

Operating Results

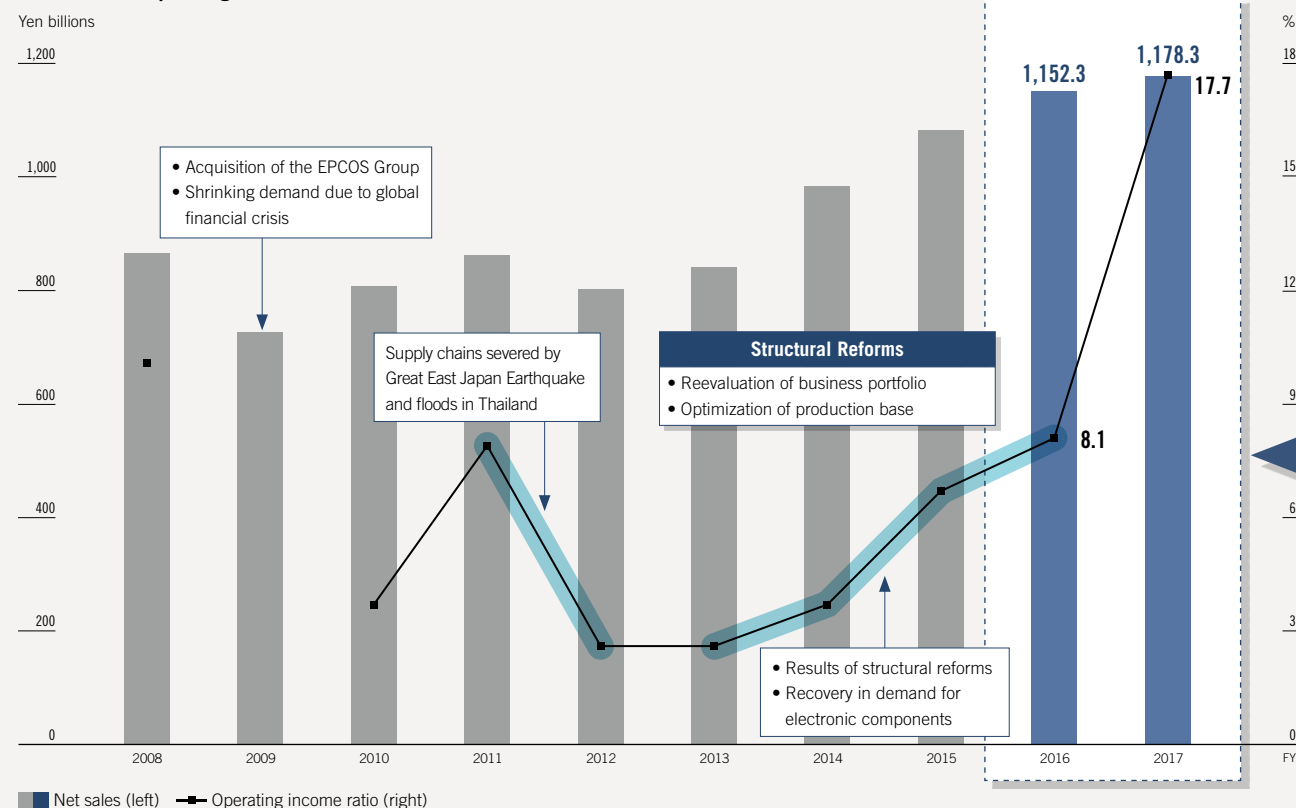
Ten Years of Financial Trends

After demand for electronic devices slowed with the financial crisis that occurred in 2008, and supply chains were disrupted as a result of the Great East Japan Earthquake and extensive flooding in Thailand in 2011, challenging business conditions continued for a period. In fiscal 2012, TDK began a large-scale organizational restructuring to create a corporate structure less vulnerable to changes in the external environment. An important part of this undertaking was reform of the profit structure, which placed particular emphasis on the magnetic application products business centered on HDD magnetic heads. The focus was on increasing the profitability of multilayer ceramic capacitors and other passive components. Aging domestic manufacturing sites were closed and consolidated, and measures to optimally place human resources were implemented. Internationally, joint technology development was undertaken to fully realize the effects from integration with Germany's EPCOS Group, which TDK acquired in fiscal 2009.

As a result, the high-frequency components business, which was able to utilize the strengths of the EPCOS Group, achieved profitability, and passive components became a pillar of profits in conjunction with the widespread adoption of smartphones and tablet computers. More recently, the multilayer ceramic capacitors business has leveraged strengths including materials and process technologies to achieve strong results in distinctive electronic components for the automotive and industrial and energy markets.

The operating profit ratio has increased since fiscal 2013 as a result of a recovery in demand for electronic components, the effects of structural reforms, and other factors. Net sales surpassed ¥1 trillion in fiscal 2015, and reached a record high of ¥1,178.3 billion in fiscal 2017.

Net Sales and Operating Income Ratio Trends



Average Exchange Rate during the Period

FY	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Rate vs. U.S.\$	114.44	100.71	92.89	85.73	79.07	83.03	100.26	109.84	120.13	108.46
Rate vs. euro	161.59	144.07	131.18	113.12	109.06	107.05	134.42	138.88	132.67	118.92

Fiscal 2017 Market Conditions and Operating Results

In the electronics market, production levels differed by finished product. Production of smartphones increased from the previous fiscal year, driven by sustained growth in demand in the Chinese market. Production in the automobile market was slightly higher than the level of the previous fiscal year, driven mainly by solid automobile sales in the United States and Europe. Meanwhile, production of PCs declined compared with the previous fiscal year. Production of HDDs also declined compared with the previous fiscal year due to the decreased demand for PCs and the continued replacement of HDDs inside PCs by SSDs.

While net sales were affected by continued appreciation of the yen against the U.S. dollar and the euro, sales of HDD magnetic heads were strong, as were sales of rechargeable batteries for smartphones due to expansion of the customer base. As a result, net sales set a new record, rising 2.3%, to ¥1,178,257 million. The cost of sales in fiscal 2017 increased 3.0% from fiscal 2016, to ¥855,948 million, due to an increase in net sales. While efforts were made to reduce costs through increased efficiency, improved yields, and discounts on raw materials, the impact of price discounts and a strong yen saw the cost of sales ratio rise by 0.5 percentage point year on year, to 72.6%. As a result, gross profit increased ¥1,177 million (0.4%) year on year, bringing the gross profit ratio to 27.4%.

Selling, general and administrative expenses in fiscal 2017 increased ¥12,261 million from fiscal 2016, to ¥239,446 million, while the ratio to net sales rose 0.6 percentage point, to 20.3%. The main factor in the increase was an increase of about ¥9.0 billion in expenses associated with the consolidation of Micronas, which was acquired in March of the previous year, and of Hutchinson, acquired in October of fiscal 2017. R&D expenses as a percentage of

selling, general and administrative expenses in fiscal 2017 rose 7.5% year on year, to ¥91,254 million, due in part to *Monozukuri* (manufacturing excellence) development in the priority automotive, ICT, and industrial and energy markets, and to development of strategic growth products in areas where growth is expected going forward.

Note that in other operating income reported in fiscal 2017, capital gains of ¥144.4 billion were recorded in conjunction with the business tie-up with Qualcomm and the agreement to establish a joint venture, in addition to ¥21.2 billion in structural reform expenses, primarily from impairment losses.

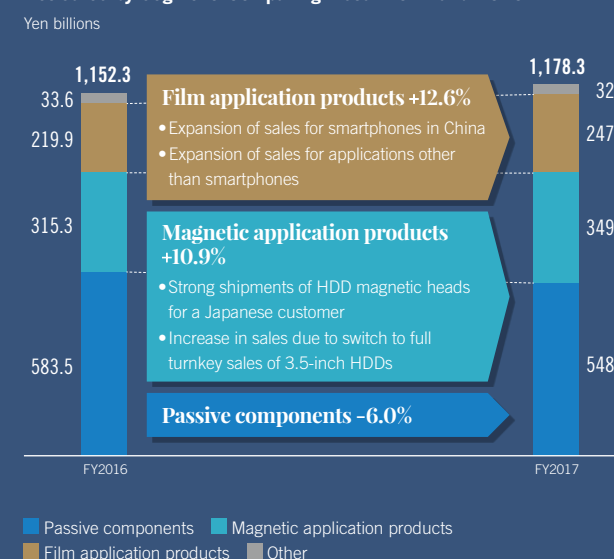
Other income (deductions) improved by ¥4,632 million year on year, to ¥3,057 million, due in part to a ¥2,762 million improvement in foreign exchange gains compared with the previous year.

TDK posted net income attributable to TDK of ¥145,099 million, resulting in diluted net income attributable to TDK per common share of ¥1,147.57. Return on equity (ROE) improved from 9.2% to 19.8%.

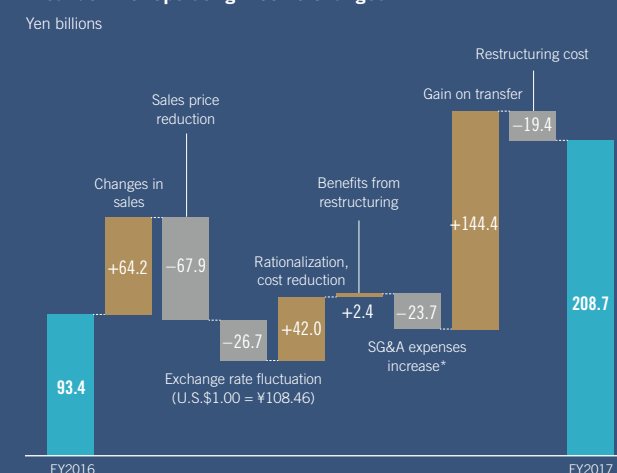
Effect of Foreign Exchange Fluctuations

Regarding average currency rates during fiscal 2017, the yen's value appreciated 9.7% versus the U.S. dollar and 10.4% versus the euro year on year. Exchange rate fluctuations had the effect of decreasing net sales by approximately ¥129.1 billion and operating income by approximately ¥26.7 billion in fiscal 2017. Additionally, TDK and certain overseas subsidiaries have entered into agreements for the likes of forward foreign exchange contracts and currency swaps in order to mitigate foreign exchange fluctuation risk. The Company's policy regarding said risks is that, in principle, it will hedge up to 50% of foreign currency-denominated net trade receivables expected to be generated over the course of the coming six months.

Net Sales by Segment: Comparing Fiscal 2017 and 2016



Breakdown of Operating Income Changes



* Selling, general and administrative expenses shown on the graph include a portion of business transfer-related expenses.

Financial Condition

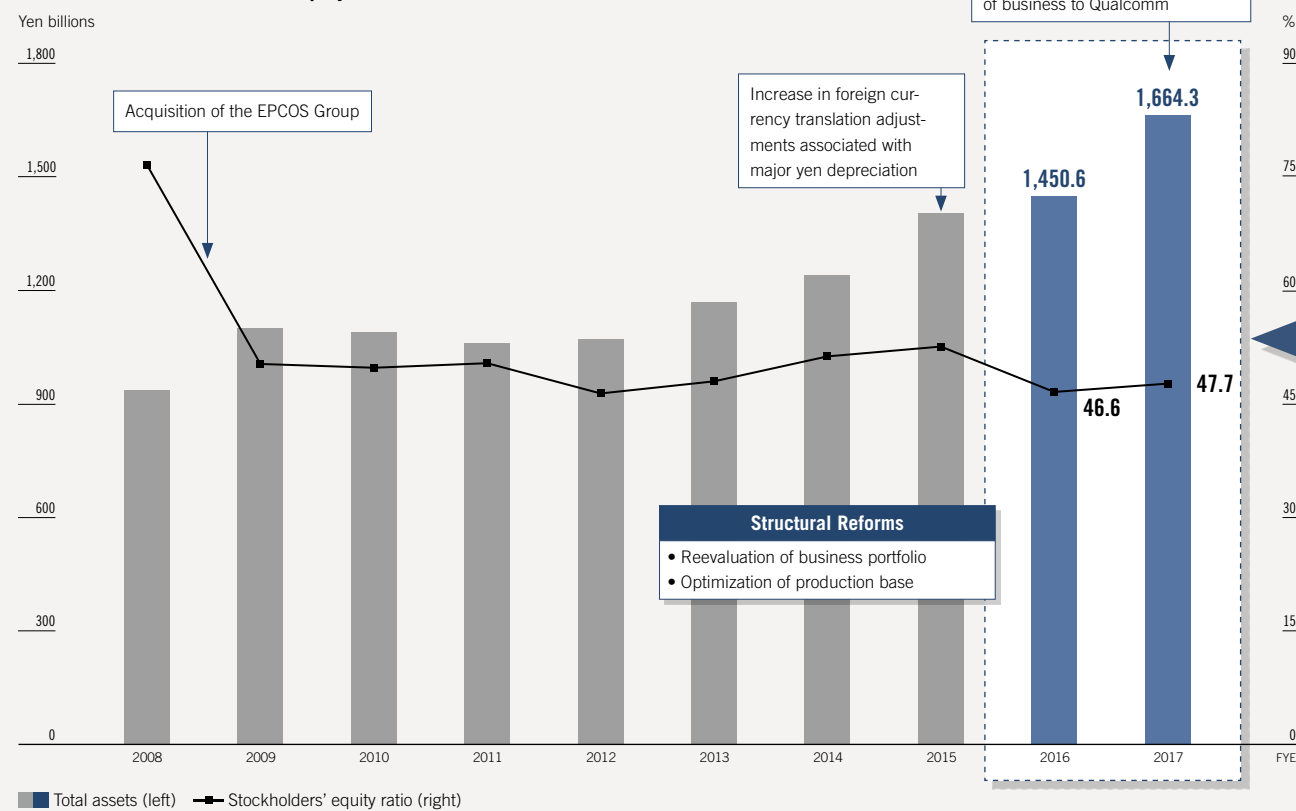
Analysis of Financial Position during Last 10 Fiscal Years

From the end of fiscal 2008 through the end of fiscal 2009, total assets increased due principally to the acquisition of the EPCOS Group. Since the end of fiscal 2012, net trade receivables, inventories, property, plant and equipment, and other items have each increased alongside higher net sales for certain products, and total assets are trending higher as a result.

In conjunction with the acquisition of the EPCOS Group, the company's stockholders' equity ratio fell significantly between the end of fiscal 2008 and the end of fiscal 2009, but it has been on a gradual increase since fiscal 2010. The stockholders' equity ratio fell 6.0 percentage points, to 46.6%, at the end of fiscal 2016 as a result of investment in new products and new business, as well as of active M&As, but rose by 1.1 percentage points year on year in fiscal 2017, to 47.7%, due to a significant increase in income with the transfer of business to Qualcomm.

Under its current Medium-Term Plan, TDK plans for ¥430-¥480 billion in new facility investments aimed at driving acceleration of strategic growth product expansion, strengthening of its overseas R&D base, acceleration of existing core business expansion, and acceleration of *Monozukuri* Innovation. In fiscal 2017, ¥167,631 million in capital expenditures were undertaken. While adhering closely to a policy of investing only upon consideration of the balance between market demand and supply, TDK will continue to engage in ongoing, active capital investment.

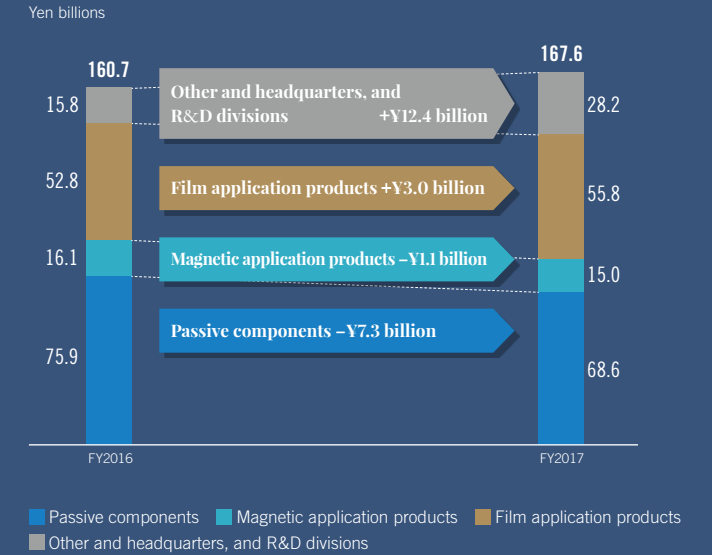
Total Assets and Stockholders' Equity Ratio



Status of Capital Expenditures in Fiscal 2017

In the Passive Components segment, capital expenditures totaled ¥68,605 million, primarily for the purpose of strengthening the business base and increasing the production capacity of inductive devices. Capital expenditures in the Magnetic Application Products segment totaled ¥14,954 million, mainly for the development and production of next-generation HDD magnetic heads with high recording densities. Capital expenditures in the Film Application Products segment totaled ¥55,834 million, mainly to boost production of lithium polymer batteries. Capital expenditures in Other totaled ¥7,246 million. Capital expenditures for the R&D divisions at the headquarters totaled ¥20,992 million, primarily for investments in building new plants and in internal IT infrastructure and fundamental research and development.

Capital Expenditures by Segment: Comparing Fiscal 2017 and 2016



Financial Position in Fiscal 2017

Assets

Total assets amounted to ¥1,664,333 million as of March 31, 2017, an increase of ¥213,769 million from March 31, 2016. Liquidity (cash and cash equivalents, short-term investments) increased by ¥79,087 million and net trade receivables increased by ¥28,691 million, while property, plant and equipment fell by ¥22,972 million.

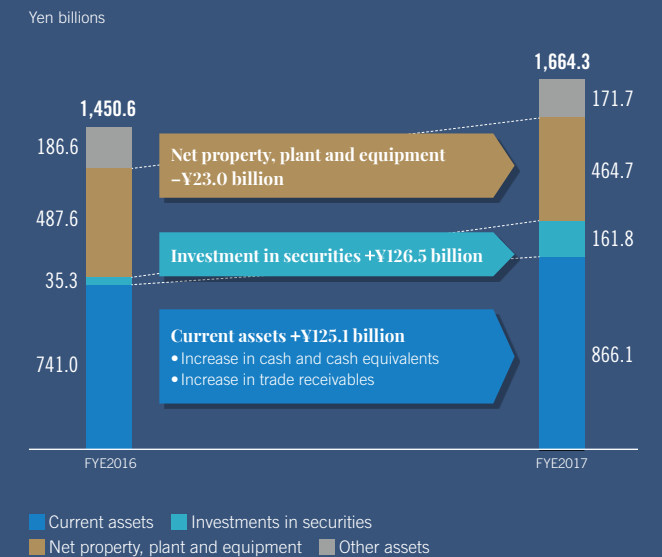
Liabilities

Total liabilities amounted to ¥862,215 million, a ¥96,284 million increase from the end of the previous fiscal year. While short-term debt fell by ¥81,003 million, long-term debt increased by ¥73,109 million and trade payables increased by ¥63,980 million.

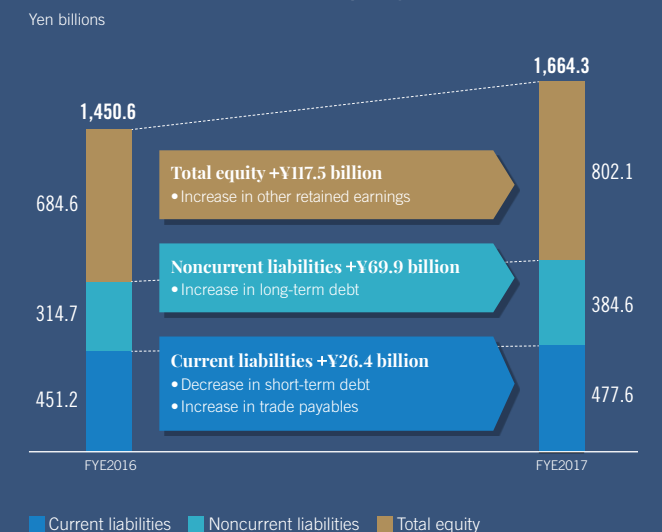
Net Assets

Total TDK stockholders' equity in net assets increased by ¥118,253 million, to ¥793,614 million. Other retained earnings increased by ¥126,376 million due to a significant increase in income due primarily to the recording of capital gains with the transfer of business to Qualcomm.

Total Assets: Comparing Fiscal 2017 and 2016



Total Liabilities and Net Assets: Comparing Fiscal 2017 and 2016

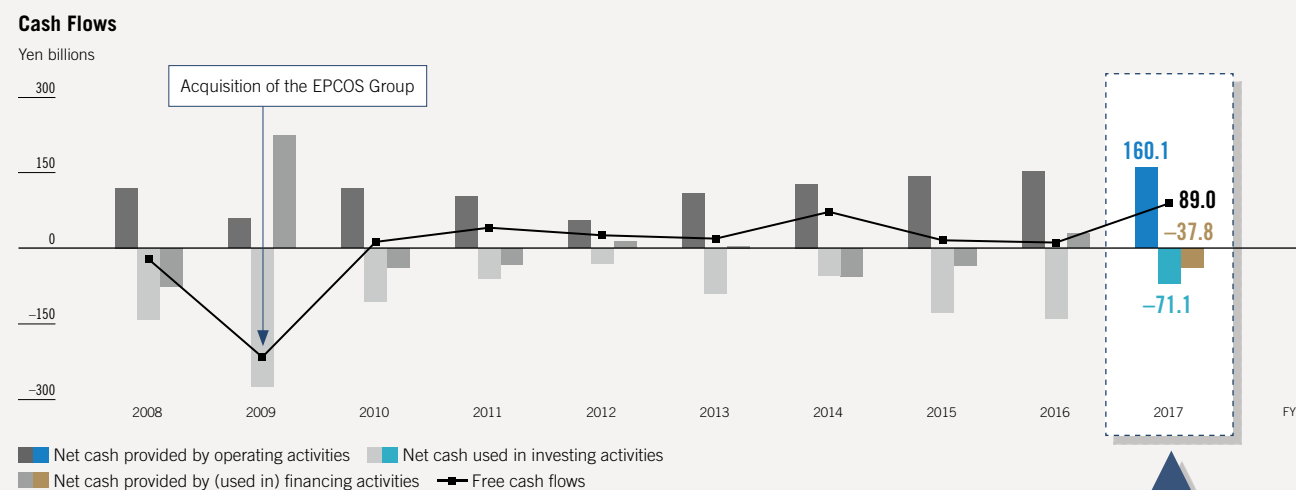


Cash Flow Status

Analysis of Cash Flows during Last 10 Fiscal Years

During fiscal 2009, TDK conducted a large-scale M&A (its acquisition of the EPCOS Group), and consequently its free cash flows fell significantly into negative territory. Most recently, the company acquired several companies in the sensor business, where market expansion is expected going forward, including Micronas of Switzerland, Tronics of France, ICsense of Belgium, and InvenSense of the United States. The Company has nevertheless maintained free cash flows in positive territory by steadily increasing cash flows through operating activities and by systematically conducting asset sales and business transfers.

TDK's principle is to use cash and deposits (which includes cash, deposits, and short-term investments) as liquid capital, while using funds generated from day-to-day business activities to cover operating capital and capital expenditure funds, and endeavors to maintain liquidity at 2.0 months' worth of monthly consolidated net sales or greater. Additionally, in order to improve its capital efficiency, TDK has introduced a Cash Management System (CMS) in Japan, the United States, Europe, and China. Through this system, the Company centrally manages funds using headquarters functions as much as possible. However, for its subsidiaries that are unable to cover operating capital and capital expenditure funds with cash on hand, the Company elects to use funds within the TDK Group to the fullest extent possible. In addition, the Company has been managing cash on hand with a focus on safety and liquidity.

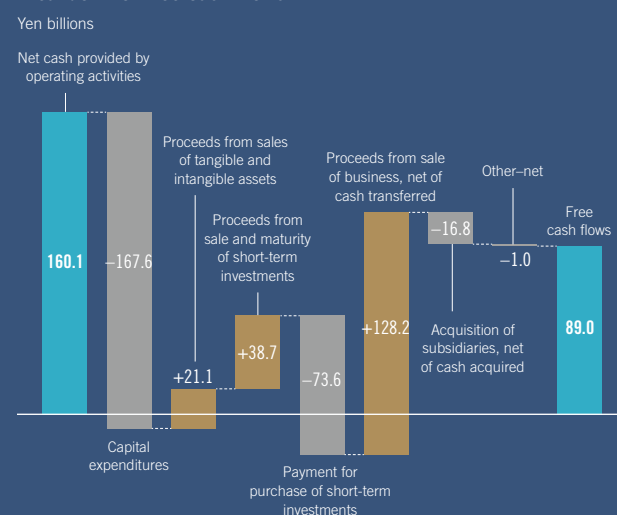


Free Cash Flows in Fiscal 2017

In order to accurately respond to rapid technological innovation in the electronics market and intensifying sales competition, and to push strongly ahead with expansion of its main businesses, TDK undertook ¥167,631 million in capital expenditures in fiscal 2017.

At the same time, free cash flows significantly improved in the same period as a result of the transfer of business to Qualcomm. Funds obtained as compensation for the business transfer are being utilized in new M&A activity in accordance with the Company's growth strategy, as TDK works to further bolster its financial and profit structure.

Breakdown of Free Cash Flows



Major Business Risks and Risk Management System

The TDK Group is active in many markets and regions around the world; the overseas sales ratio of the Group has exceeded 90%. In addition, competition in the electronic components industry, to which the Group belongs, is severe due to increased technological innovation. In view of this situation, we have developed the following risk management measures to address major business risks that may significantly affect the TDK Group.

Details of Major Risks	Examples of Risk Management Measures
Changes in economic trends due to global problems and economic fluctuations	<ul style="list-style-type: none"> Collect information on global political and economic developments in a timely manner
Reduction of sales revenue or operating income due to foreign exchange rate fluctuations	<ul style="list-style-type: none"> Increase purchases of raw materials in foreign currencies and local procurement of materials consumed overseas Procure foreign capital and foreign currency futures contracts
Impacts from various problems in conjunction with conducting overseas business (international political risks, economic risks, social risks, etc.)	<ul style="list-style-type: none"> Analyze and implement countermeasures to address risks in each country with a focus on global economic developments
Greater-than-expected decline in Group product prices and prolonged low prices	<ul style="list-style-type: none"> Continuously implement cost-cutting measures and efforts to raise profitability Identify unprofitable businesses and products and establish criteria for withdrawal
Failure of continuous technological reform and new product development	<ul style="list-style-type: none"> Review research and development systems based on analysis of market trends on an ongoing basis Manage development to conduct selection and consolidation of development topics
Occurrence of quality-related problems, such as recalls and product liability claims	<ul style="list-style-type: none"> Use proprietary quality technology and previously accumulated quality data Create quality assurance systems to ensure quality, from upstream development stages through to design reviews, internal quality inspections, supplier audits and guidance, and process management at every product stage, including planning, design, prototyping, and manufacturing
Occurrence of major disputes regarding intellectual property	<ul style="list-style-type: none"> Reinforce utilization of patent portfolio through management and acquisition of intellectual property rights related to product functions, designs, etc.
Inability to recruit and develop human resources as planned	<ul style="list-style-type: none"> Actively recruit recent graduates and hire mid-career, experienced human resources Create programs intended to raise employee motivation, including enhancement of fair evaluation and benefits programs based on a goal-oriented management system; expand various educational programs intended to develop autonomous and global human resources; and transmit TDK's <i>Monozukuri</i> DNA
Suspension of supplies of raw materials, etc., or extreme increases in raw material prices	<ul style="list-style-type: none"> Purchase raw materials, among others, from multiple outside suppliers and create production systems premised on securing appropriate quantities in a timely manner Appropriately review suppliers
Stricter regulatory restrictions by government agencies	<ul style="list-style-type: none"> Continuously monitor related regulatory amendment trends, among others, and take countermeasures
Impacts on the value of financial assets and financial liabilities from fluctuations in interest rates	<ul style="list-style-type: none"> Use interest rate swaps to fix amounts of interest paid Maintain current assets at 2.0 months or more of consolidated monthly net sales
Substantial reduction or termination of business as a result of deterioration of a customer's financial performance or acquisition of a customer by a third party	<ul style="list-style-type: none"> Conduct business with a variety of customers and set trading terms taking into consideration customer credit risks
Occurrence of a natural disaster, interruption of power supplies, or epidemic	<ul style="list-style-type: none"> Establish highly detailed business continuity plans Implement disaster preparedness measures and infectious disease control measures to prepare for unexpected natural disasters or epidemics and install generating facilities to prepare for electric power shortages
Application of stricter environmental regulations	<ul style="list-style-type: none"> Continuously monitor trends regarding revision of relevant regulatory systems and take countermeasures in advance Develop products and manufacturing methods with minimal environmental impact Undertake a range of environmental preservation measures
Problems related to M&As, including inability to recover invested funds and the occurrence of additional expenses	<ul style="list-style-type: none"> Implement M&As taking into consideration market trends and customer needs; the business results, financial status, technological superiority, and market competitiveness of target companies; and the Group's business portfolio
Data breaches concerning confidential information of customers and business partners	<ul style="list-style-type: none"> Create and thoroughly implement Groupwide management systems, reinforce IT security and facility security, and conduct employee training

Consolidated Balance Sheets

TDK Corporation and Consolidated Subsidiaries (U.S. GAAP)
As of March 31, 2017 and 2016

ASSETS

	2016		2017		Change Yen millions
	Yen millions	%	Yen millions	U.S.\$ thousands	
Current assets	740,994	51.1	866,136	7,733,357	125,142
Cash and cash equivalents	285,468		330,388	2,949,893	44,920
Short-term investments	21,964		56,131	501,170	34,167
Net trade receivables	226,218		254,909	2,275,973	28,691
Inventories	157,129		154,499	1,379,455	(2,630)
Other current assets	50,215		70,209	626,866	19,994
Noncurrent assets	709,570	48.9	798,197	7,126,759	88,627
Investments in securities	35,335		161,825	1,444,866	126,490
Net property, plant and equipment	487,639		464,667	4,148,813	(22,972)
Other assets	186,596		171,705	1,533,080	(14,891)
Total	1,450,564	100.0	1,664,333	14,860,116	213,769

For convenience only, an exchange rate of U.S.\$1 = ¥112 has been used.

LIABILITIES AND EQUITY

	2016		2017		Change Yen millions
	Yen millions	%	Yen millions	U.S.\$ thousands	
Current liabilities	451,234	31.1	477,594	4,264,232	26,360
Short-term debt	158,683		77,680	693,571	(81,003)
Current installments of long-term debt	36,228		42,517	379,616	6,289
Trade payables	112,664		176,644	1,577,179	63,980
Accrued expenses	123,892		148,609	1,326,866	24,717
Other current liabilities	19,767		32,144	287,000	12,377
Noncurrent liabilities	314,697	21.7	384,621	3,434,116	69,924
Long-term debt, excluding current installments	140,826		213,935	1,910,134	73,109
Retirement and severance benefits	147,136		125,202	1,117,875	(21,934)
Other noncurrent liabilities	26,735		45,484	406,107	18,749
Total liabilities	765,931	52.8	862,215	7,698,348	96,284
Common stock	32,641		32,641	291,438	—
Additional paid-in capital	21,083		15,349	137,044	(5,734)
Legal reserve	34,221		37,727	336,848	3,506
Retained earnings	707,508		833,884	7,445,393	126,376
Accumulated other comprehensive income (loss)	(102,285)		(108,575)	(969,420)	(6,290)
Treasury stock	(17,807)		(17,412)	(155,464)	395
Total TDK stockholders' equity	675,361	46.6	793,614	7,085,839	118,253
Noncontrolling interests	9,272	0.6	8,504	75,929	(768)
Total equity	684,633	47.2	802,118	7,161,768	117,485
Total	1,450,564	100.0	1,664,333	14,860,116	213,769

Consolidated Statements of Income and Statements of Comprehensive Income (Loss)

TDK Corporation and Consolidated Subsidiaries (U.S. GAAP)
For the years ended March 31, 2017 and 2016

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

	2016		2017		Change		
	Yen millions	(%)	Yen millions	(%)	U.S.\$ thousands	Yen millions	(%)
Net sales	1,152,255	100.0	1,178,257	100.0	10,520,152	26,002	2.3
Cost of sales	831,123	72.1	855,948	72.6	7,642,393	24,825	3.0
Gross profit	321,132	27.9	322,309	27.4	2,877,759	1,177	0.4
Selling, general and administrative expenses	227,185	19.7	239,446	20.3	2,137,911	12,261	5.4
Other operating expense (income)	533	0.1	(125,797)	-10.6	(1,123,188)	(126,330)	—
Operating income	93,414	8.1	208,660	17.7	1,863,036	115,246	123.4
Other income (deductions):							
Interest and dividend income	4,496		4,152		37,071	(344)	
Interest expense	(3,116)		(3,428)		(30,607)	(312)	
Foreign exchange gain (loss)	(2,394)		368		3,286	2,762	
Other—net	(561)		1,965		17,544	2,526	
Total other income (deductions)	(1,575)	-0.1	3,057	0.3	27,294	4,632	—
Income before income taxes	91,839	8.0	211,717	18.0	1,890,330	119,878	130.5
Income taxes	25,216	2.2	66,157	5.6	590,687	40,941	162.4
Net income	66,623	5.8	145,560	12.4	1,299,643	78,937	118.5
Less: Net income attributable to noncontrolling interests	1,795	0.2	461	0.1	4,116	(1,334)	-74.3
Net income attributable to TDK	64,828	5.6	145,099	12.3	1,295,527	80,271	123.8

For convenience only, an exchange rate of U.S.\$1 = ¥112 has been used.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	2016		2017		Change	
	Yen millions	Yen millions	U.S.\$ thousands	Yen millions	U.S.\$ thousands	Yen millions
Net income	66,623	145,560	1,299,643	78,937		
Other comprehensive income (loss), net of taxes:						
Foreign currencies translation adjustments	(61,172)	(18,866)	(168,447)	42,306		
Pension liability adjustments	(31,555)	13,465	120,223	45,020		
Net unrealized gains (losses) on securities	(6,994)	(274)	(2,446)	6,720		
Total other comprehensive income (loss)	(99,721)	(5,675)	(50,670)	94,046		
Comprehensive income (loss)	(33,098)	139,885	1,248,973	172,983		
Comprehensive income attributable to noncontrolling interests	1,371	933	8,330	(438)		
Comprehensive income (loss) attributable to TDK	(34,469)	138,952	1,240,643	173,421		

For convenience only, an exchange rate of U.S.\$1 = ¥112 has been used.

Consolidated Statements of Stockholders' Equity

TDK Corporation and Consolidated Subsidiaries (U.S. GAAP)
For the years ended March 31, 2017 and 2016

2016	Yen millions								
	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity	Noncontrolling interests	Total equity
Balance as of March 31, 2015	32,641	39,755	29,685	661,159	(5,882)	(18,497)	738,861	19,146	758,007
Equity transaction of consolidated subsidiaries and other		(18,672)		(79)	2,894	702	(15,155)	(11,068)	(26,223)
Cash dividends				(13,864)			(13,864)	(177)	(14,041)
Transferred to legal reserve			4,536	(4,536)			—	—	—
Comprehensive income									
Net income				64,828			64,828	1,795	66,623
Other comprehensive income (loss)					(99,297)		(99,297)	(424)	(99,721)
Total comprehensive income (loss)							(34,469)	1,371	(33,098)
Acquisition of treasury stock						(12)	(12)	—	(12)
Sale of treasury stock							—	—	—
Balance as of March 31, 2016	32,641	21,083	34,221	707,508	(102,285)	(17,807)	675,361	9,272	684,633

2017	Yen millions								
	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity	Noncontrolling interests	Total equity
Balance as of March 31, 2016	32,641	21,083	34,221	707,508	(102,285)	(17,807)	675,361	9,272	684,633
Equity transaction of consolidated subsidiaries and other		(5,734)		(80)	(143)	397	(5,560)	(1,625)	(7,185)
Cash dividends				(15,137)			(15,137)	(76)	(15,213)
Transferred to legal reserve			3,506	(3,506)			—	—	—
Comprehensive income									
Net income				145,099			145,099	461	145,560
Other comprehensive income (loss)					(6,147)		(6,147)	472	(5,675)
Total comprehensive income (loss)							138,952	933	139,885
Acquisition of treasury stock						(3)	(3)	—	(3)
Sale of treasury stock						1	1	—	1
Balance as of March 31, 2017	32,641	15,349	37,727	833,884	(108,575)	(17,412)	793,614	8,504	802,118

2017	U.S.\$ thousands								
	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total TDK stockholders' equity	Noncontrolling interests	Total equity
Balance as of March 31, 2016	291,438	188,241	305,544	6,317,036	(913,259)	(158,991)	6,030,009	82,786	6,112,795
Equity transaction of consolidated subsidiaries and other		(51,197)		(714)	(1,277)	3,545	(49,643)	(14,509)	(64,152)
Cash dividends				(135,152)			(135,152)	(678)	(135,830)
Transferred to legal reserve			31,304	(31,304)			—	—	—
Comprehensive income									
Net income				1,295,527			1,295,527	4,116	1,299,643
Other comprehensive income (loss)					(54,884)		(54,884)	4,214	(50,670)
Total comprehensive income (loss)							1,240,643	8,330	1,248,973
Acquisition of treasury stock						(27)	(27)	—	(27)
Sale of treasury stock						9	9	—	9
Balance as of March 31, 2017	291,438	137,044	336,848	7,445,393	(969,420)	(155,464)	7,085,839	75,929	7,161,768

For convenience only, an exchange rate of U.S.\$1 = ¥112 has been used.

Consolidated Statements of Cash Flows

TDK Corporation and Consolidated Subsidiaries (U.S. GAAP)
For the years ended March 31, 2017 and 2016

	2016		2017
	Yen millions	Yen millions	U.S.\$ thousands
Cash flows from operating activities:			
Net income	66,623	145,560	1,299,643
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	83,224	87,491	781,170
Deferred income taxes	2,001	30,723	274,312
Impairment of long-lived assets	533	16,811	150,098
Impairment of goodwill	—	2,600	23,214
Gain on sale of business	—	(149,538)	(1,335,161)
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(7,262)	(59,152)	(528,143)
Decrease (increase) in inventories	(10,591)	(21,709)	(193,830)
Increase (decrease) in trade payables	16,460	67,913	606,366
Increase (decrease) in accrued expenses	(509)	12,467	111,313
Decrease (increase) in other assets and liabilities, net	75	19,941	178,045
Other—net	1,009	7,029	62,759
Net cash provided by operating activities	151,563	160,136	1,429,786
Cash flows from investing activities:			
Capital expenditures	(160,674)	(167,631)	(1,496,705)
Proceeds from sales of tangible and intangible assets	3,918	21,085	188,259
Proceeds from sale and maturity of short-term investments	30,348	38,697	345,509
Payment for purchase of short-term investments	(27,352)	(73,632)	(657,429)
Proceeds from sale and maturity of securities	4,833	523	4,670
Payment for purchase of securities	(1,112)	(837)	(7,473)
Proceeds from sale of business, net of cash transferred	1,668	128,210	1,144,732
Acquisition of subsidiaries, net of cash acquired	(15,165)	(16,819)	(150,170)
Receipt from collection of loans made by TDK	21,605	603	5,384
Other—net	1,346	(1,310)	(11,697)
Net cash used in investing activities	(140,585)	(71,111)	(634,920)
Cash flows from financing activities:			
Proceeds from long-term debt	22,700	119,275	1,064,955
Repayment of long-term debt	(1,289)	(52,246)	(466,482)
Increase (decrease) in short-term debt, net	50,213	(81,063)	(723,777)
Dividends paid	(13,864)	(15,132)	(135,107)
Acquisition of noncontrolling interest	(28,504)	(8,914)	(79,589)
Other—net	49	327	2,920
Net cash provided by (used in) financing activities	29,305	(37,753)	(337,080)
Effect of exchange rate changes on cash and cash equivalents	(19,919)	(6,352)	(56,714)
Net increase in cash and cash equivalents	20,364	44,920	401,072
Cash and cash equivalents at beginning of period	265,104	285,468	2,548,821
Cash and cash equivalents at end of period	285,468	330,388	2,949,893

For convenience only, an exchange rate of U.S.\$1 = ¥112 has been used.

Corporate Information

TDK Corporation and Consolidated Subsidiaries (U.S. GAAP)
As of March 31, 2017

Corporate Name

TDK Corporation

Corporate Headquarters

Shibaura Renasite Tower, 3-9-1 Shibaura, Minato-ku,
Tokyo 108-0023

Date of Establishment

December 7, 1935

Authorized Number of Shares

480,000,000 shares

Number of Shares Issued

129,590,659 shares

Number of Shareholders

25,987

Common Stock

¥32,641,976.312

Securities Traded

Tokyo Stock Exchange (Listed on the 1st Section in October 1961)

Securities Code

6762

Number of Employees (Consolidated)

99,693

Transfer Agent

Sumitomo Mitsui Trust Bank, Limited
1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233

Independent Registered Public Accounting Firm

KPMG AZSA LLC (the Japan member firm of KPMG International)

ADR Information

Type
Level 1 with sponsorship

ADR Ratio

1 common stock = 1 ADR

Ticker Symbol

TTDKY

CUSIP

872351408

Depository Bank

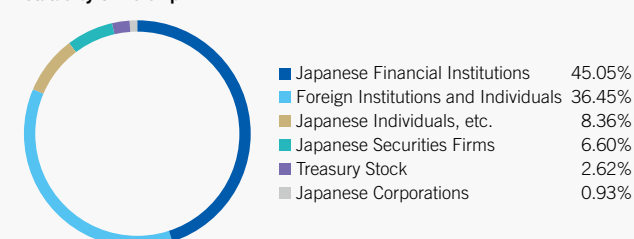
Citibank, N.A. Shareholder Services
P.O. Box 43077
Providence, Rhode Island 02940-3077
U.S.A.
Tel: 1-877-248-4237 CITI-ADR (toll free)
Tel: 1-816-843-4281 (out of U.S.)
Fax: 1-201-324-3284
URL: <http://www.citi.com/adr>
E-mail: citibank@shareholders-online.com

Principal Shareholders (10 largest shareholders)

Name of shareholder	Number of shares held (thousands of shares)	Percentage of number of shares held in the total number of issued shares (%)
1. The Master Trust Bank of Japan, Ltd. (Trust account)	20,669	16.38
2. Japan Trustee Services Bank, Ltd. (Trust account)	12,880	10.21
3. Trust & Custody Services Bank, Ltd. (Securities investment trust account)	3,939	3.12
4. JP MORGAN CHASE BANK 380055	2,938	2.33
5. BNP Paribas Securities (Japan) Limited	2,126	1.68
6. Japan Trustee Services Bank, Ltd. (Trust account 5)	2,070	1.64
7. Goldman Sachs Japan Co., Ltd.	1,914	1.52
8. STATE STREET BANK WEST CLIENT - TREATY 505234	1,858	1.47
9. Japan Trustee Services Bank, Ltd. (Trust account 7)	1,693	1.34
10. Nippon Life Insurance Company	1,640	1.30
Total	51,727	40.99

Note: Other than the above, the Company holds 3,391 thousand shares of treasury stock.

Status by Ownership



TDK Stock Price and Volume

