

Announcement of Corporate Split (Simplified Absorption Type

Corporate Split)

November 26, 2014

TDK Corporation (“the Company”) today announced that, at its Board of Directors’ meeting held on November 26, 2014, the Company resolved to succeed entire business of its wholly-owned subsidiary TDK-EPC Corporation (“TDK-EPC”) by way of an absorption type corporate split. The Company signed the corporate split agreement with TDK-EPC today to this effect. Certain disclosures and details have been omitted from this press release because the corporate split involves the succession of a business division only of a wholly owned subsidiary.

1. Purpose of the Corporate Split

TDK-EPC was established by the Company in October 2009 by carving out the core passive components business from the Company. EPCOS AG, a major electronic components manufacturer headquartered in Germany that the Company acquired, and its subsidiaries were placed under TDK-EPC in order to achieve a quick organic integration. The Company has decided to operate the business in a more efficient way within TDK Group through integrating entire business of TDK-EPC into the Company’s business.

2. Outline of the Corporate Split

(1) Corporate split schedule

Board of Directors’ resolution	November 26, 2014
Conclusion of agreement	November 26, 2014
Effective date of corporate split	April 1, 2015 (planned)

(Note) This corporate split does not require a shareholders’ meeting resolution from either company because the corporate split falls under a simplified absorption type corporate split for the Company as set forth in Article 796, Paragraph 3 of the Companies Act of Japan, and a short-form absorption type company split for TDK-EPC as set forth in Article 784, Paragraph 1 of the Companies Act of Japan, respectively.

(2) Corporate split method

This corporate split is an absorption type corporate split in which the Company will be the Succeeding Company, and TDK-EPC will be the Splitting Company.

(3) Details of allotments relating to the corporate split

There will be no consideration such as allotment of shares or payment of cash due to this corporate split.

(4) Treatment of stock acquisition rights and corporate bonds with stock acquisition rights following

this corporate split

TDK-EPC has not issued any stock acquisition rights or corporate bonds with stock acquisition rights.

(5) Paid-in capital increase or reduction due to this corporate split

There will be no change in paid-in capital due to this corporate split.

(6) Rights and obligations to be succeeded to by the Succeeding Company

The Company will succeed to the entire business of TDK-EPC as of the effective date and its assets, liabilities, contractual positions and rights and obligations thereunder relating thereto.

TDK-EPC continues to hold shares of its subsidiaries, including EPCOS AG.

(7) Capability of satisfying liabilities

The Company has judged that there are no obstacles to satisfying the liabilities that become due after the effective date of this corporate split.

3. Outline of the Companies Involved in the Corporate Split

(As of March 31, 2014)

	Succeeding Company	Splitting Company
Name	TDK Corporation	TDK-EPC Corporation
Head Office	3-9-1, Shibaura, Minato-ku, Tokyo	3-9-1, Shibaura, Minato-ku, Tokyo
Representative	Takehiro Kamigama, President & CEO	Hiroyuki Uemura, President & CEO
Business	Development, manufacture and sale of various electronic components, magnetic application products, etc.	Development, manufacture and sale of passive components.
Paid-in Capital	¥32,641 million	¥2,000 million
Date of Incorporation	December 7, 1935	October 1, 2009
No. of Issued Shares	129,590,659	100
Fiscal Year-end	March 31	March 31
No. of Employees	83,581 (Consolidated)	1,771
Net Assets	¥652,243 million (Consolidated)	¥69,040 million (Non-consolidated)
Total Assets	¥1,239,589 million (Consolidated)	¥320,514 million (Non-consolidated)
Net Assets per Share	¥5,049.72 (Consolidated) *1	¥690 million (Non-consolidated)
Net Sales	¥984,525 million (Consolidated)	¥148,669 million (Non-consolidated)

Operating Income	¥36,616 million (Consolidated)	¥5,641 million (Non-consolidated)
Current Income	*2	¥6,824 million (Non-consolidated)
Net Income	¥16,288 million (Consolidated) *3	¥9,248 million (Non-consolidated)
Net Income per Common Share	¥129.47 (Consolidated) *3	¥92 million (Non-consolidated)
Major Shareholders and Percentage of shares held	The Master Trust Bank of Japan, Ltd. (Trust account) 11.32% Japan Trustee Services Bank, Ltd. (Trust account) 8.07% JP MORGAN CHASE BANK 380072 3.61%	TDK Corporation 100.00%

*1: Since the Company has been adopting the United States Generally Accepted Accounting Principles (U.S.GAAP), the figure represents “TDK stockholders’ equity per share”.

*2: The item “Current Income” is omitted since it does not exist under U.S.GAAP, which has been adopted by TDK Corporation on a consolidated basis.

*3: Since the Company has been adopting U.S.GAAP, these figures represent “Net income attributable to TDK” and “Net income attributable to TDK per share”.

4. Outline of the Business Division Being Succeeded

(1) Details of the business division being succeeded

Development, manufacture and sale of passive components

(2) Operating results of the division being succeeded (Year ended March 31, 2014-)

Net sales: ¥148,669 million

(3) Assets and liabilities being succeeded

(As of March 31, 2014)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current Assets	¥73,953 million	Current Assets	¥98,790 million
Fixed Assets	¥52,413 million	Fixed Assets	¥5,717 million
Total	¥126,366 million	Total	¥104,508 million

5. Status after the Corporate Split

The Company’s name, address, names and positions of representatives, scope of business, paid-in capital and fiscal year-end will not change as a result of this corporate split.

6. Outlook

This corporate split will not have a material impact on the Company's consolidated business performance because it concerns a corporate split of a wholly-owned subsidiary of the Company.

Contact for media

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