

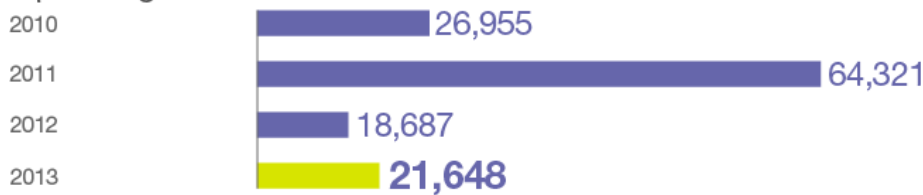
# Financial Results

For the consolidated performance of TDK, net sales came to ¥851,575 million, an increase of 4.6% from the ¥814,497 million reported in fiscal 2012, and operating income was ¥21,648 million, a 15.8% increase from ¥18,687 million in fiscal 2012. In mobile phones production, while that of conventional mobile phones declined, smartphone production grew, resulting in a slight rise over fiscal 2012 production levels for the total mobile phone market. Similarly, automobile production saw a marginal year-on-year increase for the market as a whole. This was due largely to the brisk sales performance of automobiles in the U.S., which offset the greater-than-expected sluggishness in the sales performance of hybrid cars and other visible declining factors. Meanwhile, in PC production, while that of tablet devices exceeded levels exhibited during fiscal 2012, notebook and desktop PC production fell below fiscal 2012 levels. Hard disk drive (HDD) production also fell below fiscal 2012 levels as a consequence of fluctuations in demand for PCs and certain other products.

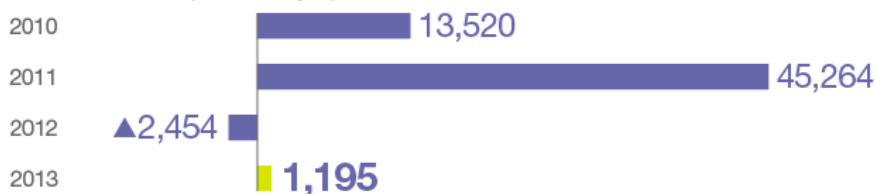
## Net Sales (millions of yen)



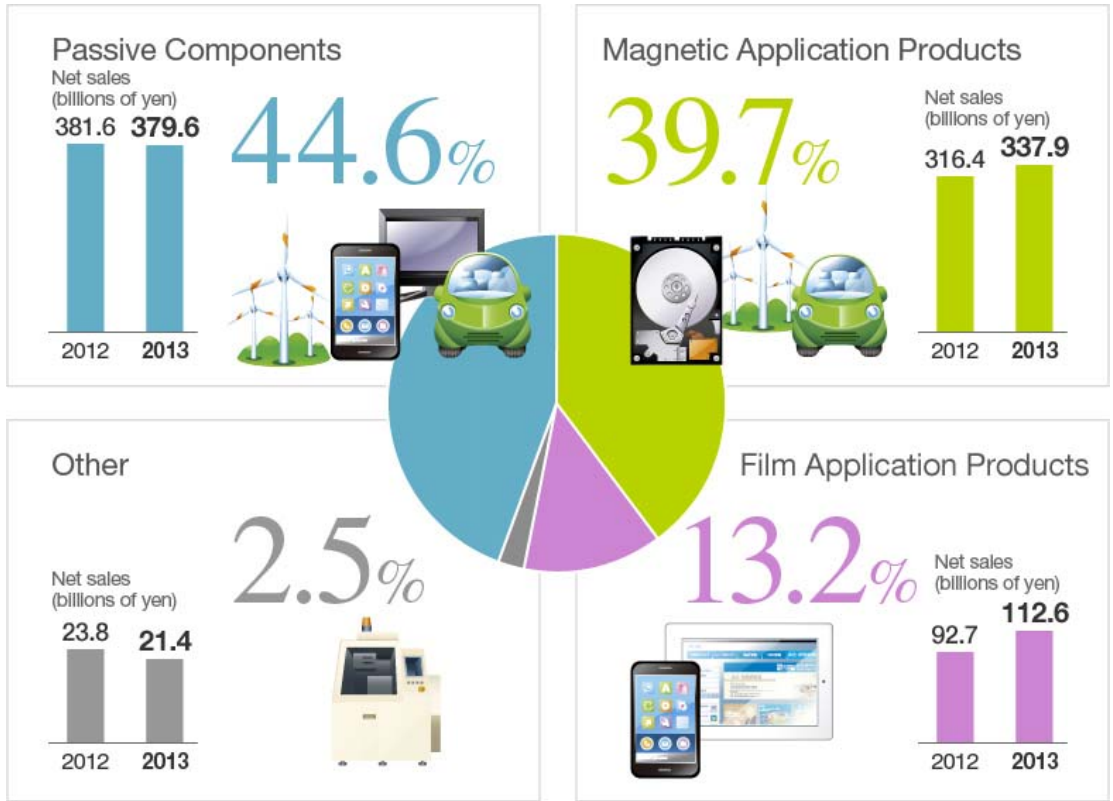
## Operating Income (millions of yen)



## Net Income (millions of yen)



Sales by Segment




**Financial  
Highlights**

Years ended March 31 or as of March 31

(millions of yen)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net sales	604,865	655,792	657,853	795,180	862,025	866,285	727,400	805,194	871,943	814,497	<b>851,575</b>
(Overseas sales)	439,381	487,169	473,828	621,522	690,673	714,172	610,944	703,190	763,046	702,469	<b>747,062</b>
Cost of sales	459,552	476,407	484,323	585,780	622,819	635,529	605,943	614,341	654,180	634,257	<b>676,079</b>
Selling, general, and administrative expenses	115,569	122,875	119,886	142,052	159,106	158,921	159,878	158,976	153,442	161,715	<b>152,287</b>
Transfer to the government of the substitutional portion of the Employees' Pension Fund:											
Subsidy from the government			(33,533)								
Loss on settlement			27,347								
Gain on sales of business to Imation Corp.						(15,340)					
Restructuring cost	5,197	—	—	6,825	510	—	15,884	4,922	—	—	—
Production realignment cost										6,570	<b>1,561</b>
Realignment-related gain; Sale of properties										(6,732)	—
Operating income (loss)	24,547	56,510	59,830	60,523	79,590	87,175	(54,305)	26,955	64,321	18,687	<b>21,648</b>
Income (loss) before income taxes					88,665	91,505	(81,630)				
Income (loss) from continuing operations before income taxes	20,552	55,847	60,728	66,103				23,088	60,620	12,245	<b>18,858</b>
Income taxes	6,193	12,133	23,284	21,057	16,985	19,948	(17,041)	9,401	15,105	11,486	<b>14,328</b>
Income (loss) from continuing operations	13,593	43,355	36,965	44,411				13,687	45,515	759	<b>4,530</b>
Loss (income) from discontinued operations	1,574	1,254	3,665	310				(805)	(511)	(2,460)	—
Net income (loss) attributable to TDK	12,019	42,101	33,300	44,101	70,125	71,461	(63,160)	13,520	45,264	(2,454)	<b>1,195</b>

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Per common share (Yen):											
Net income (loss) attribute to TDK basic	90.56	317.80	251.71	333.50	529.88	551.72	(489.71)	104.82	350.90	(19.06)	<b>9.50</b>
Net income (loss) attributable to TDK diluted	90.56	317.69	251.56	333.20	529.29	551.19	(489.71)	104.74	350.57	(21.42)	<b>5.36</b>
Net cash flow	521.05	700.46	650.47	775.50	1,022.45	1,101.11	204.75	750.77	948.98	600.96	<b>627.89</b>
Net assets	4,176	4,352	4,832	5,311	5,759	5,557	4,297	4,215	4,142	3,957	<b>4,460</b>
Dividends per common share (Yen)											
	50.00	55.00	70.00	90.00	110.00	130.00	130.00	60.00	80.00	80.00	<b>70.00</b>
Payout ratio (%)	55.2	17.3	27.8	27.0	20.8	23.4	—	57.2	22.8	—	<b>736.8</b>
Total assets											
	747,337	770,319	808,001	923,503	989,304	935,533	1,101,036	1,091,458	1,060,853	1,072,829	<b>1,169,642</b>
Stockholders' equity											
	553,885	576,219	639,067	702,419	762,712	716,577	554,218	543,756	534,273	498,159	<b>561,169</b>
Working capital											
	315,948	360,555	379,746	397,131	449,830	300,859	281,536	286,370	199,186	219,918	<b>232,693</b>
Capital expenditures											
	41,026	44,471	61,005	73,911	70,440	84,312	98,425	64,370	78,638	99,653	<b>85,606</b>
Depreciation and amortization											
	57,132	50,726	52,806	58,540	65,337	71,297	89,567	83,392	77,264	79,918	<b>77,938</b>
Research and development											
	30,099	32,948	36,348	45,528	50,058	57,387	57,645	53,874	52,608	52,551	<b>53,943</b>
Ratio of overseas production to net sales (%)											
	55.8	58.6	59.0	61.7	62.2	70.1	74.0	80.5	83.7	80.2	<b>81.8</b>
Number of employees											
	31,705	36,804	37,115	53,923	51,614	60,212	66,429	80,590	87,809	79,175	<b>79,863</b>