

[Summary Information and Financial Statements]

1. Qualitative Information Regarding Financial Results for the 3rd Quarter of Fiscal 2011

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first nine months of fiscal 2011, the period from April 1 to December 31, 2010, were as follows.

The world economy in the first nine months of fiscal 2011 saw a certain degree of recovery, after coming through the simultaneous global economic recession that began in the fall of 2008. However, going into October 2010 excessive sovereign debt problems resurfaced in some European countries, while in the U.S., economic indicators such as employment and housing market had yet to make a full-scaled recovery. On the other hand, China and other developing nations, which have led the global economic recovery, still show economic growth in contrast to Europe and the U.S., which still tend to follow the easy monetary policy, though there are rising fears of inflation and increasingly visible moves to tighten lending.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, production levels differ by finished product. Production of smartphones and tablet PCs in the October-December quarter of 2010 increased significantly compared with the April-June and July-September quarters of the same year. Production of finished products in the automobile and industrial equipment fields also grew steadily. However, production of notebook PCs and HDDs in the October-December quarter of 2010 was only marginally higher than in the April-June and July-September quarters of the same year. Production of these products tends to rise sharply in the October-December quarter in a typical year due primarily to demand related to the Christmas shopping season in Europe and the U.S.

Under these market conditions, TDK posted consolidated net sales of ¥662,171 million (U.S.\$8,174,951 thousand), an increase of 10.8% from ¥597,513 million reported in the corresponding period of the previous fiscal year. Operating income was ¥54,401 million (U.S.\$671,617 thousand), a 211.0% increase from ¥17,495 million reported in the corresponding period of the previous fiscal year. Income before income taxes was

¥51,201 million (U.S.\$632,111 thousand), a 372.7% increase from the ¥10,832 million reported in the corresponding period of the previous fiscal year. TDK recorded net income attributable to TDK of ¥38,711 million (U.S.\$477,914 thousand), a 288.4% increase from the ¥9,966 million reported in the corresponding period of the previous fiscal year. Basic net income attributable to TDK per common share was ¥300.10 (U.S.\$3.70), compared with ¥77.26 in the corresponding period of the previous fiscal year.

Average yen exchange rates for the U.S. dollar and the euro during the first nine months of fiscal 2011 were ¥86.84 and ¥113.27, respectively, as the yen appreciated 7.2% versus the U.S. dollar and 14.9% against the euro, compared to the corresponding period of the previous fiscal year. This lowered net sales by approximately ¥38.6 billion and operating income by approximately ¥12.7 billion.

Sales by Sector

Term Product	The 9-month-period of FY2010 (April 1, 2009 - December 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	97,037	16.3	110,880	16.8	1,368,889	13,843	14.3
Inductive devices	82,620	13.8	100,744	15.2	1,243,753	18,124	21.9
Other passive components	88,635	14.8	111,362	16.8	1,374,840	22,727	25.6
Passive Components	268,292	44.9	322,986	48.8	3,987,482	54,694	20.4
Recording devices	207,720	34.8	200,039	30.2	2,469,617	(7,681)	-3.7
Other magnetic application products	77,452	12.9	83,252	12.6	1,027,803	5,800	7.5
Magnetic Application Products	285,172	47.7	283,291	42.8	3,497,420	(1,881)	-0.7
Other	44,049	7.4	55,894	8.4	690,049	11,845	26.9
Consolidated total	597,513	100.0	662,171	100.0	8,174,951	64,658	10.8
Overseas sales	519,477	86.9	578,271	87.3	7,139,148	58,794	11.3

Note:

U.S.\$1=Yen 81, for convenience only.

TDK changed sector classifications effective from April 1, 2010. Please see segment information on page 13 and consolidated supplementary information on page 17 for more details.

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 ¥322,986 million (U.S.\$3,987,482 thousand), up 20.4% year on year from ¥268,292 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic

capacitors, and film capacitors. Sales in the capacitors business were ¥110,880 million (U.S.\$1,368,889 thousand), up 14.3% year on year from ¥97,037 million. The increased sales reflected higher sales of ceramic capacitors for communication equipment such as mobile phones, as well as in the automobile market. Higher sales of aluminum electrolytic capacitors and film capacitors for industrial equipment applications also contributed to the overall increase in capacitor business sales.

Sales of inductive devices increased 21.9% year on year from ¥82,620 million to ¥100,744 million (U.S.\$1,243,753 thousand). This rise was attributable to higher sales for use in home information appliances, communications equipment centered on smart phones, automobiles, and industrial equipment.

Other passive components include high-frequency components, piezoelectric materials and products, circuit protection components and sensors. Sales of high-frequency components rose year on year, the result mainly of increased sales to the communications equipment market. Sales of piezoelectric materials and products, circuit protection components and sensors increased year on year, mainly on account of higher sales to the communications equipment and industrial equipment markets.

Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales decreased 0.7% year on year from ¥285,172 million to ¥283,291 million (U.S.\$3,497,420 thousand).

The recording devices business is comprised of mainly HDD heads and HDD suspension assemblies. It recorded sales of ¥200,039 million (U.S.\$2,469,617 thousand), down 3.7% year on year from ¥207,720 million. This decrease mainly reflected price decline and the Japanese yen appreciation against the U.S. dollar, despite larger sales volume of HDD heads year-on-year.

Other magnetic application products include power supplies, magnets, and recording media. Sales in the power supplies business rose year on year, mainly due to higher sales for industrial equipment applications. Sales of magnets rose year on year, the

result primarily of higher sales to the automobile markets. Recording media sales declined year on year.

Other

The Other includes energy devices (rechargeable batteries), mechatronics (production equipment), and other businesses. Segment sales increased 26.9% year on year from ¥44,049 million to ¥55,894 million (U.S.\$690,049 thousand).

Sales by Region

Overseas sales increased 11.3% year on year from ¥519,477 million to ¥578,271 million (U.S.\$7,139,148 thousand). Overseas sales accounted for 87.3% of consolidated net sales, a 0.4 percentage point increase from 86.9% one year earlier. Detailed information on sales by region can be found in the consolidated supplementary information on page 15 and 16.

(2) Summary Information Regarding Consolidated Financial Position

1) The following table summarizes TDK's consolidated balance sheet as of December 31, 2010.

Total assets	¥1,047,258 million	(4.0% decrease)
Total TDK stockholders' equity	¥509,229 million	(6.3% decrease)
Stockholders' equity ratio	48.6%	(1.2 point decrease)

As of December 31, 2010, total assets had decreased ¥44,200 million compared with March 31, 2010. In terms of liquidity, cash and cash equivalents increased ¥16,812 million. However, short-term investments decreased ¥21,885 million, and marketable securities decreased ¥8,307 million. In addition, net property, plant and equipment decreased ¥12,880 million, and other assets decreased ¥20,427 million.

Total liabilities decreased ¥9,678 million from March 31, 2010. Debt decreased ¥6,383 million, mainly due to the repayment of long-term debt.

TDK stockholders' equity, which is included in total equity, declined ¥34,527 million from March 31, 2010. Retained earnings increased ¥30,218 million due to higher

earnings. However, accumulated other comprehensive loss increased ¥64,277 million, mainly due to a deterioration in foreign currency translation adjustments because of the yen's rapid appreciation since March 31, 2010.

2) Cash Flows

(Yen millions)

	The 9-month-period of FY 2010	The 9-month-period of FY 2011	Change
Net cash provided by operating activities	78,637	76,712	(1,925)
Net cash used in investing activities	(77,529)	(31,181)	46,348
Net cash used in financing activities	(20,007)	(12,505)	7,502
Effect of exchange rate changes on cash and cash equivalents	(6,547)	(16,214)	(9,667)
Net increase (decrease) in cash and cash equivalents	(25,446)	16,812	42,258
Cash and cash equivalents at beginning of period	165,705	132,984	(32,721)
Cash and cash equivalents at end of period	140,259	149,796	9,537

Operating activities provided net cash of ¥76,712 million (U.S.\$947,062 thousand), a year-on-year decrease of ¥1,925 million. TDK recorded net income of ¥38,760 million (U.S.\$478,519 thousand), an increase of ¥29,356 million year on year. Depreciation and amortization decreased ¥5,200 million to ¥57,511 million (U.S.\$710,012 thousand). In changes in assets and liabilities, a ¥29,880 million decrease in trade receivables contributed to the increase of operating cash flows. However, a ¥24,466 million increase in inventories and a ¥22,639 million decrease in trade payables both reduced operating cash flows.

Investing activities used net cash of ¥31,181 million (U.S.\$384,951 thousand), a decrease of ¥46,348 million in net cash used year on year. A ¥39,956 million increase in cash from proceeds from sale and maturity of short-term investments, and a ¥14,717 million decrease in cash used for the purchase of short-term investments contributed to such decrease.

Financing activities used net cash of ¥12,505 million (U.S.\$154,383 thousand), a decrease of ¥7,502 million year on year. There was a net increase in cash payments for debt of ¥2,226 million, with repayments of long-term debt, excluding refinancing with short-term debt, outweighing proceeds from new long-term debt. On the other hand, there was a ¥7,224 million year-on-year decrease in acquisition of noncontrolling interests.

(3) Summary Information Regarding Consolidated Projections

(Fiscal 2011 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2011, the year ending March 31, 2011, are as follows.

Term Item	FY2011 (April 1, 2010 - March 31, 2011)	FY2011 (April 1, 2010 - March 31, 2011)	FY2010 (April 1, 2009 - March 31, 2010)	vs FY2010 Changes	
	Forecast in January '11	Forecast in October '10	Actual	(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

(Notes)

The above projection is based on the determination that compared with TDK's projections as of October 28, 2010, 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 ¥80 and ¥110 respectively are assumed for the fourth quarter of fiscal 2011.

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) Changes in Accounting Principles, Procedures and Presentation Methods

Nothing to report

(4) Fundamental Policy for Distribution of Earnings, and Fiscal 2011 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 2011 are as follows. TDK keeps initial dividend forecast unchanged.

(Yen)	FY2011	FY2010 Actual
Interim dividend	(Actual) 40.00	30.00
Year-end dividend	(Forecast) 40.00	30.00
Annual dividend	(Forecast) 80.00	60.00