

2. Summary Information Regarding Consolidated Financial Position

(2-1) The following table summarizes TDK's consolidated balance sheet as at June 30, 2008.

Total assets	¥991,725 million	(6.0% increase)
Total stockholders' equity	¥734,239 million	(2.5% increase)
Stockholders' equity ratio	74.0%	(2.6 percentage point decrease)

At June 30, 2008, cash and cash equivalents and net property, plant and equipment were ¥19,709 million and ¥30,472 million higher, respectively, than at March 31, 2008. As a result of these changes, total assets increased by ¥56,192 million compared with March 31, 2008.

Total liabilities increased by ¥38,673 million, mainly reflecting increases of ¥31,446 million in short-term debt, of ¥5,512 million in accrued expenses and of ¥4,614 million in other current liabilities.

Total stockholders' equity increased by ¥17,662 million compared with March 31, 2008 due mainly to a ¥22,111 million decrease in accumulated other comprehensive income (loss) and a ¥4,780 million decrease in retained earnings.

(2-2) Cash Flows

	(¥ millions)		
	FY2008 1Q	FY2009 1Q	Change
Net cash provided by operating activities	22,278	14,247	(8,031)
Net cash used in investing activities	(38,512)	(26,255)	12,257
Net cash provided by (used in) financing activities	(46,888)	22,355	69,243
Effect of exchange rate changes on cash and cash equivalents	8,048	9,362	1,314
Net increase (decrease) in cash and cash equivalents	(55,074)	19,709	74,783
Cash and cash equivalents at beginning of period	289,169	166,105	(123,064)
Cash and cash equivalents at end of period	234,095	185,814	(48,281)

Operating activities provided net cash of ¥14,247 million (U.S.\$134,406 thousand), a year-on-year decrease of ¥8,031 million. Net income decreased by ¥11,576 million to ¥4,446 million (U.S.\$41,943 thousand), while depreciation and amortization increased by ¥2,245 million to ¥18,398 million (U.S.\$173,566 thousand). In changes in assets and liabilities, the decrease in trade receivables was ¥3,609 million larger, while the increase in inventories was ¥7,542 million less than in the first quarter of fiscal 2008. Meanwhile, the decrease in trade payables represented a ¥7,320 million change from the first quarter of fiscal 2008 and the decrease in accrued expenses was ¥3,559 million more compared with the same period.

Investing activities used net cash of ¥26,255 million (U.S.\$247,689 thousand), ¥12,257 million less than a year earlier. Capital expenditures increased by ¥8,957 million to ¥31,127 million (U.S.\$293,651 thousand) and proceeds from sale and maturity of short-term investments declined by ¥3,860 million year on year. On the other hand, there was a ¥17,839 million decrease in payment for purchase of short-term investments, a ¥4,155 million increase in proceeds from the sale and

maturity of investments in securities and a ¥2,007 million decrease in payment for purchase of investments in securities.

Financing activities provided net cash of ¥22,355 million, a ¥69,243 million change from the ¥46,888 million in net cash used in the first quarter of fiscal 2008, which included ¥39,232 million to acquire the Company's treasury stock and ¥7,946 million to pay dividends. In the first quarter of fiscal 2009, on the other hand, ¥31,379 million was provided by a net increase in short-term debt, while ¥9,027 million was used to pay dividends.