



Earnings release conference 3Q Fiscal Year March, 2011

TDK Corporation
Jan. 31, 2011

◆ Consolidated Results 3Q of FY March,2011

Full year projections for FY March,2011

Takakazu Momozuka

General Manager, Finance & Accounting Department

◆ Passive components business

Shinichi Araya/Director, Senior Vice President

◆ Recording device business

Atsuo Kobayashi/General Manager, Senior Vice President

Consolidated Results 3Q of FY March,2011

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Consolidated results 3Q of FY March,2011

	3Q of FY 2010 (2009.10.1~2009.12.31)		3Q of FY 2011 (2010.10.1~2010.12.31)		Change	
	Yen million	%	Yen million	%	Yen million	%
Net sales	211,662	100.0	219,937	100.0	8,275	3.9
Operating income	12,093	5.7	17,213	7.8	5,120	42.3
Income before income taxes	9,879	4.7	16,557	7.5	6,678	67.6
Net income attributable to TDK	8,826	4.2	12,595	5.7	3,769	42.7
Per Common share : Net income attributable to TDK / Basic	Yen 68.42		Yen 97.64			
Exchange rate US\$ vs JP Yen EURO vs JP Yen	Yen 89.73 Yen 132.66		Yen 82.65 Yen 112.20		Appreciation by 7.9% Appreciation by 15.4%	
Ex-rate impact to Net sales & Operating income	Net sales : Negative 10.4 billion yen Operating income : Negative 4.3 billion yen					

Features in results 3Q of FY March,2011

◆ Electronics market conditions differ by finished products

- ✓ Production of smart phones and tablet PCs increased significantly year on year
- ✓ Production adjustment of Note PCs and HDDs continues

◆ Net sales in Passive components segment increased 15.0% year on year

- ✓ Higher sales of inductive device for broad range of finished products
- ✓ Sales of high-frequency components to the communications equipment centered on smart phones increased significantly
- ✓ Higher sales of aluminum electrolytic capacitors and film capacitors for industrial equipment applications

◆ 11.1% net sales growth in Magnetic application products year on year

- ✓ Sales of recording devices decreased due to production adjustment in HDD market and Japanese yen appreciation (decreased 14.6% year on year)

◆ Net sales in other segment increased 35.0% year on year

- ✓ Sales of Secondary battery for mobile phones significantly increased

Net sales comparison 3Q of FY2011 and 3Q FY2010

		3Q of FY 2010 (2009.10.1 ~ 2009.12.31)		3Q of FY 2011 (2010.10.1 ~ 2010.12.31)		Change	
		Yen billion	%	Yen billion	%	Yen billion	%
	Capacitors	34.6	16.4	35.2	16.0	0.6	1.7
	Inductive devices	28.9	13.7	33.9	15.4	5.0	17.3
	Other passive components	30.7	14.5	39.3	17.9	8.6	28.0
	Passive Components	94.3	44.6	108.4	49.3	14.1	15.0
	Recording devices	73.8	34.9	63.0	28.7	(10.8)	-14.6
	Other magnetic application products	28.2	13.3	27.7	12.6	(0.5)	-1.8
	Magnetic Application Products	102.0	48.2	90.8	41.3	(11.2)	-11.0
Other		15.4	7.3	20.7	9.4	5.3	35.0
Net Sales		211.7	100.0	219.9	100.0	8.2	3.9

Operating income comparison 3Q of FY2011 and 3Q of FY2010

Segment Profits by Industry Segment

	3Q of FY 2010 (2009.10.1 ~ 2009.12.31)		3Q of FY 2011 (2010.10.1 ~ 2010.12.31)		Change	
	Yen billion	%	Yen billion	%	Yen billion	%
Passive Components	0.3	0.3	6.3	5.8	6.0	-
Magnetic Application Products	14.6	14.3	11.5	12.7	(3.0)	-20.9
Other	1.1	6.9	2.0	9.4	0.9	84.2
Sub total	15.9	7.5	19.7	9.0	3.8	24.2
Corporate and eliminations	(3.8)		(2.5)		1.3	
Operating income	12.1	5.7	17.2	7.8	5.1	42.3

Statement of income

[3rd quarter results]

Term Item	3Q of FY2010 (October 1, 2009 - Dec. 31, 2009)		3Q of FY2011 (October 1, 2010 - December 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	211,662	100.0	219,937	100.0	2,715,272	8,275	3.9
Cost of sales	158,167	74.7	165,731	75.4	2,046,062	7,564	4.8
Gross profit	53,495	25.3	54,206	24.6	669,210	711	1.3
Selling, general and administrative expenses	41,535	19.6	36,993	16.8	456,704	(4,542)	-10.9
Restructuring cost	(133)	-0.0	-	-	-	133	-
Operating income	12,093	5.7	17,213	7.8	212,506	5,120	42.3
Other income (deductions):							
Interest and dividend income	336		374		4,617	38	
Interest expense	(923)		(688)		(8,494)	235	
Foreign exchange gain (loss)	641		(215)		(2,654)	(856)	
Other-net	(2,268)		(127)		(1,568)	2,141	
Total other income (deductions)	(2,214)	-1.0	(656)	-0.3	(8,099)	1,558	-
Income before income taxes	9,879	4.7	16,557	7.5	204,407	6,678	67.6
Income taxes	1,054	0.5	3,921	1.8	48,407	2,867	272.0
Net income	8,825	4.2	12,636	5.7	156,000	3,811	43.2
Less: Net income (loss) attributable to noncontrolling interests	(1)	-0.0	41	0.0	506	42	-
Net income attributable to TDK	8,826	4.2	12,595	5.7	155,494	3,769	42.7

Note:

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

Breakdown of Operating Income Changes

(Unit: Billion Yen)

【Change in operating income total】	5.1
Change in sales and products mix	11.6
Rationalization and cost reduction and Purchased materials saving	6.6
SG&A expenses decrease (including decrease in reforming charge by 1.7 billion yen)	1.2
Exchange fluctuations (US\$=Yen 89.7=>82.7)	(4.3)
Sales price reduction (4.4%)	(10.0)

Segment information 2Q of FY2011 and 3Q of FY2011

Net Sales by Industry Segment

	2Q of FY 2010 (2010.7.1~2010.9.30)		3Q of FY 2011 (2010.10.1~2010.12.31)		Change	
	Yen billion	%	Yen billion	%	Yen billion	%
Passive Components	109.5	49.7	108.4	49.3	(1.1)	-1.0
Magnetic Application Products	92.2	41.9	90.8	41.3	(1.4)	-1.5
Others	18.6	8.4	20.7	9.4	2.1	11.3
Net Sales	220.3	100.0	219.9	100.0	(0.4)	-0.2

Segment Profits by Industry Segment

	2Q of FY 2010 (2010.7.1~2010.9.30)		3Q of FY 2011 (2010.10.1~2010.12.31)		Change	
	Yen billion	%	Yen billion	%	Yen billion	%
Passive Components	7.3	6.6	6.3	5.8	(1.0)	-13.7
Magnetic Application Products	12.5	13.6	11.5	12.7	(1.0)	-8.0
Other	1.7	9.0	2.0	9.4	0.3	17.6
Sub total	21.5	9.8	19.7	9.0	(1.8)	-8.4
Corporate and eliminations	(4.5)		(2.5)		2.0	
Operating income	17.0	7.7	17.2	7.8	0.2	1.2

Consolidated results through 3Q of FY2011

	The 9-month-period of FY2010 (2009.4.1～2009.12.31)		The 9-month-period of FY2011 (2010.4.1～2010.12.31)		Change	
	Yen million	%	Yen million	%	Yen million	%
Net sales	597,513	100.0	662,171	100.0	64,658	10.8
Operating income	17,495	2.9	54,401	8.2	36,906	211.0
Income before income taxes	10,832	1.8	51,201	7.7	40,369	372.7
Net income attributable to TDK	9,966	1.7	38,711	5.8	28,745	288.4
Per Common share : Net income attributable to TDK / Basic	Yen 77.26		Yen 300.10			
Exchange rate US\$ vs JP Yen EURO vs JP Yen	Yen 93.61 Yen 133.03		Yen 86.84 Yen 113.27		Appreciation by 7.2% Appreciation by 14.9%	
Ex-rate impact to Net sales & Operating income	Net sales : Negative 38.6 billion yen Operatingincome : Negative 12.7 billion yen					

Full Year Projections for FY2011

<div>Term</div> <div>Item</div>	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 billion	Yen billion	Yen billion	Yen billion	%
Net Sales	880.0	880.0	808.9	71.1	8.8
Operating Income	62.0	62.0	25.8	36.2	140.6
Income before income taxes	60.0	60.0	21.9	38.1	173.9
Net income attributable to TDK	45.0	45.0	13.5	31.5	232.8
Capital expenditures	75.0	75.0	64.4	10.6	16.5
Depreciation and amortization	82.0	82.0	83.8	(1.8)	-2.1
Research and development	53.0	53.0	53.9	(0.9)	-1.7

Average exchange rate assumed for the fourth quarter of FY 2011

1 U.S.\$=Yen 80

1 Euro =Yen 110

Forecast for the dividends payment FY2011

◆ Forecast for the dividends payment in FY2011

Interim dividend JPY 40 (Actual)

Year-end dividend JPY 40 (Forecast)

Annual dividend JPY 80 (Forecast)

Passive Components business

Mr. Shinichi Araya

Director, Senior Vice President

Business overview in Passive components (2Q vs 3Q)

Sector Net sales in 2Q Net sales in 3Q Change %	Sales status
Capacitors 37.7 billion yen 35.2 billion yen -6.6%	Ceramic capacitors Decreased sales for PCs, AV equipment and distributor Aluminum & Film capacitors Steady sales for industrial equipment applications and renewable energy equipment
Inductive devices 34.3 billion yen 33.9 billion yen -1.2%	Lower sales for AV equipment and PCs Increased sales of noise filters for automobiles, industrial and renewable energy equipment Solid sales for smart phones and tablet PCs
Other passive components 37.5 billion yen 39.3 billion yen +4.8%	High-frequency components Higher sales of high-frequency components for mobile devices

Recording device business

Mr. Atsuo Kobayashi

General Manager, Senior Vice President

Net Sales results & projections in FY2011

(Unit: Billion Yen)

As of October 28'2010

As of January 31'2011

1st H **137.0**

137.0 (Results)

2nd H **110.9**

Q3 : 63.0 (Results)
Q4 : 57.9 (Projections)
120.9(Projections)

Total **247.9**

257.9(Projections)

Supplementary Data

Sector classification changes

【Previous Classification】

Classification		Constituent Main business
Electronic materials and Components	Electronic materials	Ceramic capacitors
		Ferrite cores
		Magnets
	Electronic devices	Inductive devices
		High-frequency devices
		Sensors & Actuators
		Power supplies
	Recording devices	HDD Heads
		others
	Other	Al electrolytic capacitors
		Film capacitors
		Inductors
		Ceramic components
		Sensors
		Energy devices
		others
Recording media		Recording media

【New Classification】

Sector	Main business
Passive components	Ceramic capacitors
	Al electrolytic capacitors
	Film capacitors
	Inductive devices (Coils/Ferrite cores/Transformers)
	High-frequency devices
	Piezoelectric materials products, Circuit protection devices
	Sensors
Magnetic Application Products	Recording devices
	Power supplies
	Magnets
	Recording media
Other	Energy devices
	Mechatronics
	Other

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