

**Performance Briefings  
1Q of Fiscal Year March, 2012**

**TDK Corporation  
July. 28, 2011**

◆ **Consolidated 1Q Results of FY March, 2012**

Takakazu Momozuka

Corporate Officer, General Manager, Finance & Accounting Department

◆ **Passive Components Business**

Shinichi Araya

Director, Senior Vice President

◆ **Recording Device Business**

Atsuo Kobayashi

General Manager, Senior Vice President

# Consolidated 1Q Results of FY March, 2012

**Takakazu Momozuka**  
**Corporate Officer,**  
**General Manager of**  
**Finance & Accounting Department**

# Consolidated 1Q Results of FY March, 2012



(Yen billions)		FY March 2011 1Q Results	FY March 2012 1Q Results	Change	
				Yen billions	%
<b>Net Sales</b>		221.9	<b>206.8</b>	(15.2)	-6.8
<b>Operating Income</b>		20.2	<b>5.6</b>	(14.6)	-72.1
Operating Income Margin		9.1%	<b>2.7%</b>	-6.4pt	-
<b>Income before Income Taxes</b>		18.8	<b>3.3</b>	(15.5)	-82.3
<b>Net Income</b>		14.5	<b>2.4</b>	(12.1)	-83.3
<b>Earning Per Share (JPY)</b>		112.59	<b>18.78</b>		-
<b>Ex-rate</b>	US\$	Yen 92.01	<b>Yen 81.74</b>	Appreciation by 11.2%	
	EURO	Yen 117.03	<b>Yen 117.62</b>	Depreciation by 0.5%	
<b>Ex-rate impact to Net sales &amp; Operating Income</b>		Net sales : Lowered about 18.5 billion Yen Operating income : Lowered about 5.9 billion Yen			
<b>Earthquake impact to Net sales &amp; Operating Income</b>		Net sales : Lowered about 4.6 billion Yen Operating income : Lowered about 3.0 billion Yen			

A one-off charge of approximately ¥3.1 billion at the operating income level associated with the change of the pension plan is incurred in the first quarter.

# Features in 1Q results of FY March, 2012



## ◆ Electronics market trend

- Output of smartphones and tablet devices increased
- Output of flat-screen TVs, notebook PCs and HDDs was around the same level as the corresponding period of the previous fiscal year
- Recovery of the Japanese automotive market accelerated after 2Q onward

## ◆ TDK's business overview

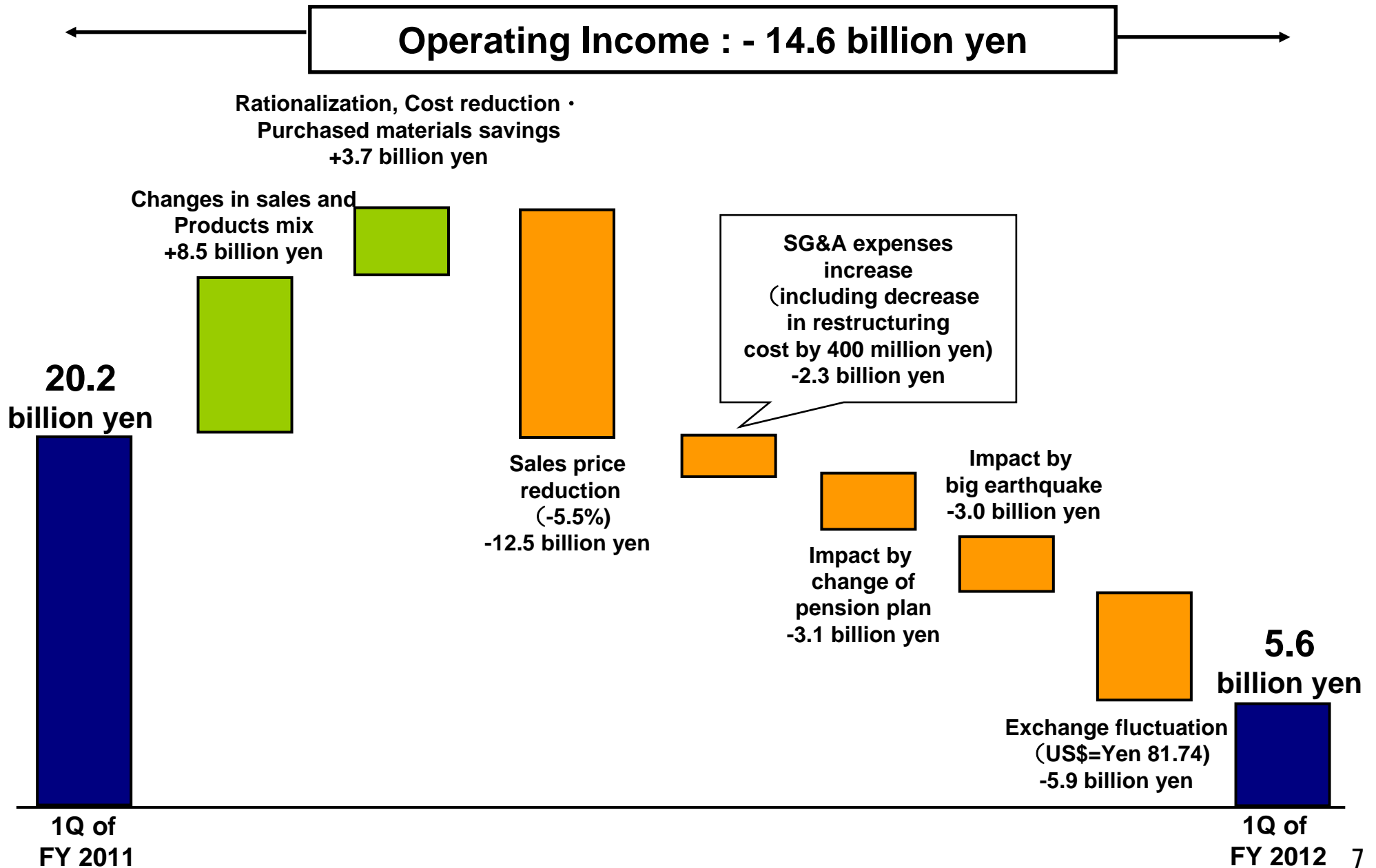
- Sales of passive components decreased 2.9% year on year
  - Steady sales of inductive devices for use in communications and automotive market
  - Higher sales of aluminum electrolytic capacitors and film capacitors for use in renewable energy and industrial equipment
  - Lower sales of high-frequency components for use in smartphones
  - Lower sales of ceramic capacitors for use in IT home electronics applications
- Sales of magnetic application products decreased 17.5% year on year
  - Recording devices sales declined, affected by production cutbacks in the HDD market, the yen's appreciation and the sales price decline (decreased 22.9% year on year)
- Other businesses increased 32.0% year on year
  - Sales of rechargeable batteries significantly increased for mainly tablet devices
- Impact by one-off charge
  - Operating income decreased about 6.1 billion yen totally
    - The Great East Japan Earthquake, the subsequent aftershocks and blackouts : about 3.0 billion yen
    - Charge associated with the change of the pension plan : about 3.1 billion yen

# Quarterly Results (1Q of FY 2011 vs. 1Q of FY 2012)



		FY March 2011 1Q Results		FY March 2012 1Q Results		Change	
		Yen billions	%	Yen billions	%	Yen billions	%
Net Sales	Capacitors	38.0	17.1	<b>36.1</b>	17.5	(1.9)	-5.0
	Inductive devices	32.1	14.5	<b>32.9</b>	15.9	0.7	2.3
	Other Passive Components	34.6	15.6	<b>32.8</b>	15.8	(1.8)	-5.3
	Passive Components	104.7	47.2	<b>101.7</b>	49.2	(3.0)	-2.9
	Recording devices	71.7	32.3	<b>55.2</b>	26.7	(16.4)	-22.9
	Other Magnetic Application Products	28.6	12.9	<b>27.4</b>	13.3	(1.2)	-4.1
	Magnetic Application Products	100.3	45.2	<b>82.7</b>	40.0	(17.6)	-17.5
	Other	17.0	7.6	<b>22.4</b>	10.8	5.4	32.0
	Total	221.9	100.0	<b>206.8</b>	100.0	(15.2)	-6.8
Operating Income	Passive Components	6.3	6.0	<b>3.8</b>	3.7	(2.5)	-39.6
	Magnetic Application Products	16.1	16.0	<b>7.6</b>	9.1	(8.5)	-53.0
	Other	1.0	5.8	<b>1.5</b>	6.7	0.5	53.1
	Corporate and eliminations	(3.1)		<b>(7.2)</b>		(4.1)	-
Total	20.2	9.1	<b>5.6</b>	2.7	(14.6)	-72.1	

# Breakdown of Operating Income Changes



# Quarterly Results (4Q of FY 2011 vs. 1Q of FY 2012)



		4Q results of FY 2011 (2011.1.1~2011.3.31)		1Q results of FY 2012 (2011.4.1~2011.6.30)		Q on Q change	
		Yen billions	%	Yen billions	%	Yen billions	%
Net sales	Passive Components	105.0	49.1	101.7	49.2	(3.3)	-3.1
	Magnetic Applications Products	85.2	39.9	82.7	40.0	(2.5)	-2.9
	Other Passive Components	23.4	11.0	22.4	10.8	(1.0)	-4.3
	Total	213.6	100.0	206.8	100.0	(6.8)	-3.2
Operating Income	Passive Components	4.8	4.6	3.8	3.7	(1.0)	-20.8
	Magnetic Application Products	6.8	8.0	7.6	9.1	0.8	11.8
	Other Magnetic Application Products	1.0	4.4	1.5	6.7	0.5	50.0
	Corporate and eliminations	(3.2)		(7.2)		(4.0)	-
	Total	9.4	4.4	5.6	2.7	(3.8)	-40.4



# Passive Components Business

**Shinichi Araya**  
**Director, Senior Vice President**

# Passive Components Business Quarterly Overview (4Q vs. 1Q)

<b>Sector</b> <b>Net sales in 4Q</b> <b>Net sales in 1Q</b> <b>Change %</b>	<b>Sales status</b>
<b>Capacitors</b> <b>34.5 billion yen</b> <b>36.1 billion yen</b> <b>+4.6%</b>	<ul style="list-style-type: none"> <li>● <b>Ceramic capacitors</b> Decreased sales for IT home electronics applications such as flat-screen TVs and PCs, and automobiles</li> <li>Increased sales for distributors</li> <li>● <b>Aluminum &amp; Film capacitors</b> Increased sales for industrial equipment and renewable energy equipment</li> </ul>
<b>Inductive devices</b> <b>31.9 billion yen</b> <b>32.9 billion yen</b> <b>+3.1%</b>	<p>Lower sales for AV equipment and PCs Steady sales for other applications</p>
<b>Other</b> <b>38.6 billion yen</b> <b>32.8 billion yen</b> <b>-15%</b>	<ul style="list-style-type: none"> <li>● <b>High-frequency components</b> Lower sales of high-frequency components for mobile devices</li> <li>● <b>Piezoelectric materials products, circuit protection components</b> Higher sales of actuator for mobile devices</li> </ul>

# Recording Device Business

**Atsuo Kobayashi**  
**General Manager,**  
**Senior Vice President**

## ●HDD Head shipment index

	FY March'11				FY March'12	
	1Q	2Q	3Q	4Q	1Q	2Q
Index	100	100	102	95	95	100

Index transition based on shipment volume in 1Q of FY March 2011 as 100

## ●Sales projections in FY March 2012

### Results in FY March 2011

1Q	71.7 billion yen
2Q	65.3 billion yen
1 <sup>st</sup> half total	137.0 billion yen
2 <sup>nd</sup> half total	120.5 billion yen
Full year total	257.5 billion yen

### Results and projections in FY March 2012

1Q	55.2 billion yen	(Results)
2Q	56.0 billion yen	(Projections)
1 <sup>st</sup> half total	111.2 billion yen	(Projections)
2 <sup>nd</sup> half total	108.9 billion yen	(Projections)
Full year total	220.1 billion yen	(Projections)

# Supplementary Data

# Full Year Projections in FY March 2012



Term  Item	FY2012 (April 1, 2011 - March 31, 2012)	FY2012 (April 1, 2011 - March 31, 2012)	FY2011 (April 1, 2010 - March 31, 2011)	vs. FY2011 Changes	
	Forecast in July'11 (Yen billions)	Forecast in June'11 (Yen billions)	Actual (Yen billions)	(Yen billions)	%
Net Sales	890.0	890.0	875.7	14.3	1.6
Operating Income	67.0	67.0	63.8	3.2	5.0
Income before income taxes	65.0	65.0	60.1	4.9	8.2
Net income attributable to TDK	50.0	50.0	45.3	4.7	10.4
Capital expenditures	85.0	85.0	78.6	6.4	8.1
Depreciation and amortization	85.0	85.0	77.6	7.4	9.5
Research and development	53.0	53.0	53.0	-	-

## Average Ex-rate projections from 2Q of FY March 2012 onward

US\$=80 yen

EURO=110 yen

### ◆ Dividend forecast per a common share

Interim dividend 40 yen

Year-end dividend 50 yen

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Annual dividend 90 yen

## Expenses



(Yen billions)	FY2011 1Q Results	FY2012 1Q Results	Change	
			Yen billions	%
Capital expenditures	13.9	<b>26.8</b>	12.9	93.3
Depreciation and amortization	18.8	<b>18.7</b>	(0.1)	-0.6
Research and development	12.8	<b>13.6</b>	0.8	6.2



# Quarterly Results (1Q vs. 1Q) (4Q vs. 1Q)

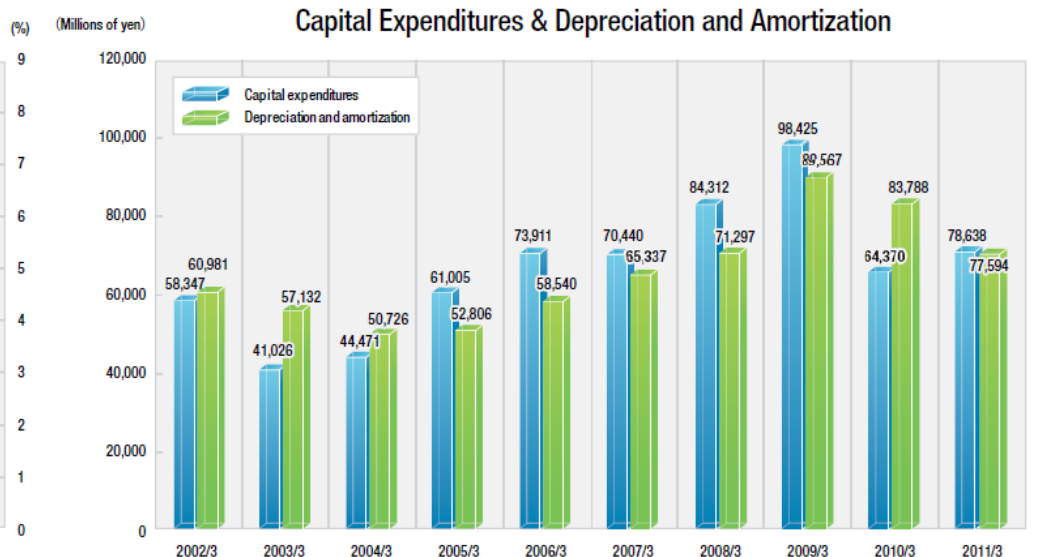
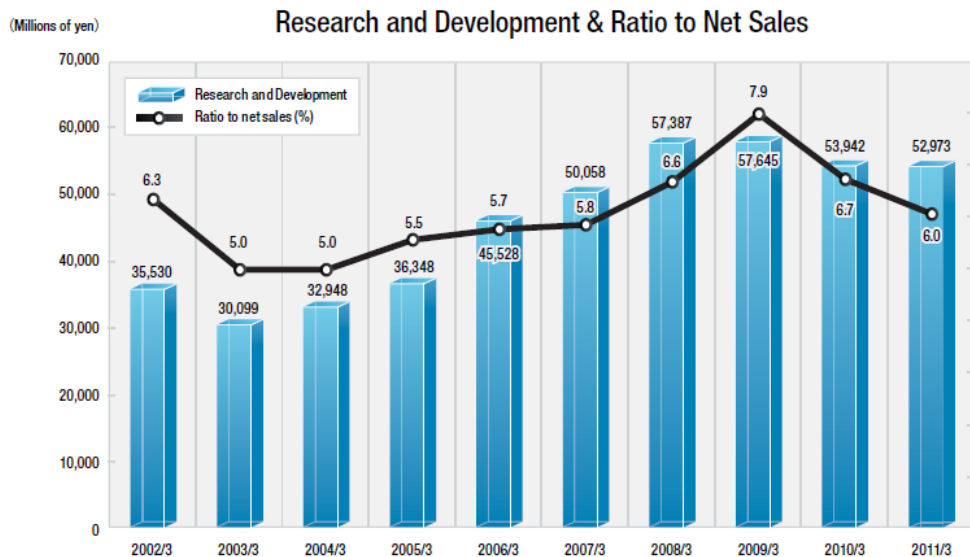
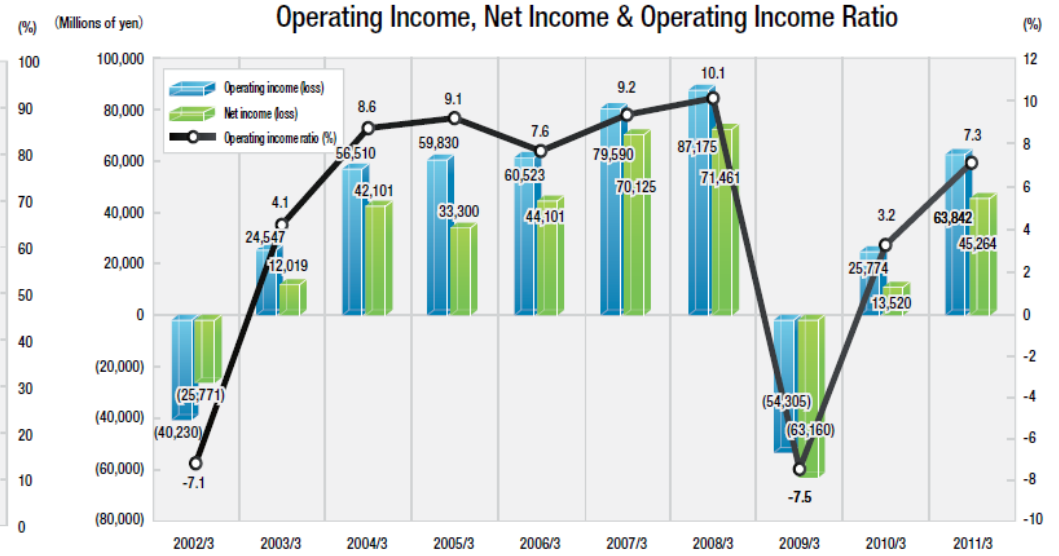
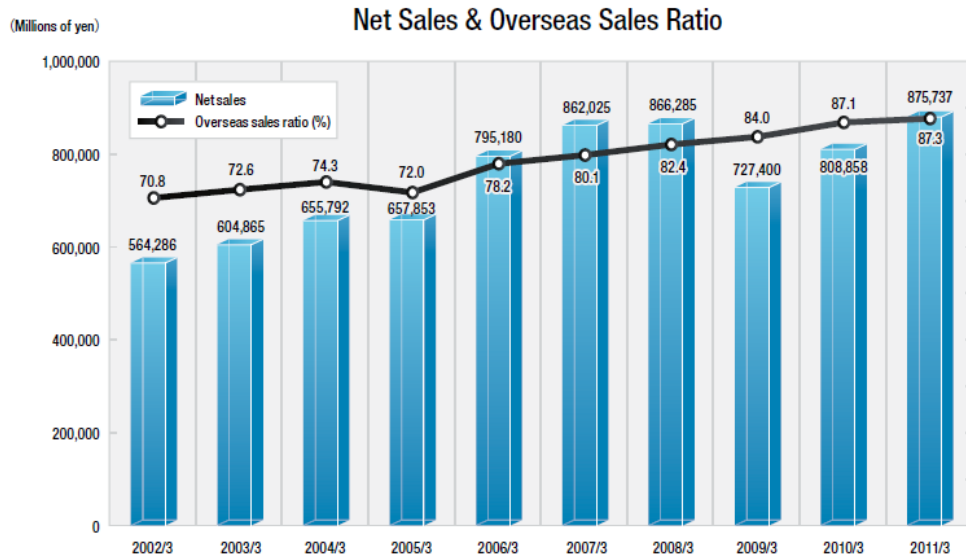


Yen billions		1Q of FY 2011 Apr 1- Jun 30, 2010 (A)	4Q of FY 2011 Jan 1- Mar 31, 2011 (C)	1Q of FY 2012 Apr 1- Jun 30, 2011 (C)	YoY Change (C) - (A)		QoQ Change (C) - (B)	
					Yen billions	%	Yen billions	%
Breakdown	<b>Net Sales</b>	221.9	213.6	<b>206.8</b>	(15.2)	-6.8	(6.8)	-3.2
	Passive Components	104.7	105.0	<b>101.7</b>	(3.0)	-2.9	(3.3)	-3.1
	Magnetic Application Products	100.3	85.2	<b>82.7</b>	(17.6)	-17.5	(2.5)	-2.9
	other	17.0	23.4	<b>22.4</b>	5.4	32.0	(1.0)	-4.3
Breakdown	<b>Operating Income</b>	20.2	9.4	<b>5.6</b>	(14.6)	-72.1	(3.8)	-40.4
	Passive Components	6.3	4.8	<b>3.8</b>	(2.5)	-39.6	(1.0)	-20.8
	Magnetic Application Products	16.1	6.8	<b>7.6</b>	(8.5)	-53.0	0.8	11.8
	other	1.0	1.0	<b>1.5</b>	0.5	53.1	0.5	50.0
	Corporate and eliminations	(3.1)	(3.2)	<b>(7.2)</b>	(4.1)	-	(4.0)	-
<b>Operating Income Margin</b>		9.1%	4.4%	<b>2.7%</b>	△6.4pt	-	△1.7pt	-
Ex-rate	<b>US\$</b>	Yen 92.01	Yen 82.31	<b>Yen 81.74</b>				
	<b>EURO</b>	Yen 117.03	Yen 112.66	<b>Yen 117.62</b>				

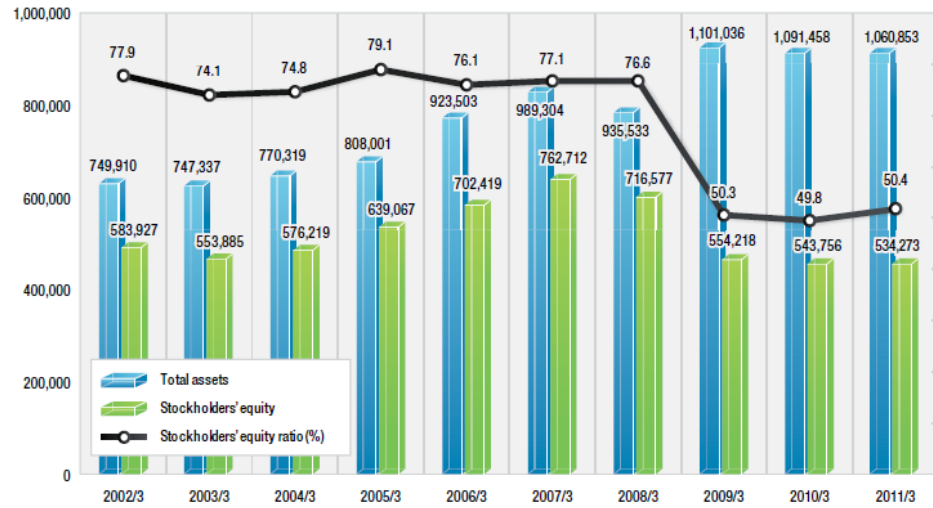
# Quarterly Sales and Operating Income by Segment



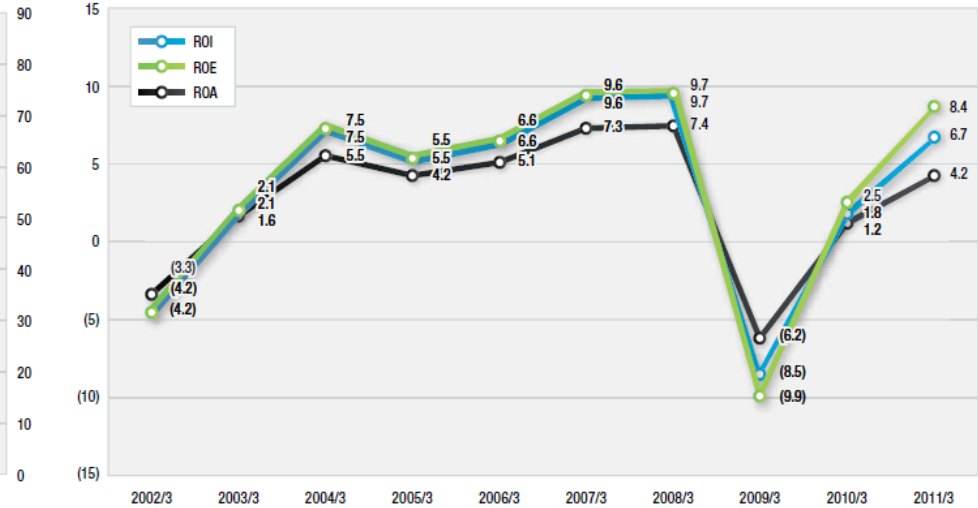
Yen billions		FY March 2011					FY March 2012				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Breakdown	<b>Net Sales</b>	<b>221.9</b>	<b>220.3</b>	<b>219.9</b>	<b>213.6</b>	<b>875.7</b>	<b>206.8</b>				
	<b>Passive Components</b>	<b>104.7</b>	<b>108.7</b>	<b>107.1</b>	<b>105.5</b>	<b>425.6</b>	<b>101.7</b>				
	Capacitors	38.0	37.7	35.2	34.5	145.4	36.1				
	Inductive Devices	32.1	33.6	32.6	31.9	130.2	32.9				
	Other Passive Components	34.6	37.5	39.3	38.6	150.0	32.8				
	<b>Magnetic Application Products</b>	<b>100.3</b>	<b>92.2</b>	<b>90.8</b>	<b>85.2</b>	<b>368.5</b>	<b>82.7</b>				
	Recording Devices	71.7	65.3	63	57.5	257.5	55.2				
	Other Magnetic Application Products	28.6	26.9	27.7	27.7	111.0	27.4				
<b>Other</b>	<b>17.0</b>	<b>19.3</b>	<b>22.0</b>	<b>23.4</b>	<b>81.7</b>	<b>22.4</b>					
Breakdown	<b>Operating Income</b>	<b>20.2</b>	<b>17.0</b>	<b>17.2</b>	<b>9.4</b>	<b>63.8</b>	<b>5.6</b>				
	<b>Passive Components</b>	<b>6.3</b>	<b>7.3</b>	<b>6.2</b>	<b>4.8</b>	<b>24.5</b>	<b>3.8</b>				
	<b>Magnetic Application Products</b>	<b>16.1</b>	<b>12.5</b>	<b>11.5</b>	<b>6.8</b>	<b>46.9</b>	<b>7.6</b>				
	<b>Other</b>	<b>1.0</b>	<b>1.7</b>	<b>2.0</b>	<b>1.0</b>	<b>5.7</b>	<b>1.5</b>				
	Sub-total	23.3	21.5	19.7	12.6	77.1	12.8				
Corporate and Eliminations	(3.1)	(4.5)	(2.6)	(3.2)	(13.3)	(7.2)					
Ex-rate	¥/USD	92.01	85.88	82.65	82.31	85.73	81.74				
	¥/EURO	117.03	110.67	112.20	112.66	113.12	117.62				



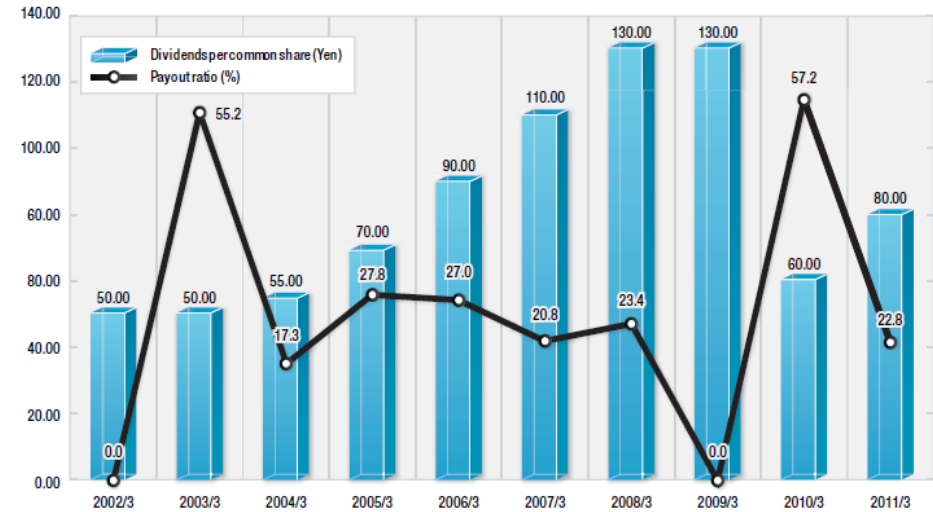
(Millions of yen) **Total Assets, Stockholders' Equity & Stockholders' Equity Ratio**



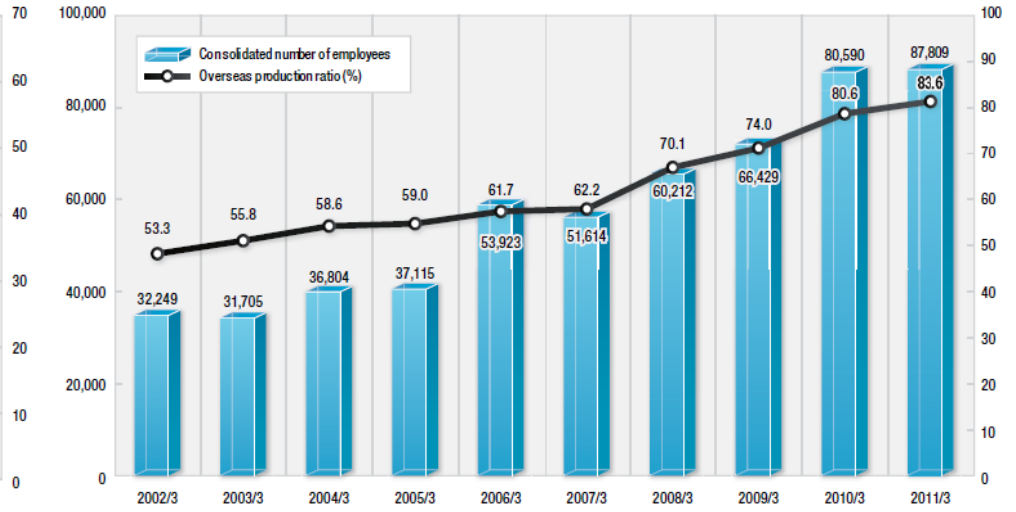
(%) **ROI, ROE & ROA**



(Yen) **Dividends per Common Share & Payout Ratio**



(%) (Person) **Number of Employees & Overseas Production Ratio**



## 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 position could be materially different from any future results, performance, achievements or financial position 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 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. Also, since the purpose of these materials is only to give readers a general outline of business performance, many numerical values are shown in units of a billion yen. Because original values, which are managed in units of a million yen, are rounded off, the totals, differences, etc. shown in these materials may appear inaccurate. If detailed figures are necessary, please refer to our financial statements and supplementary materials.

