.00
Annual dividend	(Forecast) 120.00	90.00