

(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. Furthermore, the method for depreciating property, plant and equipment is the same as in the past—assets located in Japan and of certain foreign subsidiaries are principally computed by the declining-balance method, and assets of other foreign subsidiaries are computed by the straight-line method.

2. As of March 31, 2011, TDK had 127 subsidiaries (14 in Japan and 113 overseas).

TDK also had 8 affiliates (4 in Japan and 4 overseas) whose financial statements are accounted for by the equity method.

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