



TDK Corporation
October 31, 2013

Contact;

TDK Corporation (Tokyo)

Corporate Communications Department
Sumio Marukawa

+81(3)6852-7102

Consolidated results (U.S. GAAP) for the 2nd quarter of FY March 2014

Summary (April 1, 2013 - September 30, 2013)

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		
Capital expenditures	43,982	-	29,288	-	298,857	(14,694)	-33.4
Depreciation and amortization	36,073	8.8	41,164	8.5	420,041	5,091	14.1
Research and development	25,732	6.2	31,213	6.4	318,500	5,481	21.3
Result of financial income (loss)	(3)	-	(275)	-	(2,806)	(272)	-
Ratio of overseas production	81.7%	-	86.7%	-	-		
Number of employees	81,341	-	86,777	-	-		

**2nd quarter consolidated results
(July 1, 2013 - September 30, 2013)**

Term Item	2Q of FY2013 (July 1, 2012 - Sep 30, 2012)		2Q of FY2014 (July 1, 2013 - September 30, 2013)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	205,026	100.0	249,800	100.0	2,548,980	44,774	21.8
Operating income	11,128	5.4	12,390	5.0	126,429	1,262	11.3
Income from continuing operations before income taxes	9,522	4.6	12,730	5.1	129,898	3,208	33.7
Net income attributable to TDK	5,254	2.6	6,032	2.4	61,551	778	14.8
Per common share :							
Net income attributable to TDK / Basic	Yen 41.74		Yen 47.95		U.S.\$ 0.49		
Net income attributable to TDK / Diluted	Yen 40.28		Yen 46.60		U.S.\$ 0.48		
Capital expenditures	20,050	-	14,844	-	151,469	(5,206)	-26.0
Depreciation and amortization	18,262	8.9	20,488	8.2	209,061	2,226	12.2
Research and development	12,811	6.2	15,705	6.3	160,255	2,894	22.6
Result of financial income (loss)	7	-	(59)	-	(602)	(66)	-
Ratio of overseas production	83.3%	-	87.6%	-	-		

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.

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[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.

(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

3. Consolidated Financial Statements

(1) Balance Sheets

ASSETS									
Term Item	As of March 31, 2013		As of September 30, 2013			Change from March 31, 2013	As of June 30, 2013		Change from June 30, 2013
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	610,628	52.2	652,560	53.5	6,658,776	41,932	652,444	53.3	116
Cash and cash equivalents	213,687		235,432		2,402,367	21,745	233,093		2,339
Short-term investments	9,830		7,113		72,582	(2,717)	11,752		(4,639)
Marketable securities	900		900		9,184	-	900		-
Net trade receivables	190,080		205,819		2,100,194	15,739	203,768		2,051
Inventories	137,868		146,891		1,498,888	9,023	144,601		2,290
Other current assets	58,263		56,405		575,561	(1,858)	58,330		(1,925)
Noncurrent assets	559,014	47.8	568,123	46.5	5,797,173	9,109	571,603	46.7	(3,480)
Investments in securities	32,213		36,917		376,704	4,704	35,909		1,008
Net property, plant and equipment	365,901		367,609		3,751,112	1,708	372,488		(4,879)
Other assets	160,900		163,597		1,669,357	2,697	163,206		391
TOTAL	1,169,642	100.0	1,220,683	100.0	12,455,949	51,041	1,224,047	100.0	(3,364)

LIABILITIES AND EQUITY									
Term Item	As of March 31, 2013		As of September 30, 2013			Change from March 31, 2013	As of June 30, 2013		Change from June 30, 2013
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	377,935	32.3	368,293	30.2	3,758,092	(9,642)	388,406	31.7	(20,113)
Short-term debt	146,624		113,716		1,160,367	(32,908)	142,320		(28,604)
Current installments of long-term debt	51,515		49,598		506,102	(1,917)	52,410		(2,812)
Trade payables	85,015		101,513		1,035,847	16,498	97,491		4,022
Accrued expenses	76,649		84,941		866,745	8,292	77,805		7,136
Other current liabilities	18,132		18,525		189,031	393	18,380		145
Noncurrent liabilities	211,091	18.1	248,951	20.4	2,540,316	37,860	226,638	18.5	22,313
Long-term debt, excluding current installments	97,481		131,226		1,339,041	33,745	109,664		21,562
Retirement and severance benefits	94,521		97,861		998,581	3,340	96,966		895
Other noncurrent liabilities	19,089		19,864		202,694	775	20,008		(144)
Total liabilities	589,026	50.4	617,244	50.6	6,298,408	28,218	615,044	50.2	2,200
Common stock	32,641		32,641		333,071	-	32,641		-
Additional paid-in capital	64,199		56,084		572,286	(8,115)	63,059		(6,975)
Legal reserve	25,426		25,878		264,061	452	25,639		239
Retained earnings	617,377		619,576		6,322,204	2,199	613,786		5,790
Accumulated other comprehensive income (loss)	(159,016)		(126,121)		(1,286,949)	32,895	(127,027)		906
Treasury stock	(19,458)		(19,409)		(198,051)	49	(19,422)		13
Total TDK stockholders' equity	561,169	48.0	588,649	48.2	6,006,622	27,480	588,676	48.1	(27)
Noncontrolling interests	19,447	1.6	14,790	1.2	150,919	(4,657)	20,327	1.7	(5,537)
Total equity	580,616	49.6	603,439	49.4	6,157,541	22,823	609,003	49.8	(5,564)
TOTAL	1,169,642	100.0	1,220,683	100.0	12,455,949	51,041	1,224,047	100.0	(3,364)

Note:

U.S.\$1=Yen 98, for convenience only.

(2)Statements of Income and Statements of Comprehensive Income

[1st half results]

Statements of Income

Term Item	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(%)
Net sales	412,038	100.0	484,728	100.0	4,946,204	72,690	17.6
Cost of sales	321,104	77.9	378,516	78.1	3,862,408	57,412	17.9
Gross profit	90,934	22.1	106,212	21.9	1,083,796	15,278	16.8
Selling, general and administrative expenses	70,638	17.2	89,442	18.4	912,674	18,804	26.6
Operating income	20,296	4.9	16,770	3.5	171,122	(3,526)	-17.4
Other income (deductions):							
Interest and dividend income	1,456		1,403		14,316	(53)	
Interest expense	(1,459)		(1,678)		(17,122)	(219)	
Foreign exchange gain (loss)	(275)		201		2,051	476	
Other-net	(1,632)		1,024		10,449	2,656	
Total other income (deductions)	(1,910)	-0.4	950	0.2	9,694	2,860	-
Income from continuing operations before income taxes	18,386	4.5	17,720	3.7	180,816	(666)	-3.6
Income taxes	6,773	1.7	7,143	1.5	72,887	370	5.5
Income from continuing operations	11,613	2.8	10,577	2.2	107,929	(1,036)	-8.9
Loss from discontinued operations	(101)	-0.0	(3,551)	-0.8	(36,235)	(3,450)	-
Net income	11,512	2.8	7,026	1.4	71,694	(4,486)	-39.0
Less: Net income attributable to noncontrolling interests	1,787	0.4	622	0.1	6,347	(1,165)	-65.2
Net income attributable to TDK	9,725	2.4	6,404	1.3	65,347	(3,321)	-34.1

Notes:

1. U.S.\$1=Yen 98, for convenience only.
2. Operating results relating to the data tape business are separately presented as discontinued operations in consolidated statements of income for the first half of FY2014. Also reclassifications have been made to the consolidated statements of income for the first half of FY2013 to conform to the presentation used for the first half of FY2014.

Statements of Comprehensive Income

Term Item	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)
Net income	11,512	7,026	71,694	(4,486)
Other comprehensive income (loss), net of taxes:				
Foreign currencies translation adjustments	(33,010)	28,756	293,428	61,766
Pension liability adjustments	928	1,091	11,133	163
Net unrealized gains (losses) on securities	(1,931)	3,131	31,949	5,062
Total other comprehensive income (loss)	(34,013)	32,978	336,510	66,991
Comprehensive income (loss)	(22,501)	40,004	408,204	62,505
Comprehensive income attributable to noncontrolling interests	1,188	1,439	14,684	251
Comprehensive income (loss) attributable to TDK	(23,689)	38,565	393,520	62,254

Note:

U.S.\$1=Yen 98, for convenience only.

[2nd quarter results]

Statements of Income

Term Item	2Q of FY2013 (July 1, 2012 - September 30, 2012)		2Q of FY2014 (July1, 2013 - September 30, 2013)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	205,026	100.0	249,800	100.0	2,548,980	44,774	21.8
Cost of sales	159,848	78.0	192,364	77.0	1,962,898	32,516	20.3
Gross profit	45,178	22.0	57,436	23.0	586,082	12,258	27.1
Selling, general and administrative expenses	34,050	16.6	45,046	18.0	459,653	10,996	32.3
Operating income	11,128	5.4	12,390	5.0	126,429	1,262	11.3
Other income (deductions):							
Interest and dividend income	749		760		7,755	11	
Interest expense	(742)		(819)		(8,357)	(77)	
Foreign exchange gain (loss)	(437)		(82)		(837)	355	
Other-net	(1,176)		481		4,908	1,657	
Total other income (deductions)	(1,606)	-0.8	340	0.1	3,469	1,946	-
Income from continuing operations before income taxes	9,522	4.6	12,730	5.1	129,898	3,208	33.7
Income taxes	3,025	1.5	3,576	1.4	36,490	551	18.2
Income from continuing operations	6,497	3.1	9,154	3.7	93,408	2,657	40.9
Loss from discontinued operations	(67)	-0.0	(3,208)	-1.3	(32,735)	(3,141)	-
Net income	6,430	3.1	5,946	2.4	60,673	(484)	-7.5
Less: Net income (loss) attributable to noncontrolling interests	1,176	0.5	(86)	-0.0	(878)	(1,262)	-
Net income attributable to TDK	5,254	2.6	6,032	2.4	61,551	778	14.8

Notes:

1. U.S.\$1=Yen 98, for convenience only.
2. Operating results relating to the data tape business are separately presented as discontinued operations in consolidated statements of income for the second quarter of FY2014. Also reclassifications have been made to the consolidated statements of income for the second quarter of FY2013 to conform to the presentation use for the second quarter of FY2014.

Statements of Comprehensive Income

Term Item	2Q of FY2013 (July 1, 2012 - September 30, 2012)	2Q of FY2014 (July1, 2013 - September 30, 2013)		Change
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	6,430	5,946	60,673	(484)
Other comprehensive income (loss), net of taxes:				
Foreign currencies translation adjustments	(6,566)	(1,182)	(12,061)	5,384
Pension liability adjustments	568	504	5,143	(64)
Net unrealized gains (losses) on securities	(642)	584	5,959	1,226
Total other comprehensive income (loss)	(6,640)	(94)	(959)	6,546
Comprehensive income (loss)	(210)	5,852	59,714	6,062
Comprehensive income (loss) attributable to noncontrolling interests	1,000	(227)	(2,317)	(1,227)
Comprehensive income (loss) attributable to TDK	(1,210)	6,079	62,031	7,289

Note:

U.S.\$1=Yen 98, for convenience only.

(3) Statements of Cash Flows

Term Item	1H of FY2013 (April 1, 2012 - September 30, 2012)	1H of FY2014 (April 1, 2013 - September 30, 2013)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	11,512	7,026	71,694
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	36,226	41,305	421,479
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(8,368)	(6,922)	(70,633)
Decrease (increase) in inventories	(7,015)	(3,915)	(39,949)
Increase (decrease) in trade payables	4,210	11,430	116,633
Increase (decrease) in accrued expenses	5,448	3,649	37,235
Decrease (increase) in other assets and liabilities, net	3,601	2,503	25,541
Other-net	(1,944)	2,233	22,786
Net cash provided by operating activities	43,670	57,309	584,786
Cash flows from investing activities:			
Capital expenditures	(43,982)	(29,288)	(298,857)
Proceeds from sale and maturity of short-term investments	3,757	13,160	134,286
Payment for purchase of short-term investments	(6,876)	(10,218)	(104,265)
Payment for purchase of securities	(266)	(955)	(9,745)
Proceeds from sales of tangible and intangible assets	3,594	2,027	20,683
Other-net	(6,586)	2,318	23,653
Net cash used in investing activities	(50,359)	(22,956)	(234,245)
Cash flows from financing activities:			
Proceeds from long-term debt	39,886	33,597	342,827
Repayment of long-term debt	(33,657)	(3,370)	(34,388)
Increase (decrease) in short-term debt, net	5,702	(33,292)	(339,714)
Dividends paid	(5,037)	(3,776)	(38,531)
Acquisition of noncontrolling interests	—	(13,981)	(142,663)
Other-net	(133)	(578)	(5,898)
Net cash provided by (used in) financing activities	6,761	(21,400)	(218,367)
Effect of exchange rate changes on cash and cash equivalents	(9,211)	8,792	89,714
Net increase (decrease) in cash and cash equivalents	(9,139)	21,745	221,888
Cash and cash equivalents at beginning of period	167,015	213,687	2,180,479
Cash and cash equivalents at end of period	157,876	235,432	2,402,367

Notes:

1. U.S.\$1=Yen 98, for convenience only.
2. The cash flows attributable to the discontinued operations are not presented separately from the cash flows attributable to the continuing operations in the statements of cash flows.

(4) Notes Concerning Going Concern Assumptions

Nothing to report.

(5) 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 provisions of ASC No.205-20, "Presentation of Financial Statements – Discontinued Operations", the figures relating to the data tape business are excluded from FY2014. The prior year's figures are also excluded to conform to the presentation used for FY2014.

Film Application Products included the data tape business in past financial statements.

For details of net sales, refer to page 19.

[1st half results]

Net sales by industry segment

		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(%)
Passive Components	External customers	182,096	44.2	236,431	48.8	2,412,561	54,335	29.8
	Intersegment	1,507		1,534		15,653	27	1.8
	Total	183,603		237,965		2,428,214	54,362	29.6
Magnetic Application Products	External customers	171,612	41.6	179,050	36.9	1,827,041	7,438	4.3
	Intersegment	207		321		3,275	114	55.1
	Total	171,819		179,371		1,830,316	7,552	4.4
Film Application Products	External customers	47,367	11.5	60,126	12.4	613,531	12,759	26.9
	Intersegment	1,502		1,454		14,837	(48)	-3.2
	Total	48,869		61,580		628,368	12,711	26.0
Other	External customers	10,963	2.7	9,121	1.9	93,071	(1,842)	-16.8
	Intersegment	9,233		4,433		45,235	(4,800)	-52.0
	Total	20,196		13,554		138,306	(6,642)	-32.9
Intersegment eliminations		(12,449)		(7,742)		(79,000)	4,707	
Total		412,038	100.0	484,728	100.0	4,946,204	72,690	17.6

Segment profit (loss) by industry segment

		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(%)
Passive Components		(5,366)	-2.9	9,033	3.8	92,173	14,399	-
Magnetic Application Products		27,728	16.2	12,436	6.9	126,898	(15,292)	-55.2
Film Application Products		7,069	14.9	5,135	8.5	52,398	(1,934)	-27.4
Other		(886)	-8.1	(1,638)	-18.0	(16,714)	(752)	-
Sub total		28,545	6.9	24,966	5.2	254,755	(3,579)	-12.5
Corporate and Eliminations		(8,249)		(8,196)		(83,633)	53	
Operating income		20,296	4.9	16,770	3.5	171,122	(3,526)	-17.4

Note:

U.S.\$1=Yen 98, for convenience only.

[2nd quarter results]

Net sales by industry segment

		2Q of FY2013 (July 1, 2012 - September 30, 2012)		2Q of FY2014 (July 1, 2013 - September 30, 2013)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	90,616	44.2	119,404	47.8	1,218,408	28,788	31.8
	Intersegment	769		675		6,888	(94)	-12.2
	Total	91,385		120,079		1,225,296	28,694	31.4
Magnetic Application Products	External customers	83,432	40.7	92,855	37.2	947,500	9,423	11.3
	Intersegment	46		29		296	(17)	-37.0
	Total	83,478		92,884		947,796	9,406	11.3
Film Application Products	External customers	25,776	12.6	33,130	13.2	338,061	7,354	28.5
	Intersegment	682		720		7,347	38	5.6
	Total	26,458		33,850		345,408	7,392	27.9
Other	External customers	5,202	2.5	4,411	1.8	45,011	(791)	-15.2
	Intersegment	4,258		2,219		22,642	(2,039)	-47.9
	Total	9,460		6,630		67,653	(2,830)	-29.9
Intersegment eliminations		(5,755)		(3,643)		(37,173)	2,112	
Total		205,026	100.0	249,800	100.0	2,548,980	44,774	21.8

Segment profit (loss) by industry segment

		2Q of FY2013 (July 1, 2012 - September 30, 2012)		2Q of FY2014 (July 1, 2013 - September 30, 2013)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		(2,499)	-2.8	6,211	5.2	63,378	8,710	-
Magnetic Application Products		13,158	15.8	7,813	8.4	79,725	(5,345)	-40.6
Film Application Products		5,014	19.5	3,171	9.6	32,357	(1,843)	-36.8
Other		(459)	-8.8	(816)	-18.5	(8,327)	(357)	-
Sub total		15,214	7.4	16,379	6.6	167,133	1,165	7.7
Corporate and Eliminations		(4,086)		(3,989)		(40,704)	97	
Operating income		11,128	5.4	12,390	5.0	126,429	1,262	11.3

Note:

U.S.\$1=Yen 98, for convenience only.

(6) Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.

(7) Consolidated Supplementary Information

1. Exchange rates used for conversion

Term Item	As of September 30, 2012		As of September 30, 2013		As of March 31, 2013	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	77.60	100.24	97.75	131.87	94.05	120.73

2. Sales by region

【1st half results】

Term Region	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(%)
Americas	26,461	6.4	42,249	8.7	431,112	15,788	59.7
Europe	53,890	13.1	68,948	14.2	703,551	15,058	27.9
Asia and others	273,089	66.3	326,880	67.5	3,335,510	53,791	19.7
Overseas sales total	353,440	85.8	438,077	90.4	4,470,173	84,637	23.9
Japan	58,598	14.2	46,651	9.6	476,031	(11,947)	-20.4
Net sales	412,038	100.0	484,728	100.0	4,946,204	72,690	17.6

【2nd quarter results】

Term Region	2Q of FY2013 (July 1, 2012 - September 30, 2012)		2Q of FY2014 (July 1, 2013 - September 30, 2013)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	13,238	6.5	20,910	8.4	213,367	7,672	58.0
Europe	26,325	12.8	34,556	13.8	352,612	8,231	31.3
Asia and others	136,948	66.8	170,905	68.4	1,743,929	33,957	24.8
Overseas sales total	176,511	86.1	226,371	90.6	2,309,908	49,860	28.2
Japan	28,515	13.9	23,429	9.4	239,072	(5,086)	-17.8
Net sales	205,026	100.0	249,800	100.0	2,548,980	44,774	21.8

Notes:

1. U.S.\$1=Yen 98, for convenience only.
2. Overseas sales are based on the location of the customers.
3. The figures for FY2013 are restated based on current calculation method for sales by region.
4. 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 FY2014.

3. Company group

As of September 30, 2013, TDK had 120 consolidated subsidiaries (12 in Japan and 108 overseas). TDK also had 7 affiliates (5 in Japan and 2 overseas), the financial statements for which are accounted for by the equity method.

4. Overview of net sales by product

Term Product	1Q of FY2013 (April 1, 2012 - June 30, 2012)		2Q of FY2013 (July 1, 2012 - September 30, 2012)		3Q of FY2013 (October 1, 2012 - December 31, 2012)		4Q of FY2013 (January 1, 2013 - March 31, 2013)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	31,434	15.2	29,246	14.3	26,600	12.5	30,706	14.0
Inductive devices	28,206	13.6	29,629	14.4	30,573	14.3	31,162	14.3
Other	31,840	15.4	31,741	15.5	35,962	16.9	42,515	19.4
Passive Components	91,480	44.2	90,616	44.2	93,135	43.7	104,383	47.7
Recording devices	59,926	28.9	55,798	27.2	60,177	28.2	57,633	26.3
Other	28,254	13.7	27,634	13.5	24,038	11.3	24,487	11.2
Magnetic Application Products	88,180	42.6	83,432	40.7	84,215	39.5	82,120	37.5
Film Application Products	21,591	10.4	25,776	12.6	30,932	14.5	26,929	12.3
Other	5,761	2.8	5,202	2.5	5,034	2.3	5,396	2.5
Total	207,012	100.0	205,026	100.0	213,316	100.0	218,828	100.0

Term Product	1Q of FY2014 (April 1, 2013 - June 30, 2013)		2Q of FY2014 (July 1, 2013 - September 30, 2013)		
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	33,739	14.3	35,095	14.1	358,112
Inductive devices	34,969	14.9	35,549	14.2	362,745
Other	48,319	20.6	48,760	19.5	497,551
Passive Components	117,027	49.8	119,404	47.8	1,218,408
Recording devices	60,210	25.6	66,305	26.6	676,582
Other	25,985	11.1	26,550	10.6	270,918
Magnetic Application Products	86,195	36.7	92,855	37.2	947,500
Film Application Products	26,996	11.5	33,130	13.2	338,061
Other	4,710	2.0	4,411	1.8	45,011
Total	234,928	100.0	249,800	100.0	2,548,980

Notes: 1. U.S.\$1=Yen 98, for convenience only.

2. 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 and quarter's sales are also excluded to conform to the presentation used for the second quarter of FY2014.