

[Summary Information and Financial Statements]

1. Summary Information Regarding Financial Results for the First Quarter of Fiscal 2014

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first three months of fiscal 2014, the period from April 1 to June 30, 2013, are as follows.

Looking at the world economy in the first quarter of fiscal 2014, in industrialized countries, the European economy saw economic activity remain lackluster due to persistent credit concerns triggered by the sovereign debt problem. On the other hand, the U.S. economy, which had overcome the “fiscal cliff,” saw improvements in the key economic indicators of employment and housing, and strong growth in personal consumption continued to underpin an economic recovery. Meanwhile, the economies of emerging countries such as China and India, while generally stronger than those of industrialized countries, saw some concerns surface such as lower economic growth rates and economic indicators, and rising inflationary pressures. Under these world economic circumstances, the electronics market, which has a large bearing on the consolidated performance of TDK, saw production levels differ by finished product. Production of smartphones and tablet devices, for which demand is expanding, was much higher than in the same period of fiscal 2013, remaining as strong as ever. However, production of hard disk drives (HDDs) was sharply lower than a year earlier when there was temporary demand resulting from the impact of major flooding in Thailand. Production of hybrid and electric vehicles was almost on a par with the corresponding period of the previous fiscal year.

Under these market conditions, TDK posted consolidated net sales of ¥236,536 million (U.S.\$2,389,253 thousand), an increase of 13.4% from the ¥208,653 million reported in the first quarter of fiscal 2013. Operating income was ¥3,980 million (U.S.\$40,202 thousand), a 56.8% decrease from ¥9,223 million. Income before income taxes was ¥4,522 million (U.S.\$45,677 thousand), a 48.9% decrease from ¥8,845 million. TDK recorded net income attributable to TDK of ¥372 million (U.S.\$3,758 thousand), a 91.7% decrease from ¥4,471 million. Basic net income attributable to TDK per common share was ¥2.96 (U.S.\$0.03), compared with ¥35.52 in the first quarter of fiscal 2013. Average first-quarter yen exchange rates for the U.S. dollar and euro were ¥98.74 and ¥128.96, respectively, as the yen depreciated 23.0% versus the U.S. dollar and 25.0% against the euro, compared with the first quarter of fiscal 2013. This increased net sales by approximately ¥40.0 billion and operating income by approximately ¥5.9 billion.

Sales by Sector

Term Product	1Q of FY2013 (April 1, 2012 - June 30, 2012)		1Q of FY2014 (April 1, 2013 - June 30, 2013)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	31,434	15.1	33,739	14.3	340,798	2,305	7.3
Inductive devices	28,206	13.5	34,969	14.8	353,222	6,763	24.0
Other Passive Components	31,840	15.2	48,319	20.4	488,071	16,479	51.8
Passive Components	91,480	43.8	117,027	49.5	1,182,091	25,547	27.9
Recording devices	59,926	28.7	60,210	25.4	608,182	284	0.5
Other Magnetic Application Products	28,254	13.6	25,985	11.0	262,475	(2,269)	-8.0
Magnetic Application Products	88,180	42.3	86,195	36.4	870,657	(1,985)	-2.3
Film Application Products	23,232	11.1	28,604	12.1	288,929	5,372	23.1
Other	5,761	2.8	4,710	2.0	47,576	(1,051)	-18.2
Total	208,653	100.0	236,536	100.0	2,389,253	27,883	13.4
Overseas sales	178,302	85.5	213,264	90.2	2,154,182	34,962	19.6

Notes:

1. U.S.\$1=Yen 99, for convenience only.
2. The figures for FY2013 are restated based on current calculation method for sales by region.

(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 ¥117,027 million (U.S.\$1,182,091 thousand), up 27.9% year on year from ¥91,480 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥33,739 million (U.S.\$340,798 thousand), up 7.3% year on year from ¥31,434 million. Sales of ceramic capacitors increased to the automotive market, and sales of aluminum electrolytic capacitors and film capacitors increased to the automotive and industrial equipment markets.

Sales of inductive devices increased 24.0% year on year from ¥28,206 million to ¥34,969 million (U.S.\$353,222 thousand). Sales increased sharply for use in automobiles and communications equipment.

Other passive components include high-frequency devices, piezoelectric material products, circuit protection components, and sensors. Sales of other passive components climbed 51.8% year on year from ¥31,840 million to ¥48,319 million (U.S.\$488,071 thousand). Sales of high-frequency components rose sharply to the communications equipment and the home information appliances markets. Sales of piezoelectric material products, circuit protection components, and sensors increased mainly to the communications equipment market.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales declined 2.3% year on year, from ¥88,180 million to ¥86,195 million (U.S.\$870,657 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded sales of ¥60,210 million (U.S.\$608,182 thousand), up 0.5% from ¥59,926 million. In HDD heads and HDD suspension assemblies, sales volumes declined due to the absence of the temporary demand resulting from the impact of the major flooding in Thailand in the previous fiscal year and lackluster HDD production levels. However, the weaker yen against the U.S. dollar lifted sales in monetary terms marginally.

Other magnetic application products include power supplies and magnets. Sales decreased 8.0% year on year from ¥28,254 million to ¥25,985 million (U.S.\$262,475 thousand). Sales of power supplies increased slightly to the automotive and industrial equipment markets. On the other hand, sales of magnets decreased to the automotive and industrial equipment markets, mainly due to the impact of lower prices.

(3) Film Application Products Segment

This segment includes energy devices (rechargeable batteries) and applied films. Segment sales increased 23.1% from ¥23,232 million to ¥28,604 million (U.S.\$288,929 thousand).

Sales of energy devices declined to the home information appliances market, but increased sharply to the communications equipment market, particularly for smartphone applications. Sales of applied films rose slightly to the home information appliances market.

(4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales decreased 18.2% from ¥5,761 million to ¥4,710 million (U.S.\$47,576 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.

New 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	Recording devices, Power supplies, Magnets,
Film Application Products	Energy devices (rechargeable batteries), Applied films
Other	Mechatronics (production equipments), other

[Sales by Region]

Overseas sales increased 19.6% year on year from ¥178,302 million to ¥213,264 million (U.S.\$2,154,182 thousand). Overseas sales accounted for 90.2% of consolidated net sales, a 4.7 percentage point increase from 85.5% in the first quarter of fiscal 2013. Detailed information on sales by region can be found in the consolidated supplementary information on page 16. The figures for FY2013 are restated based on current calculation method for sales by region.

(2) Summary Information Regarding Consolidated Financial Position

(1) The following table summarizes TDK's consolidated balance sheet as of June 30, 2013.

Total assets	¥1,224,047 million	(4.7% increase)
Total TDK stockholders' equity	¥588,676 million	(4.9% increase)
Stockholders' equity ratio	48.1%	(0.1 point increase)

As of June 30, 2013, total assets had increased ¥54,405 million compared with March 31, 2013. In terms of liquidity, a ¥19,406 million increase in cash and cash equivalents and a ¥1,922 million increase in short-term investments. In addition, net trade receivables increased ¥13,688 million, inventories increased ¥6,733 million and net property, plant and equipment increased ¥6,587 million.

Total liabilities increased ¥26,018 million from March 31, 2013. Trade payables increased ¥12,476 million and long-term debt, excluding current installments increased ¥12,183 million.

TDK stockholders' equity, which is included in total equity, increased ¥27,507 million from March 31, 2013. Accumulated other comprehensive income (loss) increased ¥31,989 million, mainly due to a upturn in foreign currency translation adjustments compared with March 31, 2013 as a result of the yen's depreciation.

(2) Cash Flows

(Yen millions)

	FY 2013 1Q	FY 2014 1Q	Change
Net cash provided by operating activities	21,452	22,798	1,346
Net cash used in investing activities	(20,346)	(15,999)	4,347
Net cash provided by financing activities	4,425	2,651	(1,774)
Effect of exchange rate changes on cash and cash equivalents	(6,815)	9,956	16,771
Net increase (decrease) in cash and cash equivalents	(1,284)	19,406	20,690
Cash and cash equivalents at beginning of period	167,015	213,687	46,672
Cash and cash equivalents at end of period	165,731	233,093	67,362

Operating activities provided net cash of ¥22,798 million (U.S.\$230,283 thousand), a year on year increase of ¥1,346 million. TDK recorded a net income of ¥1,080 million (U.S.\$10,909 thousand), a decrease of ¥4,002 million year on year. Depreciation and amortization increased ¥2,860 million to ¥20,747 million (U.S.\$209,566 thousand). In changes in assets and liabilities, a ¥6,289 million decrease in inventories contributed to the increase of operating cash flows.

Investing activities used net cash of ¥15,999 million (U.S.\$161,606 thousand), a decrease of ¥4,347 million year on year. There was a ¥9,488 million decrease in capital expenditures and a ¥2,963 million increase in proceeds from sale and maturity of short-term investments, which outweighed a ¥5,562 million increase in payment for purchase of short-term investments and a ¥2,619 million decrease in proceeds from sales of tangible and intangible assets.

Financing activities provided net cash of ¥2,651 million (U.S.\$26,778 thousand), a decrease of ¥1,774 million year on year. There was a ¥12,020 million increase in proceeds from long-term debt. On the other hand, there was a ¥16,862 million decrease in short-term debt, net.

(3) Summary Information Regarding Consolidated Projections

(Fiscal 2014 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2014, the year ending March 31, 2014, are as follows.

Term Item	FY2014 (April 1, 2013 - March 31, 2014)	FY2014 (April 1, 2013 - March 31, 2014)	FY2013 (April 1, 2012 - March 31, 2013)	vs FY2013 Changes	
	Forecast in July '13	Forecast in April '13	Actual	(Yen millions)	%
	(Yen millions)	(Yen millions)	(Yen millions)		
Net Sales	930,000	930,000	851,575	78,425	9.2
Operating Income	30,000	30,000	21,648	8,352	38.6
Income before income taxes	28,000	28,000	18,858	9,142	48.5
Net income attributable to TDK	13,000	13,000	1,195	11,805	987.9
Capital expenditures	73,000	73,000	85,606	(12,606)	-14.7
Depreciation and amortization	84,000	84,000	77,938	6,062	7.8
Research and development	57,000	57,000	53,943	3,057	5.7

(Notes)

Management has judged that compared with TDK's projections as of April 26, 2013, 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 Group (as defined below).

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥90 and ¥118 respectively will be assumed from the second quarter onward.

Cautionary Statements with Respect to Forward-Looking Statements

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

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

2. Other Information

(1) Changes in Significant Subsidiaries

Nothing to report

(2) Simplified Accounting Treatment and Special Accounting Treatment

Nothing to report

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

Change in depreciation method

Previously, TDK used the declining-balance method for calculating the depreciation of property, plant and equipment located in Japan and certain foreign subsidiaries. Effective April 1, 2013, TDK changed it to the straight-line method as a result of reviewing the depreciation method per change in business structure. Concurrently, estimated useful lives for certain assets were also changed. Because TDK thinks that the straight-line method better reflects the pattern of consumption of estimated future benefits to derive from those assets being depreciated and provides a better matching of cost and revenues over the assets' estimated useful lives. The effect of change in depreciation method is recognized prospectively as a change in accounting estimate in accordance with the FASB Accounting Standard Codification 250 "Accounting Changes and Error Corrections". The change in depreciation did not have a material impact on TDK's financial statements for the first three months of fiscal 2014.

(4) Fundamental Policy for Distribution of Earnings, and Fiscal 2014 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 2014 are as follows. TDK keeps initial dividend forecast unchanged.

(Yen)

	FY2014 Forecast	FY2013 Actual
Interim dividend	30.00	40.00
Year-end dividend	40.00	30.00
Annual dividend	70.00	70.00