

(5) Note Relating to the Going Concern Assumption

Nothing to report.

(6) Summary of Significant Accounting Policies

1. The consolidated financial statements are prepared in conformity with the U.S. GAAP.
Inventories are valued at the lower of cost or market as in the past, with cost mainly determined by the periodic average method.
2. As of March 31, 2015, TDK had 117 subsidiaries (12 in Japan and 105 overseas).
TDK also had 8 affiliates (4 in Japan and 4 overseas) whose financial statements are accounted for by the equity method.
Media Technology Corporation finalized its liquidation process in the quarter ended June 30, 2014.
3. The following items have been omitted from this earnings release because they are not deemed to be that necessary for disclosure.

Notes Concerning Consolidated Financial Statements

- Lease transactions
- Related-party transactions
- Tax-effect accounting
- Financial instruments
- Retirement benefits
- Stock options, etc.
- Business combinations, etc.
- Real estate for leasing
- Asset retirement obligations

(7) 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.

Sales by industry segment

| | | FY2014 (April 1, 2013 - March 31, 2014) | | FY2015 (April 1, 2014 - March 31, 2015) | | | Change | |
|-------------------------------|--------------------|---|-------|---|-------|--------------------|----------------|-----------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| Passive Components | External customers | 471,673 | 47.9 | 541,205 | 50.0 | 4,510,042 | 69,532 | 14.7 |
| | Intersegment | 3,038 | | 3,024 | | 25,200 | (14) | -0.5 |
| | Total | 474,711 | | 544,229 | | 4,535,242 | 69,518 | 14.6 |
| Magnetic Application Products | External customers | 364,291 | 37.0 | 369,221 | 34.1 | 3,076,841 | 4,930 | 1.4 |
| | Intersegment | 356 | | 202 | | 1,683 | (154) | -43.3 |
| | Total | 364,647 | | 369,423 | | 3,078,524 | 4,776 | 1.3 |
| Film Application Products | External customers | 129,304 | 13.1 | 151,275 | 14.0 | 1,260,625 | 21,971 | 17.0 |
| | Intersegment | 2,913 | | 2,906 | | 24,217 | (7) | -0.2 |
| | Total | 132,217 | | 154,181 | | 1,284,842 | 21,964 | 16.6 |
| Other | External customers | 19,257 | 2.0 | 20,859 | 1.9 | 173,825 | 1,602 | 8.3 |
| | Intersegment | 8,112 | | 19,569 | | 163,075 | 11,457 | 141.2 |
| | Total | 27,369 | | 40,428 | | 336,900 | 13,059 | 47.7 |
| Intersegment eliminations | | (14,419) | | (25,701) | | (214,175) | (11,282) | |
| Total | | 984,525 | 100.0 | 1,082,560 | 100.0 | 9,021,333 | 98,035 | 10.0 |

Segment profit (loss) by industry segment

| | | FY2014 (April 1, 2013 - March 31, 2014) | | FY2015 (April 1, 2014 - March 31, 2015) | | | Change | |
|-------------------------------|--|---|-------|---|------|--------------------|----------------|-----------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| Passive Components | | 15,449 | 3.3 | 37,891 | 7.0 | 315,758 | 22,442 | 145.3 |
| Magnetic Application Products | | 28,120 | 7.7 | 28,692 | 7.8 | 239,100 | 572 | 2.0 |
| Film Application Products | | 13,352 | 10.3 | 24,558 | 16.2 | 204,650 | 11,206 | 83.9 |
| Other | | (3,196) | -16.6 | 275 | 1.3 | 2,292 | 3,471 | - |
| Sub total | | 53,725 | 5.5 | 91,416 | 8.4 | 761,800 | 37,691 | 70.2 |
| Corporate and Eliminations | | (17,109) | | (18,957) | | (157,975) | (1,848) | |
| Operating income | | 36,616 | 3.7 | 72,459 | 6.7 | 603,825 | 35,843 | 97.9 |

Note:

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