

[Summary Information and Financial Statements]

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

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first nine months of fiscal 2016, the period from April 1 to December 31, 2015, were as follows.

The global economy for the first nine months of fiscal 2016 made a gradual recovery, mainly in Europe and the U.S. However, there are increasing signs of a slowdown in emerging countries such as China.

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 of the previous 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 nine months of fiscal 2016 were as follows.

Term Item	The 9-month-period of FY2015 (Apr. 1, 2014 - Dec. 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	802,652	100.0	889,342	100.0	7,349,934	86,690	10.8
Operating income	53,104	6.6	75,872	8.5	627,041	22,768	42.9
Income before income taxes	49,597	6.2	73,936	8.3	611,041	24,339	49.1
Net income attributable to TDK	34,536	4.3	56,414	6.3	466,231	21,878	63.3
Per common share :							
Net income attributable to TDK / Basic	Yen 274.43		Yen 447.54		U.S.\$ 3.70		
Net income attributable to TDK / Diluted	Yen 265.25		Yen 429.05		U.S.\$ 3.55		

Note:

U.S.\$1=Yen 121, for convenience only.

Average yen exchange rates for the U.S. dollar and the euro during the first nine months of fiscal 2016 were ¥121.67 and ¥134.42, respectively, as the yen depreciated 13.9% against the U.S. dollar and the yen appreciated 4.2% against the euro. This increased net sales by approximately ¥94.0 billion and operating income by approximately ¥18.3 billion.

Sales by Product

Term Product	The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	111,316	13.9	115,010	12.9	950,496	3,694	3.3
Inductive devices	110,852	13.8	113,821	12.8	940,670	2,969	2.7
Other Passive Components	172,910	21.5	210,651	23.7	1,740,917	37,741	21.8
Passive Components	395,078	49.2	439,482	49.4	3,632,083	44,404	11.2
Recording devices	197,901	24.7	173,793	19.5	1,436,306	(24,108)	-12.2
Other Magnetic Application Products	76,912	9.6	72,624	8.2	600,198	(4,288)	-5.6
Magnetic Application Products	274,813	34.3	246,417	27.7	2,036,504	(28,396)	-10.3
Film Application Products	107,136	13.3	175,760	19.8	1,452,562	68,624	64.1
Other	25,625	3.2	27,683	3.1	228,785	2,058	8.0
Total	802,652	100.0	889,342	100.0	7,349,934	86,690	10.8
Overseas sales	732,666	91.3	822,225	92.5	6,795,248	89,559	12.2

Notes:

1. U.S.\$1=Yen 121, 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 ¥439,482 million (U.S.\$3,632,083 thousand), up 11.2% year on year from ¥395,078 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥115,010 million (U.S.\$950,496 thousand), up 3.3% year on year from ¥111,316 million. Sales of ceramic capacitors increased to the automotive market. Sales of aluminum electrolytic capacitors and film capacitors also increased to the automotive market.

Sales of inductive devices increased 2.7% year on year from ¥110,852 million to ¥113,821 million (U.S.\$940,670 thousand). Sales increased to the automotive market.

Other passive components include high-frequency devices, piezoelectric material products, circuit protection components, and sensors. Sales of other passive components increased 21.8% year on year from ¥172,910 million to ¥210,651 million (U.S.\$1,740,917 thousand). Sales of high-frequency devices increased significantly to the ICT market. Sales of piezoelectric material products and circuit protection components also increased to the ICT market. Sales of sensors increased to the automotive and the industrial equipment markets.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales decreased 10.3% year on year, from ¥274,813 million to ¥246,417 million (U.S.\$2,036,504 thousand).

The recording devices business comprises mainly HDD heads and HDD suspension assemblies. It recorded sales of ¥173,793 million (U.S.\$1,436,306 thousand), down 12.2% from ¥197,901 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 5.6% year on year from ¥76,912 million to ¥72,624 million (U.S.\$600,198 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 64.1% from ¥107,136 million to ¥175,760 million (U.S.\$1,452,562 thousand).

Sales of energy devices increased significantly to the ICT market.

(4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales increased 8.0% from ¥25,625 million to ¥27,683 million (U.S.\$228,785 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 12.2% year on year from ¥732,666 million to ¥822,225 million (U.S.\$6,795,248 thousand). Overseas sales accounted for 92.5% of consolidated net sales, a 1.2 percentage point increase from 91.3% in the same period 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 December 31, 2015.

		(vs March 31, 2015)
Total assets	¥1,513,824 million	(7.8% increase)
Total TDK stockholders' equity	¥750,303 million	(1.5% increase)
Stockholders' equity ratio	49.6%	(3.0 point decrease)

As of December 31, 2015, total assets increased ¥109,542 million compared with March 31, 2015. Net liquidity (cash and cash equivalent, short-term investments, marketable securities) increased ¥52,484 million, net property, plant and equipment increased ¥48,272 million.

Total liabilities increased ¥109,079 million from March 31, 2015. Long-term debt, excluding current installment decreased ¥17,287 million. On the other hand, short-term debt increased ¥70,253 million, current installment of long-term debt increased ¥35,357 million, and trade payables increased ¥13,896 million.

Total TDK stockholders' equity, which is included in total equity, increased ¥11,442 million from March 31, 2015. Accumulated other comprehensive income (loss) decreased ¥12,959 million, due to a decrease in foreign currencies translation adjustments compared with March 31, 2015. On the other hand, retained earnings increased ¥38,167 million.

(2) Cash Flows

(Yen millions)

	The 9-month-period of FY2015	The 9-month-period of FY2016	Change
Net cash provided by operating activities	89,316	117,528	28,212
Net cash used in investing activities	(93,076)	(103,424)	(10,348)
Net cash provided by (used in) financing activities	(19,714)	46,168	65,882
Effect of exchange rate changes on cash and cash equivalents	36,241	(2,378)	(38,619)
Net increase in cash and cash equivalents	12,767	57,894	45,127
Cash and cash equivalents at beginning of period	250,848	265,104	14,256
Cash and cash equivalents at end of period	263,615	322,998	59,383

Operating activities provided net cash of ¥117,528 million (U.S.\$971,306 thousand), an increase of ¥28,212 million year on year. It mainly came from an increase in net income.

Investing activities used net cash of ¥103,424 million (U.S.\$854,744 thousand), an increase of ¥10,348 million year on year. It mainly came from an increase in capital expenditure.

Financing activities provided net cash of ¥46,168 million (U.S.\$381,554 thousand), changed by ¥65,882 million year on year. It mainly came from an increase in short-term debt.

(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.

Term Item	FY2016 (April 1, 2015 - March 31, 2016)	FY2016 (April 1, 2015 - March 31, 2016)	FY2015 (April 1, 2014 - March 31, 2015)	vs FY2015 Changes	
	Projection in January '16	Projection in April '15	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	1,180,000	1,180,000	1,082,560	97,440	9.0
Operating income	95,000	95,000	72,459	22,541	31.1
Income before income taxes	95,000	95,000	74,517	20,483	27.5
Net income attributable to TDK	65,000	65,000	49,440	15,560	31.5
Capital expenditures	150,000	130,000	102,525	47,475	46.3
Depreciation and amortization	86,000	90,000	80,249	5,751	7.2
Research and development	85,000	77,000	70,644	14,356	20.3

(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). It has, however, revised TDK's cost projections for capital expenditures, depreciation and amortization, and research and development.

(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 fourth 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

TDK disposed the whole share of EPCOS (Anhui) Feida Electronics Co., Ltd in the quarter ended December 31, 2015.

(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