



TDK Corporation  
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**Consolidated results (U.S. GAAP) for the 3rd quarter of FY March 2012**

**Summary (April 1, 2011 - December 31, 2011)**

Term Item	The 9-month-period of FY2011 (Apr. 1, 2010 - Dec. 31, 2010)		The 9-month-period of FY2012 (April 1, 2011 - December 31, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	662,171	100.0	608,925	100.0	7,806,731	(53,246)	-8.0
Operating income	54,401	8.2	20,820	3.4	266,923	(33,581)	-61.7
Income before income taxes	51,201	7.7	13,908	2.3	178,308	(37,293)	-72.8
Net income (loss) attributable to TDK	38,711	5.8	(4,922)	-0.8	(63,103)	(43,633)	-
Per common share :							
Net income (loss) attributable to TDK / Basic	Yen 300.10		Yen (38.15)		U.S.\$ (0.49)		
Net income (loss) attributable to TDK / Diluted	Yen 299.82		Yen (38.15)		U.S.\$ (0.49)		
Capital expenditures	54,081	-	76,339	-	978,705	22,258	41.2
Depreciation and amortization	57,511	8.7	56,186	9.2	720,333	(1,325)	-2.3
Research and development	38,885	5.9	39,357	6.5	504,577	472	1.2
Result of financial income (loss)	(1,064)	-	(853)	-	(10,936)	211	-
Ratio of overseas production	83.7%	-	81.1%	-	-		
Number of employees	83,895	-	82,912	-	-		

**3rd quarter consolidated results  
(October 1, 2011 - December 31, 2011)**

Term Item	3Q of FY2011 (Oct. 1, 2010 - Dec. 31, 2010)		3Q of FY2012 (October 1, 2011 - December 31, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	219,937	100.0	191,768	100.0	2,458,564	(28,169)	-12.8
Operating income	17,213	7.8	7,028	3.7	90,103	(10,185)	-59.2
Income before income taxes	16,557	7.5	3,227	1.7	41,372	(13,330)	-80.5
Net income (loss) attributable to TDK	12,595	5.7	(11,641)	-6.1	(149,244)	(24,236)	-
Per common share :							
Net income (loss) attributable to TDK / Basic	Yen 97.64		Yen (90.24)		U.S.\$ (1.16)		
Net income (loss) attributable to TDK / Diluted	Yen 97.54		Yen (90.24)		U.S.\$ (1.16)		
Capital expenditures	20,264	-	22,791	-	292,192	2,527	12.5
Depreciation and amortization	19,747	9.0	18,842	9.8	241,564	(905)	-4.6
Research and development	12,506	5.7	12,931	6.7	165,782	425	3.4
Result of financial income (loss)	(314)	-	(148)	-	(1,897)	166	-
Ratio of overseas production	81.8%	-	80.0%	-	-		

**Note:**

U.S.\$1=Yen 78, for convenience only.

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## **[Summary Information and Financial Statements]**

### **1. Summary Information Regarding Financial Results for the Third Quarter of Fiscal 2012**

#### **(1) Summary Information Regarding Consolidated Business Results**

Consolidated results for the first-nine months of fiscal 2012, the period from April 1 to December 31, 2011, are as follows.

Looking at the world economy in the first nine months of fiscal 2012, the pace of recovery from the stagnation after the global financial crisis slowed in industrialized countries amid ongoing financial and capital market turmoil triggered by sovereign debt problems in Europe, as indicated by economic barometers such as sluggishness in residential housing markets and continuation of high unemployment rates. In emerging countries, while domestic demand was generally solid, there were signs suggesting that growth may be inhibited, such as exports and capital inflows from other countries declining due to the slowing recovery of industrialized countries. This situation is creating greater uncertainty about future economic prospects.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, production levels differ by finished product. Production of mobile phones, especially smartphones, and tablet devices, remained strong, rising year on year, on the back of expanding demand. On the other hand, production of flat-screen TVs and PCs was lower year on year on account of changes in demand. Hard disk drive (HDD) production dropped sharply, compared with the same period of fiscal 2011, as a result of the impact of flooding in Thailand.

Under these market conditions, TDK posted consolidated net sales of ¥608,925 million (U.S. \$7,806,731 thousand), a decrease of 8.0% from the ¥662,171 million reported in the same period of fiscal 2011. Operating income was ¥20,820 million (U.S. \$266,923 thousand), a 61.7% decrease from ¥54,401 million reported in the same period of fiscal 2011. Income before income taxes was ¥13,908 million (U.S. \$178,308 thousand), down 72.8% from ¥51,201 million reported in the same period of fiscal 2011. TDK recorded net loss attributable to TDK of ¥4,922 million (U.S. \$63,103 thousand) although TDK posted net income attributable to TDK of ¥38,711 million in the same period of fiscal 2011. Basic net loss attributable to TDK per common share was ¥38.15 (U.S. \$0.49), compared with basic net income attributable to TDK per common share of ¥300.10 in the same period of fiscal 2011.

Since the second quarter of fiscal 2012, the Organic Electroluminescent Display Business has been classified as a discontinued operation. However, because the business does not have a material impact on TDK's results of operations, the results of the Organic Electroluminescent Display Business are included in the results of continued operations. The business does not belong to either the "Passive Components Segment" or the "Magnetic Application Products Segment", and is instead included under the "Others" classification.

Average yen exchange rates for the U.S. dollar and the euro during the first nine month period of fiscal 2012 were ¥79.01 and ¥110.76, respectively, as the yen appreciated 9.0% against the U.S. dollar and 2.2% against the euro, compared with the first nine months of fiscal 2011. The exchange rates lowered net sales by approximately ¥43.8 billion and operating income by approximately ¥13.6 billion. The Great East Japan Earthquake, including the subsequent aftershocks and blackouts, resulted in a decline of approximately ¥5.7 billion in net sales and a ¥3.6 billion decline in operating income by the end of the first-half of fiscal 2012. In addition, flooding in Thailand in the third quarter of fiscal 2012 resulted in a decline of approximately ¥11.3 billion in net sales and a ¥3.9 billion decline in operating income in the first nine months of fiscal 2012. The first quarter also saw TDK incur a one-off charge of approximately ¥3.1 billion at the operating income level, mainly associated with the changes made to TDK's pension plan.

TDK booked income taxes of approximately ¥12.0 billion in the third quarter additionally, due to the impact of a corporate tax reduction and the special corporation tax for reconstruction, as well as to the reassessment of the recoverability of deferred tax assets.

## Sales by Sector

Term Product	The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)		The 9-month-period of FY2012 (April 1, 2011 - December 31, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	110,880	16.7	100,783	16.6	1,292,090	(10,097)	-9.1
Inductive devices	98,318	14.9	92,815	15.2	1,189,936	(5,503)	-5.6
Other Passive Components	111,362	16.8	97,491	16.0	1,249,884	(13,871)	-12.5
Passive Components	320,560	48.4	291,089	47.8	3,731,910	(29,471)	-9.2
Recording devices	200,039	30.2	150,564	24.7	1,930,308	(49,475)	-24.7
Other Magnetic Application Products	83,252	12.6	88,408	14.5	1,133,436	5,156	6.2
Magnetic Application Products	283,291	42.8	238,972	39.2	3,063,744	(44,319)	-15.6
Other	58,320	8.8	78,864	13.0	1,011,077	20,544	35.2
Consolidated total	662,171	100.0	608,925	100.0	7,806,731	(53,246)	-8.0
Overseas sales	578,271	87.3	527,348	86.6	6,760,872	(50,923)	-8.8

**Notes:**

1. U.S.\$1=Yen 78, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (*i.e.*, other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.

### (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 ¥291,089 million (U.S.\$3,731,910 thousand), down 9.2% year on year from ¥320,560 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors and film capacitors. Sales in the capacitors business were ¥100,783 million (U.S.\$1,292,090 thousand), down 9.1% year on year from ¥110,880 million. Sales of aluminum electrolytic capacitors and film capacitors were higher for industrial equipment. However, sales of ceramic capacitors declined mainly to the home information appliance market.

Sales of inductive devices decreased 5.6% year on year from ¥98,318 million to ¥92,815 million (U.S.\$1,189,936 thousand). Although TDK recorded higher sales for use in communications equipment, centered on smartphones, and automobiles, there was a decline in sales for use in home information appliances.

Other passive components include high-frequency components, piezoelectric material components, circuit protection devices, and sensors. Sales of other passive components decreased 12.5% year on year from ¥111,362 million to ¥97,491 million (U.S.\$1,249,884 thousand). Sales of high-frequency components decreased mainly to the communications equipment market. Sales of piezoelectric material components, circuit protection devices, and sensors, although increasing to the communications equipment and automotive markets, declined to the home information appliance market.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices; and (2) other magnetic application products. Segment sales decreased 15.6% year on year, from ¥283,291 million to ¥238,972 million (U.S.\$3,063,744 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded sales of ¥150,564 million (U.S.\$1,930,308 thousand), down 24.7% year on year from ¥200,039 million. HDD head sales volume declined in line with the lower HDD production caused by the flooding in Thailand. The overall decline also reflected price declines and the strong Japanese yen against the U.S. dollar.

Other magnetic application products include power supplies, magnets and recording media. Sales increased 6.2% year on year from ¥83,252 million to ¥88,408 million (U.S.\$1,133,436 thousand). Sales of power supplies decreased to the industrial equipment and communications equipment markets, but increased to the automotive market. Magnet sales increased to the home information appliance, automotive and industrial equipment markets.

(3) Other

Other includes energy devices (rechargeable batteries), mechatronics (production equipment) and other businesses. Segment sales rose 35.2% year on year from ¥58,320 million to ¥78,864 million (U.S.\$7,806,731 thousand). Sales of energy devices to both the home information appliance and the communications equipment markets increased.

The classification of segments is as follows.

Classification	Constituent Main Business
Passive Components*	Ceramic capacitors, Aluminum electrolytic capacitors, Film capacitors, Inductive devices (Coils/Ferrite cores/Transformers), High-frequency devices, Piezoelectric material components, Circuit protection devices, Sensors
Magnetic Application Products	Recording devices, Power supplies, Magnets, Recording media
Other	Energy devices (rechargeable batteries), Mechatronics (production equipment), Other

**[Sales by Region]**

Overseas sales decreased 8.8% year on year from ¥578,271 million to ¥527,348 million (U.S.\$6,760,872 thousand). Overseas sales accounted for 86.6% of consolidated net sales, a 0.7 percentage point decrease from 87.3% in the nine months of fiscal 2011. Detailed information on sales by region can be found in the consolidated supplementary information on page 17.

## (2) Summary Information Regarding Consolidated Financial Position

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

Total assets	¥1,045,919 million	(1.4% decrease)
Total TDK stockholders' equity	¥488,078 million	(8.6% decrease)
Stockholders' equity ratio	46.7%	(3.7 point decrease)

As of December 31, 2011, total assets had decreased ¥14,934 million compared with March 31, 2011. Cash and cash equivalents increased ¥50,874 million and inventories increased ¥22,158 million, respectively. On the other hand, short-term investments decreased ¥45,488 million, net trade receivables decreased ¥15,026 million and other assets decreased ¥32,354 million, respectively.

Total liabilities increased ¥23,189 million from March 31, 2011. Short-term debt increased ¥47,939 million, however, long-term debt, excluding current installments decreased ¥9,366 million, retirement and severance benefits decreased ¥7,366 million and other noncurrent liabilities decreased ¥7,228 million, respectively.

TDK stockholders' equity, which is included in total equity, declined ¥46,195 million from March 31, 2011. Accumulated other comprehensive loss increased ¥34,083 million, mainly due to a deterioration in foreign currency translation adjustments because of the yen's appreciation.

## (2) Cash Flows

(Yen millions)

	The 9-month-period of FY 2011	The 9-month-period of FY 2012	Change
Net cash provided by operating activities	76,712	44,572	(32,140)
Net cash used in investing activities	(31,181)	(21,404)	9,777
Net cash provided by (used in) financing activities	(12,505)	37,154	49,659
Effect of exchange rate changes on cash and cash equivalents	(16,214)	(9,448)	6,766
Net increase (decrease) in cash and cash equivalents	16,812	50,874	34,062
Cash and cash equivalents at beginning of period	132,984	129,091	(3,893)
Cash and cash equivalents at end of period	149,796	179,965	30,169



Operating activities provided net cash of ¥44,572 million (U.S. \$571,436 thousand), a year on year decrease of ¥32,140 million. TDK recorded a net loss of ¥3,707 million (U.S. \$47,526 thousand) due to mainly the reassessment of the recoverability of deferred tax assets. Depreciation and amortization decreased ¥1,325 million to ¥56,186 million (U.S. \$720,333 thousand). In changes in assets and liabilities, a ¥19,352 million decrease in trade receivables contributed to an increase of operating cash flows. However, a ¥9,129 million increase in inventories and a ¥4,609 million decrease in trade payables reduced operating cash flows.

Investing activities used net cash of ¥21,404 million (U.S. \$274,410 thousand), a decrease of ¥9,777 million year on year. There was a ¥96,907 million decrease in payment for purchase of short-term investments, which outweighed a ¥67,589 million decrease in proceeds from sale and maturity of short-term investments and a ¥22,258 million increase in capital expenditures.

In fiscal 2012, TDK provided net cash in financing activities, which used net cash in fiscal 2011. The net change year on year was ¥49,659 million. In fiscal 2011, there was a net increase in short-term debt of ¥21,770 million. On the other hand, ¥32,023 million and ¥9,011 million were used to repay long-term debt and pay dividends, respectively. TDK used net cash of ¥12,505 million in these and other financing activities. In fiscal 2012, ¥11,123 million (U.S. \$142,603 thousand) and ¥10,294 million (U.S. \$131,974 thousand) were used to repay long-term debt and pay dividends, respectively. On the other hand, there were a net increase in short-term debt of ¥48,611 million (U.S. \$623,218 thousand) and proceeds from noncontrolling interest shareholders of ¥11,061 million (U.S. \$141,808 thousand). These and other financing activities provided net cash of ¥37,154 million (U.S. \$476,333 thousand).

### (3) Summary Information Regarding Consolidated Projections

(Fiscal 2012 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2012, the year ending March 31, 2012, are as follows. TDK expects sales of main finished products and demand for electronic components used in them in the electronics market to be softer than anticipated in the second half of fiscal 2012. Accordingly, TDK's orders and capacity utilization rate are expected to remain below the level assumed in TDK's previous forecast. Furthermore, TDK has decided to implement additional structural reforms due to changes in the company's business environment. TDK has been implementing structural reforms with the aim of improving its earnings structure. As a result of these additional reforms, TDK expects to book higher structural reform expenses than previously assumed.

TDK booked income taxes of approximately ¥12.0 billion in the third quarter additionally, due to the impact of a corporate tax reduction and the special corporation tax for reconstruction, as well as to the reassessment of the recoverability of deferred tax assets.

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 January'12	Forecast in October'11	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net Sales	800,000	890,000	875,737	(75,737)	-8.6
Operating Income	10,000	67,000	63,842	(53,842)	-84.3
Income before income taxes	3,000	65,000	60,065	(57,065)	-95.0
Net income attributable to TDK	(11,000)	50,000	45,264	(56,264)	-
Capital expenditures	80,000	85,000	78,638	1,362	1.7
Depreciation and amortization	80,000	85,000	77,594	2,406	3.1
Research and development	52,000	53,000	52,973	(973)	-1.8

(Exchange Rate Assumption)

Average yen exchange rates against the U.S. dollar and the euro of ¥76 and ¥100 respectively will be assumed from the fourth quarter onward.

### 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 and/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) Accounting Policy Changes, Accounting Estimate Changes and Restatements

Nothing to report

### (4) Fundamental Policy for Distribution of Earnings, 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 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 2012 are as follows. TDK keeps current dividend forecast unchanged.

	FY2012	FY2011 Actual
Interim dividend	(Result) 40.00	40.00
Year-end dividend	(Forecast) 40.00	40.00
Annual dividend	(Forecast) 80.00	80.00

(Yen)

### 3. Consolidated Financial Statements

#### (1) Balance Sheets

ASSETS									
Term Item	As of Mar. 31, 2011		As of December 31, 2011			Change from Mar. 31, 2011	As of Sept. 30, 2011		Change from Sept. 30, 2011
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	526,882	49.7	538,013	51.4	6,897,603	11,131	532,507	50.7	5,506
Cash and cash equivalents	129,091		179,965		2,307,244	50,874	166,242		13,723
Short-term investments	50,803		5,315		68,141	(45,488)	3,261		2,054
Marketable securities	17,736		8,597		110,218	(9,139)	14,633		(6,036)
Net trade receivables	165,242		150,216		1,925,846	(15,026)	162,001		(11,785)
Inventories	121,679		143,837		1,844,064	22,158	134,503		9,334
Other current assets	42,331		50,083		642,090	7,752	51,867		(1,784)
Noncurrent assets	533,971	50.3	507,906	48.6	6,511,615	(26,065)	517,306	49.3	(9,400)
Investments in securities	34,117		32,382		415,154	(1,735)	33,598		(1,216)
Net property, plant and equipment	318,403		326,427		4,184,961	8,024	322,801		3,626
Other assets	181,451		149,097		1,911,500	(32,354)	160,907		(11,810)
<b>TOTAL</b>	<b>1,060,853</b>	<b>100.0</b>	<b>1,045,919</b>	<b>100.0</b>	<b>13,409,218</b>	<b>(14,934)</b>	<b>1,049,813</b>	<b>100.0</b>	<b>(3,894)</b>

LIABILITIES AND EQUITY									
Term Item	As of Mar. 31, 2011		As of December 31, 2011			Change from Mar. 31, 2011	As of Sept. 30, 2011		Change from Sept. 30, 2011
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	327,696	30.9	374,845	35.8	4,805,705	47,149	363,370	34.6	11,475
Short-term debt	98,294		146,233		1,874,782	47,939	129,068		17,165
Current installments of long-term debt	55,968		54,277		695,859	(1,691)	53,259		1,018
Trade payables	83,555		83,766		1,073,923	211	87,854		(4,088)
Accrued expenses	72,966		68,519		878,449	(4,447)	73,398		(4,879)
Income taxes payables	4,545		5,834		74,795	1,289	4,488		1,346
Other current liabilities	12,368		16,216		207,897	3,848	15,303		913
Noncurrent liabilities	193,391	18.2	169,431	16.2	2,172,192	(23,960)	174,133	16.6	(4,702)
Long-term debt, excluding current installments	90,707		81,341		1,042,833	(9,366)	85,666		(4,325)
Retirement and severance benefits	80,036		72,670		931,667	(7,366)	73,539		(869)
Other noncurrent liabilities	22,648		15,420		197,692	(7,228)	14,928		492
<b>Total liabilities</b>	<b>521,087</b>	<b>49.1</b>	<b>544,276</b>	<b>52.0</b>	<b>6,977,897</b>	<b>23,189</b>	<b>537,503</b>	<b>51.2</b>	<b>6,773</b>
Common stock	32,641		32,641		418,474	-	32,641		-
Additional paid-in capital	61,258		64,314		824,538	3,056	64,788		(474)
Legal reserve	21,459		23,648		303,180	2,189	22,448		1,200
Retained earnings	643,025		625,569		8,020,115	(17,456)	643,572		(18,003)
Accumulated other comprehensive income (loss)	(217,979)		(252,062)		(3,231,564)	(34,083)	(258,212)		6,150
Treasury stock	(6,131)		(6,032)		(77,333)	99	(6,040)		8
<b>Total TDK stockholders' equity</b>	<b>534,273</b>	<b>50.4</b>	<b>488,078</b>	<b>46.7</b>	<b>6,257,410</b>	<b>(46,195)</b>	<b>499,197</b>	<b>47.6</b>	<b>(11,119)</b>
Noncontrolling interests	5,493	0.5	13,565	1.3	173,911	8,072	13,113	1.2	452
<b>Total equity</b>	<b>539,766</b>	<b>50.9</b>	<b>501,643</b>	<b>48.0</b>	<b>6,431,321</b>	<b>(38,123)</b>	<b>512,310</b>	<b>48.8</b>	<b>(10,667)</b>
<b>TOTAL</b>	<b>1,060,853</b>	<b>100.0</b>	<b>1,045,919</b>	<b>100.0</b>	<b>13,409,218</b>	<b>(14,934)</b>	<b>1,049,813</b>	<b>100.0</b>	<b>(3,894)</b>

**Note:**

U.S.\$1=Yen 78, for convenience only.

## (2) Statements of Operations

### [9-month-period results]

Term Item	The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)		The 9-month-period of FY2012 (April 1, 2011 - December 31, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	662,171	100.0	608,925	100.0	7,806,731	(53,246)	-8.0
Cost of sales	494,517	74.7	471,827	77.5	6,049,064	(22,690)	-4.6
Gross profit	167,654	25.3	137,098	22.5	1,757,667	(30,556)	-18.2
Selling, general and administrative expenses	113,253	17.1	116,278	19.1	1,490,744	3,025	2.7
Operating income	54,401	8.2	20,820	3.4	266,923	(33,581)	-61.7
Other income (deductions):							
Interest and dividend income	1,035		1,392		17,846	357	
Interest expense	(2,099)		(2,245)		(28,782)	(146)	
Loss (gain) on securities, net	(4)		(4,553)		(58,372)	(4,549)	
Foreign exchange gain	(2,323)		(179)		(2,295)	2,144	
Other-net	191		(1,327)		(17,012)	(1,518)	
Total other income (deductions)	(3,200)	-0.5	(6,912)	-1.1	(88,615)	(3,712)	-
Income before income taxes	51,201	7.7	13,908	2.3	178,308	(37,293)	-72.8
Income taxes	12,441	1.9	17,615	2.9	225,834	5,174	41.6
Net income (loss)	38,760	5.8	(3,707)	-0.6	(47,526)	(42,467)	-
Less: Net income (loss) attributable to noncontrolling interests	49	0.0	1,215	0.2	15,577	1,166	-
Net income (loss) attributable to TDK	38,711	5.8	(4,922)	-0.8	(63,103)	(43,633)	-

### [3rd quarter results]

Term Item	3Q of FY2011 (October 1, 2010 - December 31, 2010)		3Q of FY2012 (October 1, 2011 - December 31, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	219,937	100.0	191,768	100.0	2,458,564	(28,169)	-12.8
Cost of sales	165,731	75.4	151,557	79.0	1,943,038	(14,174)	-8.6
Gross profit	54,206	24.6	40,211	21.0	515,526	(13,995)	-25.8
Selling, general and administrative expenses	36,993	16.8	33,183	17.3	425,423	(3,810)	-10.3
Operating income	17,213	7.8	7,028	3.7	90,103	(10,185)	-59.2
Other income (deductions):							
Interest and dividend income	374		565		7,244	191	
Interest expense	(688)		(713)		(9,141)	(25)	
Loss (gain) on securities, net	(31)		(3,863)		(49,526)	(3,832)	
Foreign exchange gain	(215)		567		7,269	782	
Other-net	(96)		(357)		(4,577)	(261)	
Total other income (deductions)	(656)	-0.3	(3,801)	-2.0	(48,731)	(3,145)	-
Income before income taxes	16,557	7.5	3,227	1.7	41,372	(13,330)	-80.5
Income taxes	3,921	1.8	14,179	7.4	181,782	10,258	261.6
Net income (loss)	12,636	5.7	(10,952)	-5.7	(140,410)	(23,588)	-
Less: Net income (loss) attributable to noncontrolling interests	41	0.0	689	0.4	8,834	648	-
Net income (loss) attributable to TDK	12,595	5.7	(11,641)	-6.1	(149,244)	(24,236)	-

**Note:**

U.S.\$1=Yen 78, for convenience only.

### (3) Statements of Cash Flows

#### [9-month-period results]

Item	Term	The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)	The 9-month-period of FY2012 (April 1, 2011 - December 31, 2011)	
		(Yen millions)	(Yen millions)	(U.S.\$ thousands)
<b>Cash flows from operating activities:</b>				
Net income (loss)		38,760	(3,707)	(47,526)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		57,511	56,186	720,333
Loss (gain) on securities, net		4	4,553	58,372
Changes in assets and liabilities, net of effects of acquisition of businesses:				
Decrease (increase) in trade receivables		(16,103)	3,249	41,654
Decrease (increase) in inventories		(21,986)	(31,115)	(398,910)
Increase (decrease) in trade payables		11,998	7,389	94,731
Increase (decrease) in accrued expenses		1,236	(1,972)	(25,282)
Increase (decrease) in changes in other assets and liabilities, net		5,061	555	7,115
Other-net		231	9,434	120,949
<b>Net cash provided by operating activities</b>		<b>76,712</b>	<b>44,572</b>	<b>571,436</b>
<b>Cash flows from investing activities:</b>				
Capital expenditures		(54,081)	(76,339)	(978,705)
Proceeds from sale and maturity of short-term investments		121,308	53,719	688,705
Payment for purchase of short-term investments		(106,727)	(9,820)	(125,898)
Proceeds from sale and maturity of securities		15,846	11,072	141,949
Payment for purchase of securities		(8,429)	(3,469)	(44,474)
Proceeds from sales of tangible and intangible assets		824	5,294	67,872
Other-net		78	(1,861)	(23,859)
<b>Net cash used in investing activities</b>		<b>(31,181)</b>	<b>(21,404)</b>	<b>(274,410)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from long-term debt		6,162	193	2,474
Repayment of long-term debt		(32,023)	(11,123)	(142,603)
Increase (decrease) in short-term debt, net		21,770	48,611	623,218
Dividends paid		(9,011)	(10,294)	(131,974)
Proceeds from noncontrolling interest shareholders		-	11,061	141,808
Other-net		597	(1,294)	(16,590)
<b>Net cash provided by (used in) financing activities</b>		<b>(12,505)</b>	<b>37,154</b>	<b>476,333</b>
Effect of exchange rate changes on cash and cash equivalents		(16,214)	(9,448)	(121,128)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>16,812</b>	<b>50,874</b>	<b>652,231</b>
Cash and cash equivalents at beginning of period		132,984	129,091	1,655,013
Cash and cash equivalents at end of period		149,796	179,965	2,307,244

**Note:**

U.S.\$1=Yen 78, for convenience only.

#### (4) Notes Concerning Going Concern Assumptions

Nothing to report.

#### (5) Segment Information

TDK classifies its businesses into two (2) segments: (1) "Passive Components"; and (2) "Magnetic Application Products". Businesses that do not fall under either of these two (2) segments are considered to be "Other".

##### 【9-month-period results】

##### Net sales by industry segment

		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)		The 9-month-period of FY2012 (April 1, 2011 - December 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	320,560	48.4	291,089	47.8	3,731,910	(29,471)	-9.2
	Intersegment	2,019		2,066		26,487	47	2.3
	Total	322,579		293,155		3,758,397	(29,424)	-9.1
Magnetic Application Products	External customers	283,291	42.8	238,972	39.2	3,063,744	(44,319)	-15.6
	Intersegment	4,183		3,535		45,321	(648)	-15.5
	Total	287,474		242,507		3,109,065	(44,967)	-15.6
Other	External customers	58,320	8.8	78,864	13.0	1,011,077	20,544	35.2
	Intersegment	10,153		16,622		213,103	6,469	63.7
	Total	68,473		95,486		1,224,180	27,013	39.5
Intersegment eliminations		(16,355)		(22,223)		(284,911)	(5,868)	
Consolidated total		662,171	100.0	608,925	100.0	7,806,731	(53,246)	-8.0

##### Segment profit by industry segment

		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)		The 9-month-period of FY2012 (April 1, 2011 - December 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		19,683	6.1	6,554	2.3	84,026	(13,129)	-66.7
Magnetic Application Products		40,133	14.2	22,765	9.5	291,859	(17,368)	-43.3
Other		4,704	8.1	5,726	7.3	73,410	1,022	21.7
Sub total		64,520	9.7	35,045	5.8	449,295	(29,475)	-45.7
Corporate and Eliminations		(10,119)		(14,225)		(182,372)	(4,106)	
Operating income		54,401	8.2	20,820	3.4	266,923	(33,581)	-61.7

##### Notes:

1. U.S.\$1=Yen 78, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (*i.e.*, other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.



**【3rd quarter results】**

**Net sales by industry segment**

		3Q of FY2011 (October 1, 2010 - December 31, 2010)		3Q of FY2012 (October 1, 2011 - December 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	107,110	48.7	89,488	46.7	1,147,282	(17,622)	-16.5
	Intersegment	878		547		7,013	(331)	-37.7
	Total	107,988		90,035		1,154,295	(17,953)	-16.6
Magnetic Application Products	External customers	90,785	41.3	71,796	37.4	920,462	(18,989)	-20.9
	Intersegment	1,138		1,162		14,897	24	2.1
	Total	91,923		72,958		935,359	(18,965)	-20.6
Other	External customers	22,042	10.0	30,484	15.9	390,820	8,442	38.3
	Intersegment	3,721		4,494		57,616	773	20.8
	Total	25,763		34,978		448,436	9,215	35.8
Intersegment eliminations		(5,737)		(6,203)		(79,526)	(466)	
Consolidated total		219,937	100.0	191,768	100.0	2,458,564	(28,169)	-12.8

**Segment profit by industry segment**

		3Q of FY2011 (October 1, 2010 - December 31, 2010)		3Q of FY2012 (October 1, 2011 - December 31, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		6,176	5.8	1,513	1.7	19,397	(4,663)	-75.5
Magnetic Application Products		11,520	12.7	6,409	8.9	82,167	(5,111)	-44.4
Other		2,026	9.2	2,479	8.1	31,782	453	22.4
Sub total		19,722	9.0	10,401	5.4	133,346	(9,321)	-47.3
Corporate and Eliminations		(2,509)		(3,373)		(43,243)	(864)	
Operating income		17,213	7.8	7,028	3.7	90,103	(10,185)	-59.2

**Notes:**

1. U.S.\$1=Yen 78, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (*i.e.*, other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.

**(6) Notes Concerning Significant Changes in Stockholders' Equity**

Nothing to report.

## (7) Consolidated Supplementary Information

### 1. Exchange rates used for conversion

Item \ Term	As of December 31, 2010		As of December 31, 2011		As of March 31, 2011	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	81.49	107.90	77.74	100.71	83.15	117.57

### 2. Sales by region

#### [9-month-period results]

Region \ Term	The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)		The 9-month-period of FY2012 (April 1, 2011 - December 31, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	68,151	10.3	62,642	10.3	803,103	(5,509)	-8.1
Europe	94,408	14.2	94,210	15.5	1,207,820	(198)	-0.2
Asia and others	415,712	62.8	370,496	60.8	4,749,949	(45,216)	-10.9
Overseas sales total	578,271	87.3	527,348	86.6	6,760,872	(50,923)	-8.8
Japan	83,900	12.7	81,577	13.4	1,045,859	(2,323)	-2.8
Net sales	662,171	100.0	608,925	100.0	7,806,731	(53,246)	-8.0

#### [3rd quarter results]

Region \ Term	3Q of FY2011 (October 1, 2010 - December 31, 2010)		3Q of FY2012 (October 1, 2011 - December 31, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	20,768	9.5	19,916	10.4	255,333	(852)	-4.1
Europe	31,554	14.3	27,238	14.2	349,205	(4,316)	-13.7
Asia and others	138,797	63.1	114,998	60.0	1,474,334	(23,799)	-17.1
Overseas sales total	191,119	86.9	162,152	84.6	2,078,872	(28,967)	-15.2
Japan	28,818	13.1	29,616	15.4	379,692	798	2.8
Net sales	219,937	100.0	191,768	100.0	2,458,564	(28,169)	-12.8

#### Notes:

- Overseas sales are based on the location of the customers.
- U.S.\$1=Yen 78, for convenience only.

### 3. Company group

As of September 30, 2011, TDK had one hundred and twenty-five (125) consolidated subsidiaries (fourteen (14) in Japan and one hundred and eleven (111) overseas). TDK also had eight (8) affiliates (five (5) in Japan and three (3) overseas), the financial statements for which are accounted for by the equity method.

#### 4. Overview of net sales by product

Term Product	1Q of FY2011 (April 1, 2010 - June 30, 2010)		2Q of FY2011 (July 1, 2010 - September 30, 2010)		3Q of FY2011 (October 1, 2010 - December 31, 2010)		4Q of FY2011 (January 1, 2011 - March 31, 2011)	
	(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
Inductive devices	32,134	14.5	33,553	15.2	32,631	14.8	31,865	14.9
Other	34,583	15.6	37,450	17.0	39,329	17.9	38,594	18.1
Passive Components	104,702	47.2	108,748	49.3	107,110	48.7	104,972	49.1
Recording devices	71,668	32.3	65,332	29.7	63,039	28.7	57,483	26.9
Other	28,594	12.9	26,912	12.2	27,746	12.6	27,707	13.0
Magnetic Application Products	100,262	45.2	92,244	41.9	90,785	41.3	85,190	39.9
Other	16,961	7.6	19,317	8.8	22,042	10.0	23,404	11.0
Consolidated total	221,925	100.0	220,309	100.0	219,937	100.0	213,566	100.0

Term Product	1Q of FY2012 (April 1, 2011 - June 30, 2011)		2Q of FY2012 (July 1, 2011 - September 30, 2011)		3Q of FY2012 (October 1, 2011 - December 31, 2011)		
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	36,080	17.5	34,150	16.2	30,553	16.0	391,705
Inductive devices	32,879	15.9	31,354	14.9	28,582	14.9	366,436
Other	32,751	15.8	34,387	16.4	30,353	15.8	389,141
Passive Components	101,710	49.2	99,891	47.5	89,488	46.7	1,147,282
Recording devices	55,235	26.7	53,305	25.4	42,024	21.9	538,769
Other	27,433	13.3	31,203	14.8	29,772	15.5	381,693
Magnetic Application Products	82,668	40.0	84,508	40.2	71,796	37.4	920,462
Other	22,393	10.8	25,987	12.3	30,484	15.9	390,820
Consolidated total	206,771	100.0	210,386	100.0	191,768	100.0	2,458,564

**Notes:**

1. U.S.\$1=Yen 78, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (i.e., other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.