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FOR IMMEDIATE RELEASE

TOKYO - January 30, 2006 TDK Corporation today announced its Consolidated business results prepared in conformity with U.S. generally accepted accounting principles (the "U.S. GAAP") for the 3rd quarter ("Qtr.") of fiscal year ("FY") 2006, the three months ended December 31, 2005, and for the nine-month-period from April 1, 2005 through December 31, 2005.

1) Summary

Consolidated results (October 1, 2005 - December 31, 2005)

| Term Item | The 3rd Qtr. of FY2006 (October 1, 2005 - December 31, 2005) | | | The 3rd Qtr. of FY2005 (Oct. 1, 2004 - Dec. 31, 2004) | | Change | |
|---|---|-------|--------------------|--|-------|----------------|-----------|
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| Net sales | 222,654 | 100.0 | 1,886,898 | 174,218 | 100.0 | 48,436 | 27.8 |
| Operating income | 21,291 | 9.6 | 180,432 | 17,262 | 9.9 | 4,029 | 23.3 |
| Income from continuing operations before income taxes | 22,011 | 9.9 | 186,534 | 17,257 | 9.9 | 4,754 | 27.5 |
| Income from continuing operations | 16,568 | 7.4 | 140,407 | 12,748 | 7.3 | 3,820 | 30.0 |
| Net income | 16,568 | 7.4 | 140,407 | 12,209 | 7.0 | 4,359 | 35.7 |
| Per common share : | | | | | | | |
| Net income / Basic | Yen 125.31 | | U.S.\$ 1.06 | Yen 92.35 | | | |
| Net income / Diluted | Yen 125.16 | | U.S.\$ 1.06 | Yen 92.29 | | | |

Note: As a result of the sale of a subsidiary in "Other electronic components", the operating results of the discontinued operation is presented as a separate line item in the consolidated statements of income in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". Correspondence figures for the previous period have been reclassified to conform to the presentation used for the year ended March 31, 2005.

(Sales breakdown)

| Term Product | The 3rd Qtr. of FY2006 (October 1, 2005 - December 31, 2005) | | | The 3rd Qtr. of FY2005 (Oct. 1, 2004 - Dec. 31, 2004) | | Change | |
|--|---|-------|--------------------|--|-------|----------------|-----------|
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| Electronic materials and components | 192,091 | 86.3 | 1,627,890 | 143,746 | 82.5 | 48,345 | 33.6 |
| Electronic materials | 47,613 | 21.4 | 403,500 | 43,002 | 24.7 | 4,611 | 10.7 |
| Electronic devices | 46,979 | 21.1 | 398,127 | 30,571 | 17.5 | 16,408 | 53.7 |
| Recording devices | 85,736 | 38.5 | 726,576 | 65,351 | 37.5 | 20,385 | 31.2 |
| Other electronic components | 11,763 | 5.3 | 99,687 | 4,822 | 2.8 | 6,941 | 143.9 |
| Recording media | 30,563 | 13.7 | 259,008 | 30,472 | 17.5 | 91 | 0.3 |
| Total sales | 222,654 | 100.0 | 1,886,898 | 174,218 | 100.0 | 48,436 | 27.8 |
| Overseas sales | 179,139 | 80.5 | 1,518,127 | 124,932 | 71.7 | 54,207 | 43.4 |

Notes:

1. Consolidated results for the 3rd quarter of FY2006 and FY2005 are unaudited by independent accountants.
2. U.S.\$1 = Yen 118
3. "Semiconductors & others" and "Recording media & systems" were renamed "Other electronic components" and "Recording media" from FY 2006 respectively. There were no changes in segment classifications.

9 months Consolidated results

Consolidated results (April 1, 2005 - December 31, 2005)

| Term Item | The nine-month-period of FY2006 (April 1, 2005 - December 31, 2005) | | | The nine-month- period of FY2005 (Apr. 1, 2004 - Dec. 31, 2004) | | Change | |
|---|--|-------|--------------------|---|-------|----------------|-----------|
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| Net sales | 573,041 | 100.0 | 4,856,280 | 491,710 | 100.0 | 81,331 | 16.5 |
| Operating income | 49,341 | 8.6 | 418,144 | 45,002 | 9.2 | 4,339 | 9.6 |
| Income from continuing operations before income taxes | 53,609 | 9.4 | 454,314 | 46,916 | 9.5 | 6,693 | 14.3 |
| Income from continuing operations | 38,218 | 6.7 | 323,881 | 33,472 | 6.8 | 4,746 | 14.2 |
| Net income | 38,234 | 6.7 | 324,017 | 32,078 | 6.5 | 6,156 | 19.2 |
| Per common share : | | | | | | | |
| Net income / Basic | Yen 289.14 | | U.S.\$ 2.45 | Yen 242.44 | | | |
| Net income / Diluted | Yen 288.88 | | U.S.\$ 2.45 | Yen 242.28 | | | |

Note: As a result of the sale of a subsidiary in "Other electronic components", the operating results of the discontinued operation is presented as a separate line item in the consolidated statements of income in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". Correspondence figures for the previous period have been reclassified to conform to the presentation used for the year ended March 31, 2005.

(Sales breakdown)

| Term Product | The nine-month-period of FY2006 (April 1, 2005 - December 31, 2005) | | | The nine-month- period of FY2005 (Apr. 1, 2004 - Dec. 31, 2004) | | Change | |
|--|--|-------|--------------------|---|-------|----------------|-----------|
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| Electronic materials and components | 492,811 | 86.0 | 4,176,365 | 404,832 | 82.3 | 87,979 | 21.7 |
| Electronic materials | 133,702 | 23.3 | 1,133,068 | 134,038 | 27.3 | (336) | -0.3 |
| Electronic devices | 107,931 | 18.8 | 914,669 | 88,082 | 17.9 | 19,849 | 22.5 |
| Recording devices | 226,024 | 39.5 | 1,915,458 | 168,684 | 34.3 | 57,340 | 34.0 |
| Other electronic components | 25,154 | 4.4 | 213,170 | 14,028 | 2.8 | 11,126 | 79.3 |
| Recording media | 80,230 | 14.0 | 679,915 | 86,878 | 17.7 | (6,648) | -7.7 |
| Total sales | 573,041 | 100.0 | 4,856,280 | 491,710 | 100.0 | 81,331 | 16.5 |
| Overseas sales | 443,444 | 77.4 | 3,758,000 | 354,802 | 72.2 | 88,642 | 25.0 |

Notes:

1. Consolidated results for the nine-month-period of FY2006 and FY2005 are unaudited by independent accountants.
2. U.S.\$1 = Yen 118
3. "Semiconductors & others" and "Recording media & systems" were renamed "Other electronic components" and "Recording media" from FY 2006 respectively. There were no changes in segment classifications.

2) Business Results and Financial Position

1. Summary

Consolidated results for the third quarter of fiscal 2006, the three-month-period from October 1, 2005 to December 31, 2005, were as follows:

TDK posted net sales of ¥222,654 million (U.S.\$1,886,898 thousand), up 27.8% year on year from ¥174,218 million. Operating income increased 23.3% from ¥17,262 million to ¥21,291 million (U.S.\$180,432 thousand). Income from continuing operations before income taxes increased 27.5% from ¥17,257 million to ¥22,011 million (U.S.\$186,534 thousand). Net income increased 35.7% from ¥12,209 million to ¥16,568 million (U.S.\$140,407 thousand). Basic net income per common share was ¥125.31 (U.S.\$1.06), compared with ¥92.35 for the corresponding period of fiscal 2005.

Average third-quarter yen exchange rates for the U.S. dollar and euro were ¥117.37 (previous year ¥105.92) and ¥139.46 (previous year ¥137.19) as the yen depreciated 10.8% and 1.7% against the dollar and euro, respectively. This had the effect of raising net sales by approximately ¥15.9 billion and operating income by approximately ¥5.4 billion.

On October 1, 2005, TDK purchased shares of the Lambda Power Division (power supply business) owned by U.K.-based Invensys plc. Consequently, the Lambda Power Division's operating results have been included in the TDK Group's consolidated operating results from the third quarter of fiscal 2006. In addition, TDK now holds an approximate 58% equity interest in Densei-Lambda KK (Stock code: 6917; First Section, Tokyo stock exchange and Osaka securities exchange), which is a member of the Lambda Power Division.

(Sales by Segment)

TDK's businesses are broadly classified into two business segments: the electronic materials and components segment and the recording media segment. The following is a summary of sales by segment.

"Semiconductors & others" and "Recording media & systems" were renamed "Other electronic components" and "Recording media" from fiscal 2006, respectively. There were no changes in segment classifications.

(1)Electronic materials and components segment

This segment is made up of four product sectors: (1-1) electronic materials, (1-2) electronic devices, (1-3) recording devices, and (1-4) other electronic components.

Segment net sales climbed 33.6% to ¥192,091 million (U.S.\$1,627,890 thousand), from ¥143,746 million, while segment operating income rose 13.4% to ¥22,199 million (U.S.\$188,127 thousand), from ¥19,579 million. In the electronics market in the third quarter of fiscal 2006, in comparison with the same period of a year earlier, demand increased for notebook PCs, HDDs, flat-screen TVs and mobile phones. There was a particularly noticeable surge in demand for MP3 digital audio players, which store music using semiconductors or HDDs. Demand for electronic components also increased, supported by higher sales of popular consumer electronics products. There was also steady growth in demand for electronic components for car electronics.

Sector sales of TDK's electronic materials and components framed against this market backdrop were as follows.

(1-1) Electronic materials

This sector is broken down into two product categories: capacitors and ferrite cores and magnets.

Sales in the electronic materials sector increased 10.7% from ¥43,002 million to ¥47,613 million (U.S.\$403,500 thousand).

[Capacitors] Sales increased year on year, as higher shipments of products used mainly in IT home electronics and car electronics absorbed the negative effect on sales of lower prices. A weaker yen also contributed to sales growth.

[Ferrite cores and magnets] Sales of ferrite cores and magnets rose year on year. Sales of ferrite cores climbed, with higher sales from increasing demand for cores for coils and power supplies more than offsetting the negative effect of inventory cutbacks of CRT TVs. Ferrite magnet sales were flat, with the positive effect of foreign exchange rates countering lower demand stemming from customers' inventory cutbacks. Sales of rare-earth magnets rose on increasing HDD demand.

(1-2) Electronic devices

This sector has three product categories: inductive devices, high-frequency components and other products.

Sales in the electronic devices sector leapt 53.7% to ¥46,979 million (U.S.\$398,127 thousand), from ¥30,571 million.

This growth was mainly due to the inclusion for the first time of the operating results of the Lambda Power Division. However, even excluding these sales, existing business in this sector posted year-on-year sales growth.

[Inductive devices] Sales of inductive devices increased year on year. The main reason was growth in sales of power line coils for use in mobile phones, HDDs, MP3 digital audio players and car electronics.

[High-frequency components] Sales of high-frequency components were down year on year. While orders for wireless LAN components remained strong, sales were brought down slightly by further declines in sales prices of some components for mobile phones.

[Other products] Sales of other products rose year on year. The main factors behind the higher sales were growth in sales of DC-DC converters and DC-AC inverters for use in amusement equipment and higher sales of sensors and actuators for HDDs and mobile phones.

(1-3) Recording devices

This sector has two product categories: HDD heads and other heads.

Sector sales rose 31.2% from ¥65,351 million to ¥85,736 million (U.S.\$726,576 thousand).

[HDD heads] Sales increased year on year. Amid rising demand for HDDs used in PCs and consumer electronics, HDD head shipments increased. This higher volume outweighed a drop in sales prices, resulting in higher overall sales.

[Other heads] Sales of other heads declined year on year due to inventory reductions of optical pickups.

(1-4) Other electronic components

Sector sales rose 143.9% from ¥4,822 million to ¥11,763 million (U.S.\$99,687 thousand). This was due to higher sales of anechoic chambers* and new businesses.

*These chambers are designed to block electromagnetic waves emanating from outside so as to measure electromagnetic noise.

(2)Recording media segment

This segment has three product categories: audiotapes and videotapes, optical media, and other products.

Segment sales edged up 0.3% from ¥30,472 million to ¥30,563 million (U.S.\$259,008 thousand). The segment recorded an operating loss of ¥908 million (U.S.\$7,695 thousand), 60.8% less than the operating loss of ¥2,317 million in the previous fiscal year.

[Audiotapes and videotapes] Sales of audiotapes and videotapes declined year on year. While TDK maintained a high market share, demand is declining for these products as a whole.

[Optical media] Sales of optical media increased year on year. CD-R demand has peaked out and is declining slowly. However, lower CD-R sales caused by the downturn in demand and discounting pressure were offset by higher sales of DVDs driven by increasing demand.

[Other products] Sales of other products increased year on year. Sales of LTO-standard* (Linear Tape-Open) tape-based data storage media for computers rose on higher demand. However, sales of recording equipment & accessory products declined as TDK made progress with efforts to create a more tightly focused product lineup.

*Linear Tape-Open, LTO, LTO logo, Ultrium and Ultrium logo are trademarks of HP, IBM and Certance LLC in the U.S., other countries or both.

(Sales by Region)

Detailed geographic segment information can be found in the segment information on page 14.

[Japan] Sales were down in the recording devices sector and recording media segment.

[Americas] Sales were up in all product sectors.

[Europe] Sales were up in all product sectors, except recording devices.

[Asia (excluding Japan) and other areas] Sales increased in all product sectors, except the recording media segment.

The overall result was a 43.4% increase in overseas sales year on year from ¥124,932 million to ¥179,139 million (U.S.\$1,518,127 thousand). Overseas sales accounted for 80.5% of consolidated net sales, an 8.8 percentage point increase from 71.7% one year earlier.

2. Financial Position

(2-1) The following table summarizes TDK's balance sheets at December 31, 2005, compared with September 30, 2005.

| | | |
|----------------------------|------------------|--------------------|
| Total assets | ¥903,130 million | 7.6% increase |
| Total stockholders' equity | ¥695,837 million | 4.1% increase |
| Equity ratio | 77.0% | 2.7 point decrease |

At December 31, 2005, net trade receivables were ¥35,686 million higher than at September 30, 2005, inventories were ¥10,748 million higher and net property, plant and equipment was ¥19,226 million higher. As a result of these and other changes, total assets increased ¥63,788 million from September 30, 2005.

Total liabilities increased ¥26,660 million, with trade payables increasing ¥11,343 million and accrued expenses increasing ¥8,530 million.

Total stockholders' equity increased ¥27,155 million, reflecting a ¥11,050 million increase in retained earnings and a ¥15,526 million decrease in accumulated other comprehensive loss.

(2-2) Cash Flows

| | (¥ millions) | | |
|--|---------------|---------------|----------|
| | FY 2006 3Q | FY 2005 3Q | Change |
| Net cash provided by operating activities | 20,105 | 20,825 | (720) |
| Net cash used in investing activities | (44,634) | (12,140) | (32,494) |
| Net cash used in financing activities | (4,265) | (3,864) | (401) |
| Net cash used in discontinued operations | - | (261) | 261 |
| Effect of exchange rate changes on cash and cash equivalents | 4,978 | (5,262) | 10,240 |
| Net decrease in cash and cash equivalents | (23,816) | (702) | (23,114) |
| Cash and cash equivalents at beginning of period | 224,645 | 235,969 | (11,324) |
| Cash and cash equivalents at end of period | 200,829 | 235,267 | (34,438) |

Operating activities provided net cash of ¥20,105 million (U.S.\$170,381 thousand), a year-on-year decrease of ¥720 million. Income from continuing operations increased ¥3,820 million to ¥16,568 million (U.S.\$140,407 thousand) and depreciation and amortization increased ¥1,585 million to ¥15,138 million (U.S.\$128,288 thousand). In changes in assets and liabilities, there were increases of ¥7,400 million in trade receivables, ¥5,672 million in inventories and ¥7,050 million in accrued expenses.

Investing activities used net cash of ¥44,634 million (U.S.\$378,254 thousand), a year-on-year increase of ¥32,494 million. Capital expenditures increased ¥8,383 million to ¥21,353 million (U.S.\$180,958 thousand). Outflows of ¥24,294 million for payment for purchase of subsidiaries, net of cash acquired was the other main component.

Financing activities used net cash of ¥4,265 million (U.S.\$36,144 thousand), ¥401 million more than a year earlier. While dividends paid increased ¥1,322 million, there was a ¥605 million net increase in short-term debt.

3. Business Risks

With development, production and sales bases in countries around the world, the TDK Group is engaged in global business activities. Furthermore, the electronics industry, the main field of operations of the TDK Group, is seeing dramatic technological innovation and changes in market prices, resulting in intense competition in new product and technology development and efforts to win customers. Because of these and other factors, the TDK Group is subject to various business risks that include, but are not limited to, changes in demand and foreign exchange rates caused by world economic trends; unpredictable events in conducting business overseas; more intense competition in the development of new products in line with rapid technological innovation; the ability to respond to intense price competition and diversifying demands from customers; product quality; the recruitment and training of employees; government regulation; the ability to acquire intellectual property rights; the ability to procure raw materials and other products; increasingly stringent environmental regulations internationally; and unavoidable natural disasters.

4. Fiscal 2006 Projections

TDK's consolidated projections for fiscal 2006, the year ending March 31, 2006, are as follows:

[Consolidated Projections for Fiscal 2006]

| | FY 2006 (¥ millions) | FY 2005 (¥ millions) | Change from FY2005 (¥ millions) | % change from FY2005 | Projections as of October 2005 (¥ millions) |
|----------------------------------|-------------------------|-------------------------|---------------------------------------|-------------------------|--|
| Net sales | 765,000 | 657,853 | 107,147 | 16.3 | 725,000 |
| Operating income | 68,000 | 59,830 | 8,170 | 13.7 | 68,000 |
| Income before income taxes | 72,500 | 60,728 | 11,772 | 19.4 | 72,500 |
| Net income | 51,000 | 33,300 | 17,700 | 53.2 | 51,000 |

Note:

The projections are based principally on the following assumptions:

* An average yen-dollar exchange rate of ¥110 for the fourth quarter of fiscal 2006.

* In electronic materials and electronic devices, TDK is projecting lower sales in the fourth quarter compared with the third quarter due to a slight correction resulting from seasonal factors. However, on an annual basis, sales in both of these electronic component sectors are expected to increase year on year, supported by robust demand for components used in digital home appliances, mobile phones and other products.

* Sales of HDD heads, the major product in the recording devices sector, are expected to drop slightly in the fourth quarter from the third quarter due to seasonal factors. However, recording device sales for the nine months to December 31, 2005 were almost on a par with sales for all of fiscal 2005, thanks to expanding demand for heads used in HDDs for consumer electronics and PCs. Accordingly, TDK is projecting a marked increase in sales in this product sector for the full year compared with fiscal 2005.

* Structural reforms planned for fiscal 2006 for the recording media segment are proceeding according to the plan that was revised in the interim period. Structural reforms are expected to be implemented as planned in the fourth quarter. Furthermore, TDK is forecasting a decrease in fourth-quarter sales from the previous quarter due to lower demand after higher demand in the third quarter and revisions to the product portfolio to create a more tightly focused product lineup. For the full year, TDK is forecasting a year-on-year decrease in sales in the recording media segment due to lower sales on falling demand for audiotapes and videotapes, and lower sales of other products.

Cautionary Statement About Projections

This earnings release contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings and evaluations, about TDK and its group companies that are not historical facts. These forward-looking statements are based on current forecasts, estimates, assumptions, plans, beliefs and evaluations in light of information available to management on the date of this earnings release.

In preparing forecasts and estimates, TDK and its group companies have used, as their bases, certain assumptions as necessary, in addition to confirmed historical facts. However, due to their nature, there is no guarantee that these statements and assumptions will prove to be accurate in the future. TDK therefore wishes to caution readers that these statements, facts and certain assumptions contained in this earnings release are subject to a number of risks and uncertainties and may prove to be inaccurate.

The electronics markets in which TDK Group operates are highly susceptible to rapid changes. Furthermore, TDK and its group companies operate not only in Japan, but in many other countries. As such, factors that can have significant effects on its results include, but are not limited to, shifts in technology, demand, prices, competition, economic environments and foreign exchange rates.

The premises and assumptions used in computing the projections in this earnings release include, but are not limited to, those explained above.

3) Statements of income

[3rd Qtr. results]

| Item | Term | The 3rd Qtr. of FY2006 (October 1, 2005 - December 31, 2005) | | | The 3rd Qtr. of FY2005 (Oct. 1, 2004 - Dec. 31, 2004) | | Change | |
|--|---------|---|-----------|-----------------------|--|---------|-------------------|-----------|
| | | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| | | Net sales | 222,654 | 100.0 | 1,886,898 | 174,218 | 100.0 | 48,436 |
| Cost of sales | 164,387 | 73.8 | 1,393,110 | 128,760 | 73.9 | 35,627 | 27.7 | |
| Gross profit | 58,267 | 26.2 | 493,788 | 45,458 | 26.1 | 12,809 | 28.2 | |
| Selling, general and administrative expenses | 36,976 | 16.6 | 313,356 | 28,196 | 16.2 | 8,780 | 31.1 | |
| Operating income | 21,291 | 9.6 | 180,432 | 17,262 | 9.9 | 4,029 | 23.3 | |
| Other income (deductions): | | | | | | | | |
| Interest and dividend income | 1,065 | | 9,025 | 441 | | 624 | | |
| Interest expense | (41) | | (347) | (71) | | 30 | | |
| Foreign exchange gain (loss) | 741 | | 6,280 | (1,147) | | 1,888 | | |
| Other-net | (1,045) | | (8,856) | 772 | | (1,817) | | |
| Total other income (deductions) | 720 | 0.3 | 6,102 | (5) | (0.0) | 725 | - | |
| Income from continuing operations before income taxes | 22,011 | 9.9 | 186,534 | 17,257 | 9.9 | 4,754 | 27.5 | |
| Income taxes | 5,082 | 2.3 | 43,068 | 4,446 | 2.6 | 636 | 14.3 | |
| Income from continuing operations before minority interests | 16,929 | 7.6 | 143,466 | 12,811 | 7.3 | 4,118 | 32.1 | |
| Minority interests | 361 | 0.2 | 3,059 | 63 | 0.0 | 298 | 473.0 | |
| Income from continuing operations | 16,568 | 7.4 | 140,407 | 12,748 | 7.3 | 3,820 | 30.0 | |
| Loss from discontinued operations, net of tax | - | - | - | 539 | 0.3 | (539) | - | |
| Net income | 16,568 | 7.4 | 140,407 | 12,209 | 7.0 | 4,359 | 35.7 | |

[9 months period results]

| Item | Term | The nine-month-period of FY2006 (April 1, 2005 - December 31, 2005) | | | The nine-month- period of FY2005 (Apr. 1, 2004 - Dec. 31, 2004) | | Change | |
|--|---------|--|-----------|-----------------------|---|---------|-------------------|-----------|
| | | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| | | Net sales | 573,041 | 100.0 | 4,856,280 | 491,710 | 100.0 | 81,331 |
| Cost of sales | 425,986 | 74.3 | 3,610,051 | 358,729 | 72.9 | 67,257 | 18.7 | |
| Gross profit | 147,055 | 25.7 | 1,246,229 | 132,981 | 27.1 | 14,074 | 10.6 | |
| Selling, general and administrative expenses | 97,714 | 17.1 | 828,085 | 87,979 | 17.9 | 9,735 | 11.1 | |
| Operating income | 49,341 | 8.6 | 418,144 | 45,002 | 9.2 | 4,339 | 9.6 | |
| Other income (deductions): | | | | | | | | |
| Interest and dividend income | 2,581 | | 21,873 | 1,084 | | 1,497 | | |
| Interest expense | (92) | | (780) | (228) | | 136 | | |
| Foreign exchange gain (loss) | 1,339 | | 11,348 | (555) | | 1,894 | | |
| Other-net | 440 | | 3,729 | 1,613 | | (1,173) | | |
| Total other income (deductions) | 4,268 | 0.8 | 36,170 | 1,914 | 0.3 | 2,354 | 123.0 | |
| Income from continuing operations before income taxes | 53,609 | 9.4 | 454,314 | 46,916 | 9.5 | 6,693 | 14.3 | |
| Income taxes | 14,902 | 2.6 | 126,289 | 13,298 | 2.7 | 1,604 | 12.1 | |
| Income from continuing operations before minority interests | 38,707 | 6.8 | 328,025 | 33,618 | 6.8 | 5,089 | 15.1 | |
| Minority interests | 489 | 0.1 | 4,144 | 146 | 0.0 | 343 | 234.9 | |
| Income from continuing operations | 38,218 | 6.7 | 323,881 | 33,472 | 6.8 | 4,746 | 14.2 | |
| Loss (income) from discontinued operations, net of tax | (16) | (0.0) | (136) | 1,394 | 0.3 | (1,410) | - | |
| Net income | 38,234 | 6.7 | 324,017 | 32,078 | 6.5 | 6,156 | 19.2 | |

Notes:

- Above statements of income for FY 2006 and FY 2005 are unaudited by independent accountants.
- In accordance with SFAS No. 144, "Accounting for the impairment or Disposal of Long-Lived Assets", the figures of FY2005 relating to discontinued operations have been reclassified accordingly.
- U.S.\$1=Yen 118

4) Balance sheets

| ASSETS | | | | | | | | |
|-----------------------------------|-------------------------|--------------|-----------------------|---------------------|--------------|-------------------|---------------------|--------------|
| Term Item | As of December 31, 2005 | | | As of Sep. 30, 2005 | | Change | As of Mar. 31, 2005 | |
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | (Yen millions) | % |
| Current assets | 540,973 | 59.9 | 4,584,517 | 516,270 | 61.5 | 24,703 | 510,603 | 63.2 |
| Cash and cash equivalents | 200,829 | | 1,701,941 | 224,645 | | (23,816) | 251,508 | |
| Marketable securities | 4 | | 34 | 604 | | (600) | 1,609 | |
| Net trade receivables | 197,318 | | 1,672,186 | 161,632 | | 35,686 | 147,999 | |
| Inventories | 97,123 | | 823,076 | 86,375 | | 10,748 | 74,924 | |
| Other current assets | 45,699 | | 387,280 | 43,014 | | 2,685 | 34,563 | |
| Noncurrent assets | 362,157 | 40.1 | 3,069,127 | 323,072 | 38.5 | 39,085 | 297,398 | 36.8 |
| Investments in securities | 28,018 | | 237,441 | 26,179 | | 1,839 | 22,698 | |
| Net property, plant and equipment | 249,118 | | 2,111,169 | 229,892 | | 19,226 | 216,969 | |
| Other assets | 85,021 | | 720,517 | 67,001 | | 18,020 | 57,731 | |
| TOTAL | 903,130 | 100.0 | 7,653,644 | 839,342 | 100.0 | 63,788 | 808,001 | 100.0 |

| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | | | |
|---|-------------------------|--------------|-----------------------|---------------------|--------------|-------------------|---------------------|--------------|
| Term Item | As of December 31, 2005 | | | As of Sep. 30, 2005 | | Change | As of Mar. 31, 2005 | |
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | (Yen millions) | % |
| Current liabilities | 155,453 | 17.2 | 1,317,398 | 132,656 | 15.8 | 22,797 | 130,857 | 16.2 |
| Short-term debt | 2,115 | | 17,924 | 134 | | 1,981 | 103 | |
| Trade payables | 85,323 | | 723,076 | 73,980 | | 11,343 | 62,092 | |
| Accrued expenses | 57,280 | | 485,424 | 48,750 | | 8,530 | 43,980 | |
| Income taxes payables | 3,280 | | 27,796 | 4,239 | | (959) | 19,283 | |
| Other current liabilities | 7,455 | | 63,178 | 5,553 | | 1,902 | 5,399 | |
| Noncurrent liabilities | 37,758 | 4.2 | 319,983 | 33,895 | 4.0 | 3,863 | 32,915 | 4.1 |
| Long-term debt, excluding current installments | 1,691 | | 14,331 | 110 | | 1,581 | 81 | |
| Retirement and severance benefits | 27,534 | | 233,339 | 27,945 | | (411) | 28,839 | |
| Deferred income taxes | 4,048 | | 34,305 | 1,581 | | 2,467 | 751 | |
| Other noncurrent liabilities | 4,485 | | 38,008 | 4,259 | | 226 | 3,244 | |
| Total liabilities | 193,211 | 21.4 | 1,637,381 | 166,551 | 19.8 | 26,660 | 163,772 | 20.3 |
| Minority interests | 14,082 | 1.6 | 119,339 | 4,109 | 0.5 | 9,973 | 5,162 | 0.6 |
| Common stock | 32,641 | | 276,619 | 32,641 | | - | 32,641 | |
| Additional paid-in capital | 63,237 | | 535,907 | 63,237 | | - | 63,051 | |
| Legal reserve | 17,472 | | 148,067 | 17,322 | | 150 | 16,918 | |
| Retained earnings | 612,466 | | 5,190,390 | 601,416 | | 11,050 | 585,557 | |
| Accumulated other comprehensive income (loss) | (22,559) | | (191,178) | (38,085) | | 15,526 | (51,657) | |
| Treasury stock | (7,420) | | (62,881) | (7,849) | | 429 | (7,443) | |
| Total stockholders' equity | 695,837 | 77.0 | 5,896,924 | 668,682 | 79.7 | 27,155 | 639,067 | 79.1 |
| TOTAL | 903,130 | 100.0 | 7,653,644 | 839,342 | 100.0 | 63,788 | 808,001 | 100.0 |

Notes:

- Balance sheets as of December 31, 2005 is unaudited by independent accountants.
- U.S.\$1 = Yen 118

5) Statements of cash flows

[3rd Qtr. results]

| Item | Term | The 3rd Qtr. of FY2006 (October 1, 2005 - December 31, 2005) | | The 3rd Qtr. of FY2005 (Oct. 1, 2004 - Dec. 31, 2004) |
|--|------|---|--------------------|--|
| | | (Yen millions) | (U.S.\$ thousands) | (Yen millions) |
| Cash flows from operating activities: | | | | |
| Net income | | 16,568 | 140,407 | 12,209 |
| Loss from discontinued operations, net of tax | | - | - | 539 |
| Income from continuing operations | | 16,568 | 140,407 | 12,748 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | | 15,138 | 128,288 | 13,553 |
| Loss on disposal of property and equipment | | 640 | 5,424 | 349 |
| Deferred income taxes | | (178) | (1,508) | 89 |
| Loss (gain) on securities, net | | - | - | (53) |
| Changes in assets and liabilities: | | | | |
| Increase in trade receivables | | (17,050) | (144,492) | (9,650) |
| Decrease in inventories | | 763 | 6,466 | 6,435 |
| Increase in other current assets | | (1,123) | (9,517) | (1,762) |
| Increase (decrease) in trade payables | | (157) | (1,331) | 55 |
| Increase (decrease) in accrued expenses | | 4,553 | 38,585 | (2,497) |
| Increase (decrease) in income taxes payables, net | | (623) | (5,280) | 703 |
| Increase (decrease) in retirement and severance benefits, net | | 267 | 2,263 | 597 |
| Other-net | | 1,307 | 11,076 | 258 |
| Net cash provided by operating activities | | 20,105 | 170,381 | 20,825 |
| Cash flows from investing activities: | | | | |
| Capital expenditures | | (21,353) | (180,958) | (12,970) |
| Proceeds from sales and maturities of investments in securities | | 600 | 5,085 | 652 |
| Payment for purchase of subsidiaries, net of cash acquired | | (24,294) | (205,881) | - |
| Payment for purchase of other investments | | 177 | 1,500 | (66) |
| Proceeds from sales of property, plant and equipment | | 300 | 2,542 | 244 |
| Acquisition of minority interests | | (64) | (542) | - |
| Net cash used in investing activities | | (44,634) | (378,254) | (12,140) |
| Cash flows from financing activities: | | | | |
| Proceeds from long-term debt | | 107 | 907 | 34 |
| Repayment of long-term debt | | (38) | (322) | (30) |
| Increase (decrease) in short-term debt, net | | 605 | 5,127 | - |
| Sale (purchase) of treasury stock, net | | 349 | 2,958 | 98 |
| Dividends paid | | (5,288) | (44,814) | (3,966) |
| Net cash used in financing activities | | (4,265) | (36,144) | (3,864) |
| Net cash used in discontinued operations | | - | - | (261) |
| Effect of exchange rate changes on cash and cash equivalents | | 4,978 | 42,186 | (5,262) |
| Net decrease in cash and cash equivalents | | (23,816) | (201,831) | (702) |
| Cash and cash equivalents at beginning of period | | 224,645 | 1,903,772 | 235,969 |
| Cash and cash equivalents at end of period | | 200,829 | 1,701,941 | 235,267 |

Notes:

1. Above statements of cash flows for the 3rd quarter of FY2006 and FY2005 are unaudited by independent accountants.
2. In accordance with SFAS No. 144, "Accounting for the impairment or Disposal of Long-Lived Assets", the figures for the 3rd quarter of FY2005 relating to discontinued operations have been reclassified accordingly.
3. U.S.\$1=Yen 118

9 months period results

| Item | Term | The nine-month-period of FY2006 | | The nine-month-period of FY2005 |
|---|------|-------------------------------------|--------------------|---------------------------------|
| | | (April 1, 2005 - December 31, 2005) | | (Apr. 1, 2004 - Dec. 31, 2004) |
| | | (Yen millions) | (U.S.\$ thousands) | (Yen millions) |
| Cash flows from operating activities: | | | | |
| Net income | | 38,234 | 324,017 | 32,078 |
| Loss (income) from discontinued operations, net of tax | | (16) | (136) | 1,394 |
| Income from continuing operations | | 38,218 | 323,881 | 33,472 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | | 41,675 | 353,178 | 38,728 |
| Loss on disposal of property and equipment | | 1,606 | 13,610 | 582 |
| Deferred income taxes | | 1,138 | 9,644 | (3,222) |
| Loss (gain) on securities, net | | (414) | (3,509) | (148) |
| Changes in assets and liabilities: | | | | |
| Increase in trade receivables | | (26,871) | (227,720) | (10,723) |
| Increase in inventories | | (8,454) | (71,644) | (1,110) |
| Increase in other current assets | | (8,445) | (71,568) | (8,617) |
| Increase (decrease) in trade payables | | 8,660 | 73,390 | (2,194) |
| Increase in accrued expenses | | 7,985 | 67,669 | 730 |
| Increase (decrease) in income taxes payables, net | | (16,529) | (140,076) | 7,286 |
| Increase (decrease) in retirement and severance benefits, net | | 640 | 5,424 | 3,791 |
| Other-net | | (542) | (4,593) | 1,282 |
| Net cash provided by operating activities | | 38,667 | 327,686 | 59,857 |
| Cash flows from investing activities: | | | | |
| Capital expenditures | | (55,641) | (471,534) | (42,725) |
| Proceeds from sales and maturities of investments in securities | | 2,656 | 22,509 | 862 |
| Payment for purchase of investments in securities | | (3,517) | (29,805) | (200) |
| Payment for purchase of subsidiaries, net of cash acquired | | (32,995) | (279,619) | - |
| Payment for purchase of other investments | | (120) | (1,017) | (194) |
| Proceeds from sales of property, plant and equipment | | 928 | 7,865 | 1,111 |
| Acquisition of minority interests | | (2,587) | (21,924) | - |
| Proceeds from sales of discontinued operations | | 1,538 | 13,034 | - |
| Net cash used in investing activities | | (89,738) | (760,491) | (41,146) |
| Cash flows from financing activities: | | | | |
| Proceeds from long-term debt | | 211 | 1,788 | 171 |
| Repayment of long-term debt | | (96) | (813) | (83) |
| Increase (decrease) in short-term debt, net | | 605 | 5,127 | (325) |
| Sale (purchase) of treasury stock, net | | (170) | (1,441) | (1,390) |
| Dividends paid | | (10,578) | (89,644) | (7,938) |
| Net cash used in financing activities | | (10,028) | (84,983) | (9,565) |
| Net cash used in discontinued operations | | (88) | (746) | (979) |
| Effect of exchange rate changes on cash and cash equivalents | | 10,508 | 89,051 | (55) |
| Net increase (decrease) in cash and cash equivalents | | (50,679) | (429,483) | 8,112 |
| Cash and cash equivalents at beginning of period | | 251,508 | 2,131,424 | 227,155 |
| Cash and cash equivalents at end of period | | 200,829 | 1,701,941 | 235,267 |

Notes:

- Above statements of cash flows for the nine-month-period of FY2006 and FY2005 are unaudited by independent accountants.
- In accordance with SFAS No. 144, "Accounting for the impairment or Disposal of Long-Lived Assets", the figures for the nine-month-period of FY2005 relating to discontinued operations have been reclassified accordingly.
- U.S.\$1=Yen 118

(Notes)

1. The consolidated financial statements are prepared in conformity with the U.S. GAAP.
2. As of December 31, 2005, TDK had 90 subsidiaries (20 in Japan and 70 overseas). TDK also had 6 affiliates (4 in Japan and 2 overseas) whose financial statements are accounted for by the equity method.
3. Comprehensive income comprises net income and other comprehensive income. Other comprehensive income includes changes in foreign currency translation adjustments, minimum pension liability adjustments and net unrealized gains (losses) on securities. The net income, other comprehensive income, net of tax and total comprehensive income (loss) for the three months ended December 31, 2005 and 2004, and for the nine-month-period from April 1 through December 31, 2005 and 2004 were as follows;

| Item | Term | The 3rd Qtr. of FY2006 | | The 3rd Qtr. of FY2005 |
|---|------|--------------------------------|--------------------|--------------------------------|
| | | (Oct. 1, 2005 - Dec. 31, 2005) | | (Oct. 1, 2004 - Dec. 31, 2004) |
| | | (Yen millions) | (U.S.\$ thousands) | (Yen millions) |
| Net income | | 16,568 | 140,407 | 12,209 |
| Other comprehensive income, net of tax: | | | | |
| Foreign currency translation adjustments | | 13,594 | 115,203 | (12,284) |
| Minimum pension liability adjustments | | 1,589 | 13,466 | (2,141) |
| Net unrealized gains (losses) on securities | | 343 | 2,907 | (71) |
| Total comprehensive income (loss) | | 32,094 | 271,983 | (2,287) |

Note: U.S.\$1=Yen 118

| Item | Term | The nine-month-period of FY2006 | | The nine-month-period of FY2005 |
|---|------|---------------------------------|--------------------|---------------------------------|
| | | (Apr. 1, 2005 - Dec. 31, 2005) | | (Apr. 1, 2004 - Dec. 31, 2004) |
| | | (Yen millions) | (U.S.\$ thousands) | (Yen millions) |
| Net income | | 38,234 | 324,017 | 32,078 |
| Other comprehensive income, net of tax: | | | | |
| Foreign currency translation adjustments | | 26,961 | 228,483 | (485) |
| Minimum pension liability adjustments | | 2,112 | 17,898 | 6,043 |
| Net unrealized gains (losses) on securities | | 25 | 212 | (506) |
| Total comprehensive income | | 67,332 | 570,610 | 37,130 |

Note: U.S.\$1=Yen 118

6) Segment Information

[3rd Qtr. results]

The following industry and geographic segment information are required by the Japanese Securities Exchange Law.

1. Industry segment information

| Product | Term | The 3rd Qtr. of FY2006 (Oct. 1, 2005 - Dec. 31, 2005) | | | The 3rd Qtr. of FY2005 (Oct. 1, 2004 - Dec. 31, 2004) | | Change | |
|--|------|--|-------|--------------------|---|-------|----------------|-----------|
| | | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| Electronic materials and components | | | | | | | | |
| Net sales | | 192,091 | 100.0 | 1,627,890 | 143,746 | 100.0 | 48,345 | 33.6 |
| External sales | | 192,091 | | 1,627,890 | 143,746 | | 48,345 | 33.6 |
| Intersegment | | - | | - | - | | - | - |
| Operating expenses | | 169,892 | 88.4 | 1,439,763 | 124,167 | 86.4 | 45,725 | 36.8 |
| Operating income | | 22,199 | 11.6 | 188,127 | 19,579 | 13.6 | 2,620 | 13.4 |
| Recording media | | | | | | | | |
| Net sales | | 30,563 | 100.0 | 259,008 | 30,472 | 100.0 | 91 | 0.3 |
| External sales | | 30,563 | | 259,008 | 30,472 | | 91 | 0.3 |
| Intersegment | | - | | - | - | | - | - |
| Operating expenses | | 31,471 | 103.0 | 266,703 | 32,789 | 107.6 | (1,318) | -4.0 |
| Operating income (loss) | | (908) | -3.0 | (7,695) | (2,317) | -7.6 | 1,409 | 60.8 |
| TOTAL | | | | | | | | |
| Net sales | | 222,654 | 100.0 | 1,886,898 | 174,218 | 100.0 | 48,436 | 27.8 |
| External sales | | 222,654 | | 1,886,898 | 174,218 | | 48,436 | 27.8 |
| Intersegment | | - | | - | - | | - | - |
| Operating expenses | | 201,363 | 90.4 | 1,706,466 | 156,956 | 90.1 | 44,407 | 28.3 |
| Operating income | | 21,291 | 9.6 | 180,432 | 17,262 | 9.9 | 4,029 | 23.3 |

Note: U.S.\$1=Yen 118

2. Geographic segment information

| Region | Term | The 3rd Qtr. of FY2006 (Oct. 1, 2005 - Dec. 31, 2005) | | | The 3rd Qtr. of FY2005 (Oct. 1, 2004 - Dec. 31, 2004) | | Change | |
|---------------------------|-------------------------|--|-------|--------------------|---|-------|----------------|-----------|
| | | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| Japan | Net sales | 99,593 | 100.0 | 844,008 | 87,342 | 100.0 | 12,251 | 14.0 |
| | Operating income | 7,546 | 7.6 | 63,949 | 6,793 | 7.8 | 753 | 11.1 |
| Americas | Net sales | 27,109 | 100.0 | 229,737 | 22,010 | 100.0 | 5,099 | 23.2 |
| | Operating income | 1,816 | 6.7 | 15,390 | 1,911 | 8.7 | (95) | -5.0 |
| Europe | Net sales | 22,579 | 100.0 | 191,347 | 18,527 | 100.0 | 4,052 | 21.9 |
| | Operating income (loss) | 16 | 0.1 | 135 | (1,367) | -7.4 | 1,383 | - |
| Asia and others | Net sales | 148,968 | 100.0 | 1,262,441 | 107,922 | 100.0 | 41,046 | 38.0 |
| | Operating income | 12,297 | 8.3 | 104,212 | 9,494 | 8.8 | 2,803 | 29.5 |
| Intersegment eliminations | Net sales | 75,595 | | 640,635 | 61,583 | | 14,012 | |
| | Operating income (loss) | 384 | | 3,254 | (431) | | 815 | |
| Total | Net sales | 222,654 | 100.0 | 1,886,898 | 174,218 | 100.0 | 48,436 | 27.8 |
| | Operating income | 21,291 | 9.6 | 180,432 | 17,262 | 9.9 | 4,029 | 23.3 |

Notes:

- Net sales in each geographic area are based on the location of TDK entities where the sales are generated.
- U.S.\$1=Yen 118

3. Sales by region

| Region | Term | The 3rd Qtr. of FY2006 (Oct. 1, 2005 - Dec. 31, 2005) | | | The 3rd Qtr. of FY2005 (Oct. 1, 2004 - Dec. 31, 2004) | | Change | |
|----------------------|------|--|-------|--------------------|---|-------|----------------|-----------|
| | | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) |
| Americas | | 25,332 | 11.4 | 214,678 | 19,724 | 11.3 | 5,608 | 28.4 |
| Europe | | 22,578 | 10.2 | 191,339 | 18,581 | 10.7 | 3,997 | 21.5 |
| Asia and others | | 131,229 | 58.9 | 1,112,110 | 86,627 | 49.7 | 44,602 | 51.5 |
| Overseas sales total | | 179,139 | 80.5 | 1,518,127 | 124,932 | 71.7 | 54,207 | 43.4 |
| Japan | | 43,515 | 19.5 | 368,771 | 49,286 | 28.3 | (5,771) | -11.7 |
| Net sales | | 222,654 | 100.0 | 1,886,898 | 174,218 | 100.0 | 48,436 | 27.8 |

Notes:

- Overseas sales are based on the location of the customers.
- U.S.\$1=Yen 118

9 months period results

The following industry and geographic segment information are required by the Japanese Securities Exchange Law.

1. Industry segment information

| Product | Term | | The nine-month-period of FY2006 | | | The nine-month-period of FY2005 | | Change | |
|--|----------------|-------|---------------------------------|----------------|-------|---------------------------------|-----------|--------|--|
| | | | (Apr. 1, 2005 - Dec. 31, 2005) | | | (Apr. 1, 2004 - Dec. 31, 2004) | | | |
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) | | |
| Electronic materials and components | | | | | | | | | |
| Net sales | 492,811 | 100.0 | 4,176,365 | 404,832 | 100.0 | 87,979 | 21.7 | | |
| External sales | 492,811 | | 4,176,365 | 404,832 | | 87,979 | 21.7 | | |
| Intersegment | - | | - | - | | - | - | | |
| Operating expenses | 438,343 | 88.9 | 3,714,772 | 354,494 | 87.6 | 83,849 | 23.7 | | |
| Operating income | 54,468 | 11.1 | 461,593 | 50,338 | 12.4 | 4,130 | 8.2 | | |
| Recording media | | | | | | | | | |
| Net sales | 80,230 | 100.0 | 679,915 | 86,878 | 100.0 | (6,648) | -7.7 | | |
| External sales | 80,230 | | 679,915 | 86,878 | | (6,648) | -7.7 | | |
| Intersegment | - | | - | - | | - | - | | |
| Operating expenses | 85,357 | 106.4 | 723,364 | 92,214 | 106.1 | (6,857) | -7.4 | | |
| Operating income (loss) | (5,127) | -6.4 | (43,449) | (5,336) | -6.1 | 209 | 3.9 | | |
| TOTAL | | | | | | | | | |
| Net sales | 573,041 | 100.0 | 4,856,280 | 491,710 | 100.0 | 81,331 | 16.5 | | |
| External sales | 573,041 | | 4,856,280 | 491,710 | | 81,331 | 16.5 | | |
| Intersegment | - | | - | - | | - | - | | |
| Operating expenses | 523,700 | 91.4 | 4,438,136 | 446,708 | 90.8 | 76,992 | 17.2 | | |
| Operating income | 49,341 | 8.6 | 418,144 | 45,002 | 9.2 | 4,339 | 9.6 | | |

Note: U.S.\$1=Yen 118

2. Geographic segment information

| Region | Term | | The nine-month-period of FY2006 | | | The nine-month-period of FY2005 | | Change | |
|---------------------------|-------------------------|---------|---------------------------------|----------------|---------|---------------------------------|-----------|--------|--|
| | | | (Apr. 1, 2005 - Dec. 31, 2005) | | | (Apr. 1, 2004 - Dec. 31, 2004) | | | |
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) | | |
| Japan | Net sales | 266,440 | 100.0 | 2,257,966 | 260,438 | 100.0 | 6,002 | 2.3 | |
| | Operating income | 17,924 | 6.7 | 151,898 | 17,756 | 6.8 | 168 | 0.9 | |
| Americas | Net sales | 73,935 | 100.0 | 626,568 | 66,150 | 100.0 | 7,785 | 11.8 | |
| | Operating income | 6,716 | 9.1 | 56,915 | 4,250 | 6.4 | 2,466 | 58.0 | |
| Europe | Net sales | 55,082 | 100.0 | 466,797 | 54,435 | 100.0 | 647 | 1.2 | |
| | Operating income (loss) | (2,711) | -4.9 | (22,974) | (2,750) | -5.1 | 39 | 1.4 | |
| Asia and others | Net sales | 382,630 | 100.0 | 3,242,627 | 295,987 | 100.0 | 86,643 | 29.3 | |
| | Operating income | 28,632 | 7.5 | 242,644 | 26,828 | 9.1 | 1,804 | 6.7 | |
| Intersegment eliminations | Net sales | 205,046 | | 1,737,678 | 185,300 | | 19,746 | | |
| | Operating income | 1,220 | | 10,339 | 1,082 | | 138 | | |
| Total | Net sales | 573,041 | 100.0 | 4,856,280 | 491,710 | 100.0 | 81,331 | 16.5 | |
| | Operating income | 49,341 | 8.6 | 418,144 | 45,002 | 9.2 | 4,339 | 9.6 | |

Notes:

- Net sales in each geographic area are based on the location of TDK entities where the sales are generated.
- U.S.\$1=Yen 118

3. Sales by region

| Region | Term | | The nine-month-period of FY2006 | | | The nine-month-period of FY2005 | | Change | |
|----------------------|----------------|-------|---------------------------------|----------------|-------|---------------------------------|-----------|--------|--|
| | | | (Apr. 1, 2005 - Dec. 31, 2005) | | | (Apr. 1, 2004 - Dec. 31, 2004) | | | |
| | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | % | (Yen millions) | Change(%) | | |
| Americas | 64,798 | 11.3 | 549,136 | 59,525 | 12.1 | 5,273 | 8.9 | | |
| Europe | 55,247 | 9.7 | 468,195 | 54,554 | 11.1 | 693 | 1.3 | | |
| Asia and others | 323,399 | 56.4 | 2,740,669 | 240,723 | 49.0 | 82,676 | 34.3 | | |
| Overseas sales total | 443,444 | 77.4 | 3,758,000 | 354,802 | 72.2 | 88,642 | 25.0 | | |
| Japan | 129,597 | 22.6 | 1,098,280 | 136,908 | 27.8 | (7,311) | -5.3 | | |
| Net sales | 573,041 | 100.0 | 4,856,280 | 491,710 | 100.0 | 81,331 | 16.5 | | |

Notes:

- Overseas sales are based on the location of the customers.
- U.S.\$1=Yen 118

7) Supplementary Information (Consolidated)

Exchange rates used for conversion

| Term | Oct. 1, 2005 - Dec. 31, 2005 | | Oct. 1, 2004 - Dec. 31, 2004 | |
|-----------------------------|---------------------------------|----------|---------------------------------|----------|
| | US\$=Yen | Euro=Yen | US\$=Yen | Euro=Yen |
| Average rate for the period | 117.37 | 139.46 | 105.92 | 137.19 |
| The end of the period | 118.07 | 139.83 | 104.21 | 141.61 |

Consolidated

| Term | Oct. 1, 2005 - Dec. 31, 2005 | | Oct. 1, 2004 - Dec. 31, 2004 | | Change (%) | April 1, 2004 - March 31, 2005 | |
|--|---------------------------------|-----------------------|---------------------------------|-----------------------|---------------|-----------------------------------|-----------------------|
| | Amount (Yen millions) | Ratio to sales (%) | Amount (Yen millions) | Ratio to sales (%) | | Amount (Yen millions) | Ratio to sales (%) |
| Capital expenditures | 21,353 | - | 12,970 | - | 64.6 | 61,005 | - |
| Depreciation and amortization | 15,138 | 6.8 | 13,553 | 7.8 | 11.7 | 52,806 | 8.0 |
| Research and development | 11,788 | 5.3 | 9,123 | 5.2 | 29.2 | 36,348 | 5.5 |
| Result of financial income | 1,024 | | 370 | | 176.8 | 725 | |
| Number of employees (as at the end of the period) | 52,330 | | 36,211 | | | 37,115 | |
| Ratio of overseas production | 61.5 % | | 58.4 % | | | 59.0 % | |

Overseas sales by division

| Term | Oct. 1, 2005 - Dec. 31, 2005 | | Oct. 1, 2004 - Dec. 31, 2004 | | Change (%) | April 1, 2004 - March 31, 2005 | |
|-------------------------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|---------------|-----------------------------------|-----------------------|
| | Amount (Yen millions) | Ratio to sales (%) | Amount (Yen millions) | Ratio to sales (%) | | Amount (Yen millions) | Ratio to sales (%) |
| Electronic materials and components | 156,246 | 70.2 | 103,537 | 59.4 | 50.9 | 391,949 | 59.6 |
| Electronic materials | 35,161 | 15.8 | 31,364 | 18.0 | 12.1 | 126,644 | 19.2 |
| Electronic devices | 29,511 | 13.3 | 18,512 | 10.6 | 59.4 | 70,199 | 10.7 |
| Recording devices | 83,146 | 37.3 | 51,760 | 29.7 | 60.6 | 186,768 | 28.4 |
| Other electronic components | 8,428 | 3.8 | 1,901 | 1.1 | 343.3 | 8,338 | 1.3 |
| Recording media | 22,893 | 10.3 | 21,395 | 12.3 | 7.0 | 81,879 | 12.4 |
| Overseas sales | 179,139 | 80.5 | 124,932 | 71.7 | 43.4 | 473,828 | 72.0 |

9 months period results

Consolidated

| Term | April 1, 2005 - Dec. 31, 2005 | | April 1, 2004 - Dec. 31, 2004 | | Change (%) |
|-------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|---------------|
| | Amount (Yen millions) | Ratio to sales (%) | Amount (Yen millions) | Ratio to sales (%) | |
| Capital expenditures | 55,641 | - | 42,725 | - | 30.2 |
| Depreciation and amortization | 41,675 | 7.3 | 38,728 | 7.9 | 7.6 |
| Research and development | 30,203 | 5.3 | 26,581 | 5.4 | 13.6 |
| Result of financial income | 2,489 | | 856 | | 190.8 |
| Ratio of overseas production | 62.7 % | | 58.7 % | | |

Overseas sales by division

| Term | April 1, 2005 - Dec. 31, 2005 | | April 1, 2004 - Dec. 31, 2004 | | Change (%) |
|-------------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|---------------|
| | Amount (Yen millions) | Ratio to sales (%) | Amount (Yen millions) | Ratio to sales (%) | |
| Electronic materials and components | 383,219 | 66.9 | 291,960 | 59.4 | 31.3 |
| Electronic materials | 98,362 | 17.2 | 97,548 | 19.8 | 0.8 |
| Electronic devices | 68,251 | 11.9 | 53,379 | 10.9 | 27.9 |
| Recording devices | 200,021 | 34.9 | 135,209 | 27.5 | 47.9 |
| Other electronic components | 16,585 | 2.9 | 5,824 | 1.2 | 184.8 |
| Recording media | 60,225 | 10.5 | 62,842 | 12.8 | -4.2 |
| Overseas sales | 443,444 | 77.4 | 354,802 | 72.2 | 25.0 |