



TDK Corporation
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Contact;

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Consolidated results (U.S. GAAP) for the 3rd quarter of FY March 2016

Summary (April 1, 2015 - December 31, 2015)

Term Item	The 9-month-period of FY2015 (Apr. 1, 2014 - Dec. 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	802,652	100.0	889,342	100.0	7,349,934	86,690	10.8
Operating income	53,104	6.6	75,872	8.5	627,041	22,768	42.9
Income before income taxes	49,597	6.2	73,936	8.3	611,041	24,339	49.1
Net income attributable to TDK	34,536	4.3	56,414	6.3	466,231	21,878	63.3
Per common share :							
Net income attributable to TDK / Basic	Yen 274.43		Yen 447.54		U.S.\$ 3.70		
Net income attributable to TDK / Diluted	Yen 265.25		Yen 429.05		U.S.\$ 3.55		
Capital expenditures	70,604	-	114,799	-	948,752	44,195	62.6
Depreciation and amortization	59,773	7.4	62,503	7.0	516,554	2,730	4.6
Research and development	51,702	6.4	63,481	7.1	524,636	11,779	22.8
Result of financial income (loss)	910	-	1,085	-	8,967	175	-
Ratio of overseas production	88.2%	-	87.2%	-	-		
Number of employees	87,152	-	92,863	-	-		

**3rd quarter consolidated results
(October 1, 2015 - December 31, 2015)**

Term Item	3Q of FY2015 (Oct. 1, 2014 - Dec. 31, 2014)		3Q of FY2016 (October 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	300,377	100.0	301,728	100.0	2,493,620	1,351	0.4
Operating income	25,182	8.4	30,297	10.0	250,388	5,115	20.3
Income before income taxes	22,241	7.4	29,854	9.9	246,727	7,613	34.2
Net income attributable to TDK	16,396	5.5	24,945	8.3	206,157	8,549	52.1
Per common share :							
Net income attributable to TDK / Basic	Yen 130.24		Yen 197.83		U.S.\$ 1.63		
Net income attributable to TDK / Diluted	Yen 124.94		Yen 189.55		U.S.\$ 1.57		
Capital expenditures	27,802	-	42,317	-	349,727	14,515	52.2
Depreciation and amortization	20,590	6.9	20,953	6.9	173,165	363	1.8
Research and development	17,598	5.9	22,529	7.5	186,190	4,931	28.0
Result of financial income (loss)	128	-	479	-	3,959	351	-
Ratio of overseas production	89.6%	-	87.6%	-	-		

Note:

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

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[Summary Information and Financial Statements]

1. Summary Information Regarding Financial Results for the Third Quarter of Fiscal 2016

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first nine months of fiscal 2016, the period from April 1 to December 31, 2015, were as follows.

The global economy for the first nine months of fiscal 2016 made a gradual recovery, mainly in Europe and the U.S. However, there are increasing signs of a slowdown in emerging countries such as China.

The electronics market, which has a large bearing on the consolidated performance of TDK, saw production levels differ by finished product. Production of smartphones increased from the same period of the previous fiscal year, driven by sustained growth in demand in the Chinese market. Production in the automobile market was slightly higher than in the same period of the previous fiscal year, driven mainly by solid automobile sales in the U.S. Meanwhile, production of PCs declined compared to the same period of the previous fiscal year when there had been firm demand for replacement of PCs spurred by the end of support for Windows XP. Production of hard disk drives (HDDs) declined compared to the same period of the previous fiscal year due to the decreased demand for PCs despite the continued strength of the market for data center applications.

In this business environment, the TDK's consolidated operating results for the first nine months of fiscal 2016 were as follows.

Term Item	The 9-month-period of FY2015 (Apr. 1, 2014 - Dec. 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	802,652	100.0	889,342	100.0	7,349,934	86,690	10.8
Operating income	53,104	6.6	75,872	8.5	627,041	22,768	42.9
Income before income taxes	49,597	6.2	73,936	8.3	611,041	24,339	49.1
Net income attributable to TDK	34,536	4.3	56,414	6.3	466,231	21,878	63.3
Per common share :							
Net income attributable to TDK / Basic	Yen 274.43		Yen 447.54		U.S.\$ 3.70		
Net income attributable to TDK / Diluted	Yen 265.25		Yen 429.05		U.S.\$ 3.55		

Note:

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

Average yen exchange rates for the U.S. dollar and the euro during the first nine months of fiscal 2016 were ¥121.67 and ¥134.42, respectively, as the yen depreciated 13.9% against the U.S. dollar and the yen appreciated 4.2% against the euro. This increased net sales by approximately ¥94.0 billion and operating income by approximately ¥18.3 billion.

Sales by Product

Term Product	The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	111,316	13.9	115,010	12.9	950,496	3,694	3.3
Inductive devices	110,852	13.8	113,821	12.8	940,670	2,969	2.7
Other Passive Components	172,910	21.5	210,651	23.7	1,740,917	37,741	21.8
Passive Components	395,078	49.2	439,482	49.4	3,632,083	44,404	11.2
Recording devices	197,901	24.7	173,793	19.5	1,436,306	(24,108)	-12.2
Other Magnetic Application Products	76,912	9.6	72,624	8.2	600,198	(4,288)	-5.6
Magnetic Application Products	274,813	34.3	246,417	27.7	2,036,504	(28,396)	-10.3
Film Application Products	107,136	13.3	175,760	19.8	1,452,562	68,624	64.1
Other	25,625	3.2	27,683	3.1	228,785	2,058	8.0
Total	802,652	100.0	889,342	100.0	7,349,934	86,690	10.8
Overseas sales	732,666	91.3	822,225	92.5	6,795,248	89,559	12.2

Notes:

1. U.S.\$1=Yen 121, for convenience only.
2. In accordance with the reorganization in 1Q of FY2016, certain products of Inductive devices, Other Passive Components and Other Magnetic Application Products were reclassified into Other that wasn't a part of three reportable segments. The prior year's sales are also reclassified to conform to the new segmentation.

(1) Passive Components Segment

This segment is made up of (1) capacitors, (2) inductive devices, and (3) other passive components. Sales in the passive components segment were ¥439,482 million (U.S.\$3,632,083 thousand), up 11.2% year on year from ¥395,078 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥115,010 million (U.S.\$950,496 thousand), up 3.3% year on year from ¥111,316 million. Sales of ceramic capacitors increased to the automotive market. Sales of aluminum electrolytic capacitors and film capacitors also increased to the automotive market.

Sales of inductive devices increased 2.7% year on year from ¥110,852 million to ¥113,821 million (U.S.\$940,670 thousand). Sales increased to the automotive market.

Other passive components include high-frequency devices, piezoelectric material products, circuit protection components, and sensors. Sales of other passive components increased 21.8% year on year from ¥172,910 million to ¥210,651 million (U.S.\$1,740,917 thousand). Sales of high-frequency devices increased significantly to the ICT market. Sales of piezoelectric material products and circuit protection components also increased to the ICT market. Sales of sensors increased to the automotive and the industrial equipment markets.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales decreased 10.3% year on year, from ¥274,813 million to ¥246,417 million (U.S.\$2,036,504 thousand).

The recording devices business comprises mainly HDD heads and HDD suspension assemblies. It recorded sales of ¥173,793 million (U.S.\$1,436,306 thousand), down 12.2% from ¥197,901 million. Sales of HDD heads and HDD suspension assemblies declined due to the lackluster HDD production levels.

Other magnetic application products include power supplies and magnets. Sales decreased 5.6% year on year from ¥76,912 million to ¥72,624 million (U.S.\$600,198 thousand).

Sales of power supplies increased to the industrial equipment market. However, sales of magnets decreased to the automotive market and ICT market for use in HDDs.

(3) Film Application Products Segment

This segment includes energy devices (rechargeable batteries) and applied films. Segment sales increased 64.1% from ¥107,136 million to ¥175,760 million (U.S.\$1,452,562 thousand).

Sales of energy devices increased significantly to the ICT market.

(4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales increased 8.0% from ¥25,625 million to ¥27,683 million (U.S.\$228,785 thousand).

The main businesses making up the three reporting segments and Other, which includes products not included in these reporting segments, are as follows:

The classification of segments is as follows.

Classification	Constituent Main Business
Passive Components	Ceramic capacitors, Aluminum electrolytic capacitors, Film capacitors, Inductive devices (Coils/Ferrite cores/Transformers), High-frequency devices, Piezoelectric material products, Circuit protection components, Sensors
Magnetic Application Products	HDD heads, HDD suspension assemblies, Power supplies, Magnets
Film Application Products	Energy devices (rechargeable batteries), Applied films
Other	Mechatronics (production equipment), other

[Sales by Region]

Overseas sales increased 12.2% year on year from ¥732,666 million to ¥822,225 million (U.S.\$6,795,248 thousand). Overseas sales accounted for 92.5% of consolidated net sales, a 1.2 percentage point increase from 91.3% in the same period of fiscal 2015. Detailed information on sales by region can be found in the consolidated supplementary information on page 17.

(2) Summary Information Regarding Consolidated Financial Position

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

		(vs March 31, 2015)
Total assets	¥1,513,824 million	(7.8% increase)
Total TDK stockholders' equity	¥750,303 million	(1.5% increase)
Stockholders' equity ratio	49.6%	(3.0 point decrease)

As of December 31, 2015, total assets increased ¥109,542 million compared with March 31, 2015. Net liquidity (cash and cash equivalent, short-term investments, marketable securities) increased ¥52,484 million, net property, plant and equipment increased ¥48,272 million.

Total liabilities increased ¥109,079 million from March 31, 2015. Long-term debt, excluding current installment decreased ¥17,287 million. On the other hand, short-term debt increased ¥70,253 million, current installment of long-term debt increased ¥35,357 million, and trade payables increased ¥13,896 million.

Total TDK stockholders' equity, which is included in total equity, increased ¥11,442 million from March 31, 2015. Accumulated other comprehensive income (loss) decreased ¥12,959 million, due to a decrease in foreign currencies translation adjustments compared with March 31, 2015. On the other hand, retained earnings increased ¥38,167 million.

(2) Cash Flows

(Yen millions)

	The 9-month-period of FY2015	The 9-month-period of FY2016	Change
Net cash provided by operating activities	89,316	117,528	28,212
Net cash used in investing activities	(93,076)	(103,424)	(10,348)
Net cash provided by (used in) financing activities	(19,714)	46,168	65,882
Effect of exchange rate changes on cash and cash equivalents	36,241	(2,378)	(38,619)
Net increase in cash and cash equivalents	12,767	57,894	45,127
Cash and cash equivalents at beginning of period	250,848	265,104	14,256
Cash and cash equivalents at end of period	263,615	322,998	59,383

Operating activities provided net cash of ¥117,528 million (U.S.\$971,306 thousand), an increase of ¥28,212 million year on year. It mainly came from an increase in net income.

Investing activities used net cash of ¥103,424 million (U.S.\$854,744 thousand), an increase of ¥10,348 million year on year. It mainly came from an increase in capital expenditure.

Financing activities provided net cash of ¥46,168 million (U.S.\$381,554 thousand), changed by ¥65,882 million year on year. It mainly came from an increase in short-term debt.

(3) Summary Information Regarding Consolidated Projections

(Fiscal 2016 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2016, the year ending March 31, 2016, are as follows.

<div>Term</div> <div>Item</div>	FY2016 (April 1, 2015 - March 31, 2016)	FY2016 (April 1, 2015 - March 31, 2016)	FY2015 (April 1, 2014 - March 31, 2015)	vs FY2015 Changes	
	Projection in January '16	Projection in April '15	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net sales	1,180,000	1,180,000	1,082,560	97,440	9.0
Operating income	95,000	95,000	72,459	22,541	31.1
Income before income taxes	95,000	95,000	74,517	20,483	27.5
Net income attributable to TDK	65,000	65,000	49,440	15,560	31.5
Capital expenditures	150,000	130,000	102,525	47,475	46.3
Depreciation and amortization	86,000	90,000	80,249	5,751	7.2
Research and development	85,000	77,000	70,644	14,356	20.3

(Notes)

Management has judged that compared with TDK's projections as of April 28, 2015, there should be no major change in demand for electronic components used in major finished products based on information regarding trends in the electronics market and major finished products etc, which is currently available to TDK (as defined below). It has, however, revised TDK's cost projections for capital expenditures, depreciation and amortization, and research and development.

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥115 and ¥130 respectively will be assumed from the fourth quarter onward.

Cautionary Statements with Respect to Forward-Looking Statements

This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings and evaluations, about TDK Corporation and its group companies ("TDK"). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs and evaluations of TDK in light of information currently available to it, and contain known and unknown risks, uncertainties and other factors. TDK therefore wishes to caution readers that, being subject to risks, uncertainties and other factors, TDK's actual results, performance, achievements or financial positions could be materially different from any future results, performance, achievements or financial positions expressed or implied by these forward-looking statements, and TDK undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material except as provided for in applicable

laws and ordinances.

The electronics markets in which TDK operates are highly susceptible to rapid changes. Risks, uncertainties and other factors that can have significant effects on TDK include, but are not limited to, shifts in technology, fluctuations in demand, prices, interest and foreign exchange rates, and changes in economic environments, conditions of competition, laws and regulations.

2. Other Information

(1) Changes in Significant Subsidiaries

TDK disposed the whole share of EPCOS (Anhui) Feida Electronics Co., Ltd in the quarter ended December 31, 2015.

(2) Simplified Accounting Treatment and Special Accounting Treatment

Nothing to report.

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

Nothing to report.

(4) Fundamental Policy for Distribution of Earnings, and Fiscal 2016 Dividends

TDK recognizes that achieving growth in corporate value over the long term ultimately translates into higher shareholder value. In line with this recognition, TDK's fundamental policy is to work to consistently increase dividends through growth in earnings per share. By actively investing for growth, mainly in the development of new products and technologies in key fields so as to respond precisely to rapid technological advances in the electronics industry, TDK is aiming to increase long-term corporate value. Accordingly, TDK actively reinvests its profits in business activities and sets dividends taking comprehensively into consideration the return on equity (ROE) and dividends on equity (DOE) on a consolidated basis, as well as changes in the business environment, among other factors.

Projected dividends per share for fiscal 2016 are as follows. TDK keeps initial dividend forecast unchanged.

		(Yen)
	FY2016	FY2015 Actual
Interim dividend	60.00	40.00
Year-end dividend	(Forecast) 60.00	50.00
Annual dividend	(Forecast) 120.00	90.00

3. Consolidated Financial Statements

(1) Balance Sheets

ASSETS									
Term Item	As of March 31, 2015		As of December 31, 2015			Change from March 31, 2015	As of Sept. 30, 2015		Change from Sept. 30, 2015
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	740,241	52.7	834,293	55.1	6,894,983	94,052	778,315	53.9	55,978
Cash and cash equivalents	265,104		322,998		2,669,405	57,894	252,993		70,005
Short-term investments	20,091		15,982		132,083	(4,109)	15,514		468
Marketable securities	1,301		-		-	(1,301)	700		(700)
Net trade receivables	238,089		250,207		2,067,826	12,118	254,952		(4,745)
Inventories	151,012		161,819		1,337,347	10,807	161,774		45
Other current assets	64,644		83,287		688,322	18,643	92,382		(9,095)
Noncurrent assets	664,041	47.3	679,531	44.9	5,615,959	15,490	666,774	46.1	12,757
Investments in securities	45,733		34,397		284,273	(11,336)	39,043		(4,646)
Net property, plant and equipment	427,254		475,526		3,929,967	48,272	458,050		17,476
Other assets	191,054		169,608		1,401,719	(21,446)	169,681		(73)
TOTAL	1,404,282	100.0	1,513,824	100.0	12,510,942	109,542	1,445,089	100.0	68,735

LIABILITIES AND EQUITY									
Term Item	As of March 31, 2015		As of December 31, 2015			Change from March 31, 2015	As of Sept. 30, 2015		Change from Sept. 30, 2015
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	387,877	27.6	517,705	34.2	4,278,554	129,828	463,120	32.0	54,585
Short-term debt	136,098		206,351		1,705,380	70,253	152,628		53,723
Current installments of long-term debt	751		36,108		298,413	35,357	35,549		559
Trade payables	111,591		125,487		1,037,083	13,896	127,004		(1,517)
Accrued expenses	118,336		123,692		1,022,248	5,356	123,057		635
Other current liabilities	21,101		26,067		215,430	4,966	24,882		1,185
Noncurrent liabilities	258,398	18.4	237,649	15.7	1,964,041	(20,749)	238,403	16.5	(754)
Long-term debt, excluding current installments	131,483		114,196		943,768	(17,287)	111,995		2,201
Retirement and severance benefits	105,687		101,276		836,992	(4,411)	104,957		(3,681)
Other noncurrent liabilities	21,228		22,177		183,281	949	21,451		726
Total liabilities	646,275	46.0	755,354	49.9	6,242,595	109,079	701,523	48.5	53,831
Common stock	32,641		32,641		269,760	-	32,641		-
Additional paid-in capital	39,755		20,969		173,297	(18,786)	20,942		27
Legal reserve	29,685		34,068		281,554	4,383	30,288		3,780
Retained earnings	661,159		699,326		5,779,554	38,167	685,726		13,600
Accumulated other comprehensive income (loss)	(5,882)		(18,841)		(155,711)	(12,959)	(15,845)		(2,996)
Treasury stock	(18,497)		(17,860)		(147,603)	637	(18,031)		171
Total TDK stockholders' equity	738,861	52.6	750,303	49.6	6,200,851	11,442	735,721	50.9	14,582
Noncontrolling interests	19,146	1.4	8,167	0.5	67,496	(10,979)	7,845	0.6	322
Total equity	758,007	54.0	758,470	50.1	6,268,347	463	743,566	51.5	14,904
TOTAL	1,404,282	100.0	1,513,824	100.0	12,510,942	109,542	1,445,089	100.0	68,735

Note:

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

(2) Statements of Income and Statements of Comprehensive Income

[9-month-period results]

Statements of Income

Term Item	The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	802,652	100.0	889,342	100.0	7,349,934	86,690	10.8
Cost of sales	596,073	74.3	640,800	72.1	5,295,868	44,727	7.5
Gross profit	206,579	25.7	248,542	27.9	2,054,066	41,963	20.3
Selling, general and administrative expenses	153,475	19.1	172,670	19.4	1,427,025	19,195	12.5
Operating income	53,104	6.6	75,872	8.5	627,041	22,768	42.9
Other income (deductions):							
Interest and dividend income	3,149		3,373		27,876	224	
Interest expense	(2,239)		(2,288)		(18,909)	(49)	
Foreign exchange gain (loss)	(4,064)		(1,783)		(14,736)	2,281	
Other-net	(353)		(1,238)		(10,231)	(885)	
Total other income (deductions)	(3,507)	-0.4	(1,936)	-0.2	(16,000)	1,571	-
Income before income taxes	49,597	6.2	73,936	8.3	611,041	24,339	49.1
Income taxes	12,722	1.6	15,784	1.8	130,446	3,062	24.1
Net income	36,875	4.6	58,152	6.5	480,595	21,277	57.7
Less: Net income attributable to noncontrolling interests	2,339	0.3	1,738	0.2	14,364	(601)	-25.7
Net income attributable to TDK	34,536	4.3	56,414	6.3	466,231	21,878	63.3

Note:

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

Statements of Comprehensive Income

Term Item	The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)		Change
	(Yen millions)		(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	36,875		58,152	480,595	21,277
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	105,445		(12,729)	(105,198)	(118,174)
Pension liability adjustments	(1,619)		1,744	14,413	3,363
Net unrealized gains (losses) on securities	1,251		(4,882)	(40,347)	(6,133)
Total other comprehensive income (loss)	105,077		(15,867)	(131,132)	(120,944)
Comprehensive income	141,952		42,285	349,463	(99,667)
Comprehensive income attributable to noncontrolling interests	5,019		1,723	14,240	(3,296)
Comprehensive income attributable to TDK	136,933		40,562	335,223	(96,371)

Note:

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

[3rd quarter results]

Statements of Income

Term Item	3Q of FY2015 (October 1, 2014 - December 31, 2014)		3Q of FY2016 (October 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	300,377	100.0	301,728	100.0	2,493,620	1,351	0.4
Cost of sales	219,928	73.2	211,416	70.1	1,747,240	(8,512)	-3.9
Gross profit	80,449	26.8	90,312	29.9	746,380	9,863	12.3
Selling, general and administrative expenses	55,267	18.4	60,015	19.9	495,992	4,748	8.6
Operating income	25,182	8.4	30,297	10.0	250,388	5,115	20.3
Other income (deductions):							
Interest and dividend income	920		1,256		10,380	336	
Interest expense	(792)		(777)		(6,421)	15	
Foreign exchange gain (loss)	(2,788)		(841)		(6,950)	1,947	
Other-net	(281)		(81)		(670)	200	
Total other income (deductions)	(2,941)	-1.0	(443)	-0.1	(3,661)	2,498	-
Income before income taxes	22,241	7.4	29,854	9.9	246,727	7,613	34.2
Income taxes	4,953	1.6	4,416	1.5	36,496	(537)	-10.8
Net income	17,288	5.8	25,438	8.4	210,231	8,150	47.1
Less: Net income attributable to noncontrolling interests	892	0.3	493	0.1	4,074	(399)	-44.7
Net income attributable to TDK	16,396	5.5	24,945	8.3	206,157	8,549	52.1

Note:

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

Statements of Comprehensive Income

Term Item	3Q of FY2015 (October 1, 2014 - December 31, 2014)		3Q of FY2016 (October 1, 2015 - December 31, 2015)		Change
	(Yen millions)		(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	17,288		25,438	210,231	8,150
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	68,217		(3,498)	(28,909)	(71,715)
Pension liability adjustments	753		546	4,513	(207)
Net unrealized gains (losses) on securities	(54)		(121)	(1,000)	(67)
Total other comprehensive income (loss)	68,916		(3,073)	(25,396)	(71,989)
Comprehensive income	86,204		22,365	184,835	(63,839)
Comprehensive income attributable to noncontrolling interests	2,366		416	3,438	(1,950)
Comprehensive income attributable to TDK	83,838		21,949	181,397	(61,889)

Note:

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

(3) Statements of Cash Flows

Term Item	The 9-month- period of FY2015 (April 1, 2014 - December 31, 2014)	The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	36,875	58,152	480,595
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	59,773	62,503	516,554
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(10,338)	(15,830)	(130,827)
Decrease (increase) in inventories	(9,014)	(12,513)	(103,413)
Increase (decrease) in trade payables	1,536	17,219	142,306
Increase (decrease) in accrued expenses	974	(2,400)	(19,835)
Decrease (increase) in other assets and liabilities, net	(2,230)	6,162	50,926
Other-net	11,740	4,235	35,000
Net cash provided by operating activities	89,316	117,528	971,306
Cash flows from investing activities:			
Capital expenditures	(70,604)	(114,799)	(948,752)
Proceeds from sale and maturity of short-term investments	11,347	24,274	200,611
Payment for purchase of short-term investments	(19,230)	(20,749)	(171,479)
Proceeds from sale and maturity of securities	145	3,990	32,975
Payment for purchase of securities	(230)	(829)	(6,851)
Acquisition of affiliates	-	(2,313)	(19,116)
Disbursement for loans made by TDK	(23,706)	(128)	(1,058)
Proceeds from sales of tangible and intangible assets	6,945	2,635	21,777
Other-net	2,257	4,495	37,149
Net cash used in investing activities	(93,076)	(103,424)	(854,744)
Cash flows from financing activities:			
Proceeds from long-term debt	26,711	13,664	112,926
Repayment of long-term debt	(1,761)	(385)	(3,182)
Increase (decrease) in short-term debt, net	(12,709)	75,212	621,587
Dividends paid	(10,053)	(13,843)	(114,405)
Acquisition of noncontrolling interests	(24,608)	(28,504)	(235,570)
Other-net	2,706	24	198
Net cash provided by (used in) financing activities	(19,714)	46,168	381,554
Effect of exchange rate changes on cash and cash equivalents	36,241	(2,378)	(19,653)
Net increase in cash and cash equivalents	12,767	57,894	478,463
Cash and cash equivalents at beginning of period	250,848	265,104	2,190,942
Cash and cash equivalents at end of period	263,615	322,998	2,669,405

Note:

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

(4) Notes Concerning Going Concern Assumptions

Nothing to report.

(5) Segment Information

TDK has three reporting segments: Passive Components, Magnetic Application Products and Film Application Products, as well as Other, which includes products not included in these three reporting segments.

In accordance with the reorganization in 1Q of FY2016, certain products of Passive Components and Magnetic Application Products were reclassified into Other. The prior year's figures are also reclassified to conform to the new segmentation.

[9-month-period results]

Sales by industry segment

		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	395,078	49.2	439,482	49.4	3,632,083	44,404	11.2
	Intersegment	2,261		2,110		17,438	(151)	-6.7
	Total	397,339		441,592		3,649,521	44,253	11.1
Magnetic Application Products	External customers	274,813	34.3	246,417	27.7	2,036,504	(28,396)	-10.3
	Intersegment	162		275		2,273	113	69.8
	Total	274,975		246,692		2,038,777	(28,283)	-10.3
Film Application Products	External customers	107,136	13.3	175,760	19.8	1,452,562	68,624	64.1
	Intersegment	2,204		2,273		18,785	69	3.1
	Total	109,340		178,033		1,471,347	68,693	62.8
Other	External customers	25,625	3.2	27,683	3.1	228,785	2,058	8.0
	Intersegment	8,497		11,492		94,975	2,995	35.2
	Total	34,122		39,175		323,760	5,053	14.8
Intersegment eliminations		(13,124)		(16,150)		(133,471)	(3,026)	
Total		802,652	100.0	889,342	100.0	7,349,934	86,690	10.8

Note:

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

Segment profit (loss) by industry segment

		The 9-month-period of FY2015 (April 1, 2014 - December 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		28,607	7.2	49,906	11.4	412,446	21,299	74.5
Magnetic Application Products		23,371	8.5	12,990	5.3	107,355	(10,381)	-44.4
Film Application Products		15,154	14.1	30,933	17.6	255,645	15,779	104.1
Other		(42)	-0.2	498	1.8	4,116	540	-
Sub total		67,090	8.4	94,327	10.6	779,562	27,237	40.6
Corporate and Eliminations		(13,986)		(18,455)		(152,521)	(4,469)	
Operating income		53,104	6.6	75,872	8.5	627,041	22,768	42.9

Notes:

1. U.S.\$1=Yen 121, for convenience only.
2. % to sales of each corresponding segment

[3rd quarter results]

Sales by industry segment

		3Q of FY2015 (October 1, 2014 - December 31, 2014)		3Q of FY2016 (October 1, 2015 - December 31, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	143,234	47.7	141,515	46.9	1,169,546	(1,719)	-1.2
	Intersegment	795		599		4,950	(196)	-24.7
	Total	144,029		142,114		1,174,496	(1,915)	-1.3
Magnetic Application Products	External customers	100,369	33.4	81,793	27.1	675,975	(18,576)	-18.5
	Intersegment	76		165		1,364	89	117.1
	Total	100,445		81,958		677,339	(18,487)	-18.4
Film Application Products	External customers	47,417	15.8	68,463	22.7	565,810	21,046	44.4
	Intersegment	736		771		6,372	35	4.8
	Total	48,153		69,234		572,182	21,081	43.8
Other	External customers	9,357	3.1	9,957	3.3	82,289	600	6.4
	Intersegment	3,544		4,248		35,108	704	19.9
	Total	12,901		14,205		117,397	1,304	10.1
Intersegment eliminations		(5,151)		(5,783)		(47,794)	(632)	
Total		300,377	100.0	301,728	100.0	2,493,620	1,351	0.4

Note:

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

Segment profit (loss) by industry segment

		3Q of FY2015 (October 1, 2014 - December 31, 2014)		3Q of FY2016 (October 1, 2015 - December 31, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		11,435	8.0	17,494	12.4	144,578	6,059	53.0
Magnetic Application Products		7,657	7.6	4,745	5.8	39,215	(2,912)	-38.0
Film Application Products		9,642	20.3	14,558	21.3	120,314	4,916	51.0
Other		243	2.6	(86)	-0.9	(711)	(329)	-
Sub total		28,977	9.6	36,711	12.2	303,396	7,734	26.7
Corporate and Eliminations		(3,795)		(6,414)		(53,008)	(2,619)	
Operating income		25,182	8.4	30,297	10.0	250,388	5,115	20.3

Notes:

1. U.S.\$1=Yen 121, for convenience only.
2. % to sales of each corresponding segment

(6) Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.

(7) Consolidated Supplementary Information

1. Exchange rates used for conversion

Term Item	As of December 31, 2014		As of December 31, 2015		As of March 31, 2015	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	120.55	146.54	120.61	131.77	120.17	130.32

2. Sales by region

【9-month-peirod results】

Term Region	The 9-month-peirod of FY2015 (April 1, 2014 - December 31, 2014)		The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	65,318	8.1	76,630	8.6	633,306	11,312	17.3
Europe	110,429	13.8	109,040	12.3	901,157	(1,389)	-1.3
Asia and others	556,919	69.4	636,555	71.6	5,260,785	79,636	14.3
Overseas sales total	732,666	91.3	822,225	92.5	6,795,248	89,559	12.2
Japan	69,986	8.7	67,117	7.5	554,686	(2,869)	-4.1
Net sales	802,652	100.0	889,342	100.0	7,349,934	86,690	10.8

【3rd quarter results】

Term Region	3Q of FY2015 (October 1, 2014 - December 31, 2014)		3Q of FY2016 (October 1, 2015 - December 31, 2015)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	23,831	7.9	25,436	8.4	210,215	1,605	6.7
Europe	36,542	12.2	35,240	11.7	291,240	(1,302)	-3.6
Asia and others	217,036	72.3	218,300	72.4	1,804,132	1,264	0.6
Overseas sales total	277,409	92.4	278,976	92.5	2,305,587	1,567	0.6
Japan	22,968	7.6	22,752	7.5	188,033	(216)	-0.9
Net sales	300,377	100.0	301,728	100.0	2,493,620	1,351	0.4

Notes:

- Overseas sales are based on the location of the customers.
- U.S.\$1=Yen 121, for convenience only.

3. Company group

As of December 31, 2015, TDK Corporation had 117 consolidated subsidiaries (13 in Japan and 104 overseas). TDK Corporation also had 8 affiliates (4 in Japan and 4 overseas), the financial statements for which are accounted for by the equity method.

4. Overview of sales by product

Term Product	1Q of FY2015 (April 1, 2014 - June 30, 2014)		2Q of FY2015 (July 1, 2014 - September 30, 2014)		3Q of FY2015 (October 1, 2014 - December 31, 2014)		4Q of FY2015 (January 1, 2015 - March 31, 2015)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	36,490	15.4	37,308	14.1	37,518	12.5	37,644	13.5
Inductive devices	35,696	15.0	37,085	14.0	38,071	12.7	36,430	13.0
Other	49,736	20.9	55,529	20.9	67,645	22.5	62,846	22.4
Passive Components	121,922	51.3	129,922	49.0	143,234	47.7	136,920	48.9
Recording devices	59,074	24.8	63,739	24.0	75,088	25.0	62,605	22.4
Other	26,175	11.1	25,456	9.7	25,281	8.4	25,929	9.2
Magnetic Application Products	85,249	35.9	89,195	33.7	100,369	33.4	88,534	31.6
Film Application Products	22,484	9.5	37,235	14.1	47,417	15.8	44,139	15.8
Other	7,807	3.3	8,461	3.2	9,357	3.1	10,315	3.7
Total	237,462	100.0	264,813	100.0	300,377	100.0	279,908	100.0

Term Product	1Q of FY2016 (April 1, 2015 - June 30, 2015)		2Q of FY2016 (July 1, 2015 - September 30, 2015)		3Q of FY2016 (October 1, 2015 - December 31, 2015)		
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	39,126	14.0	39,461	12.8	36,423	12.1	301,017
Inductive devices	37,895	13.6	38,570	12.5	37,356	12.4	308,727
Other	70,795	25.3	72,120	23.4	67,736	22.4	559,802
Passive Components	147,816	52.9	150,151	48.7	141,515	46.9	1,169,546
Recording devices	54,585	19.5	60,707	19.7	58,501	19.4	483,479
Other	24,773	8.9	24,559	8.0	23,292	7.7	192,496
Magnetic Application Products	79,358	28.4	85,266	27.7	81,793	27.1	675,975
Film Application Products	43,232	15.4	64,065	20.8	68,463	22.7	565,810
Other	9,150	3.3	8,576	2.8	9,957	3.3	82,289
Total	279,556	100.0	308,058	100.0	301,728	100.0	2,493,620

Notes:

1. U.S.\$1=Yen 121, for convenience only.
2. In accordance with the reorganization in 1Q of FY2016, certain products of Inductive devices, Other of Passive Components and Other of Magnetic Application Products were reclassified into Other that wasn't a part of three reportable segments.
The prior year's sales are also reclassified to conform to the new segmentation.