

## 2. Summary Information Regarding Consolidated Financial Position

(2-1) The following table summarizes TDK's consolidated balance sheet as at December 31, 2008, compared with March 31, 2008.

Total assets	¥1,136,248 million	(21.5% increase)
Total stockholders' equity	¥635,443 million	(11.3% decrease)
Stockholders' equity ratio	55.9%	(20.7 percentage point decrease)

At December 31, 2008, cash and cash equivalents were ¥11,102 million higher than at March 31, 2008. Inventories were ¥39,243 million higher, net property, plant and equipment rose ¥88,732 million, and other assets increased ¥72,844 million. In contrast, net trade receivables decreased ¥13,636 million and investments in securities declined ¥13,061 million. Overall, total assets increased by ¥200,715 million compared with March 31, 2008.

Total liabilities increased by ¥277,064 million compared with March 31, 2008, mainly reflecting increases of ¥224,319 million in short-term debt, ¥17,179 million in current installments of long-term debt and ¥7,011 million in long-term debt, excluding current installments. Retirement and severance benefits also increased by ¥23,541 million. The increase in short-term debt was mainly due to the procurement of funds for purchasing EPCOS AG shares.

Total stockholders' equity decreased by ¥81,134 million compared with March 31, 2008 due mainly to a ¥21,665 million decrease in retained earnings and a ¥61,026 million increase in accumulated other comprehensive income (loss).

### (2-2) Cash Flows

	Fiscal 2008 3Q	Fiscal 2009 3Q	Change
Net cash provided by operating activities	69,071	51,472	(17,599)
Net cash used in investing activities	(99,546)	(220,766)	(121,220)
Net cash provided by (used in) financing activities	(55,800)	198,864	254,664
Effect of exchange rate changes on cash and cash equivalents	(4,039)	(18,468)	(14,429)
Net increase (decrease) in cash and cash equivalents	(90,314)	11,102	101,416
Cash and cash equivalents at beginning of period	289,169	166,105	(123,064)
Cash and cash equivalents at end of period	198,855	177,207	(21,648)

Operating activities provided net cash of ¥51,472 million (U.S.\$565,626 thousand), a year-on-year decrease of ¥17,599 million. The main reason for this decrease was a net loss of ¥2,449 million (U.S.\$26,912 thousand) due to deteriorating market conditions and other factors. Depreciation and amortization increased ¥10,493 million to ¥61,189 million (U.S.\$672,407 thousand). In changes in assets and liabilities, trade receivables decreased ¥53,171 million, inventories decreased ¥2,424 million, trade payables decreased ¥35,737 million and accrued expenses decreased ¥7,273 million.

Investing activities used net cash of ¥220,766 million (U.S.\$2,426,000 thousand), ¥121,220 million more year on year. Capital expenditures increased by ¥27,941

million, proceeds from sale and maturity of short-term investments declined by ¥24,053 million and acquisition of subsidiaries' shares increased by ¥113,428 million. On the other hand, there was a ¥17,854 million decrease in payment for purchase of short-term investments, a ¥3,310 million increase in proceeds from sale and maturity of investments in securities, and a ¥7,187 million decrease in payment for purchase of investments in securities.

Financing activities provided net cash of ¥198,864 million (U.S.\$2,185,319 thousand), a ¥254,664 million change from the net cash used in the same period of the previous fiscal year. In the first nine months of fiscal 2008, the Company used ¥39,247 million to acquire its treasury shares and ¥15,683 million to pay dividends, among other outflows that resulted in the use of net cash of ¥55,800 million. In the first nine months of fiscal 2009, on the other hand, there was a net increase in short-term debt of ¥218,040 million mainly due to the procurement of funds to purchase EPCOS AG shares, while ¥18,056 million was used to pay dividends.