

3. Consolidated Financial Statements

(1) Balance Sheets

| ASSETS | | | | | | |
|-----------------------------------|----------------------|--------------|---------------------|--------------|-----------------------|-------------------|
| Term Item | As of March 31, 2011 | | As of June 30, 2011 | | | Change |
| | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) |
| Current assets | 526,882 | 49.7 | 526,291 | 49.4 | 6,497,420 | (591) |
| Cash and cash equivalents | 129,091 | | 148,648 | | 1,835,160 | 19,557 |
| Short-term investments | 50,803 | | 12,336 | | 152,296 | (38,467) |
| Marketable securities | 17,736 | | 19,691 | | 243,099 | 1,955 |
| Net trade receivables | 165,242 | | 161,250 | | 1,990,741 | (3,992) |
| Inventories | 121,679 | | 135,978 | | 1,678,741 | 14,299 |
| Other current assets | 42,331 | | 48,388 | | 597,383 | 6,057 |
| Noncurrent assets | 533,971 | 50.3 | 539,426 | 50.6 | 6,659,580 | 5,455 |
| Investments in securities | 34,117 | | 38,073 | | 470,037 | 3,956 |
| Net property, plant and equipment | 318,403 | | 328,072 | | 4,050,272 | 9,669 |
| Other assets | 181,451 | | 173,281 | | 2,139,271 | (8,170) |
| TOTAL | 1,060,853 | 100.0 | 1,065,717 | 100.0 | 13,157,000 | 4,864 |

| LIABILITIES AND EQUITY | | | | | | |
|---|----------------------|--------------|---------------------|--------------|-----------------------|-------------------|
| Term Item | As of March 31, 2010 | | As of June 30, 2011 | | | Change |
| | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) |
| Current liabilities | 327,696 | 30.9 | 345,877 | 32.5 | 4,270,086 | 18,181 |
| Short-term debt | 98,294 | | 106,624 | | 1,316,346 | 8,330 |
| Current installments of long-term debt | 55,968 | | 55,981 | | 691,123 | 13 |
| Trade payables | 83,555 | | 94,565 | | 1,167,469 | 11,010 |
| Accrued expenses | 72,966 | | 70,977 | | 876,259 | (1,989) |
| Income taxes payables | 4,545 | | 3,772 | | 46,568 | (773) |
| Other current liabilities | 12,368 | | 13,958 | | 172,321 | 1,590 |
| Noncurrent liabilities | 193,391 | 18.2 | 187,459 | 17.6 | 2,314,309 | (5,932) |
| Long-term debt, excluding current installments | 90,707 | | 88,161 | | 1,088,407 | (2,546) |
| Retirement and severance benefits | 80,036 | | 77,708 | | 959,358 | (2,328) |
| Deferred income taxes | 9,511 | | 9,042 | | 111,630 | (469) |
| Other noncurrent liabilities | 13,137 | | 12,548 | | 154,914 | (589) |
| Total liabilities | 521,087 | 49.1 | 533,336 | 50.1 | 6,584,395 | 12,249 |
| Common stock | 32,641 | | 32,641 | | 402,975 | - |
| Additional paid-in capital | 61,258 | | 61,383 | | 757,815 | 125 |
| Legal reserve | 21,459 | | 22,026 | | 271,926 | 567 |
| Retained earnings | 643,025 | | 639,713 | | 7,897,691 | (3,312) |
| Accumulated other comprehensive income (loss) | (217,979) | | (222,684) | | (2,749,185) | (4,705) |
| Treasury stock | (6,131) | | (6,092) | | (75,210) | 39 |
| Total TDK stockholders' equity | 534,273 | 50.4 | 526,987 | 49.4 | 6,506,012 | (7,286) |
| Noncontrolling interests | 5,493 | 0.5 | 5,394 | 0.5 | 66,593 | (99) |
| Total equity | 539,766 | 50.9 | 532,381 | 49.9 | 6,572,605 | (7,385) |
| TOTAL | 1,060,853 | 100.0 | 1,065,717 | 100.0 | 13,157,000 | 4,864 |

Note:

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