



TDK Corporation  
April 28, 2015

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TDK Corporation (Tokyo)

Corporate Communications Group

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**Consolidated results (U.S. GAAP) for FY March 2015**

**Summary (April 1, 2014 - March 31, 2015)**

Term Item	FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)			Change	
	(Yen millions)		(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	984,525	100.0	1,082,560	100.0	9,021,333	98,035	10.0
Operating income	36,616	3.7	72,459	6.7	603,825	35,843	97.9
Income from continuing operations before income taxes	39,772	4.0	74,517	6.9	620,975	34,745	87.4
Net income attributable to TDK	16,288	1.7	49,440	4.6	412,000	33,152	203.5
Per common share :							
Net income attributable to TDK / Basic	Yen 129.47		Yen 392.78		U.S.\$ 3.27		
Net income attributable to TDK / Diluted	Yen 120.97		Yen 377.98		U.S.\$ 3.15		
Total assets	1,239,589		1,404,282		11,702,350	164,693	
Total equity	652,243		758,007		6,316,725	105,764	
Total TDK stockholders' equity	635,327		738,861		6,157,175	103,534	
Stockholders' equity ratio	51.3%		52.6%		-		
Net assets (per common share)	Yen 5,049.72		Yen 5,864.56		U.S.\$ 48.87		
Capital expenditures	68,606	-	102,525	-	854,375	33,919	49.4
Depreciation and amortization	82,893	8.4	80,249	7.4	668,742	(2,644)	-3.2
Research and development	63,385	6.4	70,644	6.5	588,700	7,259	11.5
Result of financial income (loss)	(92)	-	1,083	-	9,025	1,175	-
Ratio of overseas production	86.7%	-	87.9%	-	-		
Number of employees	83,581	-	88,076	-	-		

**Notes:**

1. U.S.\$1=Yen 120, 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.

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## [Summary Information and Financial Statements]

### 1. Business Results

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

Consolidated results for fiscal 2015, the year ended March 31, 2015, were as follows.

Looking at the world economy in fiscal 2015, overall there was an ongoing recovery despite the impact of a drop in crude oil prices and exchange rate fluctuation. The U.S. economy continued to grow, mainly supported by expanding employment and firm personal spending. The European economy also continued to recover gradually, supported by continued firm personal spending. The economies of emerging countries such as China and India, while showing some slightly lower economic growth rates, continued to maintain growth rates higher than those of industrialized countries. In Japan, a gradual recovery continues, supported by expansion in demand, including growth in corporate earnings jump started by the yen's depreciation, and signs of a recovery in capital expenditure.

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 fiscal 2014, mainly due to growing demand in the Chinese market and the launch of new mobile handsets by major manufacturer. 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, as firm replacement demand for PCs spurred by the end of support for Windows XP continued after April 2014 until the end of the year. Production of hard disk drives (HDDs) was almost on a par with the previous fiscal year, upsetting initial market expectations of a decline, in line with 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 fiscal 2015 were as follows.

Term Item	FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)			Change	
	(Yen millions)		(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	984,525	100.0	1,082,560	100.0	9,021,333	98,035	10.0
Operating income	36,616	3.7	72,459	6.7	603,825	35,843	97.9
Income from continuing operations before income taxes	39,772	4.0	74,517	6.9	620,975	34,745	87.4
Net income attributable to TDK	16,288	1.7	49,440	4.6	412,000	33,152	203.5
Per common share :							
Net income attributable to TDK / Basic	Yen 129.47		Yen 392.78			U.S.\$ 3.27	
Net income attributable to TDK / Diluted	Yen 120.97		Yen 377.98			U.S.\$ 3.15	

**Notes:**

1. U.S.\$1=Yen 120, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discounted operations in the year ended March 31, 2014, are restated.

Average exchange rates for the U.S. dollar and euro during fiscal 2015 were ¥109.84 and ¥138.88, respectively, as the yen depreciated 9.6% versus the U.S. dollar and 3.3% against the euro year

on year. This increased net sales by approximately ¥79.7 billion and operating income by approximately ¥15.0 billion.

## Sales by Sector

Term Product	FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	139,615	14.2	148,960	13.8	1,241,333	9,345	6.7
Inductive devices	140,309	14.2	154,223	14.2	1,285,192	13,914	9.9
Other	191,749	19.5	238,022	22.0	1,983,517	46,273	24.1
Passive Components	471,673	47.9	541,205	50.0	4,510,042	69,532	14.7
Recording devices	256,703	26.1	260,506	24.1	2,170,883	3,803	1.5
Other	107,588	10.9	108,715	10.0	905,958	1,127	1.0
Magnetic Application Products	364,291	37.0	369,221	34.1	3,076,841	4,930	1.4
Film Application Products	129,304	13.1	151,275	14.0	1,260,625	21,971	17.0
Other	19,257	2.0	20,859	1.9	173,825	1,602	8.3
Total	984,525	100.0	1,082,560	100.0	9,021,333	98,035	10.0
Overseas sales	890,520	90.5	989,348	91.4	8,244,567	98,828	11.1

### Notes:

1. U.S.\$1=Yen 120, for convenience only.
2. Net sales relating to the data tape business and 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 ¥541,205 million (U.S.\$4,510,042 thousand), up 14.7% year on year from ¥471,673 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥148,960 million (U.S.\$1,241,333 thousand), up 6.7% year on year from ¥139,615 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 ¥140,309 million to ¥154,223 million (U.S.\$1,285,192 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 24.1% year on year from ¥191,749 million to ¥238,022 million (U.S.\$1,983,517 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 1.4% year on year, from ¥364,291 million to ¥369,221 million (U.S.\$ 3,076,841 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded consolidated sales of ¥260,506 million (U.S.\$2,170,883 thousand), up 1.5% from ¥256,703 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 1.0% year on year from ¥107,588 million to ¥108,715 million (U.S.\$905,958 thousand). Sales of power supplies increased to the industrial equipment market. Sales of magnets decreased to the automotive market.

**(3) Film Application Products Segment**

This segment includes energy devices (rechargeable batteries) and applied films. Sales increased 17.0% from ¥129,304 million to ¥151,275 million (U.S.\$ 1,260,625 thousand).

Sales of energy devices increased to the ICT market.

**(4) Other**

Other includes mechatronics (production equipment) and other businesses. Segment sales increased 8.3% from ¥19,257 million to ¥20,859 million (U.S.\$173,825 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 11.1% year on year from ¥890,520 million to ¥989,348 million (U.S.\$8,244,567 thousand). Overseas sales accounted for 91.4% of consolidated net sales, a 0.9 percentage point increase from 90.5% one year earlier. Detailed information on sales by region can be found in the consolidated supplementary information on page 22.

**[Fiscal 2016 Consolidated Projections]**

The global economy is expected to recover gradually in the year ending March 2016, driven by the U.S. and emerging market economies. This should lead to continued firm growth in demand for electronic components in the electronics market in which TDK conducts business. In light of the circumstances, TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for the year ending March 31, 2016, were formulated as follows.

<div>Term</div> <div>Item</div>	FY2016 (April 1, 2015 - March 31, 2016)	FY2015 (April 1, 2014 - March 31, 2015)	vs FY2015 Changes	
	Forecast in April '15	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	%
Net Sales	1,180,000	1,082,560	97,440	9.0
Operating Income	95,000	72,459	22,541	31.1
Income before income taxes	95,000	74,517	20,483	27.5
Net income attributable to TDK	65,000	49,440	15,560	31.5
Capital expenditures	130,000	102,525	27,475	26.8
Depreciation and amortization	90,000	80,249	9,751	12.2
Research and development	77,000	70,644	6,356	9.0

(Exchange Rate Assumption)

Average yen exchange rates against the U.S. dollar and the euro of ¥115.00 and ¥130.00 respectively are assumed for fiscal 2016.

**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 and/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) Summary Information Regarding Consolidated Financial Position**

(1) The following table summarizes TDK's consolidated balance sheet as of March 31, 2015.

Total assets	¥1,404,282 million	(13.3% increase)
Total TDK stockholders' equity	¥738,861 million	(16.3% increase)
Stockholders' equity ratio	52.6%	(1.3 point increase)

As of March 31, 2015, total assets had increased ¥164,693 million compared with March 31, 2014. This increase mainly reflected a ¥26,957 million increase in terms of liquidity (cash and cash equivalents, short-term investments, marketable securities). In addition, net trade receivables increased ¥31,617 million and property, plant and equipment increased ¥53,222 million.

Total liabilities increased ¥58,929 million from March 31, 2014. Current installments of long-term debt decreased ¥36,396 million, while long-term debt, trade payable and accrued expenses increased ¥33,860 million, ¥15,903 million and ¥31,672 million, respectively.

TDK stockholders' equity, which is included in total equity, increased ¥103,534 million from March 31, 2014. Accumulated other comprehensive income(loss) increased ¥81,252 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)

	FY March 2014	FY March 2015	Change
Net cash provided by operating activities	127,308	142,850	15,542
Net cash used in investing activities	(55,438)	(127,312)	(71,874)
Net cash used in financing activities	(56,118)	(35,243)	20,875
Effect of exchange rate changes on cash and cash equivalents	(21,409)	33,961	12,552
Net increase in cash and cash equivalents	37,161	14,256	(22,905)
Cash and cash equivalents at beginning of period	213,687	250,848	37,161
Cash and cash equivalents at end of period	250,848	265,104	14,256

Operating activities provided net cash of ¥142,850 million (U.S.\$1,190,417 thousand), an increase of ¥15,542 million year on year. It mainly came from the increase in net income.

Investing activities used net cash of ¥127,312 million (U.S.\$1,060,933 thousand), an increase of ¥71,874 million year on year. It mainly came from the increase in capital expenditures and disbursement for loans made by TDK.

Financing activities used net cash of ¥35,243 million (U.S.\$293,692 thousand), a decrease of ¥20,875 million year on year. It mainly came from the decrease in repayment of long-term debt and increase (decrease) in short-term debt, net.

(3) Trends in Cash Flow Indicators

	FY2012	FY2013	FY2014	FY2015
1) Stockholders' equity ratio (%)	46.4	48.0	51.3	52.6
2) Stockholders' equity ratio on a market value basis (%)	55.0	35.2	43.7	76.6
3) No. of years to redeem debt	4.93	2.71	2.10	1.88
4) Interest coverage ratio (times)	18.6	38.3	36.8	47.7

[Notes]

1) Stockholders' equity ratio = Total stockholders' equity/Total assets

2) Stockholders' equity ratio on a market value basis = Market capitalization (\*1)/Total assets

(\*1) Market capitalization = Closing price of TDK's common shares on the Tokyo Stock Exchange at fiscal year-end x Shares issued and outstanding at fiscal year-end after deducting treasury shares

3) No. of years to redeem debt = Interest-bearing liabilities (\*2)/Cash flows from operating activities (\*3)

(\*2) Interest-bearing liabilities: "Short-term debt," "current installments of long-term debt," and "long-term debt, excluding current installments" on the consolidated balance sheets.

(\*3) Cash flows from operating activities: "Net cash provided by operating activities" on the consolidated statements of cash flows.

4) Interest coverage ratio = Cash flows from operating activities/Interest payments (\*4)

(\*4) Interest payments: "Interest expense" on the consolidated statements of income



### (3) Fundamental Policy for Distribution of Earnings, and Fiscal 2015 and Fiscal 2016 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 the Company's 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.

TDK plans to pay a year-end dividend of ¥50 per common share, subject to approval at the ordinary general meeting of shareholders scheduled for June 26, 2015. Combined with the interim dividend of ¥40 per common share paid in December 2014, the planned dividend per common share applicable to the year will be ¥90.

TDK plans to pay an interim dividend of ¥60 per common share and a year-end dividend of ¥60 per common share respectively in Fiscal 2016.

	FY March 2016 Forecast	FY March 2015
(Yen)		
Interim dividend	60.00	(Actual) 40.00
Year-end dividend	60.00	(Forecast) 50.00
Annual dividend	120.00	(Forecast) 90.00

## **2. Management Policies**

### **(1) Fundamental Management Policy**

TDK was established in 1935 as the world's first company to commercialize a magnetic material called ferrite. In the ensuing years, TDK has developed and commercialized passive components, magnetic application products and film application products, among other products. This drive has been based on the company's founding spirit: "Contribute to culture and industry through creativity."

To preserve its identity as a dynamic company, TDK believes that it must remain an organization that constantly provides even higher corporate value to all stakeholders, including shareholders, customers, suppliers, employees and society, by drawing on innovative thinking and a willingness to tackle new challenges.

### **(2) Targeted Management Indicators**

To realize this fundamental management policy, the TDK Group conducts its business activities with reference to the following indicators.

#### **(Important Fundamental Management Indicator)**

##### **\* TVA (TDK Value Added)**

TVA measures the added value newly created by the company's business activities and is an important decision-making tool for management.

TVA is a TDK Group proprietary value-added yardstick that measures the extent of earnings commensurate with invested capital. This indicator compares earnings after taxes but without deducting interest expenses with the cost of capital (stockholders' equity + interest-bearing liabilities).

#### **(Indicator for Managing Environmental Performance)**

##### **\* CO2 Emissions Reductions**

As part of its environmental action plan to promote business activities in harmony with the natural environment, the TDK Group has set a target for CO2 emissions reductions.

### **(3) Medium- and Long-Term Management Strategy**

The TDK Group has formulated a three-year, medium-term management plan, with the fiscal year ending March 31, 2016 as the inaugural year, with the aim of further increasing corporate value by sustained growth. The Group's basic policy is to evolve inter-Group links to achieve further growth. On this basis, TDK is pursuing a zero-defect quality strategy based on advanced technological capabilities, along with working to truly globalize its operations by speedy management.

Turning to TDK's businesses, TDK is continuing to accelerate sales expansion through new businesses as well as through the three segments of passive components, magnetic application products, and film application products, thereby boosting profitability. In addition to investing in core businesses, over the medium term TDK aims to achieve an operating margin of 10% or more, and ROE of 10% or more, while efficiently investing in new product development and new businesses. At the same time, as regards shareholder returns, TDK's policy is to continue paying stable dividends by leveraging the impact of these investments by growing earnings per share.

In line with the Corporate Governance Code that will start to be applied to listed companies in June 2015 with the aim of achieving sustained growth and improving medium- and long-term corporate value, the TDK Group will endeavor to implement appropriate information disclosure and ensure

transparency to further activate its constructive engagement with shareholders and investors and fulfill the role and obligations of the Board of Directors at the same time.

TDK will celebrate the 80th anniversary of its founding in December 2015. Taking advantage of this opportunity, TDK asks every individual employee in the TDK Group to hearken back to its founding spirit, namely, its resolve to “contribute to culture and industry through creativity,” while at the same time TDK is working to foster a corporate culture that continues to strive for growth.

#### **(4) Pressing Issues**

Overall, the world economy is experiencing a recovery sustained by an expanding U.S. economy. Nevertheless, there are concerns about slowdowns in the Chinese market and drops in the economies of resource-rich nations due to falls in crude oil prices. The automotive market and electronics markets such as smartphones are also expanding firmly, while there continues to be an increasing sophistication and thinness of the products, and an increasing strictness in their safety standards. In these circumstances, customers are becoming steadily more demanding as regards the levels of quality and performance of electronics components, particularly those used in automobiles.

In this situation, the TDK Group recognizes the importance of a quick implementation of its zero-defect quality strategy. TDK is pushing forward with further strengthening its production process with a management that unifies all stages from raw materials to manufacturing. Furthermore, TDK is accelerating the achievement of a complete reformation in manufacturing around the implementation of the three core targets of improving quality, innovating procurement and energy efficiency, and reducing costs.

The TDK Group, which has started its three-year, medium-term management plan and entered the significant stage of steering toward growth, is further strengthening its earnings base by implementing its growth strategies for the five businesses (inductive devices, high-frequency components, piezoelectric material products, recording devices (HDD heads), and energy devices (rechargeable batteries)) that have been positioned as core businesses. Moreover, TDK is also accelerating the expansion of the thin-film devices business, thereby maximizing the application of TDK's thin-film technologies developed to date in high-precision sensors for automobiles and industrial equipment, and enabling the development of lighter, thinner and more compact wearable devices. At the same time, TDK is making an effort to steadily implement fundamental measures and achieve an early-stage transformation to a high-earnings structure in some of its business lines.

In order to support these various business developments, it is imperative to develop technologies and products with a medium- to long-term vision. The headquarter development function, which is responsible for doing this, is being reorganized into three development centers for information and communication device development, energy device development, and materials development, and TDK is building a development system that suits the characteristics of the various market sectors. TDK will also strengthen its research and development functions in the U.S., Europe and China in order to implement development activities that are even more suitable to the characteristics of each region.

Speedy management achieved by the delegation of authority is strongly required in the rapidly changing electronics market. To this end, TDK is reforming headquarter functions along with strengthening the headquarter functions for each overseas region, in order to realize headquarter functions appropriate for a global company.

In reinforcing its businesses, TDK will also take into account the environment. The Group will supply products that meet customer demands and that respond to social concerns such as energy conservation, legal and regulatory compliance, and safety, and will also take further steps to reduce the environmental impact of its business activities, by cutting CO2 emissions and other measures. As a corporate citizen, TDK will reaffirm the importance of prospering together with society and will ensure that laws and regulations are observed in Japan and other countries as it seeks to strengthen its corporate governance.

### **3. Basic Rationale for Selection of Accounting Standards**

TDK started to prepare its consolidated financial statements using U.S. GAAP when it issued an American Depositary Receipt (“ADR”) in July 1974. In April 2009, TDK delisted its shares on the New York Stock Exchange but maintained its ADR program in the U.S., and continues to use U.S. GAAP when it prepares consolidated financial statements. This was done from the viewpoint of protecting shareholders or investors and enabling them to make comparisons with past disclosures of information.

As for the application of International Financial Reporting Standards (“IFRS”), TDK’s policy is to respond appropriately after taking into consideration the circumstances unfolding both in Japan and overseas.

## 4. Consolidated Financial Statements

### (1) Balance Sheets

ASSETS						
Term Item	As of March 31, 2014		As of March 31, 2015			Change
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)
Current assets	653,285	52.7	740,241	52.7	6,168,675	86,956
Cash and cash equivalents	250,848		265,104		2,209,200	14,256
Short-term investments	8,691		20,091		167,425	11,400
Marketable securities	-		1,301		10,842	1,301
Net trade receivables	206,472		238,089		1,984,075	31,617
Inventories	136,387		151,012		1,258,433	14,625
Other current assets	50,887		64,644		538,700	13,757
Noncurrent assets	586,304	47.3	664,041	47.3	5,533,675	77,737
Investments in securities	38,401		45,733		381,108	7,332
Net property, plant and equipment	374,032		427,254		3,560,450	53,222
Other assets	173,871		191,054		1,592,117	17,183
<b>TOTAL</b>	<b>1,239,589</b>	<b>100.0</b>	<b>1,404,282</b>	<b>100.0</b>	<b>11,702,350</b>	<b>164,693</b>

LIABILITIES AND EQUITY						
Term Item	As of March 31, 2014		As of March 31, 2015			Change
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)
Current liabilities	373,781	30.2	387,877	27.6	3,232,308	14,096
Short-term debt	132,237		136,098		1,134,150	3,861
Current installments of long-term debt	37,147		751		6,258	(36,396)
Trade payables	95,688		111,591		929,925	15,903
Accrued expenses	86,664		118,336		986,133	31,672
Other current liabilities	22,045		21,101		175,842	(944)
Noncurrent liabilities	213,565	17.2	258,398	18.4	2,153,317	44,833
Long-term debt, excluding current installments	97,623		131,483		1,095,692	33,860
Retirement and severance benefits	93,777		105,687		880,725	11,910
Other noncurrent liabilities	22,165		21,228		176,900	(937)
<b>Total liabilities</b>	<b>587,346</b>	<b>47.4</b>	<b>646,275</b>	<b>46.0</b>	<b>5,385,625</b>	<b>58,929</b>
Common stock	32,641		32,641		272,008	-
Additional paid-in capital	57,635		39,755		331,292	(17,880)
Legal reserve	26,651		29,685		247,375	3,034
Retained earnings	624,919		661,159		5,509,658	36,240
Accumulated other comprehensive income (loss)	(87,134)		(5,882)		(49,017)	81,252
Treasury stock	(19,385)		(18,497)		(154,141)	888
<b>Total TDK stockholders' equity</b>	<b>635,327</b>	<b>51.3</b>	<b>738,861</b>	<b>52.6</b>	<b>6,157,175</b>	<b>103,534</b>
Noncontrolling interests	16,916	1.3	19,146	1.4	159,550	2,230
<b>Total equity</b>	<b>652,243</b>	<b>52.6</b>	<b>758,007</b>	<b>54.0</b>	<b>6,316,725</b>	<b>105,764</b>
<b>TOTAL</b>	<b>1,239,589</b>	<b>100.0</b>	<b>1,404,282</b>	<b>100.0</b>	<b>11,702,350</b>	<b>164,693</b>

**Note:**

U.S.\$1=Yen 120, for convenience only.

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

Term Item	FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	984,525	100.0	1,082,560	100.0	9,021,333	98,035	10.0
Cost of sales	763,572	77.6	802,225	74.1	6,685,208	38,653	5.1
Gross profit	220,953	22.4	280,335	25.9	2,336,125	59,382	26.9
Selling, general and administrative expenses	184,337	18.7	207,876	19.2	1,732,300	23,539	12.8
Operating income	36,616	3.7	72,459	6.7	603,825	35,843	97.9
Other income (deductions):							
Interest and dividend income	3,365		4,075		33,958	710	
Interest expense	(3,457)		(2,992)		(24,933)	465	
Foreign exchange gain (loss)	(1,302)		(1,846)		(15,383)	(544)	
Other-net	4,550		2,821		23,508	(1,729)	
Total other income (deductions)	3,156	0.3	2,058	0.2	17,150	(1,098)	-34.8
Income from continuing operations before income taxes	39,772	4.0	74,517	6.9	620,975	34,745	87.4
Income taxes	17,936	1.8	21,738	2.0	181,150	3,802	21.2
Income from continuing operations	21,836	2.2	52,779	4.9	439,825	30,943	141.7
Loss from discontinued operations	(3,602)	-0.3	-	-	-	3,602	-
Net income	18,234	1.9	52,779	4.9	439,825	34,545	189.5
Less: Net income attributable to noncontrolling interests	1,946	0.2	3,339	0.3	27,825	1,393	71.6
Net income attributable to TDK	16,288	1.7	49,440	4.6	412,000	33,152	203.5

**Notes:**

1. U.S.\$1=Yen 120, for convenience only.
2. The figures related to the data tape business and the blu-ray business, which became discounted operations in the year ended March 31, 2014, are restated.

Term Item	FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)		Change
	(Yen millions)		(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	18,234		52,779	439,825	34,545
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	60,544		92,481	770,675	31,937
Pension liability adjustments	7,187		(13,804)	(115,033)	(20,991)
Net unrealized gains (losses) on securities	4,722		4,463	37,192	(259)
Total other comprehensive income (loss)	72,453		83,140	692,834	10,687
Comprehensive income	90,687		135,919	1,132,659	45,232
Comprehensive income attributable to noncontrolling interests	3,248		6,158	51,317	2,910
Comprehensive income attributable to TDK	87,439		129,761	1,081,342	42,322

**Note:**

U.S.\$1=Yen 120, for convenience only.

**(3) Statements of Stockholders' Equity**

(Yen millions)

<b>FY2014</b> <b>(April 1, 2013 - March 31, 2014)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2013	32,641	64,199	25,426	617,377	(159,016)	(19,458)	561,169
Equity transaction of consolidated subsidiaries and other		(6,564)		27	731	77	(5,729)
Cash dividends				(7,548)			(7,548)
Transferred to legal reserve			1,225	(1,225)			-
Comprehensive income							
Net income				16,288			16,288
Other comprehensive income (loss)					71,151		71,151
Total comprehensive income							87,439
Acquisition of treasury stock						(5)	(5)
Sale of treasury stock				(0)		1	1
Balance as of March 31, 2014	32,641	57,635	26,651	624,919	(87,134)	(19,385)	635,327

<b>FY2014</b> <b>(April 1, 2013 - March 31, 2014)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2013	19,447	580,616
Equity transaction of consolidated subsidiaries and other	(5,385)	(11,114)
Cash dividends	(394)	(7,942)
Transferred to legal reserve		-
Comprehensive income		
Net income	1,946	18,234
Other comprehensive income (loss)	1,302	72,453
Total comprehensive income	3,248	90,687
Acquisition of treasury stock		(5)
Sale of treasury stock		1
Balance as of March 31, 2014	16,916	652,243

(Yen millions)

<b>FY2015</b> <b>(April 1, 2014 - March 31, 2015)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2014	32,641	57,635	26,651	624,919	(87,134)	(19,385)	635,327
Equity transaction of consolidated subsidiaries and other		(17,880)		(99)	931	895	(16,153)
Cash dividends				(10,067)			(10,067)
Transferred to legal reserve			3,034	(3,034)			-
Comprehensive income							
Net income				49,440			49,440
Other comprehensive income (loss)					80,321		80,321
Total comprehensive income							129,761
Acquisition of treasury stock						(7)	(7)
Sale of treasury stock				(0)		0	0
Balance as of March 31, 2015	32,641	39,755	29,685	661,159	(5,882)	(18,497)	738,861

<b>FY2015</b> <b>(April 1, 2014 - March 31, 2015)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2014	16,916	652,243
Equity transaction of consolidated subsidiaries and other	(3,556)	(19,709)
Cash dividends	(372)	(10,439)
Transferred to legal reserve		-
Comprehensive income		
Net income	3,339	52,779
Other comprehensive income (loss)	2,819	83,140
Total comprehensive income	6,158	135,919
Acquisition of treasury stock		(7)
Sale of treasury stock		0
Balance as of March 31, 2015	19,146	758,007

TDK Corporation Consolidated FY March 2015(U.S. GAAP)

(U.S.\$ thousands)

<b>FY2015 (April 1, 2014 - March 31, 2015)</b>	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity
Balance as of March 31, 2014	272,008	480,292	222,092	5,207,658	(726,117)	(161,542)	5,294,391
Equity transaction of consolidated subsidiaries and other		(149,000)		(825)	7,758	7,459	(134,608)
Cash dividends				(83,892)			(83,892)
Transferred to legal reserve			25,283	(25,283)			-
Comprehensive income							
Net income				412,000			412,000
Other comprehensive income (loss)					669,342		669,342
Total comprehensive income							1,081,342
Acquisition of treasury stock						(58)	(58)
Sale of treasury stock		(0)				0	0
Balance as of March 31, 2015	272,008	331,292	247,375	5,509,658	(49,017)	(154,141)	6,157,175

<b>FY2015 (April 1, 2014 - March 31, 2015)</b>	Noncontrolling interests	Total equity
Balance as of March 31, 2014	140,967	5,435,358
Equity transaction of consolidated subsidiaries and other	(29,634)	(164,242)
Cash dividends	(3,100)	(86,992)
Transferred to legal reserve		-
Comprehensive income		
Net income	27,825	439,825
Other comprehensive income (loss)	23,492	692,834
Total comprehensive income	51,317	1,132,659
Acquisition of treasury stock		(58)
Sale of treasury stock		0
Balance as of March 31, 2015	159,550	6,316,725

**Note:**

U.S.\$1=Yen 120, for convenience only.



#### (4) Statements of Cash Flows

Term Item	FY2014 (April 1, 2013 - March 31, 2014)	FY2015 (April 1, 2014 - March 31, 2015)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	18,234	52,779	439,825
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	83,109	80,249	668,742
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	4,349	4,919	40,992
Decrease (increase) in inventories	13,011	(4,368)	(36,400)
Increase (decrease) in trade payables	(1,446)	(12,375)	(103,125)
Increase (decrease) in accrued expenses	3,589	7,892	65,767
Decrease (increase) in other assets and liabilities, net	6,416	(3,347)	(27,892)
Other-net	46	17,101	142,508
Net cash provided by operating activities	127,308	142,850	1,190,417
Cash flows from investing activities:			
Capital expenditures	(68,606)	(102,525)	(854,375)
Proceeds from sale and maturity of short-term investments	21,844	21,828	181,900
Payment for purchase of short-term investments	(20,232)	(30,861)	(257,175)
Proceeds from sale and maturity of securities	5,269	707	5,892
Payment for purchase of securities	(1,746)	(248)	(2,067)
Disbursement for loans made by TDK	(1,414)	(26,321)	(219,341)
Proceeds from sales of tangible and intangible assets	5,206	7,698	64,150
Other-net	4,241	2,410	20,083
Net cash used in investing activities	(55,438)	(127,312)	(1,060,933)
Cash flows from financing activities:			
Proceeds from long-term debt	33,747	34,777	289,808
Repayment of long-term debt	(51,867)	(37,320)	(311,000)
Increase (decrease) in short-term debt, net	(16,634)	(916)	(7,633)
Dividends paid	(7,554)	(10,069)	(83,908)
Acquisition of noncontrolling interest	(13,981)	(24,633)	(205,275)
Other-net	171	2,918	24,316
Net cash used in financing activities	(56,118)	(35,243)	(293,692)
Effect of exchange rate changes on cash and cash equivalents	21,409	33,961	283,008
Net increase in cash and cash equivalents	37,161	14,256	118,800
Cash and cash equivalents at beginning of period	213,687	250,848	2,090,400
Cash and cash equivalents at end of period	250,848	265,104	2,209,200

**Notes:**

1. U.S.\$1=Yen 120, 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.

**(5) Note Relating to the Going Concern Assumption**

Nothing to report.

**(6) Summary of Significant Accounting Policies**

1. The consolidated financial statements are prepared in conformity with the U.S. GAAP.  
Inventories are valued at the lower of cost or market as in the past, with cost mainly determined by the periodic average method.
2. As of March 31, 2015, TDK had 117 subsidiaries (12 in Japan and 105 overseas).  
TDK also had 8 affiliates (4 in Japan and 4 overseas) whose financial statements are accounted for by the equity method.  
Media Technology Corporation finalized its liquidation process in the quarter ended June 30, 2014.
3. The following items have been omitted from this earnings release because they are not deemed to be that necessary for disclosure.

**Notes Concerning Consolidated Financial Statements**

- Lease transactions
- Related-party transactions
- Tax-effect accounting
- Financial instruments
- Retirement benefits
- Stock options, etc.
- Business combinations, etc.
- Real estate for leasing
- Asset retirement obligations

**(7) 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.

**Sales by industry segment**

		FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	471,673	47.9	541,205	50.0	4,510,042	69,532	14.7
	Intersegment	3,038		3,024		25,200	(14)	-0.5
	Total	474,711		544,229		4,535,242	69,518	14.6
Magnetic Application Products	External customers	364,291	37.0	369,221	34.1	3,076,841	4,930	1.4
	Intersegment	356		202		1,683	(154)	-43.3
	Total	364,647		369,423		3,078,524	4,776	1.3
Film Application Products	External customers	129,304	13.1	151,275	14.0	1,260,625	21,971	17.0
	Intersegment	2,913		2,906		24,217	(7)	-0.2
	Total	132,217		154,181		1,284,842	21,964	16.6
Other	External customers	19,257	2.0	20,859	1.9	173,825	1,602	8.3
	Intersegment	8,112		19,569		163,075	11,457	141.2
	Total	27,369		40,428		336,900	13,059	47.7
Intersegment eliminations		(14,419)		(25,701)		(214,175)	(11,282)	
Total		984,525	100.0	1,082,560	100.0	9,021,333	98,035	10.0

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

		FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		15,449	3.3	37,891	7.0	315,758	22,442	145.3
Magnetic Application Products		28,120	7.7	28,692	7.8	239,100	572	2.0
Film Application Products		13,352	10.3	24,558	16.2	204,650	11,206	83.9
Other		(3,196)	-16.6	275	1.3	2,292	3,471	-
Sub total		53,725	5.5	91,416	8.4	761,800	37,691	70.2
Corporate and Eliminations		(17,109)		(18,957)		(157,975)	(1,848)	
Operating income		36,616	3.7	72,459	6.7	603,825	35,843	97.9

**Note:**

U.S.\$1=Yen 120, for convenience only.

**(8) Fair Value of Securities**

(Yen millions)

	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
<b>As of March 31, 2014</b>				
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
<b>Total</b>	<b>12,081</b>	<b>8,266</b>	<b>12</b>	<b>20,335</b>
<b>As of March 31, 2015</b>				
Marketable securiteis (Debt securities):				
Government bonds	1,301	0	-	1,301
Investments (Debt securities):				
Commercial papers	66	73	-	139
Public-utility bonds	2	-	-	2
Investments (Equity securities):				
Manufacturing companies	8,407	14,684	33	23,058
Other	1,175	1,032	-	2,207
Investments (Mutual funds)	996	293	-	1,289
<b>Total</b>	<b>11,947</b>	<b>16,082</b>	<b>33</b>	<b>27,996</b>

(U.S.\$ thousands)

	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
<b>As of March 31, 2015</b>				
Marketable securiteis (Debt securities):				
Government bonds	10,842	0	-	10,842
Investments (Debt securities):				
Commercial papers	550	608	-	1,158
Public-utility bonds	17	-	-	17
Investments (Equity securities):				
Manufacturing companies	70,058	122,367	275	192,150
Other	9,791	8,600	-	18,391
Investments (Mutual funds)	8,300	2,442	-	10,742
<b>Total</b>	<b>99,558</b>	<b>134,017</b>	<b>275</b>	<b>233,300</b>

**Note:**

U.S.\$1=Yen 120, for convenience only.

**(9) Fair Value of Derivatives**

(Yen millions)

	Contract Amount	Carrying Amount	Estimated Fair Value
As of March 31, 2014			
Forward foreign exchange contracts	94,707	295	295
Currency swaps	34,022	161	161
Commodity forward transactions	1,297	46	46
<b>As of March 31, 2015</b>			
Forward foreign exchange contracts	92,963	(69)	(69)
Currency swaps	40,326	2,322	2,322

(U.S.\$ thousands)

(U.S.\$ thousands)	Contract Amount	Carrying Amount	Estimated Fair Value
<b>As of March 31, 2015</b>			
Forward foreign exchange contracts	774,692	(575)	(575)
Currency swaps	336,050	19,350	19,350

**Note:**

U.S.\$1=Yen 120, for convenience only.

**(10) Net Income per Share**

Item	FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)	
	Basic	Diluted	Basic	Diluted
	Term			
	(Yen millions)		(Yen millions)	
Income from continuing operations attributable to TDK	18,940	17,896	49,440	47,703
Loss from discontinued operations attributable to TDK	(2,652)	(2,652)	-	-
Net income attributable to TDK	16,288	15,244	49,440	47,703
	Number of shares (Thousands)		Number of shares (Thousands)	
Weighted average common shares outstanding	125,808	125,808	125,873	125,873
Incremental shares arising from the exercise of stock options	-	207	-	332
Weighted average common shares outstanding - Total	125,808	126,015	125,873	126,205
	(Yen)		(Yen)	
Per common share :				
Income from continuing operations attributable to TDK	150.55	142.01	392.78	377.98
Loss from discontinued operations attributable to TDK	(21.08)	(21.08)	-	-
Net income attributable to TDK	129.47	120.97	392.78	377.98

Item	Term	FY2015 (April 1, 2014 - March 31, 2015)	
		Basic	Diluted
		(U.S.\$ thousands)	
Income from continuing operations attributable to TDK		412,000	397,525
Loss from discontinued operations attributable to TDK		-	-
Net income attributable to TDK		412,000	397,525
		Number of shares (Thousands)	
Weighted average common shares outstanding		125,873	125,873
Incremental shares arising from the exercise of stock options		-	332
Weighted average common shares outstanding - Total		125,873	126,205
		(U.S.\$)	
Per common share :			
Income from continuing operations attributable to TDK		3.27	3.15
Loss from discontinued operations attributable to TDK		-	-
Net income attributable to TDK		3.27	3.15

**Notes:**

1. U.S.\$1=Yen 120, for convenience only.
2. The dilution of income from continuing operations attributable to TDK and net income attributable to TDK were caused by presuming the exercise of stock options issued by a subsidiary of TDK Corporation.
3. 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 FY2014 and FY2015 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.

## (11) Significant Subsequent Events

Nothing to report.

**(12) Consolidated Supplementary Information****1. Exchange rates used for conversion**

Term \ Item	As of March 31, 2014		As of March 31, 2015	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	102.92	141.65	120.17	130.32

**2. Sales by region**

Term \ Region	FY2014 (April 1, 2013 - March 31, 2014)		FY2015 (April 1, 2014 - March 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	82,966	8.4	89,871	8.3	748,925	6,905	8.3
Europe	139,716	14.2	146,016	13.5	1,216,800	6,300	4.5
Asia and others	667,838	67.9	753,461	69.6	6,278,842	85,623	12.8
Overseas sales total	890,520	90.5	989,348	91.4	8,244,567	98,828	11.1
Japan	94,005	9.5	93,212	8.6	776,766	(793)	-0.8
Net sales	984,525	100.0	1,082,560	100.0	9,021,333	98,035	10.0

**Notes:**

1. U.S.\$1=Yen 120, for convenience only.
2. Overseas sales are based on the location of the customers.
3. Net sales relating to the data tape business and blu-ray business, which became discontinued operations in the year ended March 31, 2014, are excluded.

**3. Overview of net sales of 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)		4Q of FY2015 (January 1, 2015 - March 31, 2015)		
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	36,490	15.4	37,308	14.1	37,518	12.5	37,644	13.5	313,700
Inductive devices	36,738	15.5	38,811	14.7	40,307	13.4	38,367	13.7	319,725
Other	50,186	21.1	56,241	21.2	68,239	22.7	63,356	22.6	527,967
Passive Components	123,414	52.0	132,360	50.0	146,064	48.6	139,367	49.8	1,161,392
Recording devices	59,074	24.8	63,739	24.0	75,088	25.0	62,605	22.4	521,708
Other	27,983	11.8	26,704	10.1	26,492	8.8	27,536	9.8	229,467
Magnetic Application Products	87,057	36.6	90,443	34.1	101,580	33.8	90,141	32.2	751,175
Film Application Products	22,484	9.5	37,235	14.1	47,417	15.8	44,139	15.8	367,825
Other	4,507	1.9	4,775	1.8	5,316	1.8	6,261	2.2	52,175
Total	237,462	100.0	264,813	100.0	300,377	100.0	279,908	100.0	2,332,567

**Notes:**

1. U.S.\$1=Yen 120, for convenience only.
2. Net sales relating to the data tape business and blu-ray business, which became discontinued operations in the year ended March 31, 2014, are excluded.

## Management Changes (June 26, 2015)

### 1. Directors (new appointment and retirement)

#### Director Candidate

Noboru Saito  
Senior Vice President,  
General Manager of Corporate Strategy HQ  
Kazuhiko Ishimura  
Chairman of Asahi Glass Co., Ltd.

#### Retiring Director

Junji Yoneyama  
Director, Senior Vice President,  
In charge of Corporate Systems Reformation  
Yukio Yanase  
Special Advisor of ORIX Corporation,  
President of OGI Holdings Co., Ltd.

### 2. Company Auditors (new appointment and retirement)

#### Company Auditor Candidate

Junji Yoneyama  
Director, Senior Vice President,  
In charge of Corporate Systems Reformation  
Toru Ishiguro  
Partner of Mori Hamada & Matsumoto LPC  
Kiyoshi Fujimura  
Outside Company Auditor of Ajinomoto Co., Inc.

#### Retiring Company Auditor

Noboru Hara  
Osamu Nakamoto  
Representative of Nakamoto Law Office,  
Outside Company Auditor of Foster Electric Company, Limited,  
Outside Company Auditor of Value Commerce Co., Ltd.  
Koichi Masuda  
Advisor of The Japanese Institute of Certified Public Accountants,  
Outside Company Auditor of Regional Economy Revitalization Corporation of Japan,  
Outside Company Auditor of Daishi Bank, Ltd.,  
Outside Company Auditor of Sumitomo Riko Co., Ltd.,  
Governor of Japan Exchange Regulation