



Consolidated Financial Statements
for the three-month period ended December 31, 2013
and December 31, 2014 (in English)

On February 13, 2015, the Japanese version of this report was filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance pursuant to Japan's Financial Instruments and Exchange Act.

[This is an English translation prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.]

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1) Consolidated balance sheets (Unaudited)

ASSETS	Yen (Millions)	
	March 31, 2014	December 31, 2014
Current assets:		
Cash and cash equivalents	¥ 250,848	¥ 263,615
Short-term investments	8,691	18,919
Marketable securities (Note 2)	-	1,302
Net trade receivables	206,472	256,102
Inventories (Note 3)	136,387	159,992
Other current assets	50,887	62,774
Total current assets	653,285	762,704
Investments in securities (Note 2)	38,401	39,768
Net property, plant and equipment	374,032	423,629
Goodwill and other intangible assets (Note 10)	118,105	116,926
Other assets	55,766	82,777
Total assets	¥ 1,239,589	¥ 1,425,804

See accompanying notes to consolidated financial statements.

	Yen (Millions)	
LIABILITIES AND EQUITY	March 31, 2014	December 31, 2014
Current liabilities:		
Short-term debt	¥ 132,237	¥ 124,043
Current installments of long-term debt	37,147	36,018
Trade payables	95,688	124,368
Accrued expenses	86,664	108,103
Other current liabilities	22,045	24,479
Total current liabilities	373,781	417,011
Long-term debt, excluding current installments	97,623	125,661
Retirement and severance benefits	93,777	98,206
Other noncurrent liabilities	22,165	20,933
Total liabilities	587,346	661,811
TDK stockholders' equity:		
Common stock		
Authorized 480,000,000 shares; issued 129,590,659 shares at March 31, 2014 and December 31, 2014 outstanding 125,814,338 shares at March 31, 2014 and 125,933,297 shares at December 31, 2014	32,641	32,641
Additional paid-in capital	57,635	39,688
Legal reserve	26,651	29,533
Retained earnings	624,919	646,479
Accumulated other comprehensive income (loss) (Notes 11 and 12)	(87,134)	16,194
Treasury stock at cost; 3,776,321 shares at March 31, 2014 and 3,657,362 shares at December 31, 2014	(19,385)	(18,774)
Total TDK stockholders' equity	635,327	745,761
Noncontrolling interests (Notes 11 and 12)	16,916	18,232
Total equity	652,243	763,993
Total liabilities and equity	¥ 1,239,589	¥ 1,425,804

**2) Consolidated statements of income
and Consolidated statements of comprehensive income (Unaudited)**

For the nine-month ended December 31, 2013 and 2014

Consolidated statements of income

	Yen (Millions)	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	¥ 742,023	¥ 802,652
Cost of sales	572,936	596,073
Gross profit	169,087	206,579
Selling, general and administrative expenses (Notes 9 and 10)	134,136	153,475
Operating income	34,951	53,104
Other income (deductions):		
Interest and dividend income	2,388	3,149
Interest expense	(2,533)	(2,239)
Foreign exchange gain (loss)	(732)	(4,064)
Other - net	1,594	(353)
Total other income (deductions):	717	(3,507)
Income from continuing operations before income taxes	35,668	49,597
Income taxes	13,448	12,722
Income from continuing operations	22,220	36,875
Loss from discontinued operations (Note 14)	(5,051)	-
Net income	17,169	36,875
Less: Net income attributable to noncontrolling interests	1,456	2,339
Net income attributable to TDK	¥ 15,713	¥ 34,536

Amounts per share:

	Yen	
Net income attributable to TDK per share (Note 13):		
Basic	124.90	274.43
Diluted	119.52	265.25
Cash dividends paid during the period	60.00	80.00

Consolidated statements of comprehensive income

	Yen (Millions)	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net income	¥ 17,169	¥ 36,875
Other comprehensive income (loss), net of taxes (Note 12):		
Foreign currencies translation adjustments	79,424	105,445
Pension liability adjustments	1,596	(1,619)
Net unrealized gains (losses) on securities	3,988	1,251
Total other comprehensive income (loss)	85,008	105,077
Comprehensive income (Note 11)	102,177	141,952
Comprehensive income attributable to noncontrolling interests	3,473	5,019
Comprehensive income attributable to TDK	¥ 98,704	¥ 136,933

See accompanying notes to consolidated financial statements.

For the three-month ended December 31, 2013 and 2014
Consolidated statements of income

	Yen (Millions)	
	Three months ended December 31, 2013	Three months ended December 31, 2014
Net sales	¥ 258,239	¥ 300,377
Cost of sales	195,390	219,928
Gross profit	62,849	80,449
Selling, general and administrative expenses (Notes 9 and 10)	44,933	55,267
Operating income	17,916	25,182
Other income (deductions):		
Interest and dividend income	985	920
Interest expense	(855)	(792)
Foreign exchange gain (loss)	(911)	(2,788)
Other - net	452	(281)
Total other income (deductions):	(329)	(2,941)
Income from continuing operations before income taxes	17,587	22,241
Income taxes	6,172	4,953
Income from continuing operations	11,415	17,288
Loss from discontinued operations (Note 14)	(1,272)	-
Net income	10,143	17,288
Less: Net income attributable to noncontrolling interests	834	892
Net income attributable to TDK	¥ 9,309	¥ 16,396

Amounts per share:

	Yen	
	Three months ended December 31, 2013	Three months ended December 31, 2014
Net income attributable to TDK per share (Note 13):		
Basic	73.99	130.24
Diluted	71.77	124.94
Cash dividends paid during the period	30.00	40.00

Consolidated statements of comprehensive income

	Yen (Millions)	
	Three months ended December 31, 2013	Three months ended December 31, 2014
Net income	¥ 10,143	¥ 17,288
Other comprehensive income (loss), net of taxes (Note 12):		
Foreign currencies translation adjustments	50,668	68,217
Pension liability adjustments	505	753
Net unrealized gains (losses) on securities	857	(54)
Total other comprehensive income (loss)	52,030	68,916
Comprehensive income (Note 11)	62,173	86,204
Comprehensive income attributable to noncontrolling interests	2,034	2,366
Comprehensive income attributable to TDK	¥ 60,139	¥ 83,838

See accompanying notes to consolidated financial statements.

3) Consolidated statements of cash flows (Unaudited)

	Yen (Millions)	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flows from operating activities:		
Net income	¥ 17,169	¥ 36,875
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	61,752	59,773
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(11,278)	(10,338)
Decrease (increase) in inventories	622	(9,014)
Increase (decrease) in trade payables	5,652	1,536
Increase (decrease) in accrued expenses	602	974
Decrease (increase) in other assets and liabilities, net	8,800	(2,230)
Other - net	2,158	11,740
Net cash provided by operating activities	<u>85,477</u>	<u>89,316</u>
Cash flows from investing activities:		
Capital expenditures	(47,940)	(70,604)
Proceeds from sale and maturity of short-term investments	15,053	11,347
Payment for purchase of short-term investments	(16,241)	(19,230)
Payment for purchase of securities	(960)	(230)
Disbursement for loans made by TDK	(999)	(23,706)
Proceeds from sales of tangible and intangible assets	4,238	6,945
Other - net	3,757	2,402
Net cash used in investing activities	<u>(43,092)</u>	<u>(93,076)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	33,619	26,711
Repayment of long-term debt	(3,605)	(1,761)
Increase (decrease) in short-term debt, net	(27,687)	(12,709)
Dividends paid	(7,533)	(10,053)
Acquisition of noncontrolling interests	(13,981)	(24,608)
Other - net	(196)	2,706
Net cash used in financing activities	<u>(19,383)</u>	<u>(19,714)</u>
Effect of exchange rate changes on cash and cash equivalents	27,592	36,241
Net increase in cash and cash equivalents	50,594	12,767
Cash and cash equivalents at beginning of period	213,687	250,848
Cash and cash equivalents at end of period	<u>¥ 264,281</u>	<u>¥ 263,615</u>

See accompanying notes to consolidated financial statements.

4) Notes to Consolidated Financial Statements (Unaudited)

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

TDK Corporation and most of its domestic subsidiaries maintain their books of account in conformity with the generally accepted accounting principles in Japan, and its foreign subsidiaries mainly in conformity with those of the countries of their domicile.

The consolidated financial statements presented herein reflect certain adjustments, not recorded in the primary books of TDK Corporation and subsidiaries, to present the financial position, results of operations and cash flows in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”).

(b) Consolidation Policy

The consolidated financial statements include the accounts of TDK Corporation, its subsidiaries and those variable interest entities where TDK is the primary beneficiary under U.S. GAAP. All significant intercompany balances and transactions have been eliminated in consolidation.

The investments in affiliates in which TDK’s ownership is 20 percent to 50 percent and where TDK exercises significant influence over their operating and financial policies are accounted for by the equity method of accounting. All significant intercompany profits from these affiliates have been eliminated.

(c) Subsequent Events

TDK has evaluated the subsequent events through February 12, 2015, the date on which the consolidated financial statements are available to be issued.

(d) Reclassifications

Certain reclassifications have been made to the prior year’s consolidated financial statements and quarterly consolidated financial statements to conform to the presentation used for the nine-month and the three-month ended December 31, 2014.

Additionally, results of discontinued operations are separately presented under discontinued operations in the consolidated statements of income. Except for otherwise mentioned, figures pertaining to discontinued operations are excluded from the figures disclosed in the Notes to Consolidated Financial Statements.

2. Marketable Securities and Investments in Securities

Marketable securities and investments in securities at March 31, 2014 and December 31, 2014, are as follows:

	Yen (Millions)	
	March 31, 2014	December 31, 2014
Marketable securities	¥ -	¥ 1,302
Investments in securities:		
Long-term marketable securities	20,335	22,368
Nonmarketable securities	1,449	1,374
Investments in affiliates	16,617	16,026
Total investments in securities	38,401	39,768
Total	¥ 38,401	¥ 41,070

Marketable securities and investments in securities include available-for-sale securities. Information with respect to such securities at March 31, 2014 and December 31, 2014, is as follows:

As of March 31, 2014	Yen (Millions)			Fair Value
	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	
Investments (Debt securities):				
Government bonds	¥ 1,302	¥ -	¥ 0	¥ 1,302
Commercial papers	64	61	-	125
Public-utility bonds	3	-	-	3
Investments (Equity securities):				
Manufacturing companies	8,391	7,728	12	16,107
Other	1,166	348	-	1,514
Investments (Mutual funds)	1,155	129	-	1,284
Total	¥ 12,081	¥ 8,266	¥ 12	¥ 20,335

As of December 31, 2014	Yen (Millions)			Fair Value
	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	
Marketable securities (Debt securities):				
Government bonds	¥ 1,301	¥ 1	¥ -	¥ 1,302
Investments (Debt securities):				
Commercial papers	73	68	-	141
Public-utility bonds	3	-	-	3
Investments (Equity securities):				
Manufacturing companies	8,509	10,152	60	18,601
Other	1,175	883	-	2,058
Investments (Mutual funds)	1,370	195	-	1,565
Total	¥ 12,431	¥ 11,299	¥ 60	¥ 23,670

Debt securities classified as available-for-sale at December 31, 2014 have a weighted average remaining term of 1 year.

The proceeds from sale and maturity of available-for-sale securities are ¥1,185 million and ¥1,087 million for the nine-month and the three-month ended December 31, 2013. The proceeds from sale and maturity of available-for-sale securities and nonmarketable securities are ¥145 million and ¥10 million for the nine-month and the three-month ended December 31, 2014. The gross realized gains on the sale and settlement of available-for-sale securities are ¥172 million and ¥154 million for the nine-month and the three-month ended December 31, 2013, respectively. The gross realized gains on the sale and settlement of available-for-sale securities and nonmarketable securities are ¥15 million and ¥1 million for the nine-month and the three-month ended December 31, 2014, respectively. The cost of available-for-sale securities and nonmarketable securities sold were determined on average cost basis. TDK recorded an impairment of ¥80 million on certain available-for-sale securities representing other-than-temporary declines in the fair value for the nine-month ended December 31, 2013. TDK recorded an impairment of ¥150 million on certain nonmarketable securities representing other-than-temporary declines in the fair value for the nine-month ended December 31, 2014.

As of December 31, 2014, all of the available-for-sale securities with unrealized losses were in a continuous unrealized loss position for less than 12 months.

The aggregate cost of nonmarketable securities accounted for under the cost method at March 31, 2014 and December 31, 2014 totaled ¥1,449 million and ¥1,374 million, respectively.

As of December 31, 2014, certain debt securities in the amount of ¥1,302 million were pledged as collateral for extended custom duty payments to Tokyo Customs and other customs.

3. Inventories

Inventories at March 31, 2014 and December 31, 2014, are summarized as follows:

	Yen (Millions)	
	March 31, 2014	December 31, 2014
Finished goods	¥ 59,746	¥ 68,696
Work in process	31,434	37,818
Raw materials	45,207	53,478
Total	¥ 136,387	¥ 159,992

4. Cost for Retirement and Severance Benefits

Net periodic benefit cost (including discontinued operations) for TDK's employee retirement and severance defined benefit plans for the nine-month ended December 31, 2013 and December 31, 2014 consist of the following components:

	Yen (Millions)	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Service cost-benefits earned during the period	¥ 5,298	¥ 5,218
Interest cost on projected benefit obligation	3,647	3,986
Expected return on plan assets	(2,641)	(3,083)
Amortization of actuarial loss	3,509	3,124
Amortization of prior service cost (benefit)	(1,514)	(1,592)
Curtailment/settlement loss	138	-
Net periodic benefit cost	¥ 8,437	¥ 7,653

Net periodic benefit cost (including discontinued operations) for TDK's employee retirement and severance defined benefit plans for the three-month ended December 31, 2013 and December 31, 2014 consist of the following components:

	Yen (Millions)	
	Three months ended December 31, 2013	Three months ended December 31, 2014
Service cost-benefits earned during the period	¥ 1,779	¥ 1,765
Interest cost on projected benefit obligation	1,229	1,303
Expected return on plan assets	(883)	(1,043)
Amortization of actuarial loss	1,175	1,133
Amortization of prior service cost (benefit)	(505)	(583)
Net periodic benefit cost	¥ 2,795	¥ 2,575

5. Contingent Liabilities

TDK provides guarantees to third parties on bank loans of its employees. The guarantees on behalf of the employees are made for their housing loans. For each guarantee issued, in the event the employee defaults on payment, TDK would be required to make payments under its guarantee.

The maximum amount of undiscounted payments TDK would have to make in the event of default at March 31, 2014 and December 31, 2014, are as follows:

	Yen (Millions)	
	March 31, 2014	December 31, 2014
Guarantees to third parties on bank loans of employees	¥ 1,870	¥ 1,606

As of December 31, 2014, the liability recognized for the estimated fair value of TDK's obligation under the guarantee arrangement is not material.

Several claims against TDK are pending. A provision has been made for the estimated liabilities for the items. In the opinion of TDK management, based on discussions with legal counsel, any additional liability not currently provided for will not materially affect the consolidated financial position or results of operations of TDK.

6. Risk Management Activities and Derivative Financial Instruments

TDK operates internationally and is exposed to the risk of changes in foreign exchange rates and changes in raw material prices. TDK assesses these risks by continuously monitoring changes in the exchange rates and raw material prices and by evaluating hedging opportunities. Derivative financial instruments are utilized to reduce these risks. TDK does not hold or issue derivative financial instruments for trading purposes. TDK is exposed to credit related losses in the event of nonperformance by the counterparties to those derivative financial instruments, but does not expect any counterparties to fail to meet their obligations given their high credit ratings. The credit exposure of those financial instruments is represented by the fair values of contracts. The fair values of the contracts are calculated based on the quotes presented by financial institutions.

TDK uses forward foreign exchange contracts and currency swaps in order to offset foreign exchange gain (loss) mainly arising from foreign-currency denominated assets and liabilities and forecasted transactions. Also, TDK uses commodity forward transactions in order to control the fluctuation risks of raw material prices. Although these contracts are not designated as hedges, which is required to apply hedge accountings, TDK considers they are effective as hedges from an economic viewpoint. The fair values of these undesignated contracts are recognized as income or expenses as earned or incurred.

Notional amounts of derivative financial instruments at March 31, 2014 and December 31, 2014, are as follows:

	Yen (Millions)	
	March 31, 2014	December 31, 2014
Forward foreign exchange contracts	¥ 94,707	¥ 95,248
Currency swaps	34,022	41,108
Commodity forward transactions	1,297	102
	¥ 130,026	¥ 136,458

Fair value of derivative financial instruments at March 31, 2014 and December 31, 2014 are as follows:

		Yen (Millions)	
		As of March 31, 2014	
		Account	Fair value
Assets:			
Forward foreign exchange contracts	Other current assets		¥ 654
Currency swaps	Other current assets		349
Currency swaps	Other assets		183
Commodity forward transactions	Other current assets		60
Assets total			¥ 1,246
Liabilities:			
Forward foreign exchange contracts	Other current liabilities		¥ 359
Currency swaps	Other current liabilities		371
Commodity forward transactions	Other current liabilities		14
Liabilities total			¥ 744
		Yen (Millions)	
		As of December 31, 2014	
		Account	Fair value
Assets:			
Forward foreign exchange contracts	Other current assets		¥ 774
Currency swaps	Other current assets		1,647
Currency swaps	Other assets		166
Commodity forward transactions	Other current assets		13
Assets total			¥ 2,600
Liabilities:			
Forward foreign exchange contracts	Other current liabilities		¥ 1,607
Currency swaps	Other current liabilities		1
Currency swaps	Other noncurrent liabilities		20
Liabilities total			¥ 1,628

The effect of derivative financial instruments on the consolidated statements of income for the nine-month ended December 31, 2013 and December 31, 2014 are as follows:

		Nine months ended December 31, 2013	
		Account	Yen (Millions)
Forward foreign exchange contracts	Foreign exchange gain (loss)		¥ (3,892)
Currency swaps	Foreign exchange gain (loss)		(1,223)
Commodity forward transactions	Cost of sales		11
			¥ (5,104)
		Nine months ended December 31, 2014	
		Account	Yen (Millions)
Forward foreign exchange contracts	Foreign exchange gain (loss)		¥ (1,972)
Currency swaps	Foreign exchange gain (loss)		3,487
Commodity forward transactions	Cost of sales		82
			¥ 1,597

The effect of derivative financial instruments on the consolidated statements of income for the three-month ended December 31, 2013 and December 31, 2014 are as follows:

			Three months ended December 31, 2013	
			Account	Yen (Millions)
Forward foreign exchange contracts	Foreign exchange gain (loss)			¥ (3,305)
Currency swaps	Foreign exchange gain (loss)			(902)
Commodity forward transactions	Cost of sales			(21)
				¥ (4,228)
			Three months ended December 31, 2014	
			Account	Yen (Millions)
Forward foreign exchange contracts	Foreign exchange gain (loss)			¥ (307)
Currency swaps	Foreign exchange gain (loss)			1,231
Commodity forward transactions	Cost of sales			18
				¥ 942

7. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of financial instruments in cases for which it is practicable:

(a) Cash and cash equivalents, Short-term investments, Trade receivables, Other current assets, Short-term debt, Trade payables, Accrued expenses and Other current liabilities

Except for derivative financial instruments, the carrying amount approximates fair value because of the short maturity of these instruments.

(b) Marketable securities and Investments in securities

The fair values of marketable securities and investments in securities are primarily estimated based on quoted market prices for these instruments.

(c) Long-term debt

The fair value of TDK's long-term debt is estimated based on the amount of future cash flows associated with the instrument discounted using TDK's current borrowing rate for similar debt of comparable maturity, or based on the quoted market prices for the same or similar issues. The long-term debt is classified as level 2, one of the three levels of fair value hierarchy that is discussed in Note 8 of the Notes to Consolidated Financial Statements.

The carrying amounts and estimated fair values of TDK's financial instruments at March 31, 2014 and December 31, 2014, are summarized as follows:

As of March 31, 2014	Yen (Millions)	
	Carrying amount	Estimated fair value
Assets:		
Investments in securities and other assets	¥ 34,519	¥ 34,519
Liability:		
Long-term debt, including current portion (excluding lease obligation)	(128,185)	(129,382)
As of December 31, 2014	Yen (Millions)	
	Carrying amount	Estimated fair value
Assets:		
Marketable securities	¥ 1,302	¥ 1,302
Investments in securities and other assets	63,078	63,078
Liability:		
Long-term debt, including current portion (excluding lease obligation)	(154,942)	(156,308)

Derivative financial instruments are presented in Note 6 of the Notes to Consolidated Financial Statements.

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

8. Fair Value Measurements

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. FASB ASC 820 establishes a three-level fair value hierarchy for material inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that TDK has the ability to access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

Assets and liabilities that are measured at fair value on a recurring basis

Assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2014 and December 31, 2014 are as follows:

As of March 31, 2014	Yen (Millions)			
	Level 1	Level 2	Level 3	Total
Assets:				
Derivative contracts:				
Forward foreign exchange contracts	¥ -	¥ 654	¥ -	¥ 654
Currency swaps	-	532	-	532
Commodity forward transactions	-	60	-	60
Investments (Debt securities):				
Government bonds	1,302	-	-	1,302
Commercial papers	-	125	-	125
Public-utility bonds	3	-	-	3
Investments (Equity securities):				
Manufacturing companies	16,107	-	-	16,107
Other	1,514	-	-	1,514
Investments (Mutual funds)	1,284	-	-	1,284
Rabbi trust investments	5,746	-	-	5,746
Total	¥ 25,956	¥ 1,371	¥ -	¥ 27,327
Liabilities:				
Derivative contracts:				
Forward foreign exchange contracts	¥ -	¥ 359	¥ -	¥ 359
Currency swaps	-	371	-	371
Commodity forward transactions	-	14	-	14
Total	¥ -	¥ 744	¥ -	¥ 744
As of December 31, 2014				
	Yen (Millions)			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities (Debt securities):				
Government bonds	¥ 1,302	¥ -	¥ -	¥ 1,302
Derivative contracts:				
Forward foreign exchange contracts	-	774	-	774
Currency swaps	-	1,813	-	1,813
Commodity forward transactions	-	13	-	13
Investments (Debt securities):				
Commercial papers	-	141	-	141
Public-utility bonds	3	-	-	3
Investments (Equity securities):				
Manufacturing companies	18,601	-	-	18,601
Other	2,058	-	-	2,058
Investments (Mutual funds)	1,565	-	-	1,565
Rabbi trust investments	7,156	-	-	7,156
Total	¥ 30,685	¥ 2,741	¥ -	¥ 33,426
Liabilities:				
Derivative contracts:				
Forward foreign exchange contracts	¥ -	¥ 1,607	¥ -	¥ 1,607
Currency swaps	-	21	-	21
Total	¥ -	¥ 1,628	¥ -	¥ 1,628

Level 1 marketable securities and investments are valued using unadjusted quoted prices in active markets in which transactions occur with sufficient frequency and volume. Rabbi trusts investments included in other assets in which a part of the employees' salary is deposited is valued using unadjusted quoted prices in active markets.

Level 2 derivative contracts include forward foreign exchange contracts, currency swaps and commodity forward transactions that are valued based on quotes obtained from counterparties and are verified using observable market inputs, such as foreign currency exchange rates and raw material price. Investments consist of commercial papers and the fair values thereof are based on third-party assessments using observable market data.

Assets and liabilities that are measured at fair value on a nonrecurring basis

The fair values measured on a nonrecurring basis for the nine-month ended December 31, 2014 is as follows:

Nine months ended December 31, 2014	Yen (Millions)			
	Total gains (losses)	Level 1	Level 2	Level 3
Assets:				
Investments (Equity securities)	¥ (150)	¥ -	¥ -	¥ -
Long-lived assets (Property, plant and equipment)	(3,082)	-	-	3,411
Long-lived assets (Intangible assets)	(368)	-	-	279
Goodwill	(2,247)	-	-	4,417

For the nine-month ended December 31, 2014, investments which consist of nonmarketable securities valued using the cost method with the book value of ¥150 million was fully written down due to impairment. The book value of long-lived assets (property, plant and equipment) of ¥6,493 million was written down to its fair value of ¥3,411 million, and the book value of long-lived assets (intangible assets) of ¥647 million was written down to its fair value of ¥279 million due to impairment. The fair value of these long-lived assets was determined mainly based on the discounted future cash flows expected from the use of each of the assets. According to discounted cash flow method, guideline public company method and guideline merged and acquired company method, the book value of goodwill of ¥6,664 million was written down to its fair value of ¥4,417 million due to impairment. These fair values are classified as Level 3 because they were determined using unobservable inputs.

As a result of the above, impairment losses of ¥5,847 million caused by other-than-temporary declines in fair values during the nine-month ended December 31, 2014 were included in the consolidated statements of income.

9. Impairment of Long-lived Assets

For the nine-month ended December 31, 2014, impairment losses of ¥3,450 million were recognized. This is the result of a reduction of the carrying value of the long-lived assets to the fair value because of a reduction in profitability derived from lower demand.

The impairment losses are included in selling, general and administrative expenses in the consolidated statements of income.

For the nine-month ended December 31, 2014, the impairment losses include ¥374 million for the Passive Components segment, ¥3,076 million for the Magnetic Application Product segment.

10. Goodwill and Other Intangible Assets

The components of acquired intangible assets excluding goodwill at March 31, 2014 and December 31, 2014 are as follows:

As of March 31, 2014	Yen (Millions)		Net Amount
	Gross Carrying Amount	Accumulated Amortization	
Amortized intangible assets:			
Patent	¥ 40,887	¥ 26,087	¥ 14,800
Customer relationships	25,862	18,550	7,312
Software	27,306	14,022	13,284
Unpatented technologies	34,234	28,252	5,982
Other	6,839	1,462	5,377
Total	¥ 135,128	¥ 88,373	¥ 46,755
Unamortized intangible assets:			
Trademark	¥ 7,216		¥ 7,216
Other	243		243
Total	¥ 7,459		¥ 7,459

As of December 31, 2014	Yen (Millions)		Net Amount
	Gross Carrying Amount	Accumulated Amortization	
Amortized intangible assets:			
Patent	¥ 31,399	¥ 18,212	¥ 13,187
Customer relationships	25,657	20,074	5,583
Software	27,854	14,457	13,397
Unpatented technologies	36,378	32,040	4,338
Other	7,252	1,660	5,592
Total	¥ 128,540	¥ 86,443	¥ 42,097
Unamortized intangible assets:			
Trademark	¥ 7,354		¥ 7,354
Other	243		243
Total	¥ 7,597		¥ 7,597

No significant intangible assets other than goodwill were acquired in the nine-month ended December 31, 2013 and December 31, 2014.

Intangible assets subject to amortization are amortized using the straight-line method over their estimated useful lives to their estimated residual value of zero. Aggregate amortization expense for the nine-month ended December 31, 2014 was ¥8,288 million.

For the nine-month ended December 31, 2014, an impairment loss of ¥2,247 million on goodwill was recognized as a result of reviewing the profitability expected in future by the external environment change in power supplies market. The fair value was measured according to discounted cash flow method, guideline public company method and guideline merged and acquired company method. The impairment loss is included in selling, general and administrative expenses in the consolidated statements of income.

11. Equity

The changes in the carrying amount of stockholders' equity, noncontrolling interests and total equity for the nine-month ended December 31, 2013 and December 31, 2014 are as follows:

	Yen (Millions)		
	Stockholders' equity	Noncontrolling interests	Total equity
March 31, 2013	¥ 561,169	¥ 19,447	¥ 580,616
Equity transaction of consolidated subsidiaries and other	(6,460)	(5,561)	(12,021)
Comprehensive income (loss):			
Net income	15,713	1,456	17,169
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustments	77,412	2,012	79,424
Pension liability adjustments	1,591	5	1,596
Net unrealized gains (losses) on securities	3,988	(0)	3,988
Total other comprehensive income (loss)	82,991	2,017	85,008
Comprehensive income	98,704	3,473	102,177
Dividends	(7,548)	(126)	(7,674)
December 31, 2013	¥ 645,865	¥ 17,233	¥ 663,098
	Yen (Millions)		
	Stockholders' equity	Noncontrolling interests	Total equity
March 31, 2014	¥ 635,327	¥ 16,916	¥ 652,243
Equity transaction of consolidated subsidiaries and other	(16,432)	(3,562)	(19,994)
Comprehensive income (loss):			
Net income	34,536	2,339	36,875
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustments	102,765	2,680	105,445
Pension liability adjustments	(1,619)	(0)	(1,619)
Net unrealized gains (losses) on securities	1,251	-	1,251
Total other comprehensive income (loss)	102,397	2,680	105,077
Comprehensive income	136,933	5,019	141,952
Dividends	(10,067)	(141)	(10,208)
December 31, 2014	¥ 745,761	¥ 18,232	¥ 763,993

Net income attributable to TDK and transfers (to) from noncontrolling interests for the nine-month ended December 31, 2013 and December 31, 2014 are as follows:

	Yen (Millions)	
	Nine months ended	
	December 31,	
	2013	2014
Net income attributable to TDK	¥ 15,713	¥ 34,536
Decrease in TDK's additional paid-in capital for purchase of Becromal Iceland ehf 's common shares from third parties	(1,125)	-
Decrease in TDK's additional paid-in capital for purchase of Amperex Technology Ltd.'s common shares from third parties	(7,758)	(17,209)
Decrease in TDK's additional paid-in capital for issue of Amperex Technology Ltd.'s common shares to third parties	-	(2,284)
Increase in TDK's additional paid-in capital for purchase of Magnecomp Precision Public Technology Co., Ltd.'s common shares from third parties	-	9
Increase in TDK's additional paid-in capital for purchase of TDK (Shanghai) Electro-Energy Co., Ltd.'s common shares from third parties	-	419
Net transfers (to) from noncontrolling interests	(8,883)	(19,065)
Change from net income attributable to TDK and transfers (to) from noncontrolling interests	¥ 6,830	¥ 15,471

12. Other Comprehensive Income (Loss)

The changes in the carrying amount of accumulated other comprehensive income (loss) for the nine-month ended December 31, 2013 are as follows:

	Yen (Millions)			
	Foreign currencies translation adjustments	Pension liability adjustments	Net unrealized gains (losses) on securities	Total
March 31, 2013	¥ (114,027)	¥ (46,707)	¥ 1,718	¥ (159,016)
Equity transaction of consolidated subsidiaries and other	734	-	-	734
Other comprehensive income (loss) before reclassifications	79,486	54	4,093	83,633
Amounts reclassified from accumulated other comprehensive income (loss)	(62)	1,542	(105)	1,375
Other comprehensive income (loss)	79,424	1,596	3,988	85,008
Other comprehensive income (loss) attributable to noncontrolling interests	2,012	5	(0)	2,017
December 31, 2013	¥ (35,881)	¥ (45,116)	¥ 5,706	¥ (75,291)

The changes in the carrying amount of accumulated other comprehensive income (loss) for the nine-month ended December 31, 2014 are as follows:

	Yen (Millions)			
	Foreign currencies translation adjustments	Pension liability adjustments	Net unrealized gains (losses) on securities	Total
March 31, 2014	¥ (54,046)	¥ (39,528)	¥ 6,440	¥ (87,134)
Equity transaction of consolidated subsidiaries and other	931	-	-	931
Other comprehensive income (loss) before reclassifications	105,473	(2,743)	1,252	103,982
Amounts reclassified from accumulated other comprehensive income (loss)	(28)	1,124	(1)	1,095
Other comprehensive income (loss)	105,445	(1,619)	1,251	105,077
Other comprehensive income (loss) attributable to noncontrolling interests	2,680	(0)	-	2,680
December 31, 2014	¥ 49,650	¥ (41,147)	¥ 7,691	¥ 16,194

The reclassifications out of accumulated other comprehensive income (loss) for the nine-month ended December 31, 2013 and December 31, 2014 are as follows:

For the nine-month ended December 31,	Yen (Millions)		Affected line items in consolidated statements of income
	Amount reclassified from accumulated other comprehensive income (loss) *1		
	2013	2014	
Foreign currencies translation adjustments:			
	14	28	Selling, general and administrative expenses
	48	-	Others
	-	-	Tax (expense) or benefit Net of tax
	<u>62</u>	<u>28</u>	
Pension liability adjustments:			
	(2,052)	(1,523)	*2
	510	399	Tax (expense) or benefit Net of tax
	<u>(1,542)</u>	<u>(1,124)</u>	
Net unrealized gains (losses) on securities:			
	88	1	Others
	17	-	Tax (expense) or benefit Net of tax
	<u>105</u>	<u>1</u>	
Total amount reclassified, net of tax	<u>(1,375)</u>	<u>(1,095)</u>	

*1 Amounts in parentheses indicate losses in consolidated statements of income.

*2 This accumulated other comprehensive income (loss) component is included in the computation of net periodic benefit cost for TDK's employee retirement and severance defined benefit plans that is presented in Note 4 of the Notes to Consolidated Financial Statements.

The reclassifications out of accumulated other comprehensive income (loss) for the three-month ended December 31, 2013 and December 31, 2014 are as follows:

For the three-month ended December 31,	Yen (Millions)		Affected line items in consolidated statements of income
	Amount reclassified from accumulated other comprehensive income (loss) *1		
	2013	2014	
Foreign currencies translation adjustments:			
	14	-	Selling, general and administrative expenses
	-	-	Tax (expense) or benefit Net of tax
	<u>14</u>	<u>-</u>	
Pension liability adjustments:			
	(673)	(551)	*2
	168	147	Tax (expense) or benefit Net of tax
	<u>(505)</u>	<u>(404)</u>	
Net unrealized gains (losses) on securities:			
	150	1	Others
	(3)	-	Tax (expense) or benefit Net of tax
	<u>147</u>	<u>1</u>	
Total amount reclassified, net of tax	<u>(344)</u>	<u>(403)</u>	

*1 Amounts in parentheses indicate losses in consolidated statements of income.

*2 This accumulated other comprehensive income (loss) component is included in the computation of net periodic benefit cost for TDK's employee retirement and severance defined benefit plans that is presented in Note 4 of the Notes to Consolidated Financial Statements.

Tax effects allocated to each component of other comprehensive income (loss) and reclassification adjustments for the nine-month ended December 31, 2013 and December 31, 2014 are as follows:

For the nine-month ended December 31, 2013	Yen (Millions)		
	Before tax amount	Tax (expense) or benefit	Net-of-tax amount
Foreign currency translation adjustments:			
Amount arising during the period from investments in foreign entities	¥ 79,486	¥ 0	¥ 79,486
Reclassification adjustments for the portion of gains and losses realized upon sale or liquidation of investments in foreign entities	(62)	-	(62)
Net foreign currency translation adjustments	79,424	0	79,424
Pension liability adjustments:			
Amount arising during the period	78	(24)	54
Reclassification adjustments for amortization and curtailment/settlement	2,052	(510)	1,542
Net pension liability adjustments	2,130	(534)	1,596
Unrealized gains (losses) on securities:			
Unrealized holding gains (losses) arising during the period	5,425	(1,332)	4,093
Reclassification adjustments	(88)	(17)	(105)
Net unrealized gains (losses)	5,337	(1,349)	3,988
Other comprehensive income (loss)	¥ 86,891	¥ (1,883)	¥ 85,008

For the nine-month ended December 31, 2014	Yen (Millions)		
	Before tax amount	Tax (expense) or benefit	Net-of-tax amount
Foreign currency translation adjustments:			
Amount arising during the period from investments in foreign entities	¥ 105,473	¥ 0	¥ 105,473
Reclassification adjustments for the portion of gains and losses realized upon sale or liquidation of investments in foreign entities	(28)	-	(28)
Net foreign currency translation adjustments	105,445	0	105,445
Pension liability adjustments:			
Amount arising during the period	(2,746)	3	(2,743)
Reclassification adjustments for amortization and curtailment/settlement	1,523	(399)	1,124
Net pension liability adjustments	(1,223)	(396)	(1,619)
Unrealized gains (losses) on securities:			
Unrealized holding gains (losses) arising during the period	3,004	(1,752)	1,252
Reclassification adjustments	(1)	-	(1)
Net unrealized gains (losses)	3,003	(1,752)	1,251
Other comprehensive income (loss)	¥ 107,225	¥ (2,148)	¥ 105,077

Tax effects allocated to each component of other comprehensive income (loss) and reclassification adjustments for the three-month ended December 31, 2013 and December 31, 2014 are as follows:

For the three-month ended December 31, 2013	Yen (Millions)		
	Before tax amount	Tax (expense) or benefit	Net-of-tax amount
Foreign currency translation adjustments:			
Amount arising during the period from investments in foreign entities	¥ 50,682	¥ -	¥ 50,682
Reclassification adjustments for the portion of gains and losses realized upon sale or liquidation of investments in foreign entities	(14)	-	(14)
Net foreign currency translation adjustments	50,668	-	50,668
Pension liability adjustments:			
Reclassification adjustments for amortization and curtailment/settlement	673	(168)	505
Net pension liability adjustments	673	(168)	505
Unrealized gains (losses) on securities:			
Unrealized holding gains (losses) arising during the period	1,296	(292)	1,004
Reclassification adjustments	(150)	3	(147)
Net unrealized gains (losses)	1,146	(289)	857
Other comprehensive income (loss)	¥ 52,487	¥ (457)	¥ 52,030

For the three-month ended December 31, 2014	Yen (Millions)		
	Before tax amount	Tax (expense) or benefit	Net-of-tax amount
Foreign currency translation adjustments:			
Amount arising during the period from investments in foreign entities	¥ 68,217	¥ -	¥ 68,217
Net foreign currency translation adjustments	68,217	-	68,217
Pension liability adjustments:			
Amount arising during the period	346	3	349
Reclassification adjustments for amortization and curtailment/settlement	551	(147)	404
Net pension liability adjustments	897	(144)	753
Unrealized gains (losses) on securities:			
Unrealized holding gains (losses) arising during the period	(332)	279	(53)
Reclassification adjustments	(1)	-	(1)
Net unrealized gains (losses)	(333)	279	(54)
Other comprehensive income (loss)	¥ 68,781	¥ 135	¥ 68,916

13. Net Income Attributable to TDK per Share

A reconciliation of the numerators and denominators of the basic and diluted net income attributable to TDK per share calculations is as follows:

	Yen (Millions)			
	Nine months ended December 31, 2013		Nine months ended December 31, 2014	
	Basic	Diluted	Basic	Diluted
Income from continuing operations attributable to TDK	¥ 19,660	¥ 19,008	¥ 34,536	¥ 33,461
Loss from discontinued operations attributable to TDK	(3,947)	(3,947)	-	-
Net income attributable to TDK	¥ 15,713	¥ 15,061	¥ 34,536	¥ 33,461
	Number of shares (Thousands)			
Weighted average common shares outstanding	125,807	125,807	125,846	125,846
Incremental shares arising from the exercise of stock option	-	201	-	302
Weighted average common shares outstanding – Total	125,807	126,008	125,846	126,148
	Yen			
Per common share:				
Income from continuing operations attributable to TDK	156.27	150.85	274.43	265.25
Loss from discontinued operations attributable to TDK	(31.37)	(31.37)	-	-
Net income attributable to TDK	124.90	119.52	274.43	265.25

	Yen (Millions)			
	Three months ended December 31, 2013		Three months ended December 31, 2014	
	Basic	Diluted	Basic	Diluted
Income from continuing operations attributable to TDK	¥ 10,368	¥ 10,105	¥ 16,396	¥ 15,773
Loss from discontinued operations attributable to TDK	(1,059)	(1,059)	-	-
Net income attributable to TDK	¥ 9,309	¥ 9,046	¥ 16,396	¥ 15,773
	Number of shares (Thousands)			
Weighted average common shares outstanding	125,810	125,810	125,886	125,886
Incremental shares arising from the exercise of stock option	-	225	-	361
Weighted average common shares outstanding – Total	125,810	126,035	125,886	126,247
	Yen			
Per common share:				
Income from continuing operations attributable to TDK	82.41	80.18	130.24	124.94
Loss from discontinued operations attributable to TDK	(8.42)	(8.42)	-	-
Net income attributable to TDK	73.99	71.77	130.24	124.94

For the nine-month and the three-month ended December 31, 2013, incremental 201,000 and 225,000 shares arising from the exercise of stock options were excluded from the per share calculation of diluted loss from discontinued operations attributable to TDK as the effect would have been antidilutive.

The decline of income from continuing operations attributable to TDK and net income attributable to TDK for the nine-month and the three-month ended December 31, 2013 and December 31, 2014 were caused by a dilutive effect of stock options issued by a subsidiary of TDK Corporation.

Per common share data are calculated separately for income from continuing operations attributable to TDK, loss from discontinued operations attributable to TDK and net income attributable to TDK. Consequently diluted net income attributable to TDK per share for the nine-month and the three-month ended December 31, 2013 were not equal to the sum of diluted income from continuing operations attributable to TDK per share and loss from discontinued operations attributable to TDK per share.

For the nine-month and the three-month ended December 31, 2013 and December 31, 2014, certain stock options issued by TDK Corporation were excluded from the diluted per share calculation of income from continuing operations attributable to TDK, loss from discontinued operations attributable to TDK, and net income attributable to TDK as the effect would have been antidilutive. The stock options issued by a subsidiary that are vested when a certain performance condition is achieved were also excluded from the diluted per share calculation of income from continuing operations attributable to TDK and net income attributable to TDK for the nine-month and the three-month ended December 31, 2013 and December 31, 2014 as it was not probable that the performance condition would be achieved as of December 31, 2013 and December 31, 2014.

14. Discontinued Operations

As a part of reviewing the entire group portfolio and concentration in core competence, TDK withdrew from the data tape business and the blu-ray business, both of which belonged to the Film Application Products segment, during the year ended March 31, 2014.

In accordance with the provisions of FASB ASC 205-20, "Presentation of Financial Statements-Discontinued Operations", profit and loss pertaining to the data tape business and the blu-ray business are presented under discontinued operations in the consolidated statements of income.

The selected financial information for the discontinued operations for the nine-month and the three-month ended December 31, 2013 are as follows and nil for the nine-month and the three-month ended December 31, 2014.

	Yen (Millions)	
	Nine months ended December 31, 2013	Three months ended December 31, 2013
Net sales	¥ 4,812	¥ 1,390
Cost of sales and expenses (includes impairment loss ¥1,708 million for the nine-month ended December 31, 2013)	9,993	2,810
Loss from discontinued operations before income taxes	(5,181)	(1,420)
Income taxes	(130)	(148)
Net loss from discontinued operations	(5,051)	(1,272)
Net loss from discontinued operations attributable to noncontrolling interests	(1,104)	(213)
Net loss from discontinued operations attributable to TDK	¥ (3,947)	¥ (1,059)

15. Segment Information

Business Segment Information

Operating segments are components of TDK for which discrete financial information is available and whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance.

Multiple operating segments that have similarities, including type and nature of products, production process, market and so on, are aggregated into the Passive Components segment, the Magnetic Application Products segment and the Film Application Products segment. Operating segments which are not reportable segments are included in Other.

In accordance with the provisions of FASB ASC 205-20, "Presentation of Financial Statements-Discontinued Operations", figures pertaining to the data tape business and the blu-ray business, both of which became discontinued operations in the year ended March 31, 2014, are excluded.

Principal businesses of each segment are as follows:

Segment	Principal businesses
Passive Components	Ceramic capacitors, Aluminum electrolytic capacitors, Film capacitors, Inductive devices (Coils, Ferrite cores and Transformers), High-frequency components, Piezoelectric materials and circuit protection components, Sensors
Magnetic Application Products	Recording devices, Power supplies, Magnets
Film Application Products	Energy devices (Rechargeable batteries), Applied films
Other	Mechatronics (Production equipment), other

Intersegment transactions in operating segments are based on arm's-length prices.

The business segment information for the nine-month ended December 31, 2013 and December 31, 2014 are as follows:

Net sales

	Yen (Millions)	
	Nine months ended December 31,	
	2013	2014
Passive Components:		
External customers	¥ 353,568	¥ 401,838
Intersegment	2,224	2,261
	<u>355,792</u>	<u>404,099</u>
Magnetic Application Products:		
External customers	274,789	279,080
Intersegment	336	162
	<u>275,125</u>	<u>279,242</u>
Film Application Products:		
External customers	100,213	107,136
Intersegment	2,208	2,204
	<u>102,421</u>	<u>109,340</u>
Other:		
External customers	13,453	14,598
Intersegment	6,662	13,295
	<u>20,115</u>	<u>27,893</u>
Intersegment eliminations	(11,430)	(17,922)
Total	<u>¥ 742,023</u>	<u>¥ 802,652</u>

Segment profit (loss)

	Yen (Millions)	
	Nine months ended December 31,	
	2013	2014
Passive Components	¥ 15,117	¥ 29,547
Magnetic Application Products	22,692	22,593
Film Application Products	12,205	15,154
Other	(2,434)	(204)
	<u>47,580</u>	<u>67,090</u>
Corporate and eliminations	(12,629)	(13,986)
Operating income	34,951	53,104
Other income (deductions), net	717	(3,507)
Income from continuing operations before income taxes	<u>¥ 35,668</u>	<u>¥ 49,597</u>

The business segment information for the three-month ended December 31, 2013 and December 31, 2014 are as follows:

Net sales

	Yen (Millions)	
	Three months ended December 31,	
	2013	2014
Passive Components:		
External customers	¥ 117,137	¥ 146,064
Intersegment	690	795
	<u>117,827</u>	<u>146,859</u>
Magnetic Application Products:		
External customers	95,739	101,580
Intersegment	15	76
	<u>95,754</u>	<u>101,656</u>
Film Application Products:		
External customers	41,031	47,417
Intersegment	754	736
	<u>41,785</u>	<u>48,153</u>
Other:		
External customers	4,332	5,316
Intersegment	2,229	5,427
	<u>6,561</u>	<u>10,743</u>
Intersegment eliminations	(3,688)	(7,034)
Total	<u>¥ 258,239</u>	<u>¥ 300,377</u>

Segment profit (loss)

	Yen (Millions)	
	Three months ended December 31,	
	2013	2014
Passive Components	¥ 6,084	¥ 11,946
Magnetic Application Products	10,256	7,281
Film Application Products	6,805	9,642
Other	(796)	108
	<u>22,349</u>	<u>28,977</u>
Corporate and eliminations	(4,433)	(3,795)
Operating income	17,916	25,182
Other income (deductions), net	(329)	(2,941)
Income from continuing operations before income taxes	<u>¥ 17,587</u>	<u>¥ 22,241</u>

Segment profit (loss) consists of net sales less cost of sales and selling, general and administrative expenses except for those attribute to Corporate.

Corporate mainly includes expenses associated with head office functions that are not allocated to operating segments.

Geographic segment information

The geographic segment information for the nine-month ended December 31, 2013 and December 31, 2014 are as follows:

Net sales

	Yen (Millions)	
	Nine months ended December 31,	
	2013	2014
Japan	¥ 69,513	¥ 69,986
Americas	62,292	65,318
Europe	101,845	110,429
China	374,030	422,872
Asia and others	134,343	134,047
Total	¥ 742,023	¥ 802,652

The geographic segment information for the three-month ended December 31, 2013 and December 31, 2014 are as follows:

Net sales

	Yen (Millions)	
	Three months ended December 31,	
	2013	2014
Japan	¥ 23,740	¥ 22,968
Americas	20,069	23,831
Europe	32,910	36,542
China	139,793	166,427
Asia and others	41,727	50,609
Total	¥ 258,239	¥ 300,377

Net sales are based on the location of the customers.

Net sales pertaining to the data tape business and the blu-ray business, both of which became discontinued operations in the year ended March 31, 2014, are excluded.

Major countries in each geographic area:

- (1) Americas United States of America
- (2) Europe Germany, Hungary, France
- (3) Asia and others Thailand, Korea, Taiwan, Malaysia, Singapore