

**Performance Briefings
2Q of Fiscal Year March, 2012**

**TDK Corporation
October. 31, 2011**

- ◆ **Consolidated First Half Results of FY March, 2012**
Consolidated Full Year Projections of FY March, 2012
President and CEO Takehiro Kamigama

- ◆ **Consolidated 2Q Results of FY March, 2012**
Takakazu Momozuka
Corporate Officer,
General Manger of Finance & Accounting Department

- ◆ **Passive Components Business**
Hiroyuki Uemura, Senior Vice President

- ◆ **Recording Device Business**
Atsuo Kobayashi, General Manager, Senior Vice President

**Consolidated First Half Results
of FY March, 2012
Consolidated Full Year Projections of
FY March, 2012**

**President and CEO, TDK Corporation
Takehiro Kamigama**

Consolidated First Half Results of FY March, 2012



(Yen billions)		FY March 2011 Results through 2Q (2010.4.1-2010.9.30)	FY March 2012 Results through 2Q (2011.4.1-2011.9.30)	Change	
				Yen billions	%
Net Sales		442.2	417.2	(25.1)	-5.7
Operating Income		37.2	13.8	(23.4)	-62.9
Operating Income Margin		8.4%	3.3%	-5.1pt	-
Income before Income Taxes		34.6	10.7	(24.0)	-69.2
Net Income		26.1	6.7	(19.4)	-74.3
Earning Per Share (JPY)		202.46	52.09	(150.37)	-
Ex-rate	US\$	Yen 88.89	Yen 79.84	Appreciation by 10.2%	
	EURO	Yen 113.80	Yen 114.00	Depreciation by 0.2%	
Ex-rate impact to Net sales & Operating Income		Net sales : Lowered about 33.2 billion Yen Operating income : Lowered about 10.9 billion Yen			
Earthquake impact to Net sales & Operating Income		Net sales : Lowered about 5.7 billion Yen Operating income : Lowered about 3.6 billion Yen			

A one-off charge of approximately ¥3.1 billion at the operating income level associated with the change of the pension plan is incurred in the first quarter.

◆ Electronics Market Trend

- A gradual auto market recovery centered on Japanese market was evident
- Production of smartphones and tablet devices rose year on year
- Production of flat-screen TVs, notebook PCs and HDDs was around the same level as the corresponding period of the previous fiscal year

◆ TDK's Business Overview

- **“Passive Components” Net sales : ¥201.6 billion (decreased by 5.6% year on year)**
 - Sales of aluminum electrolytic capacitors and film capacitors increased for industrial equipment applications
 - Sales of ceramic capacitors and inductive devices decreased for home information appliance applications
 - Sales of high-frequency components declined for communications equipment market
- **“Magnetic Application Products”**
Net Sales : ¥167.2 billion (decreased by 13.2% year on year)
 - Sales of recording devices declined, affected by the yen's appreciation and the sales price decline (decreased 20.8% year on year)
- **“Other” Net Sales : ¥48.4 billion (increased by 33.4% year on year)**
 - Sales of secondary batteries increased sharply for tablet device application

Current state of damage by the flood in Thailand



Company Name	Area	Products	Current status
TDK Thailand Co., Ltd	Rojana	Rare-earth magnet recording media ,and sensors	Plant is inundated and operation is suspended To start alternative production another countries excluding Thailand
TDK Thailand Co., Ltd	Wangnoi	Rare-earth magnets applied products	Operation is suspended No damage to the facility or equipment To start alternative production another countries excluding Thailand and plan to resume production as soon as the company can secure the safety of employees
Magnecomp Precision Technology Public Co.,Ltd (Main plant)	Wangnoi	HDD suspensions	Operation is suspended No damage to the facility or equipment Plan to resume production as soon as the company can secure the safety of employees
Magnecomp Precision Technology Public Co.,Ltd (Branch plant)	Rojana	HDD suspensions	Plant is inundated and operation is suspended Moved some of the productions to Wangnoi Plant

Full year projections of FY March, 2012



Term Item	FY2012 (April 1, 2011 - March 31, 2012) Forecast in October'11 (Yen billions)	FY2012 (April 1, 2011 - March 31, 2012) Forecast in June'11 and July'11 (Yen billions)	FY2011 (April 1, 2010 - March 31, 2011) Actual (Yen billions)	vs. FY2011 Changes (Yen billions) +/- (%)	
	Net Sales	820.0	890.0	875.7	(55.7)
Operating Income	35.0	67.0	63.8	(28.8)	-45.1
Income before income taxes	30.0	65.0	60.1	(30.1)	-50.1
Net income attributable to TDK	20.0	50.0	45.3	(25.3)	-55.8
Capital expenditures	80.0	85.0	78.6	1.4	1.8
Depreciation and amortization	80.0	85.0	77.6	2.4	3.1
Research and development	52.0	53.0	53.0	(1.0)	-1.9

Average Ex-rate projections from 3Q of FY March 2012 onward

US\$=76 yen (Previous assumption : 80 yen)

EURO=105 yen (Previous assumption : 110 yen)

TDK revised full year projections announced previously, after reviewing current electronic market, demand for finished product, impact due to appreciated yen and impact caused by the flood in Thailand.

◆ Dividend forecast per a common share

Interim dividend 40 yen

Year-end dividend 40 yen (forecast)

Annual dividend 80 yen (forecast)

TDK has revised the year-end dividend forecast to 40 yen from 50 yen, based on the revision of the consolidated projections for the Fiscal Year March 2012 as well as on the fundamental policy for distribution of earnings.

Implement initiatives for strengthening manufacturing capability and improving earning power

- Optimize production sites
- Reduce approx. 11,000 jobs in the TDK Group worldwide
- Implement measures targeting unprofitable businesses and products
 - ✓ Sale of organic EL display business, etc
- Reduce fixed costs
- Divest unutilized assets globally

Consolidated 2Q Results of FY March, 2012

Takakazu Momozuka
Corporate Officer,
General Manager of
Finance & Accounting Department

Consolidated 2Q Results of FY March, 2012



(Yen billions)		2Q results of FY 2011 (2010.7.1-2010.9.30)	2Q results of FY 2012 (2011.7.1-2011.9.30)	Change	
				Yen billions	%
Net Sales		220.3	210.4	(9.9)	-4.5
Operating Income		17.0	8.1	(8.8)	-52.0
Operating Income Margin		7.7%	3.9%	-3.8 pt	-
Income before Income Taxes		15.8	7.4	(8.5)	-53.5
Net Income		11.6	4.3	(7.3)	-62.9
Earning Per Share (JPY)		89.87	33.30	(56.57)	-
Ex-rate	US\$	Yen 85.88	Yen 77.96	Appreciation by 9.2%	
	EURO	Yen 110.67	Yen 110.42	Appreciation by 0.2%	
Ex-rate impact to Net sales & Operating Income		Net sales : Lowered about 14.7 billion Yen Operating income : Lowered about 5.0 billion Yen			
Earthquake impact to Net sales & Operating Income		Net sales : Lowered about 1.1 billion Yen Operating income : Lowered about 0.6 billion Yen			

Net Sales Comparison 2Q of FY 2011 vs. 2Q of FY 2012

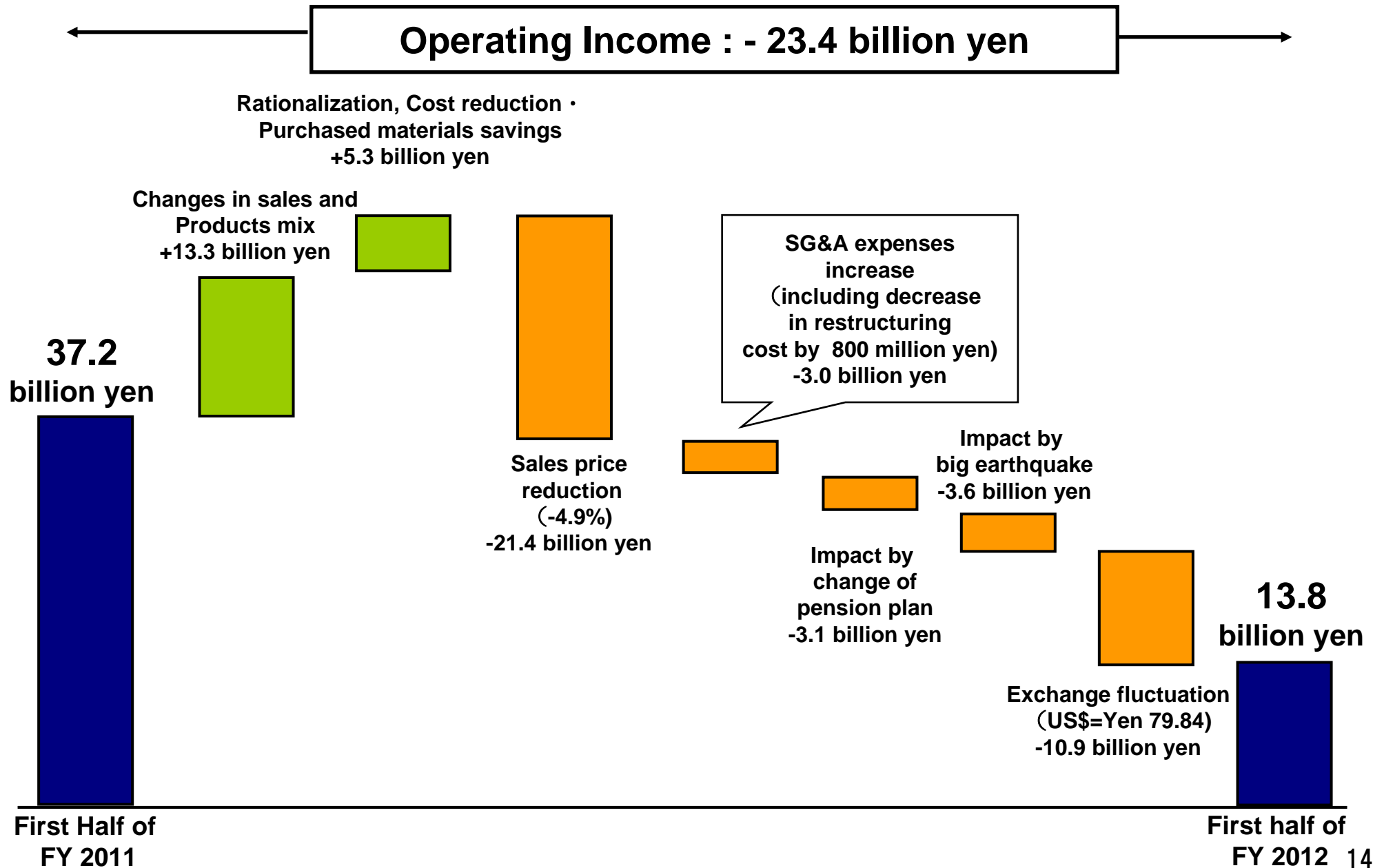
		2Q results of FY 2011 (2010.7.1-2010.9.30)		2Q results of FY 2012 (2011.7.1-2011.9.30)		Change	
		Yen billions	%	Yen billions	%	Yen billions	%
Net Sales	Capacitors	37.7	17.1	34.2	16.2	(3.5)	-9.5
	Inductive devices	33.6	15.2	31.4	14.9	(2.2)	-6.5
	Other Passive Components	37.5	17.0	34.4	16.4	(3.1)	-8.3
	Passive Components	108.7	49.3	99.9	47.5	(8.8)	-8.1
	Recording devices	65.3	29.7	53.3	25.4	(12.0)	-18.4
	Other Magnetic Application Products	26.9	12.2	31.2	14.8	4.3	16.0
	Magnetic Application Products	92.2	41.9	84.5	40.2	(7.7)	-8.4
	Other	19.3	8.8	26.0	12.3	6.7	34.7
	Total	220.3	100.0	210.4	100.0	(9.9)	-4.5

Quarterly Results by segment (2Q of FY 2011 vs. 2Q of FY 2012)

		2Q results of FY 2011 (2010.7.1~2010.9.30)		2Q results of FY 2012 (2011.7.1~2011.9.30)		Q on Q change	
		Yen billions	%	Yen billions	%	Yen billions	%
Net sales	Passive Components	108.7	49.3	99.9	47.5	(8.9)	-8.1
	Magnetic Applications Products	92.2	41.9	84.5	40.2	(7.7)	-8.4
	Other	19.3	8.8	26.0	12.3	6.7	34.5
	Total	220.3	100.0	210.4	100.0	(9.9)	-4.5

		2Q results of FY 2011 (2010.7.1~2010.9.30)		2Q results of FY 2012 (2011.7.1~2011.9.30)		Q on Q change	
		Yen billions	% of sales	Yen billions	% of sales	Yen billions	%
Operating Income	Passive Components	7.3	6.7	1.3	1.3	(6.0)	-82.5
	Magnetic Application Products	12.5	13.6	8.8	10.4	(3.7)	-29.8
	Other	1.7	8.8	1.7	6.7	0.0	2.9
	Corporate and eliminations	(4.5)		(3.7)		0.8	-
	Total	17.0	7.7	8.1	3.9	(8.8)	-52.0

Breakdown of Operating Income Changes



Quarterly Results by segment (1Q of FY 2012 vs. 2Q of FY 2012)

		1Q results of FY 2012 (2011.4.1~2011.6.30)		2Q results of FY 2012 (2011.7.1~2011.9.30)		Q on Q change	
		Yen billions	%	Yen billions	%	Yen billions	%
Net sales	Passive Components	101.7	49.2	99.9	47.5	(1.8)	-1.8
	Magnetic Applications Products	82.7	40.0	84.5	40.2	1.8	2.2
	Other	22.4	10.8	26.0	12.3	3.6	16.1
	Total	206.8	100.0	210.4	100.0	3.6	1.7

		1Q results of FY 2012 (2011.4.1~2011.6.30)		2Q results of FY 2012 (2011.7.1~2011.9.30)		Q on Q change	
		Yen billions	% of sales	Yen billions	% of sales	Yen billions	%
Operating Income	Passive Components	3.8	3.7	1.3	1.3	(2.5)	-65.8
	Magnetic Application Products	7.6	9.1	8.8	10.4	1.2	15.8
	Other	1.5	6.7	1.7	6.7	0.2	13.3
	Corporate and eliminations	(7.2)		(3.7)		3.5	-
Total	5.6	2.7	8.1	3.9	2.5	44.6	

Financial Position



(JPY billion)	Mar End, 2010	Jun End, 2011	Sep End, 2011	Q on Q Change
Total Asset	1,060.9	1,065.7	1,049.8	-15.9
Total Liability	521.1	533.3	537.5	4.2
Interest-bearing Debt	245.0	250.8	268.0	17.2
Stockholders's Equity	534.3	527.0	499.2	-27.8
(comprehensive income)	-218.0	-222.7	-258.2	-35.5
Stockholders' Equity ratio	50.4%	49.4%	47.6%	-1.8%

**Full year projections of FY March, 2012
(the latest projections vs. projections in July)**



Term Item	FY2012 (April 1, 2011 - March 31, 2012) Forecast in October'11 (Yen billions)	FY2012 (April 1, 2011 - March 31, 2012) Forecast in June'11 and July'11 (Yen billions)	vs. projections announced in July Changes	
			(Yen billions)	+/- (%)
Net Sales	820.0	890.0	-70.0	-7.9
Operating Income	35.0	67.0	-32.0	-47.8
Income before income taxes	30.0	65.0	-35.0	-53.8
Net income attributable to TDK	20.0	50.0	-30.0	-60.0

- Production adjustment in flat TV, PC, and PC related device market
- Production adjustment at main customers in mobile phone market
- Negative impact caused by flooding in Thailand
- Change of forex assumption
- Profit increase by activities to improve earning structure in second half

Average Ex-rate projections from 3Q of FY March 2012 onward

US\$=76 yen (Previous assumption : 80 yen)

EURO=105 yen (Previous assumption : 110 yen)

Passive Components Business

Hiroyuki Uemura
Senior Vice President

Passive Components Business Quarterly Overview (1Q vs. 2Q)

Sector Net sales in 1Q Net sales in 2Q Change %	Sales status
Capacitors 1Q 36.1 billion yen 2Q 34.2 billion yen -5.3%	<ul style="list-style-type: none"> ● Ceramic capacitors Increased sales for auto market Decreased sales for IT home electronics applications centered on flat-screen TVs and distributors ● Aluminum & Film capacitors Sales decreased due to forex impact mainly
Inductive devices 1Q 32.9 billion yen 2Q 31.4 billion yen -4.6%	Higher sales for auto market Steady sales for communications equipment such as smartphones and mobile phones Lower sales of transformer and ferrite core used in power circuit
Other 1Q 32.8 billion yen 2Q 34.4 billion yen +4.9%	<ul style="list-style-type: none"> ● High-frequency components Increased sales of high-frequency components for mobile phones centered on smartphones ● Piezoelectric materials products, circuit protection components Steady sales for auto market

Recording Device Business

Atsuo Kobayashi
General Manager,
Senior Vice President

● HDD Head shipment index

	FY March'11				FY March'12			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Index	100	100	102	95	95	99	73	106

Results
Projections

Index transition based on shipment volume in 1Q of FY March 2011 as 100

● Sales projections in FY March 2012

Results in FY March 2011

1Q	71.7 billion yen
2Q	65.3 billion yen
First half total	137.0 billion yen
Second half total	120.5 billion yen
Full year total	257.5 billion yen

Results and projections in FY March 2012

1Q	55.2 billion yen	(Results)
2Q	53.3 billion yen	(Results)
First half total	108.5 billion yen	(Results)
Second half total	89.9 billion yen	(Projections)
Full year total	198.4 billion yen	(Projections)

Supplementary Data

Expenses



(Yen billions)	FY March 2011 Results through 2Q (2010.4.1-2010.9.30)	FY March 2012 Results through 2Q (2011.4.1-2011.9.30)	Change	
			Yen billions	%
Capital expenditures	33.8	53.5	19.7	58.3
Depreciation and amortization	37.8	37.3	(0.4)	-1.1
Research and development	26.4	26.4	0.0	0.2

Quarterly Results (2Q vs. 2Q) (1Q vs. 2Q)

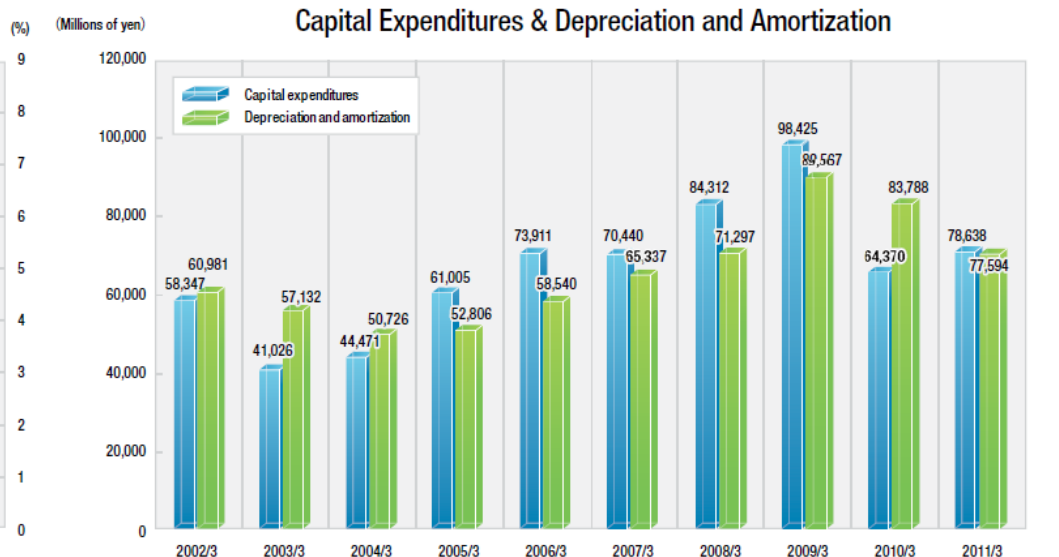
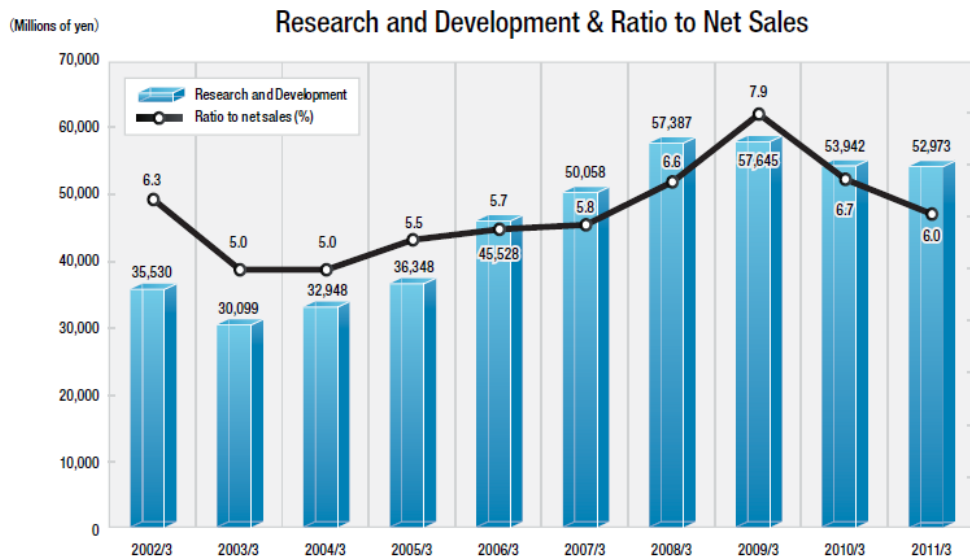
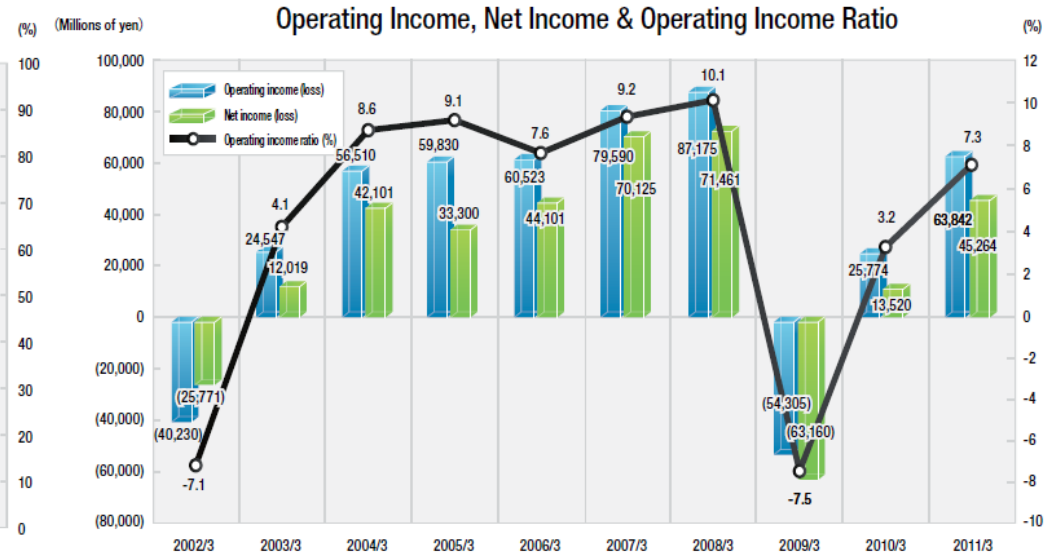
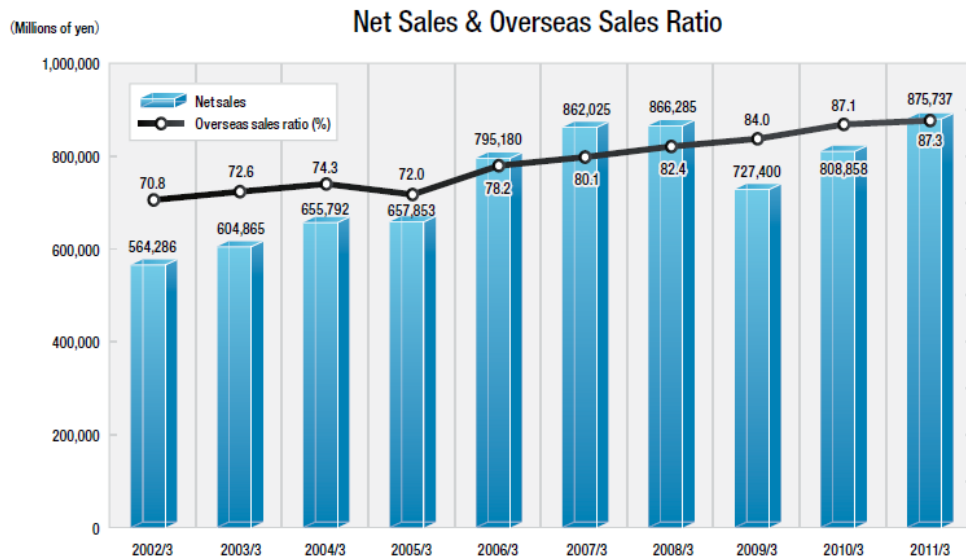


Yen billions	2Q of FY 2011 Jul 1- Sep 30, 2010 (A)	1Q of FY 2012 Apr 1- Jun 30, 2011 (B)	2Q of FY 2012 Jul 1- Sep 30, 2011 (C)	YoY Change (C) - (A)		QoQ Change (C) - (B)	
				Yen billions	%	Yen billions	%
Net Sales	220.3	206.8	210.4	(9.9)	-4.5	3.6	1.7
Breakdown	Passive Components	108.7	101.7	99.9	(8.9)	(1.8)	-1.8
	Magnetic Application Products	92.2	82.7	84.5	(7.7)	1.8	2.2
	other	19.3	22.4	26.0	6.7	3.6	16.0
Operating Income	17.0	5.6	8.1	(8.8)	-52.4	2.5	44.4
Breakdown	Passive Components	7.3	3.8	1.3	(6.0)	(2.5)	-66.5
	Magnetic Application Products	12.5	7.6	8.8	(3.7)	1.2	16.5
	other	1.7	1.5	1.7	0.0	0.2	16.6
	Corporate and eliminations	(4.5)	(7.2)	(3.7)	0.8	3.5	-
Operating Income Margin	7.7%	2.7%	3.9%		-		-
Ex-rate	US\$	Yen 85.88	Yen 81.74	Yen 77.96			
	EURO	Yen 110.67	Yen 117.62	Yen 110.42			

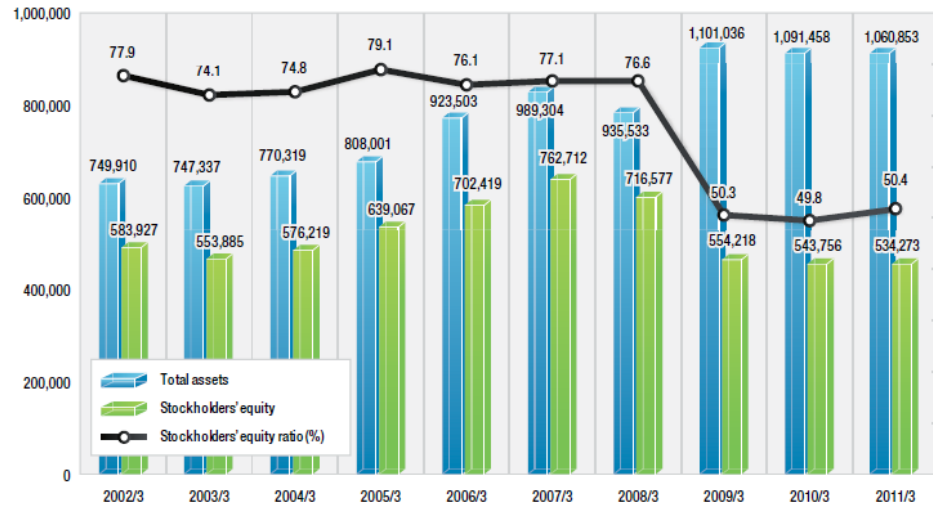
Quarterly Sales and Operating Income by Segment



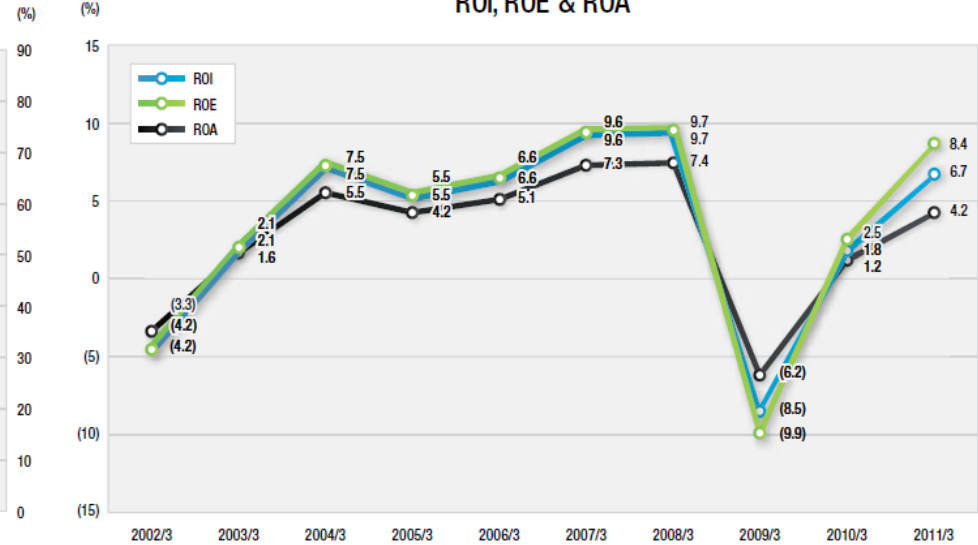
Yen billions		FY March 2011					FY March 2012				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Breakdown	Net Sales	221.9	220.3	219.9	213.6	875.7	206.8	210.4			
	Passive Components	104.7	108.7	107.1	105.5	425.6	101.7	99.9			
	Capacitors	38.0	37.7	35.2	34.5	145.4	36.1	34.2			
	Inductive Devices	32.1	33.6	32.6	31.9	130.2	32.9	31.4			
	Other Passive Components	34.6	37.5	39.3	38.6	150.0	32.8	34.4			
	Magnetic Application Products	100.3	92.2	90.8	85.2	368.5	82.7	84.5			
	Recording Devices	71.7	65.3	63.0	57.5	257.5	55.2	53.3			
	Other Magnetic Application Products	28.6	26.9	27.7	27.7	111.0	27.4	31.2			
Other	17.0	19.3	22.0	23.4	81.7	22.4	26.0				
Breakdown	Operating Income	20.2	17.0	17.2	9.4	63.8	5.6	8.1			
	Passive Components	6.3	7.3	6.2	4.8	24.5	3.8	1.3			
	Magnetic Application Products	16.1	12.5	11.5	6.8	46.9	7.6	8.8			
	Other	1.0	1.7	2.0	1.0	5.7	1.5	1.7			
	Sub-total	23.3	21.5	19.7	12.6	77.1	12.8	11.8			
	Corporate and Eliminations	(3.1)	(4.5)	(2.6)	(3.2)	(13.3)	(7.2)	(3.7)			
Ex-rate	¥/USD	92.01	85.88	82.65	82.31	85.73	81.74	77.96			
	¥/EURO	117.03	110.67	112.20	112.66	113.12	117.62	110.42			



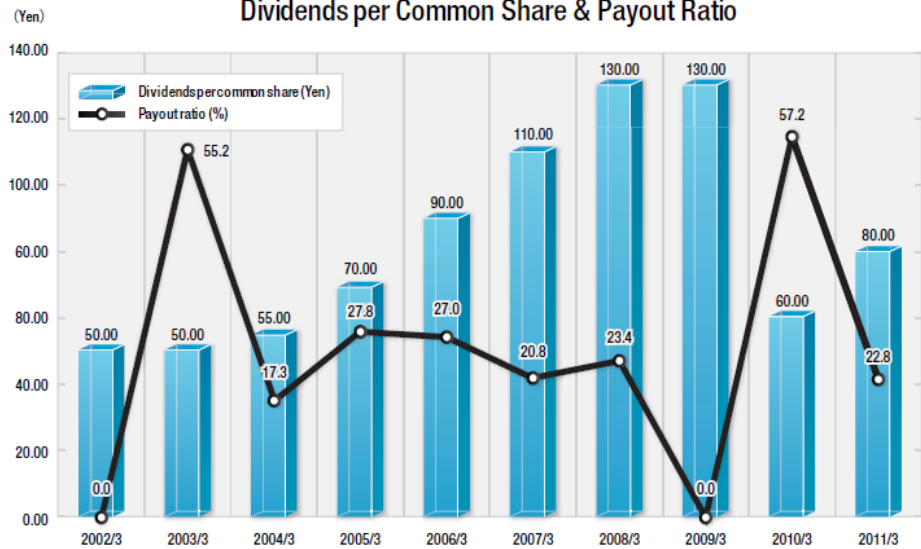
(Millions of yen) **Total Assets, Stockholders' Equity & Stockholders' Equity Ratio**



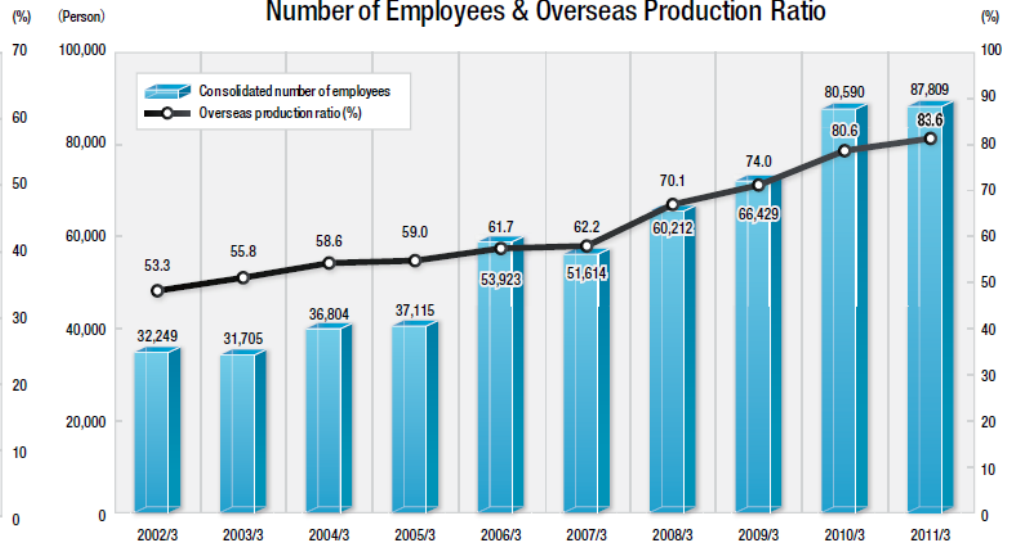
ROI, ROE & ROA



Dividends per Common Share & Payout Ratio



Number of Employees & Overseas Production Ratio



Cautionary Statements with Respect to Forward-Looking Statements



This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings and evaluations, about TDK or its group companies (TDK Group). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs and evaluations of TDK Group in light of information currently available to it, and contain known and unknown risks, uncertainties and other factors. TDK Group therefore wishes to caution readers that, being subject to risks, uncertainties and other factors, TDK Group's actual results, performance, achievements or financial position could be materially different from any future results, performance, achievements or financial position 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 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. Also, since the purpose of these materials is only to give readers a general outline of business performance, many numerical values are shown in units of a billion yen. Because original values, which are managed in units of a million yen, are rounded off, the totals, differences, etc. shown in these materials may appear inaccurate. If detailed figures are necessary, please refer to our financial statements and supplementary materials.

