

[Translation]

NOTICE OF CONVOCATION
OF
THE 119TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

- Notes:* 1. This is a translation from Japanese of a notice distributed to shareholders in Japan.
The translation is prepared solely for the convenience of foreign shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.
2. There are no English translations of the following: Non-Consolidated Balance Sheet, Non-Consolidated Statement of Operations, Non-Consolidated Statement of Changes in Net Assets and Certified Copy of Accounting Auditors' Report for Non-Consolidated Financial Statements.

TDK Corporation

Tokyo, Japan

[Translation]

Securities Code No. 6762

Attention All Shareholders

June 3, 2015

Takehiro Kamigama
President & Representative Director
TDK Corporation
9-1, Shibaura 3-chome,
Minato-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 119TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

Thank you for your continued interest in TDK Corporation (the "Company").

You are hereby notified that the 119th Ordinary General Meeting of Shareholders will be held as stated below. You are respectfully requested to attend the meeting.

In the event that you are unable to attend the meeting, you may exercise your votes using either of the methods described below. Please vote by 5:20 P.M. on June 25, 2015 (Thursday), after carefully reading the attached Reference Documents for Shareholders Meeting.

[Voting by Mail]

Please indicate your approval or disapproval of the proposals to be resolved on the voting form enclosed herewith and return it to the Company by the deadline specified above.

[Voting via the Internet]

Please enter your approval or disapproval of the proposals to be resolved by the deadline specified above.

Details

1. Date and Time: 10:00 A.M. on June 26, 2015 (Friday)
2. Place of the Meeting: Technical Center of the Company, 9th Floor
15-7, Higashi-Ohwada 2-chome, Ichikawa-shi,
Chiba Prefecture

3. Purposes of the Meeting:
Matters to be Reported
 1. Report on the Business Report and the Consolidated Financial Statements for the 119th Business Year (from April 1, 2014, to March 31, 2015), and Report on the Audit Results of the Consolidated Financial Statements for the 119th Business Year by the Accounting Auditor and the Board of Company Auditors
 2. Report on the Non-Consolidated Financial Statements for the 119th Business Year (from April 1, 2014, to March 31, 2015)Matters to be Resolved

First Item:	Appropriation of Retained Earnings
Second Item:	Election of Seven (7) Directors
Third Item:	Election of Five (5) Company Auditors
Fourth Item:	Provision of a Bonus to Directors as a Group
Fifth Item:	Revision to the Amount of Remuneration for Directors (Establishment of a Ceiling Amount of Bonus per Year)
Sixth Item:	Revision to the Amount of Stock Option Remuneration and Introduction of Stock Options with Performance Conditions for Directors
4. Validity of Votes:
 - 1) If you vote both by mail and via the Internet, then the Internet vote will be counted as the valid vote.
 - 2) If you vote multiple times via the Internet, your last vote will be counted as the valid vote.
5. Other Information:
 - 1) If you are attending the meeting, kindly submit the voting form enclosed herewith at the reception. Also, please bring this Notice of Convocation with you to the meeting.
 - 2) If you are attending by proxy, you are entitled to one (1) proxy who is also a shareholder of the Company entitled to votes at the meeting. Please have the proxy present written proof of his/her right of proxy along with your voting form at the reception.
 - 3) In accordance with the law and Article 16 of the Company's Articles of Incorporation, the following items of the Company's Consolidated Financial Statements and Non-Consolidated Financial Statements, as audited by the Accounting Auditor and the Company Auditors, are available on the Company's Internet website (<http://www.tdk.co.jp/>) instead of being attached to this Notice of Convocation:
 - List of Notes to the Consolidated Financial Statements; and
 - List of Notes to the Non-Consolidated Financial Statements.
 - 4) In the event that there are amendments made to the Reference Documents for Shareholders Meeting, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements, such amendments will be found on the Company's Internet website (website address provided above).

- End -

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Information

First Item: Appropriation of Retained Earnings

The Company proposes that the appropriation of retained earnings be as provided below:

Matters concerning year-end dividends

The Company recognizes that achieving growth in corporate value over the long term ultimately translates into higher shareholder value. In line with this understanding, the Company'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, the Company is aiming to increase long-term corporate value. Accordingly, the Company actively reinvests the Company's earnings in business activities and determines its dividends taking into consideration comprehensive factors, including return on equity (ROE) and dividends on equity (DOE) on a consolidated basis, as well as changes in the business environment, among other factors.

The Company intends to pay year-end dividends for the business year under review as follows:

1. Item concerning the allotment of dividend assets and the total amount thereof:

¥50 per share of common stock of the Company

Total amount of dividends: ¥6,299,373,600

* Together with the interim dividend of ¥40 per share paid on December 2, 2014, the annual dividend is ¥90 per share.

2. Date when the dividends of retained earnings take effect:

June 29, 2015

《Reference》 Trends in cash dividends per share and dividend payout ratio on a consolidated basis

	116th (Apr. 1, 2011 to Mar. 31, 2012)	117th (Apr. 1, 2012 to Mar. 31, 2013)	118th (Apr. 1, 2013 to Mar. 31, 2014)	119th (Apr. 1, 2014 to Mar. 31, 2015)
Interim dividend (¥)	40	40	30	40
Year-end dividend (¥)	40	30	40	(forecast) 50
Annual dividend (¥)	80	70	70	(forecast) 90
Dividend payout ratio on a consolidated basis (%)	-	736.8	54.1	(forecast) 22.9

Second Item: Election of Seven (7) Directors

The Company's Articles of Incorporation provides that the term of each Director shall last one (1) year. Each of the seven (7) Directors' terms of office will expire at the closing of this Ordinary General Meeting of Shareholders. Accordingly, you are requested to elect seven (7) Directors (including three (3) Outside Directors).

The Director candidates are as follows:

Candidate No.	Name (Date of Birth)	Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts
1.	Takehiro Kamigama (Jan. 12, 1958) * Candidate for reelection	Apr. 1981: Entered the Company Apr. 2001: General Manager in charge of Strategic Technology of the Recording Device Business Group of the Company Oct. 2001: General Manager of the Head Business Group of the Company Jun. 2002: Corporate Officer of the Company Jun. 2003: Senior Vice President of the Company Jun. 2004: Director & Executive Vice President of the Company Jun. 2006: President & Representative Director of the Company (present post) Jun. 2012: General Manager of the Electronic Components Sales & Marketing Group of the Company Apr. 2013: General Manager of Humidifier Countermeasures HQ of the Company (present post) Oct. 2014: General Manager of Technology HQ of the Company (present post)
	【Number of Shares of the Company Owned】 7,300 shares	

Candidate No.	Name (Date of Birth)	Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts
2.	<p>Atsuo Kobayashi (Jan. 7, 1960)</p> <p>* Candidate for reelection</p>	<p>Nov. 1989: Entered the Company</p> <p>Apr. 2004: General Manager of Japan Operation of the HDD Head Business Unit of the Head Business Group of the Company</p> <p>Jul. 2006: Deputy General Manager of the Head Business Group of the Company</p> <p>Apr. 2007: General Manager of the Head Business Group of the Company</p> <p>Jun. 2008: Corporate Officer of the Company</p> <p>Sep. 2008: Vice Chairman of SAE Magnetics (Hong Kong) Limited</p> <p>Jun. 2010: Senior Vice President of the Company</p> <p>Jun. 2012: Director & Executive Vice President of the Company (present post) General Manager of the Corporate Planning Group of the Company General Manager of the Corporate Planning Department of the Company</p> <p>Apr. 2013: General Manager of Corporate Strategy HQ of the Company Deputy General Manager of Humidifier Countermeasures HQ of the Company</p> <p>Jun. 2013: In charge of the Power Systems Business Group, Magnet Products Business Group, Data Storage & Thin Film Technology Components Business Group, Applied Films Business Group, Flash Memory Applied Device Business Division, EMC & RF Engineering Business Division of the Company</p> <p>Jun. 2014: In charge of Applied Films Business Group, Flash Memory Applied Devices Business Division, EMC & RF Engineering Business Division of the Company General Manager of Magnet Products Business Group of the Company (present post) General Manager of Power Systems Business Group of the Company</p>
【Number of Shares of the Company Owned】		1,000 shares

Candidate No.	Name (Date of Birth)	Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts
3.	Hiroyuki Uemura (Apr. 26, 1955) * Candidate for reelection	Apr. 1974: Entered the Company Apr. 2004: Wire-Wound EMC General Manager of the Inductor Group of the Circuit Device Business Group of the Company Nov. 2008: Deputy General Manager of the Magnetics Business Group of the Company Apr. 2009: General Manager of the Magnetics Business Group of the Company Jun. 2009: Corporate Officer of the Company Jun. 2010: Senior Vice President of the Company Nov. 2011: General Manager of the Ceramic Capacitors Business Group of the Company Jun. 2012: Director & Executive Vice President of the Company (present post) President & CEO of TDK-EPC Corporation Apr 2015: CEO of the Electronic Components Business Company of the Company (present post) General Manager of the Ceramic Capacitors Business Group of the Electronic Components Business Company of the Company (present post)
	【Number of Shares of the Company Owned】 3,700 shares	

Candidate No.	Name (Date of Birth)	Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts
4.	Noboru Saito (Sept. 10, 1966) * New candidate	<p>Apr. 1989: Entered the Company</p> <p>May 2006: President of TDK Electronics Europe GmbH</p> <p>Jan. 2007: General Manager of the Europe Sales Division of the Electronic Components Sales & Marketing Group of the Company</p> <p>Oct. 2009: Deputy General Manager of the Europe Sales Division of the Electronic Components Sales & Marketing Group of TDK-EPC Corporation</p> <p>Jun. 2011: Corporate Officer of the Company Deputy General Manager of the Electronic Components Sales & Marketing Group of TDK-EPC Corporation</p> <p>Oct. 2012: Deputy General Manager of the Electronic Components Sales & Marketing Group of the Company</p> <p>Apr. 2013: General Manager of the Electronic Components Sales & Marketing Group of the Company</p> <p>Jun. 2013: Senior Vice President of the Company (present post)</p> <p>Apr. 2014: General Manager of the Electronic Components Sales & Marketing Group of the Company General Manager of the ICT Group of the Electronic Components Sales & Marketing Group of the Company</p> <p>Apr. 2015: General Manager of the Corporate Strategy HQ of the Company (present post)</p>
	【Number of Shares of the Company Owned】 1,100 shares	

Candidate No.	Name (Date of Birth)	Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts
5.	<p>Makoto Sumita (Jan. 6, 1954)</p> <p>* Candidate for reelection</p>	<p>Apr. 1980: Entered Nomura Research Institute, Ltd.</p> <p>Jun. 1996: Director of INNOTECH CORPORATION</p> <p>Apr. 2005: Executive Vice President & Representative Director of the said company</p> <p>Jun. 2005: Director of IT Access Co., Ltd. (present post)</p> <p>Apr. 2007: President & CEO of INNOTECH CORPORATION</p> <p>Jun. 2011: Outside Company Auditor of the Company</p> <p>Apr. 2013: Chairman & CEO of INNOTECH CORPORATION (present post)</p> <p>Jun. 2013: Resigned as Outside Company Auditor of the Company Outside Director of the Company (present post)</p> <p>Feb. 2015: Chairman & CEO of INNOTECH FRONTIER, Inc. (present post)</p> <p>[Situation regarding Significant Concurrent Posts]</p> <p>Chairman & CEO of INNOTECH CORPORATION</p> <p>Director of IT Access Co., Ltd.</p> <p>Chairman & CEO of INNOTECH FRONTIER, Inc.</p>

	<p>【Candidate for Outside Director】</p> <p>【The reasons why the Company recommends Mr. Makoto Sumita as a candidate for Outside Director】</p> <p>Mr. Makoto Sumita is a person of distinguished character and has an abundance of experience and knowledge in management as a manager of operating companies as well as a broad perspective. The Company believes that he is capable of giving advice and recommendations to ensure the legality and appropriateness of the Board of Directors of the Company's decision making, and requests that the shareholders elect him as an Outside Director of the Company.</p> <p>Although the Company has a business relationship relating to electronic parts and system maintenance, etc. with INNOTECH CORPORATION, where Outside Director Mr. Makoto Sumita is CEO, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2015, the ratio of sales of the TDK Group to the INNOTECH Group represented less than 1% of the consolidated net sales of the TDK Group, and the ratio of INNOTECH Group's sales to the TDK Group represented less than 1% of INNOTECH Group's consolidated net sales.</p> <p>【Independent Director (<i>dokuritsu yakuin</i>, hereinafter referring to such term as used in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.)】</p> <p>Mr. Makoto Sumita is an Independent Director. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, he will continue to be an Independent Director.</p> <p>【Term of office as Outside Director】</p> <p>Two (2) years as of the closing of this Ordinary General Meeting of Shareholders.</p> <p>Mr. Makoto Sumita currently serves both as the chairman of the Compensation Advisory Committee and a member of the Nomination Advisory Committee.</p> <p>【Number of Shares of the Company Owned】 0 shares</p> <p>【Attendance at Meetings of the Board of Directors during the Business Year】</p> <p>13 of the 13 meetings</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Candidate No.	Name (Date of Birth)	Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts
6.	Kazumasa Yoshida (Aug. 20, 1958) * Candidate for reelection	<p>Oct. 1984: Entered Intel Corporation</p> <p>Oct. 1999: Manager of Technology/OEM Alliance Business Strategy of Enterprise Service Group of the said company</p> <p>Mar. 2000: General Manager of Communication Product Group of Intel K.K.</p> <p>May 2002: General Manager of Intel Architecture Business of the said company</p> <p>Jun. 2003: Representative Director and President of the said company</p> <p>Dec. 2004: Vice President of Sales and Marketing Group of Intel Corporation</p> <p>Jun. 2012: Outside Director of Onkyo Corporation (present post)</p> <p>Feb. 2013: Outside Director of Gibson Brands, Inc. (present post)</p> <p>Jun. 2013: Outside Director of CYBERDYNE Inc. (present post)</p> <p>Oct. 2013: Advisor of Intel K.K.</p> <p>Jun. 2014: Outside Director of the Company (present post)</p> <p>[Situation regarding Significant Concurrent Posts]</p> <p>Outside Director of Onkyo Corporation</p> <p>Outside Director of Gibson Brands, Inc.</p> <p>Outside Director of CYBERDYNE Inc.</p>

	<p>【Candidate for Outside Director】</p> <p>【The reasons why the Company recommends Mr. Kazumasa Yoshida as a candidate for Outside Director】</p> <p>Mr. Kazumasa Yoshida is a person of distinguished character and has an abundance of experience and knowledge concerning the management of companies related to the electronics industry, global business and consumer business as well as a broad perspective. The Company believes that he is capable of giving advice and recommendations to ensure the legality and appropriateness of the Board of Directors of the Company's decision making, and requests that the shareholders elect him as an Outside Director of the Company.</p> <p>Although the Company has a business relationship relating to electronic parts with Onkyo Corporation, where Mr. Kazumasa Yoshida is an Outside Director, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2015, the ratio of sales of the TDK Group to the Onkyo Group represented less than 1% of the consolidated net sales of the TDK Group.</p> <p>【Independent Director】</p> <p>Mr. Kazumasa Yoshida is an Independent Director. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, he will continue to be an Independent Director.</p> <p>【Term of office as Outside Director】</p> <p>One (1) year as of the closing of this Ordinary General Meeting of Shareholders.</p> <p>Mr. Kazumasa Yoshida currently serves as a member of the Compensation Advisory Committee.</p> <p>【Number of Shares of the Company Owned】 0 shares</p> <p>【Attendance at Meetings of the Board of Directors during the Business Year】</p> <p>10 of the 10 meetings (since he was appointed in June 2014)</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Candidate No.	Name (Date of Birth)	Profile, Position and Duties at the Company, and Situation regarding Significant Concurrent Posts
7.	Kazuhiko Ishimura (Sept. 18, 1954) * New candidate	<p>Apr. 1979: Entered ASASHI GLASS CO., LTD.</p> <p>Jan. 2006: Executive Officer of the said company</p> <p>Jan. 2007: Senior Executive Officer and GM of Electronics & Energy General Division of the said company</p> <p>Mar. 2008: President & COO & Representative Director of the said company</p> <p>Jan. 2010: President & CEO & Representative Director of the said company</p> <p>Jan. 2015: Chairman & Representative Director of the said company (present post)</p> <p>[Situation regarding Significant Concurrent Posts]</p> <p>Chairman & Representative Director of ASASHI GLASS CO., LTD.</p>
	<p>【Candidate for Outside Director】</p> <p>【The reasons why the Company recommends Mr. Kazuhiko Ishimura as a candidate for Outside Director】</p> <p>Mr. Kazuhiko Ishimura is a person of distinguished character and has an abundance of experience and advanced, specialized knowledge regarding business management as well as a broad perspective. The Company believes that he is capable of giving advice and recommendations to ensure the legality and appropriateness of the Board of Directors of the Company's decision making, and requests that the shareholders elect him as an Outside Director of the Company.</p> <p>Although the Company has a business relationship relating to electronic parts with ASASHI GLASS CO., LTD., where Mr. Kazuhiko Ishimura is Representative Director, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2015, the ratio of sales of the TDK Group to the ASASHI GLASS Group represented less than 1% of the consolidated net sales of the TDK Group.</p> <p>【Independent Director】</p> <p>In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, he will be an Independent Director.</p> <p>【Number of Shares of the Company Owned】 0 shares</p>	

- Notes: 1. None of the above seven (7) candidates have any special interest in the Company.
2. The Company entered into contracts with all of the current Outside Directors pursuant to Article 427 paragraph 1 of the Companies Act of Japan to limit the liabilities of each such Outside Director to the Company under Article 423 paragraph 1 of the same Act to the amount set forth in each such contract, the amount of which shall be equal to or greater than the amount provided for in Article 425 paragraph 1 of the same Act. This is for the purpose of enabling Outside Directors to fulfill their roles sufficiently.
- In the event that the proposal of election of Messrs. Makoto Sumita and Kazumasa Yoshida in this Item is approved by this Ordinary General Meeting of Shareholders and they become Outside Directors, such contracts will continue to be in effect.
- In the event that the proposal of election of Mr. Kazuhiko Ishimura in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Director, the Company plans to enter into such contract with him.
3. The matters concerning Outside Directors and Outside Company Auditors (principal activities) in the business year under review are set forth from page 41 through page 42 of the Business Report.

Third Item: Election of Five (5) Company Auditors

Each of the five (5) Company Auditors' terms of office will expire at the closing of this Ordinary General Meeting of Shareholders. Accordingly, you are requested to elect five (5) Company Auditors (including three (3) Outside Company Auditors).

The Company has obtained the Board of Company Auditors' consent regarding this Item.

The Company Auditor candidates are as follows:

Candidate No.	Name (Date of Birth)	Profile and Position at the Company, and Situation regarding Significant Concurrent Posts
1.	Osamu Yotsui (Jan. 28, 1956) * Candidate for reelection	Apr. 1979: Entered the Company May. 1991: Accounting Manager of TDK Recording Media Europe S.A. Jul. 1999: Manager of Managerial Analysis Division of Finance and Accounting Department of the Company Apr. 2008: General Manager of Management Review & Support Department of the Company Jun. 2011: Full-time Company Auditor of the Company (present post)
【Number of Shares of the Company Owned】		2,200 shares
2.	Junji Yoneyama (Mar. 16, 1955) * New candidate	Mar. 1984: Entered the Company Jan. 2002: President & CEO of TDK Philippines Corporation Jul. 2003: General Manager of the General Affairs Department of the Ichikawa Technical Center of the Administration Group of the Company Apr. 2005: President of TDK Taiwan Corporation Oct. 2006: General Manager of the Human Resources Department of the Administration Group of the Company Jun. 2008: Corporate Officer of the Company Jun. 2010: Director of the Company (present post) General Manager of the Administration Group of the Company Apr. 2013: General Manager of Administration HQ of the Company Jun. 2013: Senior Vice President of the Company (present post) Jun. 2014: In charge of Corporate Systems Reformation, Human Resources, General Affairs, Legal, CSR Promotion of the Company Apr. 2015: In charge of Corporate Systems Reformation of the Company (present post)
【Number of Shares of the Company Owned】		2,000 shares

Candidate No.	Name (Date of Birth)	Profile and Position at the Company, and Situation regarding Significant Concurrent Posts
3.	Kazunori Yagi (Apr. 1, 1949) * Candidate for reelection	<p>Apr. 1972: Entered Yokogawa Electric Corporation</p> <p>Oct. 1999: Vice President (Officer) and General Manager of Finance & Business Planning, in charge of Corporate Marketing of the said company</p> <p>Apr. 2001: Senior Vice President and General Manager of Finance & Business Planning of the said company</p> <p>Jun. 2001: Director, Senior Vice President and General Manager of Finance & Business Planning of the said company</p> <p>Jul. 2002: Director, Executive Vice President and General Manager of Finance & Business Planning of the said company</p> <p>Jul. 2005: Director, Executive Vice President and General Manager of Management Administration Headquarters of the said company</p> <p>Jun. 2011: Advisor to the said company (present post), Company Auditor of Yokogawa Bridge Holdings Corporation (present post)</p> <p>Jan. 2012: Outside Director of JSR Corporation (present post)</p> <p>Jun. 2013: Outside Company Auditor of the Company (present post)</p> <p>Mar. 2014: Outside Director of OYO Corporation (present post)</p> <p>[Situation regarding Significant Concurrent Posts]</p> <p>Outside Company Auditor of Yokogawa Bridge Holdings Corporation</p> <p>Outside Director of JSR Corporation</p> <p>Outside Director of OYO Corporation</p>

	<p>【Candidate for Outside Company Auditor】</p> <p>【The reasons why the Company recommends Mr. Kazunori Yagi as a candidate for Outside Company Auditor 】</p> <p>Mr. Kazunori Yagi is a person of distinguished character and has knowledge relating to financing and accounting, as well as an abundance of experience and knowledge concerning the management of companies related to the electronics industry. The Company believes that he will carry out his duties as an Outside Company Auditor appropriately and contribute to the improvement of auditing quality for the above reasons, and requests that the shareholders elect him as an Outside Company Auditor of the Company.</p> <p>【Independent Company Auditor (<i>dokuritsu yakuin</i>, hereinafter referring to such term as used in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.)】</p> <p>Mr. Kazunori Yagi is an Independent Company Auditor. In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Company Auditor, he will continue to be an Independent Company Auditor.</p> <p>【Term of office as Outside Company Auditor】</p> <p>Two (2) years as of the closing of this Ordinary General Meeting of Shareholders.</p> <p>【Number of Shares of the Company Owned】 0 shares</p> <p>【Attendance at Meetings of the Board of Company Auditors during the Business Year】</p> <p>13 of the 14 meetings</p> <p>【Attendance at Meetings of the Board of Directors during the Business Year】</p> <p>12 of the 13 meetings</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Candidate No.	Name (Date of Birth)	Profile and Position at the Company, and Situation regarding Significant Concurrent Posts
4.	Toru Ishiguro (Jun. 19, 1954) * New candidate	<p>Apr. 1980: Registered as lawyer in Japan Joined Hamada & Matsumoto</p> <p>Apr. 1984: Registered as lawyer in New York, the United States of America</p> <p>Jan. 1985: Partner of Hamada & Matsumoto</p> <p>Sept. 1987: Resident Partner of the London office of Hamada & Matsumoto</p> <p>Jun. 2000: Outside Corporate Auditor of Monex Securities Ltd.</p> <p>Dec. 2002: Partner of Mori Hamada & Matsumoto (present post)</p> <p>[Situation regarding Significant Concurrent Posts] Partner of Mori Hamada & Matsumoto</p>
	<p>【Candidate for Outside Company Auditor】</p> <p>【The reasons why the Company recommends Mr. Toru Ishiguro as a candidate for Outside Company Auditor】</p> <p>Mr. Toru Ishiguro is a person of distinguished character and has specialized knowledge regarding law as a lawyer, advanced, specialized knowledge regarding corporate governance and internal control, and considerable insight. Although Mr. Toru Ishiguro does not have the experience of being directly involved in business management, the Company believes that he will carry out his duties as an Outside Company Auditor appropriately and contribute to the improvement of auditing quality for the above reasons, and requests that the shareholders elect him as an Outside Company Auditor of the Company.</p> <p>The Company has no business relationship with Mori Hamada & Matsumoto, where Mr. Toru Ishiguro is Partner.</p> <p>【Number of Shares of the Company Owned】 0 shares</p>	

Candidate No.	Name (Date of Birth)	Profile and Position at the Company, and Situation regarding Significant Concurrent Posts
5.	Kiyoshi Fujimura (Nov. 3, 1949) * New candidate	<p>Apr. 1972: Entered Mitsubishi Corporation</p> <p>Feb. 2002: Member of the Board, President and CEO of Mitsubishi Corporation Financial & Management Services (Japan) Ltd.</p> <p>Jun. 2003: Senior Corporate Auditor of Mitsubishi Corporation</p> <p>Jun. 2007: Senior Vice President of the said company, CIO & CISO and Senior Assistant to person in charge of Work Restructuring & Internal Control System</p> <p>Apr. 2008: Executive Vice President of the said company, CIO, Work Restructuring & Internal Control System</p> <p>Jun. 2008: Member of the Board, Executive Vice President of the said company, CIO, Work Restructuring & Internal Control System</p> <p>Apr. 2009: Member of the Board, Executive Vice President of the said company, Work Restructuring & Internal Control System, IT Service Business Development, CIO</p> <p>Apr. 2010: Member of the Board, Executive Vice President of the said company, Audit & Internal Control System</p> <p>Jun. 2012: Adviser of the said Company</p> <p>Outside Corporate Auditor of AJINOMOTO CO., INC. (present post)</p> <p>[Situation regarding Significant Concurrent Posts]</p> <p>Outside Corporate Auditor of AJINOMOTO CO., INC.</p>
	<p>【Candidate for Outside Company Auditor】</p> <p>【The reasons why the Company recommends Mr. Kiyoshi Fujimura as a candidate for Company Auditor】</p> <p>Mr. Kiyoshi Fujimura is a person of distinguished character and has knowledge relating to financing and accounting, as well as an abundance of experience and knowledge concerning the management of companies related to the general trade company. The Company believes that he will carry out his duties as an Outside Company Auditor appropriately and contribute to the improvement of auditing quality for the above reasons, and requests that the shareholders elect him as an Outside Company Auditor of the Company.</p> <p>【Independent Company Auditor】</p> <p>In the event that the proposal of his election in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes an Outside Company Auditor, he will be an Independent Company Auditor.</p> <p>【Number of Shares of the Company Owned】 0 shares</p>	

Notes: 1. None of the above five (5) candidates have any special interest in the Company.

2. The Company entered into contracts with all of the current Outside Company Auditors pursuant to Article 427 paragraph 1 of the Companies Act of Japan to limit the liabilities of each such Outside Company Auditor to the Company under Article 423 paragraph 1 of the same Act to the amount set forth in each such contract, the amount of which shall be equal to or greater than the amount provided for in Article 425 paragraph 1 of the same Act. This is for the purpose of enabling Outside Company Auditors to fulfill their roles sufficiently.

In the event that the proposal of election of Mr. Kazunori Yagi in this Item is approved by this Ordinary General Meeting of Shareholders and he becomes Outside Company Auditor, such contracts will continue to be in effect. In the event that the proposal of election of Messrs. Toru Ishiguro and Kiyoshi Fujimura is approved by this Ordinary General Meeting of Shareholders and they become Outside Company Auditors, the Company plans to enter into such contract with them.

3. The matters concerning Outside Directors and Outside Company Auditors (principal activities) in the business year under review are set forth from page 41 through page 42 of the Business Report.

《Reference 1》 Nomination Advisory Committee

TDK has in place a Nomination Advisory Committee as an advisory body to the Board of Directors which is chaired by an Outside Director and of which more than half of the members are composed of Outside Directors.

This Nomination Advisory Committee discusses the conditions expected with regard to nominations for the posts of Director, Company Auditor and Corporate Officer and makes nominations. In this way it helps ensure the appropriateness of the elections of Directors, Company Auditors and Corporate Officers, and the transparency of the decision-making process. In addition, the Nomination Advisory Committee discusses the independence of Outside Directors and Outside Company Auditors.

All candidates in Second Item and Third Item have been discussed by the Nomination Advisory Committee.

《Reference 2》 Criteria for independence of Outside Directors and Outside Company Auditors

In order to secure the independence of the Outside Directors and Outside Company Auditors it invites, TDK has established “items to be verified regarding independence” with reference to such criteria as Rule 436-2 of the Securities Listing Regulation regarding securing Independent Directors/Company Auditors and Rule III. 5. (3)-2 of Guidelines Concerning Listed Company Compliance, both of which are stipulated by Tokyo Stock Exchange, Inc. The outline of these items is as follows.

【Items to be verified regarding independence】

- (1) In cases where the relevant Outside Director/Company Auditor has a business relationship with TDK

An Outside Director/Company Auditor shall be judged not to be independent if they are at present, or have been during the past five years, a party with a business relationship with TDK as described in (i) below, or a person who executes business for such a party, or if (ii) below applies to them.

- (i) Where it is recognized, objectively and reasonably, that such business relationship is necessary for, or has a substantial influence on, the continued operation of the TDK Group or the other party to such business relationship (where there is a high degree of dependence in the relationship, where the relationship is the source of 2% or more of consolidated net sales, or where the other party to the relationship receives money or other assets from the TDK Group other than remuneration for officers)
- (ii) Where it is recognized within the TDK Group that the relevant Outside Director/Company Auditor is involved in a business relationship with the other party to such business relationship

(2) In cases where the relevant Outside Director/Company Auditor is a consultant, an accounting professional or a law professional

An Outside Director/Company Auditor shall be judged not to be independent if any of the following cases apply to such person at present or have applied to such person during the past five years.

(i) Where it is recognized, objectively and reasonably, that the relevant Outside Director/Company Auditor (including candidates for such position; the same shall apply hereinafter) cannot perform duties as an Independent Director/Company Auditor because they receive money or other assets from the TDK Group other than remuneration for officers (where there is a high degree of dependence)

(ii) Where it is recognized, objectively and reasonably, that the relevant Outside Director/Company Auditor cannot perform duties as an Independent Director/Company Auditor because an organization to which such person belongs (hereinafter the “Relevant Organization”) receives money or other assets from the TDK Group other than remuneration for officers (where this income is equivalent to 2% or more of total consolidated net sales)

(iii) Where the TDK Group has a high degree of dependence on a professional or a Relevant Organization, such as a case where services, etc., rendered by such parties are essential to the corporate management of the TDK Group or it would be difficult to find an alternative provider of the same services, etc.

(iv) Where it is recognized within the TDK Group that the relevant Outside Director/Company Auditor is involved in the services, etc., provided by the Relevant Organization

(3) In the case of a close relative of the relevant Outside Director/Company Auditor
An Outside Director/Company Auditor shall be judged not to be independent if either of the following cases apply to their close relative at present or have applied to them during the past five years.

(i) A person to whom (1) or (2) above applies (except persons without material significance)

(ii) A person who executes business for TDK or a subsidiary of TDK (except persons without material significance)

Fourth Item: Provision of a Bonus to Directors as a Group

Taking into consideration the consolidated performance for the business year under review and other matters, it is proposed that a bonus in the aggregate amount of ¥91,650,000 be paid to the four (4) Directors who execute business out of the seven (7) Directors who were in office at the end of the business year under review (*i.e.*, Directors excluding the three (3) Outside Directors).

The remuneration of Directors who execute business of the Company is comprised of (i) basic remuneration, (ii) results-linked bonus as a short-term performance linkage system and (iii) stock-linked compensation stock options as a mid- to long-term performance

linkage system; the Company applies this Item to (ii) results-linked bonus as a short-term performance linkage system.

Matters regarding the remuneration of Directors and Company Auditors based on the above (the total amount of remuneration for the business year under review and the policy and determination method regarding the amounts of remuneration and other payments for Directors and Company Auditors and its method of calculation) are as set forth from page 39 through page 41 of the Business Report.

Fifth Item: Revision to the Amount of Remuneration for Directors (Establishment of a Ceiling Amount of Bonus per Year)

In addition to basic remuneration, the Company has introduced results-linked bonus as a short-term performance linkage system and stock-linked compensation stock options as a mid- to long-term performance linkage system, as remuneration for Directors.

The ceiling amount of basic remuneration for Directors as a group was resolved as ¥25,000,000 per month at the 106th Ordinary General Meeting of Shareholders held on June 27, 2002. The ceiling amount of stock-linked compensation stock options for Directors as a group was resolved as ¥137,000,000 per year at the 110th Ordinary General Meeting of Shareholders held on June 29, 2006. Results-linked bonus has been resolved at each relevant Ordinary General Meeting of Shareholders.

At this time, the Company intends to revise a part of the remuneration system for Directors and increase the ratio of results-linked bonus to basic remuneration, for the purpose of further increasing the linkage between remuneration for Directors and the Company's performance and further promoting the sharing of values with all the shareholders.

The Company proposes to set a ceiling amount of results-linked bonus for Directors as a group as ¥350,000,000 per year (separately from basic remuneration) and pay results-linked bonus to Directors within such ceiling amount hereafter, and requests to approve such ceiling amount (the calculation standards are as summarized below).

The aforementioned bonus shall be paid only to Directors who execute business (*i.e.*, the aforementioned bonus shall not be paid to Outside Directors and Directors who do not execute business), and in the event that the proposal in the Second Item is approved as originally proposed, the number of Directors who execute business will be four (4).

Please note that no revision is made to the ceiling amount of basic remuneration in relation to the revision of the remuneration system this time.

[Calculation Standards for Results-linked Bonus (Summary)]

- (i) Consolidated operating income for the relevant business year
- (ii) Consolidated return on equity (ROE) for the relevant business year

In addition to the above items, the Company uses certain indexes established for each department and changes the multiplier factor applied to the standard payment from 0% to 200% in accordance with the degree of attainment against target values.

Sixth Item: Revision to the Amount of Stock Option Remuneration and Introduction of Stock Options with Performance Conditions for Directors

The Company has allotted stock acquisition rights (stock-linked compensation stock options) with an exercise price of ¥1 per share as a part of remuneration for Directors, the purpose of which is to provide Directors with incentive for improving the Company's operating results and share price by structuring the remuneration so that Directors share with the shareholders the benefits of an increase in the Company's share price as well as the risk of a decrease.

At this time, the Company proposes to revise a part of the remuneration system for Directors and with respect to the amounts and contents of stock option remuneration, add performance conditions to the conditions for exercising stock options and increase the weight of stock option remuneration relative to base remuneration, for the purpose of further increasing the linkage between remuneration for Directors and the Company's mid- to long-term performance and corporate value.

1. The ceiling amount of stock option remuneration for Directors as a group was resolved as ¥137,000,000 per year at the 110th Ordinary General Meeting of Shareholders held on June 29, 2006 and this amount has been valid to date. The newly introduced stock acquisition rights with performance conditions (the details of which are as provided below) will be granted in the first fiscal year of the Mid-Term Business Plan in a lump sum for the entire period of the plan (for three (3) years in this case, as the plan currently runs for three (3) years). Accordingly, the Company requests approval for revising the ceiling amount of stock option remuneration for Directors as a group to ¥457,000,000 per year.

The persons eligible for the aforementioned stock option remuneration shall be the Directors (excluding Outside Directors). In the event that the proposal in the Second Item is approved as originally proposed, the number of the Directors (excluding Outside Directors) will be four (4).

2. The contents of the stock acquisition rights to be granted shall be as provided below:

(1) Total number of stock acquisition rights and class and number of shares to be issued upon exercise of the stock acquisition rights

(i) Total number of stock acquisition rights

Up to 775 stock acquisition rights may be issued within one (1) year from the date of the Ordinary General Meeting of Shareholders each business year.

(ii) Class and number of shares to be issued upon exercise of the rights

Up to 77,500 shares of common stock of the Company may be allotted due to the exercise of stock acquisition rights that are issued within one (1) year from the date of the Ordinary General Meeting of Shareholders each business year.

(iii) Number of shares subject to one (1) stock acquisition right (hereinafter referred to as the "Number of Shares Granted")

100

In the event that the Company conducts a share split, allotment of shares without contribution or consolidation of shares, etc., the Number of Shares Granted shall be adjusted according to the formula as provided below. This adjustment will apply to the number of shares subject to stock acquisition rights that have not been exercised prior to the relevant date. Any fractions of less than one (1) share resulting from such adjustment shall be rounded down.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment x ratio of share split or consolidation of shares

In addition to the above, should there be any inevitable event after the resolution date requiring an adjustment to the Number of Shares Granted, an adjustment to the Number of Shares Granted shall be made to the extent reasonable.

(2) Amount to be paid in for stock acquisition rights

The amount to be paid in shall be an amount equivalent to the fair value that is reasonably estimated based on option pricing estimation models on the date when the stock acquisition rights are allotted (hereinafter referred to as the “Allotment Date.”)

(3) Amount to be contributed at the time of exercise of each stock acquisition right

The amount to be contributed at the time of exercise of each stock acquisition right shall be the amount to be paid in for each share that shall be granted due to the exercise of stock acquisition rights, which shall be ¥1, multiplied by the Number of Shares Granted.

(4) Exercise period for stock acquisition rights

The exercise period shall be within 20 years from the date following the Allotment Date.

(5) Transfer restrictions on stock acquisition rights

An acquisition of stock acquisition rights due to transfer shall be subject to approval by the Meeting of the Board of Directors of the Company.

(6) Other conditions relating to the exercise of stock acquisition rights

(i) Stock acquisition rights may be exercised on or after the third anniversary of the date following the Allotment Date in principle.

(ii) Performance conditions shall be attached to certain allotted stock acquisition rights. If these conditions are satisfied, all of the stock acquisition rights that have the attached conditions may be exercised. If these conditions are not satisfied, all or part of the stock acquisition rights that have the attached conditions will be precluded from being exercised, according to the level of underperformance (the conditions are as summarized below).

(iii) Other conditions regarding the exercise of stock acquisition rights will be specified at the Meeting of the Board of Directors which determines the subscription requirements for the stock acquisition rights.

[Performance Conditions (Summary)]

(i) Consolidated operating income in the Mid-Term Business Plan

(ii) Consolidated return on equity (ROE) in the Mid-Term Business Plan

If the above-mentioned performance targets are achieved, it will be possible to exercise 100% of the stock acquisition rights that have the attached conditions. If these performance targets are not achieved, the number of stock acquisition rights that may be exercised will be reduced according to the level of underperformance. If performance falls below minimum targets set in advance, none of the stock acquisition rights may be exercised.

In the event that the proposal in this Item is approved as originally proposed, the same stock acquisition rights will be granted to Corporate Officers in addition to Directors. The Company expects that the ratio of the total number of shares subject to these stock acquisition rights to the total number of the issued shares will be no more than 0.1% per year.

《Reference 1》 Remuneration System for Directors

In the event that the proposals in the Fifth and Sixth Items are approved as originally proposed, the ratio of performance-linked remuneration (in case of the standard payment) to basic remuneration for Directors will be as provided below.

Basic Remuneration: Results-Linked Bonus: Stock-Linked Compensation Stock Options
1: 0.6: 0.7

《Reference 2》 Compensation Advisory Committee

The Company has in place a Compensation Advisory Committee acting as an advisory body to the Board of Directors, composed of Outside Directors (among whom one is the committee chairman) and an officer in charge of personnel.

The Committee examines the remuneration system and the level of remuneration pertaining to Directors and Corporate Officers of the Company and reviews the transparency of the remuneration decision-making process and verifies whether the individual remuneration is reasonable in light of corporate business performance, individual performance and general industry standards, among other factors. Fourth Item, Fifth Item and Sixth Item have been discussed by the Compensation Advisory Committee.

End

**(Documents Attached to the Notice of Convocation
of the Ordinary General Meeting of Shareholders)**

Attached Document (1)

BUSINESS REPORT
 (From: April 1, 2014
 To: March 31, 2015)

1. Business Conditions

(1) Business Conditions and Results of TDK Group

Looking at the world economy in the fiscal year ended March 31, 2015 ("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 manufacturers. 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.

As a result, consolidated operating results for TDK for Fiscal 2015 are as shown below.

(¥ in millions)

	Fiscal 2014	Fiscal 2015	YoY Change
Net sales	984,525	1,082,560	10.0%
Operating income	36,616	72,459	97.9%
Net income from continuing operations before income taxes	39,772	74,517	87.4%
Net income attributable to TDK	16,288	49,440	203.5%
Basic net income attributable to TDK per common share (¥)	129.47	392.78	263.31

Note: In Fiscal 2014, TDK has shown earnings related to the data tape business and the Blu-ray business as discontinued operations in the consolidated statements of income in accordance with the provisions of Accounting Standards Codification ("ASC") 205-20, "Presentation of Financial Statements-Discontinued Operations," issued by the U.S. Financial Accounting Standards Board ("FASB").

(2) Segment Information of TDK Group

The TDK Group's net sales are made up of three reporting segments—passive components (capacitors, inductive devices, etc.), magnetic application products (recording devices, etc.), and film application products, as well as “other” that are not included in any of those three reporting segments.

Net sales by business section in each segment were as follows:

[Consolidated]

(¥ in millions)

Business Section		Main Applications	Net Sales	Share of Sales (%)	YoY Change (%)
Passive components	Capacitors	AV, office automation, communications and other types of equipment, automobiles and industrial equipment, etc.	148,960	13.8	6.7
	Inductive devices		154,223	14.2	9.9
	Other		238,022	22.0	24.1
	Passive components		541,205	50.0	14.7
Magnetic application products	Recording devices	PCs and PC peripherals, automobiles and industrial equipment, etc.	260,506	24.1	1.5
	Other		108,715	10.0	1.0
	Magnetic application products		369,221	34.1	1.4
Film application products		PCs and communications equipment, etc.	151,275	14.0	17.0
Other		Communications and industrial equipment, etc.	20,859	1.9	8.3
Consolidated total			1,082,560	100.0	10.0
Incl. overseas sales			989,348	91.4	11.1

[Passive Components Segment]

This segment is made up of (1) capacitors, (2) inductive devices, and (3) other passive components. Consolidated net sales in the passive components segment were ¥541,205 million, 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. Consolidated net sales in the capacitors business were ¥148,960 million, 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.

Consolidated net sales of inductive devices increased 9.9% year on year from ¥140,309 million to ¥154,223 million. 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. Consolidated net sales of other passive components increased 24.1% year on year from ¥191,749 million to ¥238,022 million. 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.

[Magnetic Application Products Segment]

This segment is made up of (1) recording devices, and (2) other magnetic application products. Consolidated net segment sales increased 1.4% year on year, from ¥364,291 million to ¥369,221 million.

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded consolidated net sales of ¥260,506 million, 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. Consolidated net sales increased 1.0% year on year from ¥107,588 million to ¥108,715 million. Sales of power supplies increased to the industrial equipment market. On the other hand, sales of magnets decreased to the automotive market.

[Film Application Products]

This segment includes energy devices (rechargeable batteries) and applied films. Consolidated net segment sales increased 17.0% from ¥129,304 million to ¥151,275 million.

Sales of energy devices increased to the ICT market.

[Other]

Other includes mechatronics (production equipment) and other businesses. Consolidated net segment sales increased 8.3% from ¥19,257 million to ¥20,859 million.

(3) Capital Expenditures of TDK Group

The TDK Group invested ¥102,525 million in capital expenditures in Fiscal 2015, up 49.4% year on year, in order to provide an accurate response to fast-paced technological innovation and escalating sales competition in the electronics market. Capital expenditures in the previous fiscal year were ¥68,606 million.

Main capital expenditures included expenditures for equipment to increase production of inductive devices and high-frequency devices, and expenditures for manufacturing facilities to increase production and raise production efficiency of rechargeable batteries. Furthermore, TDK invested in development and production facilities for next-generation HDD heads with higher areal density. In Fiscal 2015, TDK executed capital expenditures directed at spurring business expansion primarily in the aforementioned core business operations.

(4) Research and Development of TDK Group

The expenditure for R&D activities in Fiscal 2015 was ¥70,644 million, up 11.5% from ¥63,385 million in Fiscal 2014. The TDK Group invested in R&D to respond to the diversifying electronics market and to strengthen and expand new product development on an ongoing basis.

The TDK Group has focused on accelerating the development of electronic materials and processes, which are fundamental to the Group's manufacturing activities, along with the development of products in the next-generation information and communications market and the energy-related market. Moreover, the TDK Group has established a new R&D framework with an emphasis on the three fields of information and communications, energy, and materials. The TDK Group will push ahead with cutting-edge R&D in an effort to create products that meet the needs of the next-generation cloud-based society and products that show consideration for the global environment.

(5) Fund Procurement of TDK Group

The balances of straight bonds and debt as of the end of Fiscal 2015 were as follows:

(¥ in millions)

Issue	Balance at March 31, 2015	Increase (Decrease) During FY2015
Straight bonds	13,000	—
Short- and long-term debt	255,332	1,325
Total	268,332	1,325

The Company was responsible for issuing straight bonds and main short- and long-term debts in the past. Details of the straight bonds above and main lenders as of March 31, 2015 are as follows:

1) Straight Bonds (Issued on January 23, 2009)

Issue	Total Amount of Issue	Issue Price	Coupon Rate	Redemption Date
4th Series Unsecured Straight Bonds	13,000 million yen	100 yen per face value of 100 yen	2.038% per annum	January 30, 2019

2) Main Lenders (As of March 31, 2015)

(¥ in millions)

Lender	Amount
Resona Bank, Ltd.	43,500
Development Bank of Japan Inc.	30,000
Sumitomo Mitsui Banking Corporation	27,500
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	27,016
Sumitomo Mitsui Trust Bank, Limited	20,500
Mizuho Bank, Ltd.	20,000
Mitsubishi UFJ Trust and Banking Corporation.	20,000

(6) Assignment of Businesses or Acceptance of Assignment of Businesses of Other Companies, or Acquisition or Disposition of Shares, etc., of Other Companies

Effective April 1, 2015, the Company has conducted an absorption type corporate split with its subsidiary TDK-EPC Corporation, which manufactures and sells passive components as its main business. As a result, the Company has succeeded to the rights and obligations of TDK-EPC's entire business.

(7) Assets and Earnings in the Last Four Business Years

[Consolidated Results]

(¥ in millions)

Item \ Term	116th (Apr. 1, 2011 to Mar. 31, 2012)	117th (Apr. 1, 2012 to Mar. 31, 2013)	118th (Apr. 1, 2013 to Mar. 31, 2014)	119th (Apr. 1, 2014 to Mar. 31, 2015)
Net sales	802,534	841,847	984,525	1,082,560
Operating income	20,539	22,054	36,616	72,459
Net income (loss) attributable to TDK	(2,454)	1,195	16,288	49,440
Basic net income (loss) attributable to TDK per common share (¥)	(19.06)	9.50	129.47	392.78
Total assets	1,072,829	1,169,642	1,239,589	1,404,282
Total equity	512,046	580,616	652,243	758,007
Total stockholders' equity	498,159	561,169	635,327	738,861
Total stockholders' equity per share (¥)	3,957.20	4,460.79	5,049.72	5,864.56
Dividends per share (¥)	80.00	70.00	70.00	90
Return on Equity (ROE) (%)	(0.5)	0.2	2.7	7.2
Return on Assets (ROA) (%)	(0.2)	0.1	1.4	3.7
Dividend on Equity (DOE) (%)	2.0	1.7	1.5	1.6

- Notes: 1. Basic net income (loss) attributable to TDK per common share and total stockholders' equity per share are computed based on the weighted average number of the issued shares and the number of issued shares as of the end of the relevant fiscal year, respectively, after deducting treasury stock.
2. In the 118th fiscal year, TDK has shown earnings related to the data tape business and Blu-ray business as discontinued operations in the consolidated statements of income in accordance with the provisions of ASC 205-20, "Presentation of Financial Statements-Discontinued Operations." Consequently, figures for the 117th fiscal year and the 116th fiscal year have been restated to match the presentation in the 118th fiscal year.
3. The total cash dividend for the 119th fiscal year is ¥90.00 per share, including a year-end dividend of ¥50.00 per share. The year-end dividend is scheduled for approval at the 119th Ordinary General Meeting of Shareholders on June 26, 2015.

(8) Pressing Issues

1) Medium- and Long-Term Management Strategy of TDK Group

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 through growing earnings per share.

In line with the Corporate Governance Code that started 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.

2) Pressing Issues of TDK Group

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 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 devices, piezoelectric material products and circuit protection components, 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. With this in mind, the Company will strengthen its corporate governance, primarily by contributing to environmental protection and enforcing compliance with laws and regulations in Japan and other countries.

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” (Corporate Motto), while at the same time TDK is working to foster a corporate culture that continues to strive for growth.

In these endeavors, TDK greatly appreciates the continued support of all its shareholders.

(9) Principal Businesses of TDK Group

The TDK Group is principally engaged in the manufacture and sale of electronic components. Main businesses in the three reporting segments and others which are not included in such three segments are as follows:

Segment	Main Businesses
Passive Components	Ceramic capacitors, aluminum electrolytic capacitors, film capacitors, inductive devices (coils/ferrite cores/transformers), high-frequency devices, piezoelectric material products, circuit protection components, sensors
Magnetic Application Products	Recording devices, power supplies, magnets
Applied Film Products	Energy devices (rechargeable batteries), applied films
Other	Mechatronics (production equipment), other

(10) Major Business Offices and Plants of TDK Group

1) The Company

Type of Office	Locations
Head Office	9-1, Shibaura 3-chome, Minato-ku, Tokyo
Business Offices	Sendai, Nagoya, Matsumoto, Osaka, Fukuoka
Plants	Chokai Plant (Akita Pref.), Akita Plant (Akita Pref.), Inakura Plant (Akita Pref.), Narita Plant (Chiba Pref.), Shizuoka Plant (Shizuoka Pref.), Kofu Plant (Yamanashi Pref.), Asama Techno Plant (Nagano Pref.), Mikumagawa Plant (Oita Pref.)

Research & Development	Ichikawa and Narita, Chiba Pref.
------------------------	----------------------------------

2) Subsidiaries

The “1) Status of Principal Subsidiaries” of “(11) Principal Subsidiaries” is as follows.

(11) Principal Subsidiaries

1) Status of Principal Subsidiaries

Name of Company	Capital	Percentage of Votes Held by the Company (%)	Outline of Principal Business
TDK-EPC Corporation (Minato-ku, Tokyo)	¥2,000 million	100.0	Manufacture and sale of passive components
TDK-Lambda Corporation (Minato-ku, Tokyo)	¥2,976 million	*100.0	Manufacture and sale of magnetic application products
TDK-MCC Corporation (Nikaho-shi, Akita Pref.)	¥1,000 million	*100.0	Manufacture of passive components
TDK Shonai Corporation (Tsuruoka-shi, Yamagata Pref.)	¥110 million	*100.0	Manufacture of passive components and magnetic application products
TDK China Co., Ltd. (Shanghai, China)	RMB260,973 thousand	100.0	Management and supervision of Chinese subsidiaries
TDK Hong Kong Company Limited (Hong Kong, China)	HK\$25,500 thousand	100.0	Manufacture and sale of passive components and magnetic application products
SAE Magnetics (Hong Kong) Limited (Hong Kong, China)	HK\$50 thousand	*100.0	Manufacture and sale of magnetic application products
TDK Xiamen Co., Ltd. (Xiamen, China)	RMB681,074 thousand	*100.0	Manufacture and sale of passive components
Amperex Technology Limited (Hong Kong, China)	US\$277,588 thousand	*88.9	Manufacture and sale of film application products
TDK (Shanghai) International Trading Co., Ltd. (Shanghai, China)	RMB1,659 thousand	*100.0	Sale of passive components
TDK Taiwan Corporation (Taipei, Taiwan)	NT\$424,125 thousand	*95.4	Manufacture and sale of passive components and magnetic application products
Magnecomp Precision Technology Public Co., Ltd. (Ayutthaya, Thailand)	US\$96,333 thousand	99.8	Manufacture and sale of magnetic application products

TDK Singapore (Pte) Ltd. (Singapore)	US\$126 thousand	*100.0	Sale of passive components and magnetic application products
TDK U.S.A. Corporation (New York, U.S.A.)	US\$458,727 thousand	100.0	Management and supervision of U.S. subsidiaries
Headway Technologies, Inc. (California, U.S.A.)	US\$163,161 thousand	100.0	Manufacture and sale of magnetic application products
TDK Corporation of America (Illinois, U.S.A.)	US\$3,800 thousand	*100.0	Sale of passive components
TDK Europe S.A. (Windhof, Luxembourg)	Euro 352,113 thousand	100.0	Management and supervision of European subsidiaries
EPCOS AG (Munich, Germany)	Euro 66,682 thousand	*100.0	Manufacture and sale of passive components
TDK Europe GmbH (Düsseldorf, Germany)	Euro 46,545 thousand	*100.0	Sale of passive components

Notes: 1. Capital and percentage of votes held by the Company have been rounded down to the nearest unit.

2. * Denotes percentage of votes held by the Company including indirect holdings.

3. Effective April 1, 2015, the Company has conducted an absorption type corporate split with TDK-EPC Corporation. As a result, the Company has succeeded to the rights and obligations of TDK-EPC's entire business.

2) Business Combinations

Classification	No. of Companies	YoY Change
Consolidated subsidiaries	Domestic	12
	Overseas	105
	Total	117
Equity-method affiliates	Domestic	4
	Overseas	4
	Total	8

(12) Employees

Employees of TDK Group:

Number of Employees	Change from Preceding Fiscal Year
88,076	4,495

Note: The number of employees represents the number of employees who work in offices. Part-time employees are not included in the figure above.

2. Matters Concerning Shares of the Company

(1) Total Number of Shares Authorized to Be Issued by the Company

480,000,000 shares

(2) Total Number of Issued Shares

129,590,659 shares (inclusive of 3,603,187 shares of treasury stock)

(3) Number of Shareholders

21,771 shareholders (6,882 less than at March 31, 2014)

(4) Top 10 Largest Shareholders

Name of shareholder	Number of shares held	Percentage of shares held
	(thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	15,105	11.99
Japan Trustee Services Bank, Ltd. (Trust account)	9,976	7.92
JP MORGAN CHASE BANK 380055	4,356	3.46
BNP Paribas Securities (Japan) Limited	2,704	2.15
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	2,475	1.96
SOCIETE GENERALE PARIS/BT REGISTRATION MARC/OPT	1,812	1.44
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,754	1.39
THE BANK OF NEW YORK MELLON SA/NV 10	1,742	1.38
Nippon Life Insurance Company	1,640	1.30
STATE STREET BANK WEST CLIENT - TREATY 505234	1,619	1.29

Notes: 1. The 3,603,187 shares of treasury stock were not considered when calculating the percentage of shares held.

2. Shares of treasury stock are not considered in the number of shares held by the largest shareholders above.

3. Matters Concerning Stock Acquisition Rights, Etc.

(1) Stock Acquisition Rights, Etc., Granted to the Company's Directors and Company Auditors as of the End of the Business Year Under Review in Consideration for the Performance of Their Duties

1) Stock-Linked Compensation Stock Acquisition Rights

Issue	Issue resolution date	Number of stock acquisition rights	Class and number of shares to be issued upon the exercise of stock acquisition rights	Amount to be paid for stock acquisition rights (issue price)	Exercise period of stock acquisition rights (both days inclusive)	Directors' and Company Auditors' holdings	
						Directors (excluding Outside Directors)	Company Auditors
2005	June 29, 2005	26	2,600 shares of common stock	Free of charge	From July 1, 2005 to June 30, 2025	1 person, 26 rights	—
2007 (Issued at Fair Value to Directors)	May 15, 2007	27	2,700 shares of common stock	¥11,014 (fair value)	From July 8, 2007 to July 7, 2027	1 person, 7 rights	—
2007 (Issued Free of Charge to Corporate Officers)	June 28, 2007	4	400 shares of common stock	Free of charge	From July 8, 2007 to July 7, 2027	—	—
2008 (Issued at Fair Value to Directors)	May 28, 2008	74	7,400 shares of common stock	¥5,967 (fair value)	From July 6, 2008 to July 5, 2028	1 person, 37 rights	—
2008 (Issued Free of Charge to Corporate Officers)	June 27, 2008	35	3,500 shares of common stock	Free of charge	From July 6, 2008 to July 5, 2028	—	—
2009	May 27, 2009	233	23,300 shares of common stock	¥4,021 (fair value)	From July 5, 2009 to July 4, 2029	3 people, 82 rights	—
2010	May 26, 2010	241	24,100 shares of common stock	¥4,213 (fair value)	From July 4, 2010 to July 3, 2030	3 people, 93 rights	—
2011	May 25, 2011	385	38,500 shares of common stock	¥3,925 (fair value)	From July 3, 2011 to July 2, 2031	4 people, 133 rights	—
2012	June 21, 2012	375	37,500 shares of common stock	¥2,770 (fair value)	From July 8, 2012 to July 7, 2032	4 people, 176 rights	—
2013	June 19, 2013	363	36,300 shares of common stock	¥3,112 (fair value)	From July 7, 2013 to July 6, 2033	4 people, 176 rights	—
2014	June 18, 2014	346	34,600 shares of common stock	¥4,136 (fair value)	From July 6, 2014 to July 5, 2034	4 people, 176 rights	—

2) Stock Acquisition Rights

Issue	Issue resolution date	Number of stock acquisition rights	Class and number of shares to be issued upon the exercise of stock acquisition rights	Exercise price (per share)	Exercise period of stock acquisition rights (both days inclusive)	Directors' and Company Auditors' holdings	
						Directors (excluding Outside Directors)	Company Auditors
8th	July 30, 2009	306	30,600 shares of common stock	¥5,110	From August 1, 2011 to July 31, 2015	—	—
9th	July 29, 2010	536	53,600 shares of common stock	¥5,292	From August 1, 2012 to July 31, 2016	—	1 person, 5 rights
10th	July 28, 2011	520	52,000 shares of common stock	¥4,567	From August 1, 2013 to July 31, 2017	—	—
11th	July 31, 2012	666	66,600 shares of common stock	¥3,550	From August 1, 2014 to July 31, 2018	—	—
12th	July 31, 2013	1,188	118,800 shares of common stock	¥3,836	From August 1, 2015 to July 31, 2019	—	—

Notes: 1. The exercise price of stock-linked compensation stock acquisition rights is ¥1 per share.

2. Stock acquisition rights are issued free of charge.

3. Stock acquisition rights held by Directors include stock acquisition rights granted when they were Corporate Officers of the Company.
4. Stock acquisition rights held by Company Auditor was granted when employed at the Company.

(Reference) Stock acquisition rights, etc., held by Directors, Company Auditors, Corporate Officers and employees, etc., of the Company and its subsidiaries as of March 31, 2015

	Number of stock acquisition rights	Class and number of shares to be issued upon the exercise of stock acquisition rights	Percentage of the number of stock acquisition rights in the total number of the issued shares
Stock-Linked Compensation Stock Acquisition Rights	2,109	210,900 shares of common stock	0.16%
Stock Acquisition Rights	3,216	321,600 shares of common stock	0.25%
Total	5,325	532,500 shares of common stock	0.41%

(2) Stock Acquisition Rights, Etc., Granted to Employees, Etc., During the Business Year Under Review in Consideration for the Performance of Their Duties

Issue	Corporate Officers of the Company		Employees of the Company		Officers and Employees of the Subsidiaries of the Company	
	Number of holders	Number issued	Number of holders	Number issued	Number of holders	Number issued
2014 Stock-Linked Compensation Stock Acquisition Rights	12	188 stock acquisition rights (18,800 shares)	-	-	-	-

4. Matters Concerning Directors and Company Auditors

(1) Names and Other Details of Directors and Company Auditors

Position	Name	Duties at the Company and Situation regarding Significant Concurrent Posts
Representative Director (President)	Takehiro Kamigama	<ul style="list-style-type: none"> • General Manager of Humidifier Countermeasures HQ • General Manager of Technology HQ
Director (Executive Vice President)	Atsuo Kobayashi	<ul style="list-style-type: none"> • In charge of Applied Films Business Group, Flash Memory Applied Devices Business Division, EMC & RF Engineering Business Division • General Manager of Magnet Products Business Group • General Manager of Power Systems Business Group
Director (Executive Vice President)	Hiroyuki Uemura	<ul style="list-style-type: none"> • President & CEO of TDK-EPC Corporation • General Manager of Ceramic Capacitors Business Group
Director (Senior Vice President)	Junji Yoneyama	<ul style="list-style-type: none"> • In charge of Corporate Systems Reformation, Human Resources, General Affairs, Legal, CSR Promotion
Outside Director	Yukio Yanase	<ul style="list-style-type: none"> • President of OGI Holdings Co., Ltd.
Outside Director	Makoto Sumita	<ul style="list-style-type: none"> • Chairman & CEO of INNOTECH CORPORATION • Director of IT Access Co., Ltd. • Chairman of INNOTECH FRONTIER, Inc.
Outside Director	Kazumasa Yoshida	<ul style="list-style-type: none"> • Outside Director of Onkyo Corporation • Outside Director of Gibson Brands, Inc. • Outside Director of CYBERDYNE Inc.
Full-time Company Auditor	Osamu Yotsui	
Full-time Company Auditor	Noboru Hara	
Outside Company Auditor	Osamu Nakamoto	<ul style="list-style-type: none"> • Representative of Nakamoto Law Office • Outside Company Auditor of Foster Electric Company, Limited • Outside Company Auditor of ValueCommerce Co., Ltd.
Outside Company Auditor	Koichi Masuda	<ul style="list-style-type: none"> • Adviser to the Japanese Institute of Certified Public Accountants • Outside Company Auditor of Regional Economy Vitalization Corporation of Japan • Outside Company Auditor of The Daishi Bank, Ltd. • Outside Company Auditor of Sumitomo Riko Company Limited • Governor of Japan Exchange Regulation

Outside Company Auditor	Kazunori Yagi	<ul style="list-style-type: none"> • Outside Company Auditor of Yokogawa Bridge Holdings Corp. • Outside Director of JSR Corporation • Outside Director of OYO Corporation
-------------------------	---------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Notes: 1. Directors Messrs. Yukio Yanase, Makoto Sumita and Kazumasa Yoshida are Outside Directors pursuant to Article 2, item 15 of the Companies Act of Japan and Independent Directors pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.

2. Company Auditors Messrs. Osamu Nakamoto, Koichi Masuda and Kazunori Yagi are Outside Company Auditors pursuant to Article 2, item 16 of the Companies Act of Japan and Independent Company Auditors pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.

3. After March 31, 2015, the following changes in responsibility occurred:

Date of change	Position	Name	Duties at the Company and Situation regarding Significant Concurrent Posts
April 1, 2015	Director (Executive Vice President)	Hiroyuki Uemura	<ul style="list-style-type: none"> • Electronic Components Business Company CEO • General Manager of Ceramic Capacitors Business Group of Electronic Components Business Company
April 1, 2015	Director (Senior Vice President)	Junji Yoneyama	<ul style="list-style-type: none"> • In charge of Corporate Systems Reformation
May 1, 2015	Director (Executive Vice President)	Atsuo Kobayashi	<ul style="list-style-type: none"> • General Manager of Magnet Products Business Group

4. Transactions between the Company and other parties where Outside Directors/Company Auditors concurrently hold significant positions were as follows:

- Although the Company has a business relationship relating to electronic parts and system maintenance, etc. with INNOTECH CORPORATION, where Outside Director Mr. Makoto Sumita is CEO, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2015, the ratio of sales of the TDK Group to the INNOTECH Group represented less than 1% of the consolidated net sales of the TDK Group, and the ratio of sales of the INNOTECH Group to the TDK Group represented less than 1% of the INNOTECH Group's consolidated net sales.
- Although the Company has a business relationship relating to electronic parts with Onkyo Corporation, where Outside Director Mr. Kazumasa Yoshida serves as Outside Director, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2015, the ratio of sales of the TDK Group to the Onkyo Group represented less than 1% of the consolidated net sales of the TDK Group.
- Although the Company has a business relationship relating to electronic parts with Foster Electric Company, where Outside Company Auditor Mr. Osamu Nakamoto serves as Outside Company Auditor, the transacted amount is so small for both entities that such business relationship is not a significant relationship; in the fiscal year ended March 31, 2015, the ratio of sales of the TDK Group to the Foster Electric Group represented less than 1% of the consolidated net sales of the TDK Group.

5. Full-time Company Auditor Mr. Osamu Yotsui and Outside Company Auditors Messrs. Koichi Masuda and Kazunori Yagi have relevant knowledge of financing and accounting as stated below:

- Full-time Company Auditor Mr. Osamu Yotsui has 22 total years of experience in financing and accounting of the Company; thus, he has considerable knowledge in this field.
- Outside Company Auditor Mr. Koichi Masuda is a certified public accountant; thus, he has considerable knowledge of financing and accounting.
- Outside Company Auditor Mr. Kazunori Yagi has the experience of serving for many years in the fields of accounting and corporate planning at Yokogawa Electric Corporation, and thus possesses considerable knowledge as regards financing and accounting.

6. The Company entered into contracts with all of the Outside Directors and Outside Company Auditors pursuant to Article 427, paragraph 1 of the Companies Act of Japan to limit the liabilities of each such Outside Director/Outside Company Auditor to the Company under Article 423, paragraph 1 of the same Act to the amount set forth in each such contract, which amount shall be equal to or greater than the amount provided for in Article 425, paragraph 1 of the same Act. This

is for the purpose of enabling Outside Directors and Outside Company Auditors to fulfill their roles sufficiently.

(2) Remuneration for Directors and Company Auditors

1) Total Amount of Remuneration for the Business Year Under Review

Classification	Total number of payees	Total amount of remuneration (¥ in millions)	Remuneration breakdown					
			Basic remuneration		Results-linked bonus		Stock-linked compensation stock options	
			Number of payees	Amount paid (¥ in millions)	Number of payees	Amount paid (¥ in millions)	Number of payees	Amount paid (¥ in millions)
Directors	8	375	8	216	4	86	4	73
(including Outside Directors)	(4)	(40)	(4)	(40)	Not eligible for the above remuneration			
Company Auditors	5	85	5	85	Not eligible for the above remuneration			
(including Outside Company Auditors)	(3)	(27)	(3)	(27)				
Total	13	459	13	301	4	86	4	73

Notes: 1. The number of Directors and Company Auditors at the end of the business year under review were 7 and 5, respectively. The total number of payees, the total amount of remuneration and the basic remuneration in the breakdown thereof regarding Directors and Company Auditors as shown above includes the amount of remuneration paid to 1 Outside Director who retired at the close of the 118th Ordinary General Meeting of Shareholders held on June 27, 2014.

2. The ceiling amount of remuneration

(1) The ceiling amount of remuneration for Directors

1) Basic remuneration: The ceiling amount of remuneration for Directors as a group was resolved as less than ¥25 million per month at the 106th Ordinary General Meeting of Shareholders held on June 27, 2002.

2) Stock-linked compensation stock options: The ceiling amount of remuneration related to stock acquisition rights allocated as stock options was resolved as less than ¥137 million per year at the 110th Ordinary General Meeting of Shareholders held on June 29, 2006.

(2) The ceiling amount of remuneration for Company Auditors

Basic remuneration: The ceiling amount of remuneration for Company Auditors as a group was resolved as less than ¥8 million per month at the 106th Ordinary General Meeting of Shareholders held on June 27, 2002.

3. As for the amount of results-linked bonuses for Directors for the business year under review, it has been recorded as an expense.

2) Policy and Determination Method Regarding the Amounts of Remuneration and Other Payments for Directors and Company Auditors and its Method of Calculation

<Policy on remuneration>

(1) Purpose of remuneration system

TDK's remuneration system is designed for the following purpose based on the consultation and deliberation of the Compensation Advisory Committee, an advisory body to the Board of Directors.

By constantly pursuing the formulation of a competitive remuneration system that focuses on linkage with short-term as well as mid- to long-term results, TDK promotes as much as possible behavior on the part of Directors and Company Auditors geared towards enhancing corporate results and stock value to constantly increase the corporate value of the overall TDK Group.

(2) Remuneration level

TDK aims to set remuneration at levels enabling the maintenance of competitiveness compared with other companies in the same business category or of similar scale in different business categories. The adequacy of its level is examined by the Compensation Advisory Committee based on studies, etc., on corporate management remuneration performed periodically by third parties.

(3) Composition of remuneration

- a. Remuneration for Directors who execute business
Composed of basic remuneration, results-linked bonuses and stock-linked compensation stock options.
- b. Remuneration of Directors who do not execute business
Composed of basic remuneration and stock-linked compensation stock options.
- c. Remuneration for Outside Directors
Basic remuneration only.
- d. Remuneration for Company Auditors
Basic remuneration only.

(4) Results linkage system

- a. Short-term results linkage system (results-linked bonus)
A system whereby remuneration fluctuates depending on the single-year consolidated results (operating income, ROA, etc.) and the degree of attainment of results of the position in charge.
- b. Mid- to long-term results linkage system (stock-linked compensation stock options)
Stock-linked compensation stock options are granted with the number of shares calculated based on their value at the time of grant depending on the amount of stock option remuneration determined for each position. This is an effective stock option grant similar to the disbursement of actual stock of the Company whereby recipients have the same advantage of a rising stock value of the Company and the same risk of it falling as regular shareholders. The introduction of such a system is aimed to further increase the ambition and morale of eligible Directors with respect to the enhancement of results and stock value.

The Company has established Corporate Stock Ownership Guidelines. The Company makes an effort to ensure that eligible Directors hold at least a certain number of shares in the Company pursuant to their rank, including stock-linked compensation stock options.

<Remuneration determination process (establishment and operation of the Compensation Advisory Committee)>

In order to achieve the purpose of the aforementioned remuneration system, TDK has in place a “Compensation Advisory Committee” acting as an advisory body to the Board of Directors, composed of Outside Directors (among whom one is committee chairman), and an officer in charge of personnel.

The Committee examines the remuneration system and the level of remuneration pertaining to Directors and Corporate Officers and reviews the transparency of the remuneration decision-making process and verifies whether the individual remuneration is reasonable in light of corporate business performance, individual performance and general industry standards, among other factors.

(3) Matters Concerning Outside Directors and Outside Company Auditors

1) Situation regarding Significant Concurrent Posts and Relationships between the Company and the Entities Concerned

Please refer to “4. (1) Names and Other Details of Directors and Company Auditors” noted from page 37 through page 39.

2) Principal Activities of Outside Directors and Outside Company Auditors during the Business Year Under Review

Name (Position)	Attendance at Meetings of the Board of Directors and Other Meetings	Opinions in Meetings of the Board of Directors and Other Activities
Yukio Yanase (Outside Director)	Mr. Yanase attended all 13 meetings of the Board of Directors held during the business year under review. Attendance at the following committee meetings during the business year under review: Nomination Advisory Committee: 3 Compensation Advisory Committee: 3	Mr. Yanase is the Chairman of the Board of Directors. He actively stated opinions based on his rich experience and knowledge regarding corporate management, with a special emphasis on global management. Mr. Yanase is the Chairman of the Nomination Advisory Committee. He therefore plays a key role in judging the appropriateness of the selection of Directors, Company Auditors and Corporate Officers, and the transparency of the decision-making process. He was also the Chairman of the Compensation Advisory Committee until June 2014.
Makoto Sumita (Outside Director)	Mr. Sumita attended all 13 meetings of the Board of Directors held during the business year under review. Attendance at the following committee meetings during the business year under review: Nomination Advisory Committee: 3 Compensation Advisory Committee: 12	Mr. Sumita actively stated opinions based mainly on his extensive experience and high level of expertise regarding corporate management, especially in the electronics field. Mr. Sumita is the Chairman of the Compensation Advisory Committee. He therefore plays a key role in judging the transparency of the decision-making process of the compensation to Directors, Company Auditors and Corporate Officers, and the appropriateness of the compensation. He is also a member of the Nomination Advisory Committee.

Name (Position)	Attendance at Meetings of the Board of Directors and Other Meetings	Opinions in Meetings of the Board of Directors and Other Activities
Kazumasa Yoshida (Outside Director)	<p>Mr. Yoshida attended all 10 meetings of the Board of Directors held since he was appointed in June 2014.</p> <p>Attendance at the following committee meetings during the business year under review: Compensation Advisory Committee: 9</p>	<p>Mr. Yoshida actively stated opinions regarding corporate management based on his extensive experience and knowledge, mainly on corporate management in the electronics industry and global and consumer businesses.</p> <p>Mr. Yoshida is a member of the Compensation Advisory Committee. He therefore plays a key role in judging the transparency of the decision-making process of the compensation to Directors, Company Auditors and Corporate Officers, and the appropriateness of the compensation.</p>
Osamu Nakamoto (Outside Company Auditor)	<p>Mr. Nakamoto attended all 14 meetings of the Board of Company Auditors and all 13 meetings of the Board of Directors held during the business year under review.</p>	<p>Mr. Nakamoto actively stated opinions from a legal viewpoint as an attorney-at-law and based on his specialist knowledge and wide-ranging insight regarding corporate management and international finance.</p>
Koichi Masuda (Outside Company Auditor)	<p>Mr. Masuda attended all 14 meetings of the Board of Company Auditors and all 13 meetings of the Board of Directors held during the business year under review.</p>	<p>Mr. Masuda actively stated opinions based mainly on his professional accounting and financing viewpoint as a certified public accountant.</p>
Kazunori Yagi (Outside Company Auditor)	<p>Mr. Yagi attended 13 of the 14 meetings of the Board of Company Auditors and 12 of the 13 meetings of the Board of Directors held during the business year under review.</p>	<p>Mr. Yagi actively stated opinions based mainly on his extensive experience regarding corporate management and on his professional accounting and financing viewpoint.</p>

5. Accounting Auditor

(1) Name KPMG AZSA LLC

(2) Remuneration

	(¥ in millions)
	Amounts payable
The amount of remuneration payable to the Accounting Auditor by the Company with respect to duties provided under Article 2, paragraph 1 of the Certified Public Accountants Act	294
The aggregate amount of remuneration and other material benefits payable to the Accounting Auditor by the Company and its subsidiaries	433

- Notes: 1. The amount of remuneration for audit pursuant to the Companies Act and the amount of remuneration for audit pursuant to the Financial Instruments and Exchange Act are not divided in the Auditing Agreement concluded between the Company and the Accounting Auditor. Therefore, the amount to be paid by the Company with respect to duties provided as stated in Article 2, paragraph 1 of the Certified Public Accountants Act represents the total amount to be paid by the Company.
2. Of the Company's principal subsidiaries, TDK U.S.A. Corporation, SAE Magnetics (Hong Kong) Limited and other companies are audited by KPMG member firms overseas, and EPCOS AG is audited by another foreign audit firm.

(3) Dismissal or Non-reappointment of Accounting Auditor

If all of the Company Auditors acknowledge that the Company's Accounting Auditor is subject to any of the conditions set forth in Article 340, paragraph 1 of the Companies Act, and is therefore largely unable to properly execute its duties, the Company shall dismiss the Accounting Auditor by a unanimous resolution of all members of the Board of Company Auditors.

In addition to cases in which there is evidence to justify the dismissal of the Company's Accounting Auditor for statutory reasons, if any improper event occurs related to important factors comprising the Accounting Auditor's execution of duties such as the Accounting Auditor's qualifications, independency and ethics, the Board of Company Auditors will, in accordance with the Regulations of the Board of Company Auditors, decide as to whether the Accounting Auditor shall be dismissed or shall not be re-appointed, comprehensively taking the facts into account.

Note: In accordance with the enforcement of the Act for the Partial Amendment of the Companies Act (Act No. 90, 2014) on May 1, 2015, the decision-making body for proposals on the dismissal or non-reappointment of the Accounting Auditor has changed from the Board of Directors to the Board of Company Auditors.

6. TDK's System and Policy

[Establishment of systems for ensuring the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, and other systems for ensuring the properness of operations of a stock company and operations of a corporate group consisting of such stock company and its subsidiaries]

With respect to the statement above, the Board of Directors of TDK resolved as follows:

(1) Systems for ensuring the execution of duties by Directors of TDK comply with laws and regulations and the Articles of Incorporation:

TDK was established in 1935 as the world's first company to commercialize a magnetic material called ferrite. In the ensuing years, TDK has unremittingly pursued originality and increased corporate value through provisions of products and services which have created new value, based on the founding spirit "Contribute to culture and industry through creativity" as its Corporate Motto. In addition, the TDK Group will continue to build satisfaction, trust, and support among all stakeholders (shareholders, customers, suppliers, employees, and communities, among others), continue to be helpful by resolving social issues and contribute to the development of a more sustainable society. The TDK Group clearly declares as its "Corporate Charter of Business Behavior" that the TDK Group will continue to respect human rights; comply with relevant laws, regulations, and international rules and the spirit thereof; and carry out its social responsibility with a strong sense of ethics, domestically and overseas. All members of the TDK Group seek to behave in strict compliance with the "Corporate Standards of Business Conduct" prescribed by the "TDK Code of Conduct".

In addition, TDK aims to achieve its management targets and further improve corporate value through the creation of products by adhering to the Corporate Motto. At the same time, TDK strives to foster a sound corporate culture and sincerely conduct business activities, always aware of its place as a member of society. Moreover, TDK will be accountable to stakeholders through comprehensive, accurate, timely, and impartial disclosure of information.

As mentioned above, TDK sincerely and devotedly seeks to achieve its management philosophy, and to establish the following effective and orderly corporate governance systems to continue to ensure soundness, compliance, and transparency in its business operations.

① Adoption of the Company Auditor System and Strengthening of the Supervisory Function:

TDK has adopted the Company Auditor System pursuant to the Companies Act of Japan and has appointed independent Outside Company Auditors who are disinterested in TDK to strengthen the supervision of TDK's management.

② Strengthening the Function of the Board of Directors and Increasing the Accountability of Directors:

TDK has a small number of Directors to expedite the management decision-making process. At the same time, TDK has appointed disinterested, independent Outside Directors in order to enhance the supervision of TDK's management. In addition, the Directors' terms of office are set at one year to give shareholders an opportunity to cast votes of confidence regarding Directors' performance every business year.

③ Adoption of a Corporate Officer System for Expeditious Business Execution:

TDK has adopted a Corporate Officer system that separates the management decision making and Director supervisory functions of the Board of Directors from the execution of business. Corporate Officers are in charge of business execution and carrying out decisions made by the Board of Directors and thereby expeditiously execute business operations in accordance with management decisions.

④ Establishment of Advisory Bodies to the Board of Directors (Business Ethics & CSR Committee, Disclosure Advisory Committee, Compensation Advisory Committee, and Nomination Advisory Committee):

The aim of the Business Ethics & CSR Committee is to ensure compliance with the TDK Corporate Motto, understanding of corporate ethics, and improvement of awareness of corporate social responsibility (CSR). To achieve this aim, the Directors, Company Auditors, Corporate Officers and all other members of the TDK Group are made fully aware of the “TDK Code of Conduct”, which stipulates concrete standards of business conduct in compliance with the TDK Group’s management philosophy, including the TDK Corporate Motto, Corporate Principle, and social norms, including relevant laws, regulations, and international rules and the spirit thereof.

The Disclosure Advisory Committee reviews and examines important corporate information and disclosure materials of TDK that are required for investment decisions by shareholders and investors, to ensure that TDK discloses appropriate information in a comprehensive, accurate, timely, and impartial manner, in accordance with various laws and regulations regarding securities transactions and the rules and regulations of the stock exchange on which TDK’s shares are listed.

The Compensation Advisory Committee, which is chaired by an Outside Director of TDK, examines the remuneration system and the level of remuneration pertaining to Directors and Corporate Officers, as well as presidents and qualifying officers of principal TDK subsidiaries. It also reviews the transparency of the remuneration decision-making process and verifies whether such remuneration is reasonable in light of corporate business performance, individual performance, and general industry standards.

The Nomination Advisory Committee, which is chaired by an Outside Director of TDK, reviews the conditions expected for the post of Director, Company Auditor, and Corporate Officer and makes nominations. In this way, the Nomination Advisory Committee ensures the appropriate election of Directors, Company Auditors, and Corporate Officers, and provides transparency in the decision-making process.

Under the foregoing corporate systems, the Company Auditors in charge of supervising management, ensure soundness, compliance, and transparency in TDK’s business operations by executing their duties pursuant to the Regulations of the Board of Company Auditors and the Code of Company Auditors’ Auditing Standards, and by auditing whether the Directors’ performance is appropriately and reasonably in compliance with relevant laws and regulations and the Articles of Incorporation.

Similarly, Directors in charge of management decision-making and supervision of business execution ensure soundness, compliance, and transparency in TDK’s business operations by executing their duties pursuant to the Regulations of the Directors’ Business and the Regulations of the Board of Directors established in accordance with relevant laws and regulations and the Articles of Incorporation. In addition, Corporate Officers in charge of business execution ensure soundness, compliance, and transparency in TDK’s business operations by executing their duties pursuant to the Regulations of the Corporate Officers’ Business and the Executive Committee Regulations.

TDK has established the following system to ensure compliance with all applicable securities and exchange laws and other similar laws and regulations of all relevant countries, as well as the rules and regulations of the stock exchange on which TDK’s shares are listed (hereinafter collectively referred to as the “Securities Regulations”).

- (i) TDK will collect, record, analyze, process, summarize, and report all information

required to be disclosed under the Securities Regulations. TDK has established an internal control system and other methods to warrant timely disclosures within the deadlines stipulated by the Securities Regulations.

- (ii) TDK has established a system to ensure that TDK has procedures designed to obtain reasonable assurance that all the transactions that TDK conducts are properly authorized, that TDK's assets are protected from unauthorized or improper use, and that all trading activities are appropriately recorded and reported for the purpose of enabling TDK to prepare financial statements in accordance with applicable accounting standards.
- (iii) TDK will ensure that the above-mentioned management system is in compliance with the requirements of the Securities Regulations with respect to corporate governance systems.

(2) System under which information regarding the execution of business by Directors of TDK shall be preserved and controlled:

The President, who is responsible for the business execution of TDK, has established Document Control Regulations, which are applicable to the TDK Group and provide basic rules for the preservation and control of information.

(3) Regulations and other systems for managing the risk of loss(es) of TDK and its subsidiaries:

With respect to the company-wide treatment of factors that obstruct the achievement of the business targets and business operations of TDK, TDK has established the Enterprise Risk Management Committee under the direct control of the Executive Committee. The Enterprise Risk Management Committee is chaired by a Corporate Officer appointed by the President, and promotes enterprise risk management.

Corporate regulations, bylaws, guidelines, and departmental guidelines in each department provide for operating rules for specific risks, including legal, financial, and IT-related risks. These risks are managed by managers in charge of the particular areas of operation.

In addition, in order to prepare for unexpected situations such as natural disasters, TDK established the Crisis Management Committee, chaired by the President, which developed the Business Continuity Plan (BCP). Accordingly, if such an unexpected situation arises, TDK will assess the situation immediately and respond appropriately.

The Company Auditors and the internal audit group regularly confirm the management operations described above to ensure that a structure for receiving advice in relation to operating business execution effectively is in place. In addition, TDK will periodically seek advice from specialists, including outside legal counsel and other experts, regarding new factors that may hinder the TDK Group.

(4) System for ensuring Directors of TDK and Directors, etc. of TDK's subsidiaries execute their duties efficiently and system for reporting matters concerning the execution of duties of Directors, etc. of TDK's subsidiaries to TDK:

TDK has a small number of Directors and has adopted the Corporate Officer system to facilitate the Directors' ability to make quick and efficient management decisions.

At the same time, policies and measures with respect to business execution, such as development, manufacturing, marketing, and financing of the TDK Group, are deliberated upon by the Executive Committee, which consists of Corporate Officers in senior positions ranking at or above the level of Senior Vice President and other Corporate Officers and General Managers

designated by the President. All Corporate Officers perform their duties expeditiously pursuant to the decisions made by the Executive Committee. TDK ensures efficient management via proposals to the Board of Directors and regular reports from Corporate Officers to the Executive Committee.

In addition, TDK establishes midterm management targets shared by all members of the TDK Group and strives to inform them of such targets. TDK also establishes systems that enable it to understand the targets and implementation plans of each department as well as the progress of each department in relation to such goals. With respect to the business management of subsidiaries, TDK establishes systems that enable it to understand their business conditions through quarterly reports submitted by each subsidiary.

(5) System for ensuring performance of duties by employees of TDK and Directors, etc. and employees of TDK's subsidiaries is in compliance with laws and regulations and the Articles of Incorporation:

The TDK Group strives to ensure that all Directors, Company Auditors, Corporate Officers, and employees are fully familiar with the TDK Group's management philosophy, "Corporate Charter of Business Behavior", "Corporate Ethical Philosophy" and "Corporate Standards of Business Conduct" in order to ensure improved soundness, compliance, and transparency of management, as well as compliance with laws, regulations, and the Articles of Incorporation throughout TDK's business operations.

Furthermore, TDK has established a corporate ethics management system under the Business Ethics & CSR Committee, to regularly monitor TDK's compliance with corporate ethics, including TDK's subsidiaries worldwide. The Consultations and Help Lines also enable employees to directly report all relevant information and opinions concerning compliance within the TDK Group.

(6) System for ensuring proper business execution by the corporate group consisting of TDK and its subsidiaries:

Each Director, Corporate Officer and manager in charge of operations strives to achieve proper business operations by making decisions in accordance with the "TDK Code of Conduct", the Job Authority Regulations and other applicable corporate regulations for the entire TDK Group, in order to maintain soundness, compliance, and transparency in business operations, and to achieve the business targets of TDK and the TDK Group.

The Company Auditors audit, on a regular basis, the condition of the business operations of each department of TDK and the TDK Group by researching the departments, examining important documents, and attending important meetings. In addition, the internal audit group audits and supports each department of TDK and the TDK Group in order to promote consistency in relation to business operations and management policies, appropriateness regarding management efficiency, and compliance with relevant laws and regulations.

(7) Matters relating to employees who support the duties of Company Auditors of TDK when Company Auditors request such employees:

The Company Auditors Office, consisting of designated full-time employees who do not perform any business execution duties, assists the Company Auditors.

(8) Matters regarding the independence of employees in the preceding item from Directors and the ensuring of the effectiveness of instructions of Company Auditors of TDK to such employees:

The Company Auditors shall directly evaluate the performance of the employees who serve as members of the Company Auditors Office, and any transfer or discipline of these employees shall be determined pursuant to the operating rules of TDK subject to the consent of the Company Auditors.

In addition, any employee who has been instructed or ordered by a Company Auditor in connection with audit duties shall not be subject to any Director's instruction or order with respect to said Company Auditor's instruction or order.

(9) System for ensuring Directors or employees of TDK report to Company Auditors of TDK and system for ensuring Directors, Company Auditors, employees of TDK's subsidiaries or persons who have received reports from these persons report to Company Auditors of TDK:

All members of the TDK Group provide an appropriate report immediately, if a Company Auditor requests a report regarding the execution of business. Information regarding management policies of the TDK Group and conditions of business execution by Corporate Officers is timely provided to Company Auditors who attend important meetings such as Executive Committee meetings and business plan review meetings, and minutes of such meetings are also provided to the Company Auditors immediately. Furthermore, Company Auditors may receive explanations directly from Corporate Officers and other personnel as necessary. Company Auditors may review reports prepared by each department of TDK or company of the TDK Group, and Company Auditors may thereby confirm the conditions of the business operations of TDK and the TDK Group.

In addition, all members of the TDK Group immediately report to Company Auditors or the Board of Company Auditors through the Consultations or Help Lines established by the Business Ethics and CSR Committee and covering TDK and the TDK Group or through report from the Ethics Councils established in each area and covering all subsidiaries of TDK to the Business Ethics and CSR Committee, if any fact which may cause significant damage to TDK or the TDK Group, such as violation of law or regulation, is discovered. Furthermore, information regarding the activities of the Enterprise Risk Management Committee and other committees is provided to Company Auditors from time to time, enabling the Company Auditors to confirm the overall status of corporate activities.

(10) System for ensuring persons who have reported as provided in the preceding item will not be treated unfavorably on grounds of such reporting

TDK prohibits members of the TDK Group who have reported to the Consultation or Help Line from being treated unfavorably on the grounds of such reporting, and stipulates to that effect in the "TDK Code of Conduct" and clearly informs all members of the TDK Group of that fact.

(11) Matters concerning policies for disposal of expenses and obligations associated with the execution of duties by Company Auditors

When Company Auditors demand payment of expenses or obligations associated with execution of their duties from TDK pursuant to Article 388 of the Companies Act of Japan, TDK shall pay such expenses or obligations immediately after deliberation at the department in charge unless the expenses or obligations concerning such demand are found to be unnecessary for the execution of such duties of the Company Auditors.

(12) System for ensuring Company Auditors of TDK conduct audits effectively:

The Company Auditors and the Board of Company Auditors meet with the Representative Directors on a regular basis to confirm management policies and exchange opinions on pressing issues and risks affecting the TDK Group and other important matters from the perspective of the Company Auditors' audits. These meetings also strengthen the mutual understanding between the Company Auditors and the Representative Directors.

Furthermore, the Company Auditors and the internal audit group meet regularly and also receive regular audit reports from the Accounting Auditor. Company Auditors conduct efficient audits by sharing information regarding initial audit plans and results.

Note: The "Act for Partial Amendment to the Companies Act" (Act No. 90 of 2014) and the "Ordinance for Partial Amendment to the Enforcement Regulations of the Companies Act, etc." (Ordinance of the Ministry of Justice No. 6 of 2015) came into force on May 1, 2015 and the amendments were made to substantiate or improve the provisions regarding system for ensuring the properness of operations of a corporate group, system for supporting audit, and system for information collection from employees by company auditors. In connection with these amendments, TDK made partial amendments to the contents by resolution of the Meeting of the Board of Directors held on April 28, 2015. The contents after amendment are as stated above.

Note: Monetary amounts, numbers of shares, proportions and other figures contained in this business report are rounded to the nearest unit unless otherwise stated or no rounding is required.

Attached Document (2)

CONSOLIDATED BALANCE SHEETS
(prepared in accordance with U.S. GAAP)

Item	As of March 31, 2014 (reference)	As of March 31, 2015	Item	As of March 31, 2014 (reference)	As of March 31, 2015
(ASSETS)	(¥ in millions)		(LIABILITIES)	(¥ in millions)	
Current assets	653,285	740,241	Current liabilities	373,781	387,877
Cash and cash equivalents	250,848	265,104	Short-term debt	132,237	136,098
Short-term investments	8,691	20,091	Current installments of long-term debt	37,147	751
Marketable securities	—	1,301	Trade payables	95,688	111,591
Net trade receivables	206,472	238,089	Accrued expenses	86,664	118,336
Inventories	136,387	151,012	Income taxes payables	7,922	6,510
Deferred income taxes	10,138	8,341	Other current liabilities	14,123	14,591
Other current assets	40,749	56,303	Noncurrent liabilities	213,565	258,398
Noncurrent assets	586,304	664,041	Long-term debt	97,623	131,483
Investments in securities	38,401	45,733	Retirement and severance benefits	93,777	105,687
Net property, plant and equipment	374,032	427,254	Deferred income taxes	5,202	5,422
Goodwill and other intangible assets	118,105	111,006	Other noncurrent liabilities	16,963	15,806
Deferred income taxes	28,563	24,085	(Total liabilities)	587,346	646,275
Other assets	27,203	55,963	(Equity)		
			Common stock	32,641	32,641
			Additional paid-in capital	57,635	39,755
			Legal reserve	26,651	29,685
			Retained earnings	624,919	661,159
			Accumulated other comprehensive income (loss)	(87,134)	(5,882)
			Treasury stock	(19,385)	(18,497)
			(Total TDK stockholders' equity)	635,327	738,861
			Noncontrolling interests	16,916	19,146
			(Total equity)	652,243	758,007
Total assets:	1,239,589	1,404,282	Total liabilities and equity:	1,239,589	1,404,282

Note: Amounts less than ¥1 million have been rounded to the nearest unit.

Attached Document (3)

CONSOLIDATED STATEMENTS OF INCOME
(prepared in accordance with U.S. GAAP)

Item	From: April 1, 2013 To: March 31, 2014 (reference)	From: April 1, 2014 To: March 31, 2015
	(¥ in millions)	(¥ in millions)
Net sales	984,525	1,082,560
Cost of sales	763,572	802,225
Gross profit	220,953	280,335
Selling, general and administrative expenses	184,337	207,876
Operating income	36,616	72,459
Other income (deductions)		
Interest and dividend income	3,365	4,075
Interest expense	(3,457)	(2,992)
Equity in earnings of affiliates	1,444	725
Foreign exchange gain (loss)	(1,302)	(1,846)
Other - net	3,106	2,096
Total other income (deductions)	3,156	2,058
Income from continuing operations before income taxes	39,772	74,517
Income taxes	17,936	21,738
Income from continuing operations	21,836	52,779
Loss from discontinued operations	(3,602)	—
Net income	18,234	52,779
Less: Net income attributable to noncontrolling interests	1,946	3,339
Net income attributable to TDK	16,288	49,440

Notes: 1. Amounts less than ¥1 million have been rounded to the nearest unit.

2. In accordance with the provisions of Accounting Standards Codifications (“ASC”) 205-20, “Presentation of Financial Statements – Discontinued Operations”, operating results relating to the data tape business and the blu-ray business are separately presented as discontinued operations in consolidated statements of income.

Attached Document (4)

CONSOLIDATED STATEMENT OF EQUITY

(prepared in accordance with U.S. GAAP)

From: April 1, 2014
To: March 31, 2015

(¥ in millions)

	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)
Balance as of beginning of period	32,641	57,635	26,651	624,919	(87,134)
Equity transaction of consolidated subsidiaries and other		(19,065)			931
Cash dividends				(10,067)	
Transferred to legal reserve			3,034	(3,034)	
Comprehensive income					
Net income				49,440	
Foreign currency translation adjustments					89,662
Pension liability adjustments					(13,804)
Net unrealized gains (losses) on securities					4,463
Total comprehensive income					
Acquisition of treasury stock					
Sale of treasury stock		(0)			
Compensation expenses related to stock options		1,325			
Exercise of stock option		(140)		(99)	
Balance as of end of period	32,641	39,755	29,685	661,159	(5,882)

	Treasury stock	Total TDK Stockholders' equity	Non controlling interests	Total equity
Balance as of beginning of period	(19,385)	635,327	16,916	652,243
Equity transaction of consolidated subsidiaries and other		(18,134)	(3,812)	(21,946)
Cash dividends		(10,067)	(372)	(10,439)
Transferred to legal reserve		—		—
Comprehensive income				
Net income		49,440	3,339	52,779
Foreign currency translation adjustments		89,662	2,819	92,481
Pension liability adjustments		(13,804)	(0)	(13,804)
Net unrealized gains (losses) on securities		4,463		4,463
Total comprehensive income		129,761	6,158	135,919
Acquisition of treasury stock	(7)	(7)		(7)
Sale of treasury stock	0	0		0
Compensation expenses related to stock options		1,325	256	1,581
Exercise of stock option	895	656		656
Balance as of end of period	(18,497)	738,861	19,146	758,007

Note: Amounts less than ¥1 million have been rounded to the nearest unit.

REFERENCE

CONSOLIDATED STATEMENTS OF CASH FLOWS (prepared in accordance with U.S. GAAP)

Item	From: April 1, 2013 To: March 31, 2014	From: April 1, 2014 To: March 31, 2015
	(¥ in millions)	
Cash flows from operating activities:		
Net income	18,234	52,779
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	83,109	80,249
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	4,349	4,919
Decrease (increase) in inventories	13,011	(4,368)
Increase (decrease) in trade payables	(1,446)	(12,375)
Increase (decrease) in accrued expenses	3,589	7,892
Decrease (increase) in other assets and liabilities, net	6,416	(3,347)
Other-net	46	17,101
Net cash provided by operating activities	127,308	142,850
Cash flows from investing activities:		
Capital expenditures	(68,606)	(102,525)
Proceeds from sale and maturity of short-term investments	21,844	21,828
Payment for purchase of short-term investments	(20,232)	(30,861)
Proceeds from sale and maturity of securities	5,269	707
Payment for purchase of securities	(1,746)	(248)
Disbursement for loans made by TDK	(1,414)	(26,321)
Proceeds from sale of tangible and intangible assets	5,206	7,698
Other-net	4,241	2,410
Net cash used in investing activities	(55,438)	(127,312)
Cash flows from financing activities:		
Proceeds from long-term debt	33,747	34,777
Repayment of long-term debt	(51,867)	(37,320)
Increase (decrease) in short-term debt, net	(16,634)	(916)
Dividends paid	(7,554)	(10,069)
Acquisition of noncontrolling interests	(13,981)	(24,633)
Other-net	171	2,918
Net cash used in financing activities	(56,118)	(35,243)
Effect of exchange rate changes on cash and cash equivalents	21,409	33,961
Net increase in cash and cash equivalents	37,161	14,256
Cash and cash equivalents at beginning of period	213,687	250,848
Cash and cash equivalents at end of period	250,848	265,104

Notes: 1. Amounts less than ¥1 million have been rounded to the nearest unit.

2. The cash flows attributable to the discontinued operations are not presented separately from the cash flows attributable to the continuing operations in the consolidated statements of cash flows.

Attached Document (8)

**CERTIFIED COPY OF ACCOUNTING AUDITORS' REPORT
FOR CONSOLIDATED FINANCIAL STATEMENTS**

[English Translation of the Independent Auditors' Report Originally Issued in the Japanese Language]

Independent Auditor's Report

May 20, 2015

The Board of Directors
TDK Corporation

KPMG AZSA LLC

HiroYuki Sakai (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Junichi Obi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroto Yamane (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of equity and the related notes of TDK Corporation as at March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-2-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the second sentence of Article 120-2-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under accounting principles generally accepted in the United States of America, present fairly, in all material respects, the financial position and the results of operations of TDK Corporation and its subsidiaries for the period, for which the consolidated financial statements were prepared.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

-End-

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Attached Document (10)

CERTIFIED COPY OF AUDIT REPORT OF BOARD OF COMPANY AUDITORS

Audit Report of Board of Company Auditors

The Board of Company Auditors ("Board") of TDK Corporation ("Company") has reviewed and discussed the audit report prepared by each Company Auditor with respect to the execution of the duties by the Directors during the 119th business year commencing on April 1, 2014 and ending on March 31, 2015 and prepared the following audit report of the Board.

1. Means and methods of audits employed by the Company Auditors and the Board

The Board established audit policies, schedules, duty allocation policies and other relevant guidance; received reports from each Company Auditor regarding their execution of audits and the results thereof, as well as reports from Directors, etc. and the Accounting Auditor regarding the execution of their duties; and sought explanations as necessary.

Each Company Auditor conducted audits pursuant to the Code of Company Auditors' Auditing Standards established by the Board and in accordance with the audit policies, schedules, duty allocation policies; communicated with the Directors, Corporate Officers, internal audit group and other employees; made efforts to develop the audit environment and collect information; participated in meetings of the Board of Directors and other important meetings; received reports from Directors, Corporate Officers and employees regarding the execution of their duties; sought explanations as necessary; examined important approval records and associated information; and investigated the status of operations and property at the head office and other principal offices. In addition, with respect to the contents of the resolution of the Board of Directors regarding the development of systems necessary to ensure that the execution of the duties by the Directors complies with the laws and regulations and the Articles of Incorporation, and other systems, prescribed as necessary for ensuring the properness of operations of a stock company under Item 6 of Paragraph 4 of Article 362 of the Companies Act of Japan and under Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act of Japan and the operations of the system developed based on such resolution ("Internal Control System"), in accordance with the Standards for Conducting Internal Control Audit established by the Board, each Company Auditor received reports regarding the situation of the establishment and operations of such systems from Directors, Corporate Officers and other employees on a regular basis, sought explanations as necessary and expressed opinions as Company Auditor. With respect to subsidiaries, each Company Auditor communicated and exchanged information with their Directors and Company Auditors and received business reports from subsidiaries as necessary. Based on the above means and methods, each Company Auditor examined the business reports and the supplementary schedules thereof for the relevant business year.

Furthermore, while monitoring and verifying whether the Accounting Auditor maintained its independence and implemented appropriate audits, each Company Auditor received reports from the Accounting Auditor regarding the execution of its duties and sought explanations as necessary. In addition, each Company Auditor in charge of receiving a notice of accounting audit reports from the Accounting Auditor received a notice from the Accounting Auditor that it have developed the "systems necessary to ensure proper execution of duties", prescribed under Article 131 of the Ordinance of Companies Accounting of Japan, in accordance with the "Quality Management Standards Regarding Audits", published by the Business Accounting Council, as of October 28, 2005, and other relevant standards, and sought explanations as necessary. Based on the above means and methods, each Company Auditor examined the non-consolidated financial statements (balance sheet, statement of operations, statement of changes in net assets and list of notes

to financial statements) and the supplementary schedules thereof as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of operations, consolidated statement of equity and list of notes to consolidated financial statements) for the relevant business year.

2. Audit results

(1) Results of audits of the business reports and other subjects

- i The Board has confirmed that the business reports and the supplementary schedules thereof accurately indicate the status of the assets and profits and losses of the Company in compliance with applicable laws and regulations and the Articles of Incorporation.
- ii The Board has found no misconduct or material facts in violation of laws and regulations or the Articles of Incorporation in connection with the execution of the duties by the Directors.
- iii The Board has confirmed that the content of the resolution of the Board of Directors regarding the Internal Control System is appropriate and there is no matter on which to remark in regard to the execution of the duties by the Directors regarding the Internal Control System.

(2) Results of audits of the non-consolidated financial statements and the supplementary schedules thereof

The Board has confirmed that the methods and results of the audits by the Accounting Auditor, audit firm of KPMG AZSA LLC, are appropriate.

(3) Results of audits of the consolidated financial statements

The Board has confirmed that the methods and results of the audits by the Accounting Auditor, audit firm of KPMG AZSA LLC, are appropriate.

May 22, 2015

Board of Company Auditors
TDK Corporation

Full-time Company Auditor
Osamu Yotsui (Seal)
Full-time Company Auditor
Noboru Hara (Seal)
Outside Company Auditor
Osamu Nakamoto (Seal)
Outside Company Auditor
Koichi Masuda (Seal)
Outside Company Auditor
Kazunori Yagi (Seal)

- End -