



TDK Corporation
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Contact;

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Consolidated results (U.S. GAAP) for FY March 2011

Summary (April 1, 2010 - March 31, 2011)

Item	Term	FY2010 (April 1, 2009 - Mar. 31, 2010)		FY2011 (April 1, 2010 - Mar. 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales		808,858	100.0	875,737	100.0	10,551,048	66,879	8.3
Operating income		25,774	3.2	63,842	7.3	769,181	38,068	147.7
Income before income taxes		21,907	2.7	60,065	6.9	723,675	38,158	174.2
Net income attributable to TDK		13,520	1.7	45,264	5.2	545,349	31,744	234.8
Per common share :								
Net income attributable to TDK / Basic		Yen 104.82		Yen 350.90		U.S.\$ 4.23		
Net income attributable to TDK / Diluted		Yen 104.74		Yen 350.57		U.S.\$ 4.22		
Capital expenditures		64,370	-	78,638	-	947,446	14,268	22.2
Depreciation and amortization		83,788	10.4	77,594	8.9	934,867	(6,194)	-7.4
Research and development		53,942	6.7	52,973	6.0	638,229	(969)	-1.8
Result of financial income (loss)		(880)	-	(1,495)	-	(18,012)	(615)	-
Ratio of overseas production		80.6%	-	83.6%	-	-		
Number of employees		80,590	-	87,809	-	-		

Note:

U.S.\$1=Yen 83, for convenience only.

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[Summary Information and Financial Statements]

1. Business Results

(1) Analysis of Business Results

Consolidated results for fiscal 2011, the year ended March 31, 2011, were as follows.

In fiscal 2011, conditions in the operating environment were challenging due to ongoing yen appreciation and surging raw materials prices. In developed nations, however, a modest economic recovery continued, supported by pump-priming measures. Meanwhile, emerging economies, notably China, maintained high growth rates, thanks largely to internal demand. Japan also experienced a modest economic recovery throughout the past fiscal year due to factors such as economic stimulus measures, and quantitative easing. The Japanese economy was also supported by export demand fueled by the global economic recovery. However, the massive earthquake that struck the country on March 11, 2011 has led to concerns about the negative impact on the world economy amid uncertainty surrounding the Japanese economic outlook.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, production levels differ by finished product. Sharply higher production of smartphones and tablet devices have driven the market. Furthermore, production of finished products in the automobile and industrial equipment fields also continued to grow steadily. However, production of flat-screen TVs, notebook PCs, HDDs and certain other finished products was cut back in response to changes in demand.

Operations were temporarily halted at TDK Group production and development facilities in the Tohoku and Kanto regions of Japan due to the aforementioned earthquake, aftershocks and planned power cuts. However, operations have resumed at all facilities thanks to restoration work by the Group. TDK also appreciates the warm support it has received from customers and other parties.

Under these market conditions, TDK posted consolidated net sales of ¥875,737 million (U.S.\$10,551,048 thousand), an increase of 8.3% from the ¥808,858 million reported in fiscal 2010. Operating income was ¥63,842 million (U.S.\$769,181 thousand), a 147.7% increase from ¥25,774 million reported in fiscal 2010. Income before income taxes was ¥60,065 million (U.S.\$723,675 thousand), a year-on-year increase of 174.2% from ¥21,907 million. TDK recorded net income attributable to TDK of ¥45,264 million (U.S.\$545,349 thousand), a 234.8% increase from ¥13,520 million. Basic net income attributable to TDK per common share was ¥350.90 (U.S.\$4.23), compared with ¥104.82 in fiscal 2010.

Average yen exchange rates for the U.S. dollar and euro during fiscal 2011 were ¥85.73 and ¥113.12, respectively, as the yen appreciated 7.7% versus the U.S. dollar and 13.8% against the euro year on year. This lowered net sales by approximately ¥57.4 billion and operating income by approximately ¥18.0 billion.

[Sales by Sector]

Term Product	FY2010 (April 1, 2009 - March 31, 2010)		FY2011 (April 1, 2010 - March 31, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	133,108	16.5	145,393	16.6	1,751,723	12,285	9.2
Inductive devices	111,958	13.8	135,762	15.5	1,635,686	23,804	21.3
Other	119,739	14.8	149,956	17.1	1,806,699	30,217	25.2
Passive Components	364,805	45.1	431,111	49.2	5,194,108	66,306	18.2
Recording devices	280,001	34.6	257,522	29.4	3,102,675	(22,479)	-8.0
Other	103,739	12.8	110,959	12.7	1,336,855	7,220	7.0
Magnetic Application Products	383,740	47.4	368,481	42.1	4,439,530	(15,259)	-4.0
Other	60,313	7.5	76,145	8.7	917,410	15,832	26.2
Consolidated total	808,858	100.0	875,737	100.0	10,551,048	66,879	8.3
Overseas sales	704,874	87.1	764,807	87.3	9,214,542	59,933	8.5

Note:

U.S.\$1=Yen 83, for convenience only.

(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 ¥431,111 million (U.S.\$5,194,108 thousand), up 18.2% year on year from ¥364,805 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥145,393 million (U.S.\$1,751,723 thousand), up 9.2% year on year from ¥133,108 million. Sales of ceramic capacitors increased 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 21.3% year on year from ¥111,958 million to ¥135,762 million (U.S.\$1,635,686 thousand). This rise was attributable to higher sales for use in home information appliances, communications equipment centered on smartphones, automobiles, and industrial equipment.

Other passive components include high-frequency components, piezoelectric materials and products, circuit protection components and sensors. Sales of other passive components rose 25.2% year on year from ¥119,739 million to ¥149,956 million (U.S.\$1,806,699 thousand). 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.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales decreased 4.0% year on year from ¥383,740 million to ¥368,481 million (U.S.\$4,439,530 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded sales of ¥257,522 million (U.S.\$3,102,675 thousand), down 8.0% year on

year from ¥280,001 million. This decrease mainly reflected price declines 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 rose 7.0% year on year from ¥103,739 million to ¥110,959 million (U.S.\$1,336,855 thousand). Sales of power supplies and magnets rose, mainly to the industrial equipment and automotive markets, respectively. Recording media sales declined year on year.

(3) Other

Other includes energy devices (rechargeable batteries), mechatronics (production equipment), and other businesses. Segment sales increased 26.2% year on year from ¥60,313 million to ¥76,145 million (U.S.\$917,410 thousand).

[Sales by Region]

Overseas sales increased 8.5% year on year from ¥704,874 million to ¥764,807 million (U.S.\$9,214,542 thousand). Overseas sales accounted for 87.3% of consolidated net sales, a 0.2 percentage point increase from 87.1% one year earlier. Detailed information on sales by region can be found in the consolidated supplementary information on page 20.

[Fiscal 2012 Consolidated Projections]

TDK has not issued consolidated projections for fiscal 2012 having decided it cannot do so reasonably at this time due to uncertainty surrounding the production levels of finished products, which affect its consolidated results, and to changes that are likely to occur in the operating environment in the aftermath of the major earthquake that struck Japan. TDK will announce its projections as soon as possible.

(2) Analysis of Financial Position

(1) The following table summarizes TDK's consolidated balance sheet as of March 31, 2011.

Total assets	¥1,060,853 million	(2.8% decrease)
Total TDK stockholders' equity	¥534,273 million	(1.7% decrease)
Stockholders' equity ratio	50.4%	(0.6 point increase)

As of March 31, 2011, total assets had decreased ¥30,605 million compared with March 31, 2010. In terms of liquidity, cash and cash equivalents decreased ¥3,893 million, short-term investments decreased ¥17,070 million, and marketable securities decreased ¥4,669 million, respectively. In addition, inventories increased ¥16,610 million due to increase in orders, and other assets decreased ¥15,731 million.

Total liabilities decreased ¥20,702 million from March 31, 2010. Debt decreased ¥25,085 million, mainly due to the repayment of long-term debt.

TDK stockholders' equity, which is included in total equity, declined ¥9,483 million from March 31, 2010. Retained earnings increased ¥36,580 million due to higher earnings. However, accumulated other comprehensive loss increased ¥45,887 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)

	FY March 2010	FY March 2011	Change
Net cash provided by operating activities	118,247	101,879	(16,368)
Net cash used in investing activities	(105,963)	(61,341)	44,622
Net cash used in financing activities	(38,369)	(31,860)	6,509
Effect of exchange rate changes on cash and cash equivalents	(6,636)	(12,571)	(5,935)
Net increase (decrease) in cash and cash equivalents	(32,721)	(3,893)	28,828
Cash and cash equivalents at beginning of period	165,705	132,984	(32,721)
Cash and cash equivalents at end of period	132,984	129,091	(3,893)

Operating activities provided net cash of ¥101,879 million (U.S.\$1,227,458 thousand), a year-on-year decrease of ¥16,368 million. TDK recorded net income of ¥45,004 million (U.S.\$542,217 thousand), an increase of ¥32,122 million year on year. Depreciation and amortization decreased ¥6,194 million to ¥77,594 million (U.S.\$934,867 thousand). In changes in assets and liabilities, a ¥40,536 million decrease in trade receivables contributed to the increase of operating cash flows. However, a ¥20,835 million increase in inventories and a ¥26,720 million decrease in trade payables both reduced operating cash flows.

Investing activities used net cash of ¥61,341 million (U.S.\$739,048 thousand), a decrease of ¥44,622 million year on year. There was a ¥14,268 million increase in capital expenditures, and a ¥6,912 million decrease in repayment of deposits for investments. On the other hand, there was a ¥47,820 million increase in proceeds from sale and maturity of short-term investments, and a

¥7,867 million decrease in payment for purchase of short-term investments.

Financing activities used net cash of ¥31,860 million (U.S.\$383,856 thousand), a decrease of ¥6,509 million year on year. There was a net increase in cash payments for debt of ¥3,461 million, with increase in repayments of debt, outweighing proceeds from new debt. On the other hand, there was a ¥7,232 million year-on-year decrease in acquisition of noncontrolling interests.

(3) Trends in Cash Flow Indicators

	FY2007	FY2008	FY2009	FY2010	FY2011
1) Stockholders' equity ratio (%)	77.1	76.6	50.3	49.8	50.4
2) Stockholders' equity ratio on a market value basis (%)	136.8	81.2	42.8	73.5	59.8
3) No. of years to redeem debt	0.03	0.08	4.81	2.28	2.40
4) Interest coverage ratio (times)	727.4	547.8	25.3	29.5	35.8

[Notes]

1) Stockholders' equity ratio = Total TDK stockholders' equity/Total assets

2) Stockholders' equity ratio on a market value basis = Market capitalization (*1)/Total assets

(*1) Market capitalization = Closing price of TDK's common shares on the Tokyo Stock Exchange at fiscal year-end x Shares issued and outstanding at fiscal year-end after deducting treasury shares

3) No. of years to redeem debt = Interest-bearing liabilities (*2)/Cash flows from operating activities (*3)

(*2) Interest-bearing liabilities: "Short-term debt," "current installments of long-term debt," and "long-term debt, excluding current installments" on the consolidated balance sheets.

(*3) Cash flows from operating activities: "Net cash provided by operating activities" on the consolidated statements of cash flows.

4) Interest coverage ratio = Cash flows from operating activities/Interest payments (*4)

(*4) Interest payments: "Interest expense" on the consolidated statements of income

(3) Fundamental Policy for Distribution of Earnings, and Fiscal 2011 and Fiscal 2012 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 the Company's 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.

TDK plans to pay a year-end dividend of ¥40 per common share, subject to approval at the ordinary general meeting of shareholders scheduled for June 29, 2011. Combined with the interim dividend of ¥40 per common share paid in December 2010, the planned dividend per common share applicable to the year will be ¥80.

TDK has not announced dividend projections per common share for fiscal 2012 because TDK does not have visibility for consolidated performance projections for fiscal 2012 due to the Great East Japan Earthquake. However, TDK plans to announce dividend projections at the same time as it announces fiscal 2012 consolidated performance projections.

(Yen)	FY March 2012 Forecast	FY March 2011
Interim dividend	To be announced	(Actual) 40.00
Year-end dividend	To be announced	(Forecast) 40.00
Annual dividend	To be announced	(Forecast) 80.00

2. Management Policies

(1) Fundamental Management Policy

TDK was established in 1935 as the world's first company to commercialize a magnetic material called ferrite. In the ensuing years, TDK has developed and commercialized electronic materials, electronic devices, recording devices and recording media, among other products. This drive has been based on the company's founding spirit: "Contribute to culture and industry through creativity."

To preserve its identity as a dynamic company, TDK believes that it must remain an organization that constantly provides even higher corporate value to all stakeholders, including shareholders, customers, suppliers, employees and society, by drawing on innovative thinking and a willingness to tackle new challenges.

(2) Targeted Management Indicators

To realize this fundamental management policy, the TDK Group conducts its business activities with reference to the following indicators.

(Important Fundamental Management Indicator)

* TVA (TDK Value Added)

TVA measures the added value newly created by the company's business activities and is an important decision-making tool for management.

TVA is a TDK Group proprietary value-added yardstick that measures the extent of earnings commensurate with invested capital. This indicator compares earnings after taxes but without deducting interest expenses with the cost of capital (stockholders' equity + interest-bearing liabilities).

(Indicator for Managing Environmental Performance)

* CO2 Emissions Reductions

As part of its environmental action plan to promote business activities in harmony with the natural environment, the TDK Group has set a target for CO2 emissions reductions.

(3) Medium- and Long-Term Management Strategy

In fiscal 2010, TDK began implementing a new three-year medium-term management plan. The ongoing management plan sets forth the following four basic policies and TDK is executing a specific action plan to achieve them: (1) provide distinctive electronic materials and components to address market needs and enrich the natural environment and people's lives; (2) optimize cost and quality by pursuing advances in materials and process technologies; (3) create a strong earnings structure by boldly prioritizing businesses and reducing total costs; and (4) develop a vibrant workforce of professionals.

In this way, TDK aims to become a global leader in the electronic components industry by proposing and offering value recognized by customers through the development and manufacture of distinctive products grounded on the TDK Group's proprietary technologies and eco-friendly products and from a firm earnings base.

(4) Pressing Issues

The electronic components market, which shrank dramatically due to the simultaneous global financial crisis that began in the Fall of 2008, bottomed out in 2009 and recovered to a certain extent during 2010. However, the major earthquake that occurred on March 11, 2011 devastated parts of North Eastern Japan and disrupted supply systems for a large number of and different types of electronic components that are essential to electronics products. Such disruption has caused disorder in the world electronics market, but with efforts shifting from relief to restoration and with economies outside Japan growing relatively steadily despite the natural disaster the electronic components and electronics markets are expected to gradually rebound. Also, from a medium to long term standpoint, the adoption of electronics technologies in environmental fields including renewable energy is predicted to gather pace, driving further expansion in demand for electronic components.

While reaffirming the importance of maintaining a sound financial position to be prepared to deal with all manner of risks over the medium and long terms, TDK Group believes that it is the pressing issue to execute a growth strategy premised on the anticipated operating environment going forward, and as a result strengthen and improve the company.

In order to execute its growth strategy, TDK Group must create a business model that delivers maximum benefits by organically combining management resources while further strengthening core competencies. TDK Group's finished product market combines many different types of electronics components. Manufacturers in Asia and other emerging economies are investing heavily and quickly in facilities and creating business models whereby they compete by lowering costs through mass production of small product lines. These manufacturers are fast establishing a presence in the market for components that can be easily combined to produce commoditized finished products. TDK Group's business model, on the other hand, positions materials as a core competency and seeks to set TDK apart from competitors in terms of technological excellence. Through communication with customers to incorporate their individual needs, TDK analyzes, selects and adds materials. Importantly, this business model is based on developing and producing facilities to draw out the full potential of these materials and completing the production within the group. As it promotes this type of business model, TDK believes that the ability to develop materials is the starting point for adding value to electronic components. By refining its business model based on leveraging its core competencies in materials and process technologies to continually provide customers with the products they seek, TDK believes it can enhance its growth potential and earnings power, which are key to the group's growth. At present, TDK Group is stepping up efforts targeting the key fields of communications, automobiles, energy and the environment. In these highly promising growth fields, TDK Group aims to achieve sustainable growth by continuing to provide distinctive TDK products peer companies cannot produce.

Over the past several years, corporate acquisitions have given TDK Group a more diverse pool of human talent, and at the same time yielded more business opportunities. Looking ahead, as TDK Group works to truly globalize its operations, it will seek to realize synergies from these corporate acquisitions and improve asset efficiency. In this way, TDK will strengthen its competitiveness, underpinned by a firm earnings base. In reinforcing its businesses, TDK will also take into account the environment. TDK will supply products that meet customer demands and that match trends in

society such as in terms of energy conservation, legal and regulatory compliance, and safety, and will also take further steps to reduce the environmental impact of its business activities, such as by cutting CO₂ emissions. As a corporate citizen, TDK is also always aware of the importance of prospering together with society. Based on this awareness, TDK will ensure that laws and regulations are observed in Japan and other countries as it seeks to contribute even more to society.

3. Consolidated Financial Statements

(1) Balance Sheets

ASSETS						
Term Item	As of March 31, 2010		As of March 31, 2011			Change
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)
Current assets	537,747	49.3	526,882	49.7	6,347,976	(10,865)
Cash and cash equivalents	132,984		129,091		1,555,313	(3,893)
Short-term investments	67,873		50,803		612,084	(17,070)
Marketable securities	22,405		17,736		213,687	(4,669)
Net trade receivables	169,349		165,242		1,990,868	(4,107)
Inventories	105,069		121,679		1,466,012	16,610
Other current assets	40,067		42,331		510,012	2,264
Noncurrent assets	553,711	50.7	533,971	50.3	6,433,385	(19,740)
Investments in securities	38,324		34,117		411,048	(4,207)
Net property, plant and equipment	318,205		318,403		3,836,181	198
Other assets	197,182		181,451		2,186,156	(15,731)
TOTAL	1,091,458	100.0	1,060,853	100.0	12,781,361	(30,605)

LIABILITIES AND EQUITY						
Term Item	As of March 31, 2010		As of March 31, 2011			Change
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)
Current liabilities	251,377	23.0	327,696	30.9	3,948,144	76,319
Short-term debt	79,946		98,294		1,184,265	18,348
Current installments of long-term debt	10,554		55,968		674,313	45,414
Trade payables	84,988		83,555		1,006,687	(1,433)
Accrued expenses	63,249		72,966		879,108	9,717
Income taxes payables	3,541		4,545		54,759	1,004
Other current liabilities	9,099		12,368		149,012	3,269
Noncurrent liabilities	290,412	26.6	193,391	18.2	2,330,012	(97,021)
Long-term debt, excluding current installments	179,554		90,707		1,092,856	(88,847)
Retirement and severance benefits	84,304		80,036		964,289	(4,268)
Deferred income taxes	11,312		9,511		114,590	(1,801)
Other noncurrent liabilities	15,242		13,137		158,277	(2,105)
Total liabilities	541,789	49.6	521,087	49.1	6,278,156	(20,702)
Common stock	32,641		32,641		393,265	-
Additional paid-in capital	61,124		61,258		738,048	134
Legal reserve	21,823		21,459		258,542	(364)
Retained earnings	606,445		643,025		7,747,289	36,580
Accumulated other comprehensive income (loss)	(172,092)		(217,979)		(2,626,253)	(45,887)
Treasury stock	(6,185)		(6,131)		(73,867)	54
Total TDK stockholders' equity	543,756	49.8	534,273	50.4	6,437,024	(9,483)
Noncontrolling interests	5,913	0.6	5,493	0.5	66,181	(420)
Total equity	549,669	50.4	539,766	50.9	6,503,205	(9,903)
TOTAL	1,091,458	100.0	1,060,853	100.0	12,781,361	(30,605)

Note:

U.S.\$1=Yen 83, for convenience only.

(2) Statements of Income

Term Item	FY2010 (April 1, 2009 - March 31, 2010)		FY2011 (April 1,2010 - March 31,2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	808,858	100.0	875,737	100.0	10,551,048	66,879	8.3
Cost of sales	617,776	76.4	657,600	75.1	7,922,891	39,824	6.4
Gross profit	191,082	23.6	218,137	24.9	2,628,157	27,055	14.2
Selling, general and administrative expenses	160,386	19.8	154,295	17.6	1,858,976	(6,091)	-3.8
Restructuring cost	4,922	0.6	-	-	-	(4,922)	-
Operating income	25,774	3.2	63,842	7.3	769,181	38,068	147.7
Other income (deductions):							
Interest and dividend income	3,130		1,354		16,313	(1,776)	
Interest expense	(4,010)		(2,849)		(34,325)	1,161	
Foreign exchange gain	(1,118)		(2,286)		(27,542)	(1,168)	
Other-net	(1,869)		4		48	1,873	
Total other income (deductions)	(3,867)	-0.5	(3,777)	-0.4	(45,506)	90	-
Income before income taxes	21,907	2.7	60,065	6.9	723,675	38,158	174.2
Income taxes	9,025	1.1	15,061	1.7	181,458	6,036	66.9
Net income	12,882	1.6	45,004	5.2	542,217	32,122	249.4
Less:Net income (loss) attributable to noncontrolling interests	(638)	-0.1	(260)	-0.0	(3,132)	378	-
Net income attributable to TDK	13,520	1.7	45,264	5.2	545,349	31,744	234.8

Note:

U.S.\$1=Yen 83, for convenience only.

(3) Statements of Stockholders' Equity

(Yen millions)

FY2010 (April 1, 2009 - March 31, 2010)	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total stockholders' equity
Balance as of March 31, 2009	32,641	64,257	20,772	605,622	(162,741)	(6,333)	554,218
Equity transaction of consolidated subsidiaries and other		(3,133)		(37)	(636)	164	(3,642)
Cash dividends				(11,609)			(11,609)
Transferred to legal reserve			1,051	(1,051)			-
Comprehensive income (loss)				13,520			13,520
Net income (loss)							
Foreign currency translation adjustments					(21,200)		(21,200)
Pension liability adjustments					8,871		8,871
Net unrealized gains (losses) on securities					3,614		3,614
Total comprehensive income (loss)							4,805
Acquisition of treasury stock						(16)	(16)
Balance as of March 31, 2010	32,641	61,124	21,823	606,445	(172,092)	(6,185)	543,756

FY2010 (April 1, 2009 - March 31, 2010)	Noncontrolling interests	Total equity
Balance as of March 31, 2009	8,823	563,041
Equity transaction of consolidated subsidiaries and other	(2,117)	(5,759)
Cash dividends	(115)	(11,724)
Transferred to legal reserve		-
Comprehensive income (loss)		
Net income (loss)	(638)	12,882
Foreign currency translation adjustments	(18)	(21,218)
Pension liability adjustments	(22)	8,849
Net unrealized gains (losses) on securities	0	3,614
Total comprehensive income (loss)	(678)	4,127
Acquisition of treasury stock		(16)
Balance as of March 31, 2010	5,913	549,669

(Yen millions)

FY2011 (April 1, 2010 - March 31, 2011)	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total stockholders' equity
Balance as of March 31, 2010	32,641	61,124	21,823	606,445	(172,092)	(6,185)	543,756
Equity transaction of consolidated subsidiaries and other		134		(17)		70	187
Cash dividends				(9,030)			(9,030)
Transferred to legal reserve			(364)	364			-
Comprehensive income (loss)				45,264			45,264
Net income (loss)							
Foreign currency translation adjustments					(46,720)		(46,720)
Pension liability adjustments					1,381		1,381
Net unrealized gains (losses) on securities					(548)		(548)
Total comprehensive income (loss)							(623)
Acquisition of treasury stock						(18)	(18)
Sale of treasury stock				(1)		2	1
Balance as of March 31, 2011	32,641	61,258	21,459	643,025	(217,979)	(6,131)	534,273

FY2011 (April 1, 2010 - March 31, 2011)	Noncontrolling interests	Total equity
Balance as of March 31, 2010	5,913	549,669
Equity transaction of consolidated subsidiaries and other	6	193
Cash dividends	(55)	(9,085)
Transferred to legal reserve		-
Comprehensive income (loss)		
Net income (loss)	(260)	45,004
Foreign currency translation adjustments	(101)	(46,821)
Pension liability adjustments	(10)	1,371
Net unrealized gains (losses) on securities	(0)	(548)
Total comprehensive income (loss)	(371)	(994)
Acquisition of treasury stock		(18)
Sale of treasury stock		1
Balance as of March 31, 2011	5,493	539,766

TDK Corporation Consolidated FY March 2011(U.S. GAAP)

(U.S.\$ thousands)

FY2011 (April 1, 2010 - March 31, 2011)	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total stockholders' equity
Balance as of March 31, 2011	393,265	736,434	262,928	7,306,566	(2,073,398)	(74,518)	6,551,277
Equity transaction of consolidated subsidiaries and other		1,614		(205)		844	2,253
Cash dividends				(108,795)			(108,795)
Transferred to legal reserve			(4,386)	4,386			-
Comprehensive income (loss)							
Net income (loss)				545,349			545,349
Foreign currency translation adjustments					(562,892)		(562,892)
Pension liability adjustments					16,639		16,639
Net unrealized gains (losses) on securities					(6,602)		(6,602)
Total comprehensive income (loss)							(7,506)
Acquisition of treasury stock						(217)	(217)
Sale of treasury stock				(12)		24	12
Balance as of March 31, 2011	393,265	738,048	258,542	7,747,289	(2,626,253)	(73,867)	6,437,024

FY2011 (April 1, 2010 - March 31, 2011)	Noncontrolling interests	Total equity
Balance as of March 31, 2011	71,241	6,622,518
Equity transaction of consolidated subsidiaries and other	72	2,325
Cash dividends	(662)	(109,457)
Transferred to legal reserve		
Comprehensive income (loss)		
Net income (loss)	(3,132)	542,217
Foreign currency translation adjustments	(1,217)	(564,109)
Pension liability adjustments	(121)	16,518
Net unrealized gains (losses) on securities	(0)	(6,602)
Total comprehensive income (loss)	(4,470)	(11,976)
Acquisition of treasury stock		(217)
Sale of treasury stock		12
Balance as of March 31, 2011	66,181	6,503,205

Note:

U.S.\$1=Yen 83, for convenience only.

(4) Statements of Cash Flows

Term Item	FY2010	FY2011	
	(April 1, 2009 - March 31, 2010)	(April 1, 2010 - March 31, 2011)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	12,882	45,004	542,217
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	83,788	77,594	934,867
Changes in assets and liabilities, net of effects of acquisition of businesses:			
Decrease (increase) in trade receivables	(51,137)	(10,601)	(127,723)
Decrease (increase) in inventories	(1,947)	(22,782)	(274,482)
Increase (decrease) in trade payables	36,029	9,309	112,157
Increase (decrease) in accrued expenses	8,044	6,343	76,422
Increase (decrease) in changes in other assets and liabilities, net	10,060	(2,852)	(34,361)
Other-net	20,528	(136)	(1,639)
Net cash provided by operating activities	118,247	101,879	1,227,458
Cash flows from investing activities:			
Capital expenditures	(64,370)	(78,638)	(947,446)
Proceeds from sale and maturity of short-term investments	114,540	162,360	1,956,145
Payment for purchase of short-term investments	(159,406)	(151,539)	(1,825,771)
Proceeds from sale and maturity of investments in securities	17,505	20,869	251,434
Payment for purchase of investments in securities	(22,314)	(17,350)	(209,036)
Repayment (payment) of deposits for investments	6,912	-	-
Other-net	1,170	2,957	35,626
Net cash used in investing activities	(105,963)	(61,341)	(739,048)
Cash flows from financing activities:			
Proceeds from long-term debt	519	6,340	76,385
Repayment of long-term debt	(28,277)	(49,522)	(596,651)
Increase (decrease) in short-term debt, net	7,653	19,616	236,337
Dividends paid	(11,609)	(9,035)	(108,855)
Acquisition of noncontrolling interests	(7,236)	(4)	(48)
Other-net	581	745	8,976
Net cash used in financing activities	(38,369)	(31,860)	(383,856)
Effect of exchange rate changes on cash and cash equivalents	(6,636)	(12,571)	(151,458)
Net increase (decrease) in cash and cash equivalents	(32,721)	(3,893)	(46,904)
Cash and cash equivalents at beginning of period	165,705	132,984	1,602,217
Cash and cash equivalents at end of period	132,984	129,091	1,555,313

Note:

U.S.\$1=Yen 83, for convenience only.

(5) Note Relating to the Going Concern Assumption

Nothing to report.

(6) Summary of Significant Accounting Policies

1. The consolidated financial statements are prepared in conformity with the U.S. GAAP.

Inventories are valued at the lower of cost or market as in the past, with cost mainly determined by the periodic average method. Furthermore, the method for depreciating property, plant and equipment is the same as in the past—assets located in Japan and of certain foreign subsidiaries are principally computed by the declining-balance method, and assets of other foreign subsidiaries are computed by the straight-line method.

2. As of March 31, 2011, TDK had 127 subsidiaries (14 in Japan and 113 overseas).

TDK also had 8 affiliates (4 in Japan and 4 overseas) whose financial statements are accounted for by the equity method.

3. The following items have been omitted from this earnings release because they are not deemed to be that necessary for disclosure.

Notes Concerning Consolidated Financial Statements

- Lease transactions
- Related-party transactions
- Tax-effect accounting
- Financial instruments
- Retirement benefits
- Stock options, etc.
- Business combinations, etc.
- Real estate for leasing
- Asset retirement obligations

(7) Segment Information

In the past, TDK prepared segment information in accordance with Japan's regulations for consolidated financial statements in conformity with applicable exemption provisions in the U.S. Due to a revision to the exemption provisions by the U.S. Securities and Exchange Commission in September 2008, with the objective of strengthening reporting by foreign issuers, TDK has prepared segment information on all disclosed periods in accordance with Accounting Standards Codification ("ASC") 280, "Segment Reporting," issued by the U.S. Financial Accounting Standards Board ("FASB").

TDK classifies its businesses into two segments: 1) Passive Components, 2) Magnetic Application Products, and Other. For details, please see page 21.

Net sales by industry segment

		FY2010 (April 1, 2009 - March 31, 2010)		FY2011 (April 1, 2010 - March 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	364,805	45.1	431,111	49.2	5,194,108	66,306	18.2
	Intersegment	86		2,810		33,856	2,724	-
	Total	364,891		433,921		5,227,964	69,030	18.9
Magnetic Application Products	External customers	383,740	47.4	368,481	42.1	4,439,530	(15,259)	-4.0
	Intersegment	3,737		4,985		60,060	1,248	33.4
	Total	387,477		373,466		4,499,590	(14,011)	-3.6
Other	External customers	60,313	7.5	76,145	8.7	917,410	15,832	26.2
	Intersegment	8,143		13,620		164,096	5,477	67.3
	Total	68,456		89,765		1,081,506	21,309	31.1
Intersegment eliminations		(11,966)		(21,415)		(258,012)	(9,449)	
Consolidated total		808,858	100.0	875,737	100.0	10,551,048	66,879	8.3

Segment profit (loss) by industry segment

		FY2010 (April 1, 2009 - March 31, 2010)		FY2011 (April 1, 2010 - March 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		(10,251)	-2.8	24,722	5.7	297,855	34,973	-
Magnetic Application Products		46,746	12.2	46,931	12.7	565,434	185	0.4
Other		5,190	8.6	5,492	7.2	66,169	302	5.8
Sub total		41,685	5.2	77,145	8.8	929,458	35,460	85.1
Corporate and Eliminations		(15,911)		(13,303)		(160,277)	2,608	
Operating income		25,774	3.2	63,842	7.3	769,181	38,068	147.7

Note:

U.S.\$1=Yen 83, for convenience only.

(8) Fair Value of Securities

(Yen millions)	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
As of March 31, 2010				
Marketable securities (Debt securities):				
U.S. Treasury	22,400	5	-	22,405
Investments (Debt securities):				
Government bonds	995	3	-	998
Commercial papers	792	137	-	929
Public-utility bonds	5	-	-	5
Investments (Equity securities):				
Manufacturing companies	8,739	2,706	73	11,372
Other	1,176	162	-	1,338
Investments (Mutual funds)	810	51	4	857
Total	34,917	3,064	77	37,904
As of March 31, 2011				
Marketable securities (Debt securities):				
Government bonds	998	1	0	999
U.S. Treasury	16,730	7	-	16,737
Investments (Debt securities):				
Government bonds	596	0	-	596
Commercial papers	60	15	-	75
Public-utility bonds	4	-	-	4
Investments (Equity securities):				
Manufacturing companies	8,752	2,358	773	10,337
Other	1,173	90	-	1,263
Investments (Mutual funds)	819	39	-	858
Total	29,132	2,510	773	30,869

(U.S.\$ thousands)	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
As of March 31, 2011				
Marketable securities (Debt securities):				
Government bonds	12,024	12	0	12,036
U.S. Treasury	201,566	85	-	201,651
Investments (Debt securities):				
Government bonds	7,181	0	-	7,181
Commercial papers	723	181	-	904
Public-utility bonds	48	-	-	48
Investments (Equity securities):				
Manufacturing companies	105,446	28,409	9,313	124,542
Other	14,133	1,084	-	15,217
Investments (Mutual funds)	9,867	470	-	10,337
Total	350,988	30,241	9,313	371,916

Note:

U.S.\$1=Yen 83, for convenience only.

(9) Fair Value of Derivatives

(Yen millions)	Contract amount	Carrying amount	Estimated fair value
As of March 31, 2010			
Forward foreign exchange contracts	28,141	(382)	(382)
Currency swaps	15,584	37	37
Commodity forward transactions	85	9	9
As of March 31, 2011			
Forward foreign exchange contracts	41,323	9	9
Currency swaps	17,223	(606)	(606)

(U.S.\$ thousands)	Contract amount	Carrying amount	Estimated fair value
As of March 31, 2011			
Forward foreign exchange contracts	497,867	108	108
Currency swaps	207,506	(7,301)	(7,301)

Note:

U.S.\$1=Yen 83, for convenience only.

(10) Net Income per Share

Item	Term	FY2011	
		FY2010 (April 1, 2009 - March 31, 2010)	(April 1, 2010 - March 31, 2011)
Net income attributable to TDK		(Yen millions) 13,520	(Yen millions) 45,264 (U.S.\$ thousands) 545,349
		Number of shares (Thousands)	Number of shares (Thousands)
Weighted average common shares outstanding - Basic		128,987	128,993
Effect of dilutive stock options		97	123
Weighted average common shares outstanding - Diluted		129,084	129,116
Per common share :		(Yen)	(Yen) (U.S.\$)
Net income attributable to TDK / Basic		104.82	350.90 4.23
Net income attributable to TDK / Diluted		104.74	350.57 4.22

Note:

U.S.\$1=Yen 83, for convenience only.

(11) Significant Subsequent Events

Nothing to report.

(12) Consolidated Supplementary Information

1. Exchange rates used for conversion

Item \ Term	As of March 31, 2010		As of March 31, 2011	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	93.04	124.92	83.15	117.57

2. Geographic information

Geographic area \ Term		FY2010 (April 1, 2009 - March 31, 2010)		FY2011 (April 1, 2010 - March 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Japan	Net sales	266,901	100.0	291,624	100.0	3,513,542	24,723	9.3
	Operating income (loss)	(21,219)	-8.0	(14,275)	-4.9	(171,988)	6,944	-
Americas	Net sales	82,165	100.0	96,409	100.0	1,161,554	14,244	17.3
	Operating income	302	0.4	7,447	7.7	89,723	7,145	-
Europe	Net sales	155,876	100.0	194,760	100.0	2,346,506	38,884	24.9
	Operating income (loss)	(18,731)	-12.0	(3,048)	-1.6	(36,723)	15,683	-
Asia and others	Net sales	599,846	100.0	639,369	100.0	7,703,241	39,523	6.6
	Operating income	65,927	11.0	74,532	11.7	897,976	8,605	13.1
Eliminations	Net sales	295,930		346,425		4,173,795	50,495	
	Operating income	505		814		9,807	309	
Total	Net sales	808,858	100.0	875,737	100.0	10,551,048	66,879	8.3
	Operating income	25,774	3.2	63,842	7.3	769,181	38,068	147.7

Notes:

- 1 Net sales in each geographic area are based on the location of TDK entities where the sales are generated.
- 2 U.S.\$1=Yen 83, for convenience only.

3. Sales by region

Region \ Term		FY2010 (April 1, 2009 - March 31, 2010)		FY2011 (April 1, 2010 - March 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		82,065	10.1	89,627	10.2	1,079,843	7,562	9.2
Europe		112,167	13.9	128,614	14.7	1,549,566	16,447	14.7
Asia and others		510,642	63.1	546,566	62.4	6,585,133	35,924	7.0
Overseas sales total		704,874	87.1	764,807	87.3	9,214,542	59,933	8.5
Japan		103,984	12.9	110,930	12.7	1,336,506	6,946	6.7
Net sales		808,858	100.0	875,737	100.0	10,551,048	66,879	8.3

Notes:

- 1 Overseas sales are based on the location of the customers.
- 2 U.S.\$1=Yen 83, for convenience only.

4. Overview of net sales of product

Term Product	1Q of FY2010 (April 1, 2009 - June 30, 2009)		2Q of FY2010 (July 1, 2009 - September 30, 2009)		3Q of FY2010 (October 1, 2009 - December 31, 2009)		4Q of FY2010 (January 1, 2010 - March 31, 2010)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	28,812	15.9	33,580	16.4	34,645	16.4	36,071	17.1
Inductive devices	24,758	13.6	28,917	14.2	28,945	13.7	29,338	13.9
Other	26,653	14.7	31,257	15.3	30,725	14.5	31,104	14.7
Passive Components	80,223	44.2	93,754	45.9	94,315	44.6	96,513	45.7
Recording devices	62,854	34.6	71,039	34.8	73,827	34.9	72,281	34.2
Other	24,076	13.3	25,213	12.3	28,163	13.3	26,287	12.4
Magnetic Application Products	86,930	47.9	96,252	47.1	101,990	48.2	98,568	46.6
Other	14,393	7.9	14,299	7.0	15,357	7.2	16,264	7.7
Consolidated total	181,546	100.0	204,305	100.0	211,662	100.0	211,345	100.0

Term Product	1Q of FY2011 (April 1, 2010 - June 30, 2010)		2Q of FY2011 (July 1, 2010 - September 30, 2010)		3Q of FY2011 (Oct 1, 2010 - December 31, 2010)		4Q of FY2011 (January 1, 2011 - March 31, 2011)		(U.S.\$ thousands)
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	
Capacitors	37,985	17.1	37,745	17.1	35,150	16.0	34,513	16.1	415,819
Inductive devices	32,513	14.6	34,286	15.6	33,945	15.4	35,018	16.4	421,904
Other	34,583	15.6	37,450	17.0	39,329	17.9	38,594	18.1	464,988
Passive Components	105,081	47.3	109,481	49.7	108,424	49.3	108,125	50.6	1,302,711
Recording devices	71,668	32.3	65,332	29.7	63,039	28.7	57,483	26.9	692,566
Other	28,594	12.9	26,912	12.2	27,746	12.6	27,707	13.0	333,819
Magnetic Application Products	100,262	45.2	92,244	41.9	90,785	41.3	85,190	39.9	1,026,385
Other	16,582	7.5	18,584	8.4	20,728	9.4	20,251	9.5	243,988
Consolidated total	221,925	100.0	220,309	100.0	219,937	100.0	213,566	100.0	2,573,084

Note: U.S.\$1=Yen 83, for convenience only.

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, Recording media
Other	Energy devices (rechargeable batteries), Mechatronics (production equipments), other

* The products of EPCOS have been allocated to similar businesses in the Passive Components.

Previous Classification	Constituent Main Business
Electronic materials	Ferrite cores, Ceramic capacitors, Magnets
Electronic devices	Inductive devices (Coils/Transformers), High-frequency devices, Power supplies, Sensors, Piezoelectric materials and products
Recording devices	HDD Heads, other
Other	Energy devices (rechargeable batteries), Mechatronics (production equipment), EPCOS products, Recording media