Earnings release conference 1Q of Fiscal Year March 2011

TDK Corporation July 29, 2010



Consolidated Results FY March 2011

Mr. Tadakazu Momozuka General Manager Finance & Accounting Department

Passive Components business

Mr. Shinichi Araya Director, Senior Vice President



Consolidated Results 1Q FY March 2011

Mr. Momozuka Tadakazu

General Manager Finance & Accounting Department



Consolidated results for 1Q of FY March 2011

	1Q FY2010 (April 1.2009 - June 30.2009)		1Q FY (April 1.2010 -)		Change	e	
	Yen millions	%	Yen millions	%	Yen millions	%	
Net Sales	181,546	100	221,925	100	40,379	22.2	
Operating Income(Loss)	△3,645	△2.0	20,209	9.1	23,854	-	
Income before income tax(Loss)	△5,418	Δ2.1	18,818	8.5	24,236	-	
Net income(Loss) attributable to TDK Corp	△3,216	△2.2	14,523	6.5	17,739	-	
Per common share Net income(loss) attributable to TDK Corp/Basic	Yen(24.93)		Yen 112.59				
Exchange rate US \$ vs JP Yen EURO vs JP Yen	Yen 9 Yen 13	Yen appreci 5.50% 11.80%					
Ex-rate impact to Net sales & Operating Income	Net sales: Lowered 9.3 billion Yen Operating income: Lowered 3.2billion Yen						
FY March, 2011(July 29, 2010)					4 🐼 1	IDK	

Features in 1Q FY March 2011 results

 Electronics markets saw an ongoing recovery in not only consumer electronics but also in automobile and industrial equipment

Net Sales 22.2% up vs 1Q' FY2010

Remarkable recovery in passive components

(31% increase vs 1Q'FY2010)



Statement of operation in 1Q, FY March 2011 results

Term	1Q of FY	2010	10	of FY20	11		
	(April 1, 2			pril 1,201		Change	
	June 30, 2 (Yen	2009)	Ju (Yen	ne 30,201	(U.S.\$	(Yen	
ltem	millions)	%	millions)	%	(0.3.\$ thousands)	millions)	Change(%
Net sales	181,546	100.0	221,925	100.0	2,521,875	40,379	22.2
Cost of sales	146,420	80.7	164,790	74.3		18,370	12.5
Gross profit	35,126	19.3	57,135	25.7	649,261	22,009	62.7
Selling, general and administrative expenses	37,348	20.5	36,926	16.6	419,613	(422)	-1.1
Restructuring cost	1,423	0.8	-	-	-	(1,423)	-
Operating income (loss)	(3,645)	-2.0	20,209	9.1	229,648	23,854	-
Other income (deductions):							
Interest and dividend income	444		355		4,034	(89)	
Interest expense	(1,021)		(652)		(7,409)	369	
Foreign exchange gain (loss)	(644)		(1,131)		(12,852)	(487)	
Other-net	(552)		37		420	589	
Total other income (deductions)	(1,773)	-1.0	(1,391)	-0.6	(15,807)	382	-
Income (loss) before income taxes	(5,418)	-3.0	18,818	8.5	213,841	24,236	-
Income taxes	(1,705)	-1.0	4,332	2.0	49,227	6,037	-
Net income (loss)	(3,713)	-2.0	14,486	6.5	164,614	18,199	-
Less:Net income (loss) attributable to noncontrolling interests	(497)	-0.2	(37)	-0.0	(420)	460	
Net income (loss) attributable to TDK	(3,216)	-1.8	14,523	6.5	165,034	17,739	

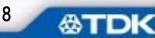


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Breakdown of Operating Income Changes								
Breakdown Operating income increase 23.9 billion Yen								
(Unit : Yen bi								
Change in operating income total	23.9							
Change in sales and products mix								
Rationalization and cost reduction and Purchased materials saving	5.3							
SG&A expenses decrease								
Exchange fluctuations(US\$=Yen 97.4=>92.0) (3.2)								
Sales price reduction (4.6%) (10.8)								
FY March, 2011(July 29, 2010) 7	⊕TDK							

Sector classification change

Classif	ication	Constituent	Sector	Main business
		Main business		Ceramic capacitors
	Electronic	Ceramic capacitors		Al electrolytic capacitors
	materials	Ferrite cores		
	materials	Magnets		Film capacitors
		Inductive devices		Inductive devices
	Electronic	Hihg-frequency devices	Passive components	(Coils/Ferrite cores/Transformers)
Electronic	devices	Sensors & Actuators		High-frequency devices
materials	and Recording HDD Heads		Diana ale atuia, mataviala, mua duata	
			Piezoelectric materials products, Cuircuit protection devices	
Components				
	001003	others		Sensors
		Al electrolytic capacitors		Recording devices
		Film capacitors	Magnetic Application	Power supplies
		Inductors	Products	Magnets
	Other	Ceramic components		Recoring media
		Sensors		Energy devices
		Energy devices	Other	Mechatronics
	others	others		Other
Recording media		Recording media		



Net sales comparison 1Q FY'11 vs 1Q FY'10

	1Q of FY2010 April 1.2009 - June 30.2009		1Q of FY (April 1.2010 – Ju		Change	
	Yen millions	%	Yen millions	%	Yen millions	%
Capacitors	28,812	15.9	37,985	17.1	9,173	31.8
Inductive • devices	24,758	13.6	32,513	14.6	7,755	31.3
Other	26,653	14.7	34,583	15.6	7,930	29.8
Passive compnents TTL	80,223	44.2	105,081	47.3	24,858	31.0
Recording devices	62,854	34.6	71,668	32.3	8,814	14.0
Other	24,076	13.3	28,594	12.9	4,518	18.8
Magnetic application products TTL	86,930	47.9	100,262	45.2	13,332	15.3
Other	14,393	7.9	16,582	7.5	2,189	15.2
Net Sales	181,546	100.0	221,925	100.0	40,379	22.2



Segment information 1Q'FY11 vs 1Q'FY10

Net sales by industry segment

	1Q FY2010 (April 1.2009 - June 30.2009)		1Q FY: (April 1.2010 - 、		Change		
	Yen millions	%	Yen millions	%	Yen millions	%	
Passive components	80,223	44.2	105,081	47.3	24,858	31.0	
Magnetic Application Prodcuts	86,930	47.9	100,262	45.2	13,332	15.3	
Others	14,393	7.9	16,582	7.5	2,189	15.2	
Total Net Sales	181,546	100.0	221,925	100.0	40,379	22.2	

Segment profit(loss) by industry segment

				Chang	j
(April 1.2009 – J	June 30.2009)	(April 1.2010	June 30.2010)		
Yen millions	%	Yen millions	%	Yen millions	%
△9,151	△11.4	6,183	5.9	15,334	_
5,898	6.8	16,077	16.0	10,179	173
805	5.6	1,051	6.3	246	31
△2,448	△1.3	23,311	10.5	25,759	
△1,197	0.0	△3,102	0.0	△1,905	0
△3,645	△2.0	20,209	9.1	23,854	_
	(April 1.2009 - Yen millions △ 9,151 5,898 805 △ 2,448 △ 1,197	Yen millions % Δ9,151 Δ11.4 5,898 6.8 805 5.6 Δ2,448 Δ1.3 Δ1,197 0.0	(April 1.2009 – June 30.2009)(April 1.2010 – CYen millions%Yen millions $\Delta 9,151$ $\Delta 11.4$ 6,1835,8986.816,0778055.61,051 $\Delta 2,448$ $\Delta 1.3$ 23,311 $\Delta 1,197$ 0.0 $\Delta 3,102$	(April 1.2009 - June 30.2009)(April 1.2010 - June 30.2010)Yen millions%Yen millions% Δ 9,151 Δ 11.46,1835.95,8986.816,07716.08055.61,0516.3 Δ 2,448 Δ 1.323,31110.5 Δ 1,1970.0 Δ 3,1020.0	(April 1.2009 - June 30.2009)(April 1.2010 - June 30.2010)ChangeYen millions%Yen millions%Yen millions $\Delta 9,151$ $\Delta 11.4$ $6,183$ 5.9 $15,334$ $5,898$ 6.8 $16,077$ 16.0 $10,179$ 805 5.6 $1,051$ 6.3 246 $\Delta 2,448$ $\Delta 1.3$ $23,311$ 10.5 $25,759$ $\Delta 1,197$ 0.0 $\Delta 3,102$ 0.0 $\Delta 1,905$

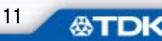
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Projection for FY2011

Term	FY2011 (April 1, 2010 - March 31, 2011)	FY2011 (April 1, 2010 - March 31, 2011)	FY2010 (April 1, 2009 - March 31, 2010)	vs FY20	
	Forecast in July'10	Forecast in April'10	Actual	Changes	
ltem	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net Sales	880,000	880,000	808,858	71,142	8.8
Operating Income	62,000	62,000	25,774	36,226	140.6
Income before income taxes	60,000	60,000	21,907	38,093	173.9
Net income attributable to TDK	45,000	45,000	13,520	31,480	232.8
Capital expenditures	75,000	75,000	64,370	10,630	16.5
Depreciation and amortization	82,000	82,000	83,788	(1,788)	-2.1
Research and development	53,000	53,000	53,942	(942)	-1.7

Exchange rate for the projection

vs US\$: Yen 87 vs Euro: Yen 113



Passive components business

Mr. Shinichi Araya Director, Senior Vice President



Passive components business

Demand increase in Consumer, as well as automobile, Industrial equipment

	1Q of FY2010 April 1.2009 - June 30.2009		1Q of FY (April 1.2010 – Ji		Change	e
	Yen millions % Yen millions %				Yen millions	%
Capacitors	28,229	35.2%	37,986	36.1%	9,757	34.6%
Inductive devices	24,713	30.8%	32,513	30.9%	7,800	31.6%
Other passive components	27,281	34.0%	34,582	32.9%	7,301	26.8%
Total Passive components	80,223		105,081		24,858	31.0%

Overview: main business

- Ceramic capacitors: Increased mainly in automobile, communication equipmet
- Aluminum and Film capacitors: Increased mainly in industrial equipment
- Inductive devices : Increased mainly in automobile, communication equipment, IT home electronics equipment
- > Other passive components
 - ✓ High-frequency components: Increased mainly in communication equipment
 - Piezoelectric material products , Protection devices, sensors: Increased mainly in automobile and industrial equipment



Ceramic capacitors business Overview for 1Q'FY11

- 1Q FY'11, status up date of improvement actions
- ✓ Rationalize effect by facility consolidation
- ✓ Variable cost reduction by productivity improvement
- ✓ Scale economy effect by higher equipment utilization
- ✓ Improvement in products mix

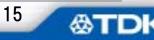
Improvement in profitability



Ceramic capacitors business, Actions to proceed FY2011

- Production location strategy
 - ✓ Consolidation of overseas packaging facilities:8 →4 facilities
 (completed 2 facilities in 1Q, Consolidation of 2 facilities will be completed in 2Q)
 - ✓ Chang An/China, Back-end process
- Production strategy
 - ✓ Out-put increase and cost reduction by introducing new processes.
 - ✓ Cost reduction by increasing In-house materials ratio
- Products strategy
 - ✓ Expand products line-up

Strengthen growth strategy Further improvement in total cost



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