

[Summary Information and Financial Statements]

1. Summary Information Regarding Financial Results for the Second Quarter of Fiscal 2014

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first half of fiscal 2014, the period from April 1 to September 30, 2013, are as follows.

Looking at the world economy in the first half of fiscal 2014, the U.S. economy continued to see healthy economic activity, with visible improvements in corporate earnings due to brisk car sales and other factors, and an improving employment environment. Furthermore, the European economy, which had endured sluggish economic activity caused by the sovereign debt problem, began to see a slow economic upturn, albeit one lacking vigor. On the other hand, the economies of emerging countries such as China and India, while generally strong, saw some concerns surface such as lower economic growth rates and economic indicators, and rising inflationary pressures.

Under these world economic circumstances, 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 the same period of fiscal 2013, driven by the launch of new mobile handsets by major manufacturers. Production of tablet devices, for which demand is expanding like smartphones, was much higher year on year, remaining as strong as ever. Production in the automobile market as a whole rose year on year, with continued momentum driven mainly by solid auto sales in the U.S. However, PC production was down year on year, and production of hard disk drives (HDDs) was sharply lower than a year earlier when there was temporary demand from the impact of major flooding in Thailand. Changes in demand also affected HDD production.

Consolidated operating results for the first half of fiscal 2014 were as follows:

Term Item	1H of FY2013 (April 1, 2012 - Sep 30, 2012)		1H of FY2014 (April 1, 2013 - September 30, 2013)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	412,038	100.0	484,728	100.0	4,946,204	72,690	17.6
Operating income	20,296	4.9	16,770	3.5	171,122	(3,526)	-17.4
Income from continuing operations before income taxes	18,386	4.5	17,720	3.7	180,816	(666)	-3.6
Net income attributable to TDK	9,725	2.4	6,404	1.3	65,347	(3,321)	-34.1
Per common share :							
Net income attributable to TDK / Basic	Yen 77.25		Yen 50.90		U.S.\$ 0.52		
Net income attributable to TDK / Diluted	Yen 75.00		Yen 48.32		U.S.\$ 0.49		

Notes:

1. U.S.\$1=Yen 98, for convenience only.
2. In accordance with the FASB Accounting Standards Codification ("ASC") No.205-20, "Presentation of Financial Statements - Discontinued Operations", operating results relating to the data tape business are separately presented as discontinued operations in quarterly consolidated statements of income for FY2014. Also reclassifications are made to quarterly consolidated statements of income for FY2013 to conform to the presentation used for FY 2014.

Average first-half yen exchange rates for the U.S. dollar and euro were ¥98.88 and ¥130.04, respectively, as the yen depreciated 24.4% versus the U.S. dollar and 29.1% against the euro, compared with the first half of fiscal 2013. This increased net sales by approximately ¥83.0 billion and operating income by approximately ¥13.0 billion.

Sales by Sector

Term Product	1H of FY2013 (April 1, 2012 - September 30, 2012)		1H of FY2014 (April 1, 2013 - September 30, 2013)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	60,680	14.7	68,834	14.2	702,388	8,154	13.4
Inductive devices	57,835	14.1	70,518	14.6	719,571	12,683	21.9
Other Passive Components	63,581	15.4	97,079	20.0	990,602	33,498	52.7
Passive Components	182,096	44.2	236,431	48.8	2,412,561	54,335	29.8
Recording devices	115,724	28.1	126,515	26.1	1,290,969	10,791	9.3
Other Magnetic Application Products	55,888	13.5	52,535	10.8	536,072	(3,353)	-6.0
Magnetic Application Products	171,612	41.6	179,050	36.9	1,827,041	7,438	4.3
Film Application Products	47,367	11.5	60,126	12.4	613,531	12,759	26.9
Other	10,963	2.7	9,121	1.9	93,071	(1,842)	-16.8
Total	412,038	100.0	484,728	100.0	4,946,204	72,690	17.6
Overseas sales	353,440	85.8	438,077	90.4	4,470,173	84,637	23.9

Notes:

1. U.S.\$1=Yen 98, 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 are excluded since it turned discontinued operations in the second quarter of FY2014. The prior year's sales are also excluded to conform to the presentation used for the first half of 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 ¥236,431 million (U.S.\$2,412,561 thousand), up 29.8% year on year from ¥182,096 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥68,834 million (U.S.\$702,388 thousand), up 13.4% year on year from ¥60,680 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 21.9% year on year from ¥57,835 million to ¥70,518 million (U.S.\$719,571 thousand). Sales increased for use in automobiles and communications equipment.

Other passive components include high-frequency devices, piezoelectric material products, circuit protection components, and sensors. Sales of other passive components climbed 52.7% year on year from ¥63,581 million to ¥97,079 million (U.S.\$990,602 thousand). Sales of high-frequency components rose sharply to the communications equipment and the home information appliances markets. Sales of piezoelectric material products and circuit protection components increased sharply to the communications equipment market. 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 4.3% year on year, from ¥171,612 million to ¥179,050 million (U.S.\$1,827,041 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded sales of ¥126,515 million (U.S.\$1,290,969 thousand), up 9.3% from ¥115,724 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 same period of 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 decreased 6.0% year on year from ¥55,888 million to ¥52,535 million (U.S.\$536,072 thousand). Sales of power supplies increased slightly to the automotive and industrial equipment markets. On the other hand, sales of magnets decreased to the automotive and industrial equipment markets, mainly 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 26.9% from ¥47,367 million to ¥60,126 million (U.S.\$613,531 thousand).

Sales of energy devices increased substantially to the communications equipment market, particularly for smartphone applications. Sales of applied films rose slightly to the home information appliances market.

(4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales decreased 16.8% from ¥10,963 million to ¥9,121 million (U.S.\$93,071 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, 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 date tape business which turned discontinued operations in the first half of FY 2014 was included in Applied films of Film Application Products in past financial statements.

[Sales by Region]

Overseas sales increased 23.9% year on year from ¥353,440 million to ¥438,077 million (U.S.\$4,470,173 thousand). Overseas sales accounted for 90.4% of consolidated net sales, a 4.6 percentage point increase from 85.8% in the first half of fiscal 2013. Detailed information on sales by region can be found in the consolidated supplementary information on page 18. Please note that figures for the first half of fiscal 2013 have been restated due to a partial change in the method for aggregating overseas sales from the first quarter of fiscal 2014.

(2) Summary Information Regarding Consolidated Financial Position

(1) The following table summarizes TDK's consolidated balance sheet as of September 30, 2013.

Total assets	¥1,220,683 million	(4.4% increase)
Total TDK stockholders' equity	¥588,649 million	(4.9% increase)
Stockholders' equity ratio	48.2%	(0.2 point increase)

As of September 30, 2013, total assets had increased ¥51,041 million compared with March 31, 2013. This increase mainly reflected a ¥19,028 million increase in terms of net liquidity (cash and cash equivalents, short-term investments and marketable securities), a ¥15,739 million increase in net trade-receivables, a ¥9,023 million increase in inventories and a ¥4,704 million increase in investments in securities.

Total liabilities increased ¥28,218 million from March 31, 2013. Trade payables increased ¥16,498 million and accrued expenses increased ¥8,292 million.

TDK stockholders' equity, which is included in total equity, increased ¥27,480 million from March 31, 2013. Accumulated other comprehensive income (loss) increased ¥32,895 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 2Q	FY 2014 2Q	Change
Net cash provided by operating activities	43,670	57,309	13,639
Net cash used in investing activities	(50,359)	(22,956)	27,403
Net cash provided by (used in) financing activities	6,761	(21,400)	(28,161)
Effect of exchange rate changes on cash and cash equivalents	(9,211)	8,792	18,003
Net increase (decrease) in cash and cash equivalents	(9,139)	21,745	30,884
Cash and cash equivalents at beginning of period	167,015	213,687	46,672
Cash and cash equivalents at end of period	157,876	235,432	77,556

Operating activities provided net cash of ¥57,309 million (U.S.\$584,786 thousand), a year on year increase of ¥13,639 million. TDK recorded a net income of ¥7,026 million (U.S.\$71,694 thousand), a decrease of ¥4,486 million year on year. Depreciation and amortization increased ¥5,079 million to ¥41,305 million (U.S.\$421,479 thousand). In changes in assets and liabilities, a ¥7,220 million increase in trade payables and a ¥3,100 million decrease in inventories contributed to the increase of operating cash flows.

Investing activities used net cash of ¥22,956 million (U.S.\$234,245 thousand), a decrease of ¥27,403 million year on year. There was a ¥14,694 million decrease in capital expenditures and a ¥9,403 million increase in proceeds from sale and maturity of short-term investments, which outweighed a ¥3,342 million increase in payment for purchase of short-term investments.

In fiscal 2014, TDK used net cash in financing activities, which provided net cash in fiscal 2013. The net change year on year was ¥28,161 million. In fiscal 2013, there were repayments of long-term debt of ¥33,657 million. On the other hand, ¥39,886 million was provided by proceeds from long-term debt. TDK provided net cash of ¥6,761 million in these and other financing activities. In fiscal 2014, there were proceeds from long-term debt of ¥33,597 million (U.S.\$342,827 thousand). On the other hand, there were a net decrease in short-term debt of ¥33,292 million (U.S.\$339,714 thousand) and acquisition of noncontrolling interests of ¥13,981 million (U.S.\$142,663 thousand). TDK used net cash of ¥21,400 million (U.S.\$218,367 thousand) in these and other financing activities.

(3) Summary Information Regarding Consolidated Projections

(Fiscal 2014 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2014, the year ending March 31, 2014, are as follows.

Term Item	FY2014 (April 1, 2013 - March 31, 2014)	FY2014 (April 1, 2013 - March 31, 2014)	FY2013 (April 1, 2012 - March 31, 2013)	vs FY2013 Changes	
	Forecast in October '13	Forecast in April '13	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	930,000	930,000	844,182	85,818	10.2
Operating income	30,000	30,000	21,682	8,318	38.4
Income from continuing operations before income taxes	28,000	28,000	19,200	8,800	45.8
Net income attributable to TDK	13,000	13,000	1,195	11,805	987.9
Capital expenditures	73,000	73,000	85,606	(12,606)	-14.7
Depreciation and amortization	84,000	84,000	77,598	6,402	8.3
Research and development	57,000	57,000	53,662	3,338	6.2

(Notes)

Management has judged that compared with TDK's projections as of April 26, 2013, 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 Group (as defined below).

Net sales relating to the data tape business are excluded since it turned discontinued operations in the first half of FY2014. The prior year's sales are also excluded to conform to the presentation used for the first half of FY2014.

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥90 and ¥118 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

Nothing to report

(2) Simplified Accounting Treatment and Special Accounting Treatment

Nothing to report

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

Change in depreciation method

Previously, TDK used the declining-balance method for calculating the depreciation of property, plant and equipment located in Japan and certain foreign subsidiaries. Effective April 1, 2013, TDK changed it to the straight-line method as a result of reviewing the depreciation method per change in business structure. Concurrently, estimated useful lives for certain assets were also changed. Because TDK thinks that the straight-line method better reflects the pattern of consumption of estimated future benefits to derive from those assets being depreciated and provides a better matching of cost and revenues over the assets' estimated useful lives. The effect of change in depreciation method is recognized prospectively as a change in accounting estimate in accordance with the provisions of ASC No. 250 "Accounting Changes and Error Corrections". The change in depreciation did not have a material impact on TDK's financial statements for the first half of fiscal 2014.

(4) Fundamental Policy for Distribution of Earnings, and Fiscal 2014 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 2014 are as follows. TDK keeps initial dividend forecast unchanged.

TDK Corporation (6762) FY 2014 Second Quarter Financial Results (U.S. GAAP)

(Yen)

	FY2014	FY2013 Actual
Interim dividend	(Results) 30.00	40.00
Year-end dividend	(Forecast) 40.00	30.00
Annual dividend	(Forecast) 70.00	70.00