



TDK Corporation  
January 30, 2015

**Contact;**

TDK Corporation (Tokyo)

Corporate Communications Department

Sumio Marukawa

+81(3)6852-7102

**Consolidated results (U.S. GAAP) for the 3rd quarter of FY March 2015**

**Summary (April 1, 2014 - December 31, 2014)**

Term Item	The 9-month-period of FY2014 (Apr. 1, 2013 - Dec. 31, 2013)		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	742,023	100.0	802,652	100.0	6,633,488	60,629	8.2
Operating income	34,951	4.7	53,104	6.6	438,876	18,153	51.9
Income from continuing operations before income taxes	35,668	4.8	49,597	6.2	409,893	13,929	39.1
Net income attributable to TDK	15,713	2.1	34,536	4.3	285,421	18,823	119.8
Per common share :							
Net income attributable to TDK / Basic	Yen 124.90		Yen 274.43		U.S.\$ 2.27		
Net income attributable to TDK / Diluted	Yen 119.52		Yen 265.25		U.S.\$ 2.19		
Capital expenditures	47,940	-	70,604	-	583,504	22,664	47.3
Depreciation and amortization	61,553	8.3	59,773	7.4	493,992	(1,780)	-2.9
Research and development	47,300	6.4	51,702	6.4	427,289	4,402	9.3
Result of financial income (loss)	(145)	-	910	-	7,521	1,055	-
Ratio of overseas production	87.8%	-	88.2%	-	-		
Number of employees	86,078	-	87,152	-	-		

**3rd quarter consolidated results  
(October 1, 2014 - December 31, 2014)**

Term Item	3Q of FY2014 (Oct. 1, 2013 - Dec. 31, 2013)		3Q of FY2015 (October 1, 2014 - December 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	258,239	100.0	300,377	100.0	2,482,455	42,138	16.3
Operating income	17,916	6.9	25,182	8.4	208,116	7,266	40.6
Income from continuing operations before income taxes	17,587	6.8	22,241	7.4	183,810	4,654	26.5
Net income attributable to TDK	9,309	3.6	16,396	5.5	135,504	7,087	76.1
Per common share :							
Net income attributable to TDK / Basic	Yen 73.99		Yen 130.24		U.S.\$ 1.08		
Net income attributable to TDK / Diluted	Yen 71.77		Yen 124.94		U.S.\$ 1.03		
Capital expenditures	18,652	-	27,802	-	229,769	9,150	49.1
Depreciation and amortization	20,427	7.9	20,590	6.9	170,165	163	0.8
Research and development	16,136	6.2	17,598	5.9	145,438	1,462	9.1
Result of financial income (loss)	130	-	128	-	1,058	(2)	-
Ratio of overseas production	89.9%	-	89.6%	-	-		

**Notes:**

1. U.S.\$1=Yen 121, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are restated.

**[Contents]**

**1. Summary Information Regarding Financial Results for the Third Quarter of Fiscal 2015**

- |   |    |      |
|---|----|------|
| (1) Summary Information Regarding Consolidated Business Results   | .. | P. 2 |
| (2) Summary Information Regarding Consolidated Financial Position | .. | P. 6 |
| (3) Summary Information Regarding Consolidated Projections        | .. | P. 8 |

**2. Other Information**

- |  |    |      |
|--|----|------|
| (1) Changes in Significant Subsidiaries  | .. | P.10 |
| (2) Simplified Accounting Treatment and Special Accounting Treatment           | .. | P.10 |
| (3) Accounting Policy Changes, Accounting Estimate Changes and Restatements    | .. | P.10 |
| (4) Fundamental Policy for Distribution of Earnings, and Fiscal 2015 Dividends | .. | P.10 |

**3. Consolidated Financial Statements**

- |  |    |      |
|--|----|------|
| (1) Balance Sheets   | .. | P.11 |
| (2) Statements of Income and Statements of Comprehensive Income  | .. | P.12 |
| (3) Statements of Cash Flows                                     | .. | P.14 |
| (4) Notes Relating to Going Concern Assumptions                  | .. | P.15 |
| (5) Segment Information  | .. | P.15 |
| (6) Notes Concerning Significant Changes in Stockholders' Equity | .. | P.16 |
| (7) Consolidated Supplementary Information                       | .. | P.17 |

## [Summary Information and Financial Statements]

### 1. Summary Information Regarding Financial Results for the Third Quarter of Fiscal 2015

#### (1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first nine months of fiscal 2015, the period from April 1 to December 31, 2014, are as follows.

Looking at the world economy in the first nine months of fiscal 2015, the U.S. economy continued to expand, driven mainly by improvements in corporate earnings, an improving employment environment and firm personal spending. Meanwhile, uncertainty is spreading across emerging economies, with the Chinese economy experiencing a slower growth rate and the Russian economy weakening due to low crude oil prices, among other factors. Under these economic circumstances, taking a general view of the electronics market, which has a significant bearing on the consolidated performance of TDK, production levels differ by finished product. Production of smartphones was much higher than in the same period of fiscal 2014, mainly due to growing demand in the Chinese market and the launch of new mobile handsets by major manufacturer. Production of tablet devices was also higher year on year, but a few uncertainties about future growth in demand are also starting to appear. Production of automobiles rose year on year, driven mainly by solid automobile sales in the U.S. Production of PCs remained at the same level year on year, upsetting initial market expectations of a decline, as demand for replacement PCs spurred by the end of support for Windows XP continued after April 2014. Production of hard disk drives (HDDs) was slightly higher than in the same period of the previous fiscal year, due to higher demand for PCs and game consoles, along with gradual expansion in the data center market.

In this business environment, the TDK Group's consolidated operating results for the first nine months of fiscal 2015 were as follows.

Term Item	The 9-month-period of FY2014 (Apr. 1, 2013 - Dec. 31, 2013)		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	742,023	100.0	802,652	100.0	6,633,488	60,629	8.2
Operating income	34,951	4.7	53,104	6.6	438,876	18,153	51.9
Income from continuing operations before income taxes	35,668	4.8	49,597	6.2	409,893	13,929	39.1
Net income attributable to TDK	15,713	2.1	34,536	4.3	285,421	18,823	119.8
Per common share :							
Net income attributable to TDK / Basic	Yen 124.90		Yen 274.43		U.S.\$ 2.27		
Net income attributable to TDK / Diluted	Yen 119.52		Yen 265.25		U.S.\$ 2.19		

#### Notes:

1. U.S.\$1=Yen 121, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are restated.

Average yen exchange rates for the U.S. dollar and euro during the first nine months of fiscal 2015 were ¥106.78 and ¥140.24, respectively, as the yen depreciated 7.4% versus the U.S. dollar and 6.1% against the euro, compared with the same period of fiscal 2014. This increased net sales by approximately ¥46.5 billion and operating income by approximately ¥9.9 billion.

## Sales by Product

Term Product	The 9-month-period of FY2014 (April 1, 2013 - December 31, 2013)		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	103,540	14.0	111,316	13.9	919,967	7,776	7.5
Inductive devices	105,421	14.2	115,856	14.4	957,487	10,435	9.9
Other Passive Components	144,607	19.5	174,666	21.8	1,443,521	30,059	20.8
Passive Components	353,568	47.7	401,838	50.1	3,320,975	48,270	13.7
Recording devices	195,504	26.3	197,901	24.7	1,635,545	2,397	1.2
Other Magnetic Application Products	79,285	10.7	81,179	10.1	670,901	1,894	2.4
Magnetic Application Products	274,789	37.0	279,080	34.8	2,306,446	4,291	1.6
Film Application Products	100,213	13.5	107,136	13.3	885,422	6,923	6.9
Other	13,453	1.8	14,598	1.8	120,645	1,145	8.5
Total	742,023	100.0	802,652	100.0	6,633,488	60,629	8.2
Overseas sales	672,510	90.6	732,666	91.3	6,055,091	60,156	8.9

### Notes:

1. U.S.\$1=Yen 121, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are excluded.

## (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 ¥401,838 million (U.S.\$3,320,975 thousand), up 13.7% year on year from ¥353,568 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥111,316 million (U.S.\$919,967 thousand), up 7.5% year on year from ¥103,540 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 9.9% year on year from ¥105,421 million to ¥115,856 million (U.S.\$957,487 thousand). Sales increased to the automotive and the ICT (Information and Communications Technology) markets.

Other passive components include high-frequency devices, piezoelectric material products and circuit protection components, and sensors. Sales of other passive components increased 20.8% year on year from ¥144,607 million to ¥174,666 million (U.S.\$1,443,521

thousand). Sales of high-frequency devices increased to the automotive and the ICT markets. Sales of piezoelectric material products and circuit protection components increased to the automotive and the ICT markets. 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 1.6% year on year, from ¥274,789 million to ¥279,080 million (U.S.\$2,306,446 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded consolidated sales of ¥197,901 million (U.S.\$1,635,545 thousand), up 1.2% from ¥195,504 million. Sales of HDD heads rose in monetary terms, despite a slight decrease in sales volume. The higher monetary sales reflected an improved product mix as demand started to grow for HDD heads for data centers, and the impact of the weaker yen against the U.S. dollar.

Other magnetic application products include power supplies and magnets. Sales increased 2.4% year on year from ¥79,285 million to ¥81,179 million (U.S.\$670,901 thousand). Sales of power supplies increased to the industrial equipment market. Sales of magnets overall were almost on a par with the corresponding period of the previous fiscal year.

## (3) Film Application Products Segment

This segment includes energy devices (rechargeable batteries) and applied films. Sales increased 6.9% from ¥100,213 million to ¥107,136 million (U.S.\$885,422 thousand). Sales of energy devices increased to the ICT market.

## (4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales increased 8.5% from ¥13,453 million to ¥14,598 million (U.S.\$120,645 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 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 equipments), other

### **[Sales by Region]**

Overseas sales increased 8.9% year on year from ¥672,510 million to ¥732,666 million (U.S.\$6,055,091 thousand). Overseas sales accounted for 91.3% of consolidated net sales, a 0.7 percentage point increase from 90.6% in the same period of fiscal 2014. Detailed information on sales by region can be found in the consolidated supplementary information on page 17.

## **(2) Summary Information Regarding Consolidated Financial Position**

(1) The following table summarizes TDK's consolidated balance sheet as of December 31, 2014.

Total assets	¥1,425,804 million	(15.0% increase)
Total TDK stockholders' equity	¥745,761 million	(17.4% increase)
Stockholders' equity ratio	52.3%	(1.0 point increase)

As of December 31, 2014, total assets had increased ¥186,215 million compared with March 31, 2014. This increase mainly reflected a ¥24,297 million increase in terms of net liquidity (cash and cash equivalent, short-term investments, marketable securities), a ¥49,630 million increase in net trade receivables, a ¥23,605 million increase in inventories and a ¥49,597 million increase in net property, plant and equipment.

Total liabilities increased ¥74,465 million from March 31, 2014. Short-term debt decreased ¥8,194 million, while trade payable, accrued expenses and long-term debt, excluding current installments increased ¥28,680 million, ¥21,439 million and ¥28,038 million, respectively.

TDK stockholders' equity, which is included in total equity, increased ¥110,434 million from March 31, 2014. Accumulated other comprehensive income (loss) increased ¥103,328 million, mainly due to a upturn in foreign currency translation adjustments compared with March 31, 2014 as a result of the yen's depreciation.

## (2) Cash Flows

(Yen millions)

	The 9-month-period of FY2014	The 9-month-period of FY2015	Change
Net cash provided by operating activities	85,477	89,316	3,839
Net cash used in investing activities	(43,092)	(93,076)	(49,984)
Net cash used in financing activities	(19,383)	(19,714)	(331)
Effect of exchange rate changes on cash and cash equivalents	27,592	36,241	8,649
Net increase in cash and cash equivalents	50,594	12,767	(37,827)
Cash and cash equivalents at beginning of period	213,687	250,848	37,161
Cash and cash equivalents at end of period	264,281	263,615	(666)

Operating activities provided net cash of ¥89,316 million (U.S.\$738,149 thousand), an increase of ¥3,839 million year on year.

Investing activities used net cash of ¥93,076 million (U.S.\$769,223 thousand), an increase of ¥49,984 million year on year. It mainly came from the increase in capital expenditure and disbursement for loans made by TDK.

Financing activities used net cash of ¥19,714 million (U.S.\$162,926 thousand), an increase of ¥331 million year on year.

### (3) Summary Information Regarding Consolidated Projections

(Fiscal 2015 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2015, the year ending March 31, 2015, are as follows.

Term  Item	FY2015 (April 1, 2014 - March 31, 2015)	FY2015 (April 1, 2014 - March 31, 2015)	FY2015 (April 1, 2014 - March 31, 2015)	FY2014 (April 1, 2013 - March 31, 2014)	vs FY2014 Changes	
	Forecast in January '15	Forecast in October '14	Forecast in April '14	Actual		
	(Yen billions)	(Yen billions)	(Yen billions)	(Yen billions)	(Yen billions)	%
Net sales	1,080.0	1,050.0	1,050.0	984.5	95.5	9.7
Operating income	70.0	63.0	57.0	36.6	33.4	91.3
Income from continuing operations before income taxes	68.0	62.0	56.0	39.8	28.2	70.9
Net income attributable to TDK	42.0	37.0	34.0	16.3	25.7	157.7
Capital expenditures	90.0	90.0	80.0	68.6	21.4	31.2
Depreciation and amortization	83.0	83.0	83.0	82.9	0.1	0.1
Research and development	69.0	68.0	68.0	63.4	5.6	8.8

(Notes)

The TDK Group (defined below) has revised its performance projections from those announced on October 31, 2014. The revisions are based on projections for electronics demand in light of the Group's current information about electronics markets and its main finished products, and the yen is also expected to grow weaker against the U.S. dollar than previously assumed.

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥115.00 and ¥135.00 respectively will be assumed from the fourth quarter onward.

### Cautionary Statements with Respect to Forward-Looking Statements

This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings and evaluations, about TDK 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

Media Technology Corporation finalized its liquidation process in the quarter ended June 30, 2014.

### (2) Simplified Accounting Treatment and Special Accounting Treatment

Nothing to report

### (3) Accounting Policy Changes, Accounting Estimate Changes and Restatements

Nothing to report

### (4) Fundamental Policy for Distribution of Earnings, and Fiscal 2015 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 2015 are as follows. TDK has revised the year-end dividend forecast to 50 yen from 40 yen, based on the revision of the consolidated projections for Fiscal 2015 as well as on the fundamental policy for distribution of earnings.

(Yen)

	FY2015	FY2014 Actual
Interim dividend	40.00	30.00
Year-end dividend	(Forecast) 50.00	40.00
Annual dividend	(Forecast) 90.00	70.00

### 3. Consolidated Financial Statements

#### (1) Balance Sheets

ASSETS									
Term Item	As of March 31, 2014		As of December 31, 2014			Change from March 31, 2014	As of Sept. 30, 2014		Change from Sept. 30, 2014
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	653,285	52.7	762,704	53.5	6,303,339	109,419	702,427	53.5	60,277
Cash and cash equivalents	250,848		263,615		2,178,636	12,767	244,241		19,374
Short-term investments	8,691		18,919		156,355	10,228	14,077		4,842
Marketable securities	-		1,302		10,760	1,302	-		1,302
Net trade receivables	206,472		256,102		2,116,546	49,630	239,187		16,915
Inventories	136,387		159,992		1,322,248	23,605	149,966		10,026
Other current assets	50,887		62,774		518,794	11,887	54,956		7,818
Noncurrent assets	586,304	47.3	663,100	46.5	5,480,165	76,796	609,830	46.5	53,270
Investments in securities	38,401		39,768		328,661	1,367	41,462		(1,694)
Net property, plant and equipment	374,032		423,629		3,501,066	49,597	396,160		27,469
Other assets	173,871		199,703		1,650,438	25,832	172,208		27,495
<b>TOTAL</b>	<b>1,239,589</b>	<b>100.0</b>	<b>1,425,804</b>	<b>100.0</b>	<b>11,783,504</b>	<b>186,215</b>	<b>1,312,257</b>	<b>100.0</b>	<b>113,547</b>

LIABILITIES AND EQUITY									
Term Item	As of March 31, 2014		As of December 31, 2014			Change from March 31, 2014	As of Sept. 30, 2014		Change from Sept. 30, 2014
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	373,781	30.2	417,011	29.2	3,446,372	43,230	386,594	29.5	30,417
Short-term debt	132,237		124,043		1,025,149	(8,194)	114,899		9,144
Current installments of long-term debt	37,147		36,018		297,669	(1,129)	36,171		(153)
Trade payables	95,688		124,368		1,027,835	28,680	115,605		8,763
Accrued expenses	86,664		108,103		893,413	21,439	98,924		9,179
Other current liabilities	22,045		24,479		202,306	2,434	20,995		3,484
Noncurrent liabilities	213,565	17.2	244,800	17.2	2,023,140	31,235	233,572	17.8	11,228
Long-term debt, excluding current installments	97,623		125,661		1,038,520	28,038	116,230		9,431
Retirement and severance benefits	93,777		98,206		811,620	4,429	95,490		2,716
Other noncurrent liabilities	22,165		20,933		173,000	(1,232)	21,852		(919)
<b>Total liabilities</b>	<b>587,346</b>	<b>47.4</b>	<b>661,811</b>	<b>46.4</b>	<b>5,469,512</b>	<b>74,465</b>	<b>620,166</b>	<b>47.3</b>	<b>41,645</b>
Common stock	32,641		32,641		269,760	-	32,641		-
Additional paid-in capital	57,635		39,688		328,000	(17,947)	47,435		(7,747)
Legal reserve	26,651		29,533		244,074	2,882	26,998		2,535
Retained earnings	624,919		646,479		5,342,802	21,560	637,652		8,827
Accumulated other comprehensive income (loss)	(87,134)		16,194		133,835	103,328	(51,891)		68,085
Treasury stock	(19,385)		(18,774)		(155,157)	611	(19,156)		382
<b>Total TDK stockholders' equity</b>	<b>635,327</b>	<b>51.3</b>	<b>745,761</b>	<b>52.3</b>	<b>6,163,314</b>	<b>110,434</b>	<b>673,679</b>	<b>51.3</b>	<b>72,082</b>
Noncontrolling interests	16,916	1.3	18,232	1.3	150,678	1,316	18,412	1.4	(180)
<b>Total equity</b>	<b>652,243</b>	<b>52.6</b>	<b>763,993</b>	<b>53.6</b>	<b>6,313,992</b>	<b>111,750</b>	<b>692,091</b>	<b>52.7</b>	<b>71,902</b>
<b>TOTAL</b>	<b>1,239,589</b>	<b>100.0</b>	<b>1,425,804</b>	<b>100.0</b>	<b>11,783,504</b>	<b>186,215</b>	<b>1,312,257</b>	<b>100.0</b>	<b>113,547</b>

**Note:**

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

## (2) Statements of Income and Statements of Comprehensive Income

[9-month-period results]

### Statements of Income

Term Item	The 9-month-period of FY2014 (April 1, 2013 - December 31, 2013)		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	742,023	100.0	802,652	100.0	6,633,488	60,629	8.2
Cost of sales	572,936	77.2	596,073	74.3	4,926,224	23,137	4.0
Gross profit	169,087	22.8	206,579	25.7	1,707,264	37,492	22.2
Selling, general and administrative expenses	134,136	18.1	153,475	19.1	1,268,388	19,339	14.4
Operating income	34,951	4.7	53,104	6.6	438,876	18,153	51.9
Other income (deductions):							
Interest and dividend income	2,388		3,149		26,025	761	
Interest expense	(2,533)		(2,239)		(18,504)	294	
Foreign exchange gain (loss)	(732)		(4,064)		(33,587)	(3,332)	
Other-net	1,594		(353)		(2,917)	(1,947)	
Total other income (deductions)	717	0.1	(3,507)	-0.4	(28,983)	(4,224)	-
Income from continuing operations before income taxes	35,668	4.8	49,597	6.2	409,893	13,929	39.1
Income taxes	13,448	1.8	12,722	1.6	105,141	(726)	-5.4
Income from continuing operations	22,220	3.0	36,875	4.6	304,752	14,655	66.0
Loss from discontinued operations	(5,051)	-0.7	-	-	-	5,051	-
Net income	17,169	2.3	36,875	4.6	304,752	19,706	114.8
Less: Net income attributable to noncontrolling interests	1,456	0.2	2,339	0.3	19,331	883	60.6
Net income attributable to TDK	15,713	2.1	34,536	4.3	285,421	18,823	119.8

**Notes:**

1. U.S.\$1=Yen 121, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are restated.

### Statements of Comprehensive Income

Term Item	The 9-month-period of FY2014 (April 1, 2013 - December 31, 2013)		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)		Change
	(Yen millions)		(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	17,169		36,875	304,752	19,706
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	79,424		105,445	871,446	26,021
Pension liability adjustments	1,596		(1,619)	(13,380)	(3,215)
Net unrealized gains (losses) on securities	3,988		1,251	10,339	(2,737)
Total other comprehensive income (loss)	85,008		105,077	868,405	20,069
Comprehensive income	102,177		141,952	1,173,157	39,775
Comprehensive income attributable to noncontrolling interests	3,473		5,019	41,479	1,546
Comprehensive income attributable to TDK	98,704		136,933	1,131,678	38,229

**Note:**

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

[3rd quarter results]

Statements of Income

Term Item	3Q of FY2014 (October 1, 2013 - December 31, 2013)		3Q of FY2015 (October 1, 2014 - December 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	258,239	100.0	300,377	100.0	2,482,455	42,138	16.3
Cost of sales	195,390	75.7	219,928	73.2	1,817,587	24,538	12.6
Gross profit	62,849	24.3	80,449	26.8	664,868	17,600	28.0
Selling, general and administrative expenses	44,933	17.4	55,267	18.4	456,752	10,334	23.0
Operating income	17,916	6.9	25,182	8.4	208,116	7,266	40.6
Other income (deductions):							
Interest and dividend income	985		920		7,603	(65)	
Interest expense	(855)		(792)		(6,545)	63	
Foreign exchange gain (loss)	(911)		(2,788)		(23,042)	(1,877)	
Other-net	452		(281)		(2,322)	(733)	
Total other income (deductions)	(329)	-0.1	(2,941)	-1.0	(24,306)	(2,612)	-
Income from continuing operations before income taxes	17,587	6.8	22,241	7.4	183,810	4,654	26.5
Income taxes	6,172	2.4	4,953	1.6	40,934	(1,219)	-19.8
Income from continuing operations	11,415	4.4	17,288	5.8	142,876	5,873	51.4
Loss from discontinued operations	(1,272)	-0.5	-	-	-	1,272	-
Net income	10,143	3.9	17,288	5.8	142,876	7,145	70.4
Less: Net income attributable to noncontrolling interests	834	0.3	892	0.3	7,372	58	7.0
Net income attributable to TDK	9,309	3.6	16,396	5.5	135,504	7,087	76.1

Notes:

1. U.S.\$1=Yen 121, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are restated.

Statements of Comprehensive Income

Term Item	3Q of FY2014 (October 1, 2013 - December 31, 2013)	3Q of FY2015 (October 1, 2014 - December 31, 2014)		Change
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	10,143	17,288	142,876	7,145
Other comprehensive income (loss), net of taxes:				
Foreign currencies translation adjustments	50,668	68,217	563,777	17,549
Pension liability adjustments	505	753	6,223	248
Net unrealized gains (losses) on securities	857	(54)	(446)	(911)
Total other comprehensive income (loss)	52,030	68,916	569,554	16,886
Comprehensive income	62,173	86,204	712,430	24,031
Comprehensive income attributable to noncontrolling interests	2,034	2,366	19,554	332
Comprehensive income attributable to TDK	60,139	83,838	692,876	23,699

Note:

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

**(3) Statements of Cash Flows**

Term Item	The 9-month- period of FY2014 (April 1, 2013 - December 31, 2013)	The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	17,169	36,875	304,752
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	61,752	59,773	493,992
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(11,278)	(10,338)	(85,438)
Decrease (increase) in inventories	622	(9,014)	(74,496)
Increase (decrease) in trade payables	5,652	1,536	12,694
Increase (decrease) in accrued expenses	602	974	8,050
Decrease (increase) in other assets and liabilities, net	8,800	(2,230)	(18,430)
Other-net	2,158	11,740	97,025
Net cash provided by operating activities	85,477	89,316	738,149
Cash flows from investing activities:			
Capital expenditures	(47,940)	(70,604)	(583,504)
Proceeds from sale and maturity of short-term investments	15,053	11,347	93,777
Payment for purchase of short-term investments	(16,241)	(19,230)	(158,926)
Payment for purchase of securities	(960)	(230)	(1,901)
Disbursement for loans made by TDK	(999)	(23,706)	(195,917)
Proceeds from sales of tangible and intangible assets	4,238	6,945	57,397
Other-net	3,757	2,402	19,851
Net cash used in investing activities	(43,092)	(93,076)	(769,223)
Cash flows from financing activities:			
Proceeds from long-term debt	33,619	26,711	220,752
Repayment of long-term debt	(3,605)	(1,761)	(14,554)
Increase (decrease) in short-term debt, net	(27,687)	(12,709)	(105,033)
Dividends paid	(7,533)	(10,053)	(83,083)
Acquisition of noncontrolling interests	(13,981)	(24,608)	(203,372)
Other-net	(196)	2,706	22,364
Net cash used in financing activities	(19,383)	(19,714)	(162,926)
Effect of exchange rate changes on cash and cash equivalents	27,592	36,241	299,512
Net increase in cash and cash equivalents	50,594	12,767	105,512
Cash and cash equivalents at beginning of period	213,687	250,848	2,073,124
Cash and cash equivalents at end of period	264,281	263,615	2,178,636

**Notes:**

1. U.S.\$1=Yen 121, 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 Relating to 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 Financial Accounting Standards Board Accounting Standards Codification No. 205-20, "Presentation of Financial Statements-Discontinued Operations", figures related to the discontinued operations are excluded.

#### [9-month-period results]

##### Net sales by industry segment

		The 9-month-period of FY2014 (April 1, 2013 - December 31, 2013)		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	353,568	47.7	401,838	50.1	3,320,975	48,270	13.7
	Intersegment	2,224		2,261		18,686	37	1.7
	Total	355,792		404,099		3,339,661	48,307	13.6
Magnetic Application Products	External customers	274,789	37.0	279,080	34.8	2,306,446	4,291	1.6
	Intersegment	336		162		1,339	(174)	-51.8
	Total	275,125		279,242		2,307,785	4,117	1.5
Film Application Products	External customers	100,213	13.5	107,136	13.3	885,422	6,923	6.9
	Intersegment	2,208		2,204		18,215	(4)	-0.2
	Total	102,421		109,340		903,637	6,919	6.8
Other	External customers	13,453	1.8	14,598	1.8	120,645	1,145	8.5
	Intersegment	6,662		13,295		109,876	6,633	99.6
	Total	20,115		27,893		230,521	7,778	38.7
Intersegment eliminations		(11,430)		(17,922)		(148,116)	(6,492)	
Total		742,023	100.0	802,652	100.0	6,633,488	60,629	8.2

##### Segment profit (loss) by industry segment

		The 9-month-period of FY2014 (April 1, 2013 - December 31, 2013)		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		15,117	4.3	29,547	7.4	244,190	14,430	95.5
Magnetic Application Products		22,692	8.3	22,593	8.1	186,719	(99)	-0.4
Film Application Products		12,205	12.2	15,154	14.1	125,240	2,949	24.2
Other		(2,434)	-18.1	(204)	-1.4	(1,686)	2,230	-
Sub total		47,580	6.4	67,090	8.4	554,463	19,510	41.0
Corporate and Eliminations		(12,629)		(13,986)		(115,587)	(1,357)	
Operating income		34,951	4.7	53,104	6.6	438,876	18,153	51.9

**Note:**

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

### [3rd quarter results]

#### Net sales by industry segment

		3Q of FY2014 (October 1, 2013 - December 31, 2013)		3Q of FY2015 (October 1, 2014 - December 31, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	117,137	45.4	146,064	48.6	1,207,141	28,927	24.7
	Intersegment	690		795		6,570	105	15.2
	Total	117,827		146,859		1,213,711	29,032	24.6
Magnetic Application Products	External customers	95,739	37.1	101,580	33.8	839,504	5,841	6.1
	Intersegment	15		76		628	61	406.7
	Total	95,754		101,656		840,132	5,902	6.2
Film Application Products	External customers	41,031	15.9	47,417	15.8	391,876	6,386	15.6
	Intersegment	754		736		6,083	(18)	-2.4
	Total	41,785		48,153		397,959	6,368	15.2
Other	External customers	4,332	1.6	5,316	1.8	43,934	984	22.7
	Intersegment	2,229		5,427		44,851	3,198	143.5
	Total	6,561		10,743		88,785	4,182	63.7
Intersegment eliminations		(3,688)		(7,034)		(58,132)	(3,346)	
Total		258,239	100.0	300,377	100.0	2,482,455	42,138	16.3

#### Segment profit (loss) by industry segment

		3Q of FY2014 (October 1, 2013 - December 31, 2013)		3Q of FY2015 (October 1, 2014 - December 31, 2014)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		6,084	5.2	11,946	8.2	98,727	5,862	96.4
Magnetic Application Products		10,256	10.7	7,281	7.2	60,173	(2,975)	-29.0
Film Application Products		6,805	16.6	9,642	20.3	79,686	2,837	41.7
Other		(796)	-18.4	108	2.0	893	904	-
Sub total		22,349	8.7	28,977	9.6	239,479	6,628	29.7
Corporate and Eliminations		(4,433)		(3,795)		(31,363)	638	
Operating income		17,916	6.9	25,182	8.4	208,116	7,266	40.6

**Note:**

U.S.\$1=Yen 121, 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 December 31, 2013		As of December 31, 2014		As of March 31, 2014	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	105.39	145.05	120.55	146.54	102.92	141.65

### 2. Sales by region

#### 【9-month-period results】

Term \ Region	The 9-month-period of FY2014 (April 1, 2013 - December 31, 2013)		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	62,292	8.4	65,318	8.1	539,818	3,026	4.9
Europe	101,845	13.7	110,429	13.8	912,636	8,584	8.4
Asia and others	508,373	68.5	556,919	69.4	4,602,637	48,546	9.5
Overseas sales total	672,510	90.6	732,666	91.3	6,055,091	60,156	8.9
Japan	69,513	9.4	69,986	8.7	578,397	473	0.7
Net sales	742,023	100.0	802,652	100.0	6,633,488	60,629	8.2

#### 【3rd quarter results】

Term \ Region	3Q of FY2014 (October 1, 2013 - December 31, 2013)		3Q of FY2015 (October 1, 2014 - December 31, 2014)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	20,069	7.8	23,831	7.9	196,951	3,762	18.7
Europe	32,910	12.7	36,542	12.2	302,000	3,632	11.0
Asia and others	181,520	70.3	217,036	72.3	1,793,686	35,516	19.6
Overseas sales total	234,499	90.8	277,409	92.4	2,292,637	42,910	18.3
Japan	23,740	9.2	22,968	7.6	189,818	(772)	-3.3
Net sales	258,239	100.0	300,377	100.0	2,482,455	42,138	16.3

#### Notes:

1. U.S.\$1=Yen 121, for convenience only.
2. Overseas sales are based on the location of the customers.
3. Net sales related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are excluded.

### 3. Company group

As of December 31, 2014, TDK had 116 consolidated subsidiaries (12 in Japan and 104 overseas). TDK also had 7 affiliates (4 in Japan and 3 overseas), the financial statements for which are accounted for by the equity method.

#### 4. Overview of net sales by product

Term Product	1Q of FY2014 (April 1, 2013 - June 30, 2013)		2Q of FY2014 (July 1, 2013 - September 30, 2013)		3Q of FY2014 (October 1, 2013 - December 31, 2013)		4Q of FY2014 (January 1, 2014 - March 31, 2014)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	33,739	14.4	35,095	14.1	34,706	13.5	36,075	14.9
Inductive devices	34,969	14.9	35,549	14.3	34,903	13.5	34,888	14.4
Other	48,319	20.6	48,760	19.5	47,528	18.4	47,142	19.4
Passive Components	117,027	49.9	119,404	47.9	117,137	45.4	118,105	48.7
Recording devices	60,210	25.7	66,305	26.6	68,989	26.7	61,199	25.2
Other	25,985	11.1	26,550	10.6	26,750	10.4	28,303	11.7
Magnetic Application Products	86,195	36.8	92,855	37.2	95,739	37.1	89,502	36.9
Film Application Products	26,467	11.3	32,715	13.1	41,031	15.9	29,091	12.0
Other	4,710	2.0	4,411	1.8	4,332	1.6	5,804	2.4
Total	234,399	100.0	249,385	100.0	258,239	100.0	242,502	100.0

Term Product	1Q of FY2015 (April 1, 2014 - June 30, 2014)		2Q of FY2015 (July 1, 2014 - September 30, 2014)		3Q of FY2015 (October 1, 2014 - December 31, 2014)		
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	36,490	15.4	37,308	14.1	37,518	12.5	310,066
Inductive devices	36,738	15.5	38,811	14.7	40,307	13.4	333,116
Other	50,186	21.1	56,241	21.2	68,239	22.7	563,959
Passive Components	123,414	52.0	132,360	50.0	146,064	48.6	1,207,141
Recording devices	59,074	24.8	63,739	24.0	75,088	25.0	620,562
Other	27,983	11.8	26,704	10.1	26,492	8.8	218,942
Magnetic Application Products	87,057	36.6	90,443	34.1	101,580	33.8	839,504
Film Application Products	22,484	9.5	37,235	14.1	47,417	15.8	391,876
Other	4,507	1.9	4,775	1.8	5,316	1.8	43,934
Total	237,462	100.0	264,813	100.0	300,377	100.0	2,482,455

**Notes:**

1. U.S.\$1=Yen 121, for convenience only.
2. Net sales related to the data tape business and the blu-ray business, which became discontinued operations in the year ended March 31, 2014, are excluded.