[Summary Information and Financial Statements]

1.Summary Information Regarding Consolidated Business Results

The first three quarters of fiscal 2010 in the electronics market, which has a large bearing on the consolidated performance of TDK, saw a sharp drop in production volumes of key finished products due to a contraction in demand caused by the synchronized global recession that emerged in the fall of 2008. However, production volumes of finished products have gradually trended higher over the first three quarters of fiscal 2010 on recovering demand. The degree of recovery in demand differs by finished product. For example, demand for notebook PCs, flat-screen TVs and HDDs was higher year-on-year over the first nine months of fiscal 2010. Contrastingly, overall demand for mobile phones was down year on year. Demand for electronic components is mirroring the trend for finished products.

Consolidated results for the first nine months of fiscal 2010, the period from April 1 to December 31, 2009, were as follows:

TDK posted consolidated net sales of ¥597,513 million (U.S.$6,494,707 thousand), up 1.6% year on year from ¥588,316 million in the first nine months of fiscal 2009. TDK recorded operating income of ¥17,495 million (U.S.$190,163 thousand), 88.7% better than the operating income of ¥9,272 million in the corresponding period of fiscal 2009. TDK also posted income before income taxes of ¥10,832 million (U.S.$117,739 thousand), compared with a loss before income taxes of ¥303 million in the corresponding period of the previous fiscal year. Furthermore, TDK recorded net income attributable to TDK Corp. of ¥9,966 million (U.S.$108,326 thousand), compared with a net loss attributable to TDK Corp. of ¥2,449 million in the first nine months of fiscal 2009. Net income attributable to TDK Corp. per common share (basic) was ¥77.26 (U.S.$0.8), compared with a basic net loss attributable to TDK Corp. per common share of ¥18.99 in the first nine months of fiscal 2009.

Average yen exchange rates for the U.S. dollar and euro during the first nine months of fiscal 2010 were ¥93.61 and ¥133.03, respectively, as the yen appreciated 9.0% versus the U.S. dollar and 11.9% against the euro, compared with the first nine months (April 1 to December 31) of the previous fiscal year. This lowered net sales by approximately ¥42.1 billion and operating income by approximately ¥12.4 billion.

(Sales by Sector)

TDK’s net sales are made up of four product sectors: (1) electronic materials, (2) electronic devices, (3) recording devices, and (4) others. Net sales of EPCOS AG and its subsidiaries, which were consolidated from the third quarter of fiscal 2009, are included in “others” because the EPCOS products segmentation doesn’t correspond to the segmentation used by TDK. Furthermore, recording media sales were included in the “others” sector based on management’s judgment that their materiality had declined following the August 2007 transfer of the TDK brand recording media sales business.

(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 dropped 22.0% from ¥124,210 million for the first nine months of fiscal 2009 to ¥96,867 million (U.S.$1,052,902 thousand).

[Capacitors] Sales of capacitors decreased year on year. This reflected lower sales of multilayer ceramic chip capacitors, the main product in the capacitors category, for use in key applications, namely PCs, AV equipment, game equipment, mobile phones and automobiles. Flagging demand, falling sales prices and an appreciating yen against the U.S. dollar were the main factors behind the decrease in overall sales.

[Ferrite cores and magnets] Sales of ferrite cores and magnets declined year on year, the result of lower sales of both products for use in main applications such as power supplies and HDDs.

(1-2) Electronic devices

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

Sales in the electronic devices sector declined 19.6% from ¥137,127 million for the first nine months of fiscal 2009 to ¥110,232 million (U.S.$1,198,174 thousand).

[Inductive devices] Sales of inductive devices decreased year on year. This reflected lower sales of mainstay coils, EMC products and transformers to key markets such as AV equipment, game equipment, mobile phones and automobiles.

[High-frequency components] Sales of high-frequency components decreased year on year, mainly reflecting the termination of some products.

[Other products] Sales of other products were down year on year, mainly reflecting lower sales of power supply products due chiefly to the termination of some products and lower sales for use in industrial equipment applications. Sales of sensors and actuators also fell.

(1-3) Recording devices

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

Sector sales decreased 0.7% from ¥208,420 million to ¥206,925 million (U.S.$2,249,185 thousand).

[HDD heads] Sales of HDD heads decreased slightly year on year. TDK's HDD head sales volume increased from the first nine months of fiscal 2009. Nevertheless, the effect of falling prices and the yen's appreciation against the U.S. dollar brought sales down in monetary terms.

[Other] Category sales increased slightly year on year.

(1-4) Others

This sector includes all TDK products not included in the three sectors above. Sector sales increased 54.8% from ¥118,559 million to ¥183,489 million (U.S.$1,994,446 thousand). The main reason for the increase was the inclusion in consolidated results of nine months' sales of EPCOS products amounting to ¥123,091 million for the period from April 1 to December 31, 2009, compared with the inclusion of only three months' sales of ¥35,878 million for the period from October 1 to December 31, 2008 in the corresponding nine-month period of fiscal 2009. The main products in the others sector, excluding EPCOS products, are recording media and energy devices (rechargeable batteries). Sales of recording media and energy devices declined.

(Sales by Region)

Detailed sales by region can be found in segment information on page 12. Sales in the others sector increased in all four regions. This mainly relates to the consolidation of EPCOS AG and its subsidiaries from the third quarter of fiscal 2009. Whereas in the first nine months of fiscal 2009 three months' sales of EPCOS products were included in the others sector, in the first nine months of fiscal 2010 nine months' sales were included.

[Japan] Overall sales declined, with sales decreasing in all product sectors except others.

[Americas] Overall sales declined, with sales decreasing in all product sectors except others.

[Europe] Overall sales increased, with higher sales in the others sector outweighing lower sales in the other three product sectors.

[Asia (excluding Japan) and other areas] Overall sales declined, with sales decreasing in the electronic materials and electronic devices sectors.

As a result, overseas sales rose 4.7% from ¥496,026 million to ¥519,477 million (U.S.$5,646,489 thousand). Overseas sales accounted for 86.9% of consolidated net sales, an increase of 2.6 percentage point from 84.3% in the corresponding period of the previous fiscal year.

2. Summary Information Regarding Consolidated Financial Position

(2-1) The following table summarizes TDK's consolidated balance sheet as of December 31, 2009.

Total assets	¥1,108,498 million	(0.7% increase from March 31, 2009)
Total stockholders' equity	¥535,022 million	(3.5% decrease from March 31, 2009)
Stockholders' equity ratio	48.3%	(2.0 point decrease from March 31, 2009)

At December 31, 2009, total assets had increased by ¥7,462 million compared with March 31, 2009. Net trade receivables increased by ¥40,587 million in line with recovering demand for electronic components. On the other hand, net property, plant and equipment, and other assets decreased by ¥19,912 million and ¥16,098 million, respectively.

Total liabilities increased by ¥30,084 million compared with March 31, 2009, the result mainly of a ¥31,403 million increase in trade payables from the same date in line with improving orders.

Total stockholders' equity decreased by ¥19,196 million from March 31, 2009. This reflected a ¥2,619 million decrease in retained earnings and a ¥14,643 million increase in accumulated other comprehensive loss.

(2-2) Cash Flows

(¥ millions)

	Fiscal 2009 3Q	Fiscal 2010 3Q	Change
Net cash provided by operating activities	51,472	78,637	27,165
Net cash used in investing activities	(220,600)	(77,529)	143,071
Net cash provided by (used in) financing activities	198,698	(20,007)	(218,705)
Effect of exchange rate changes on cash and cash equivalents	(18,468)	(6,547)	11,921
Net increase (decrease) in cash and cash equivalents	11,102	(25,446)	(36,548)
Cash and cash equivalents at beginning of period	166,105	165,705	(400)
Cash and cash equivalents at end of period	177,207	140,259	(36,948)

Operating activities provided net cash of ¥78,637 million (U.S.$854,750 thousand), a year-on-year increase of ¥27,165 million. TDK recorded net income of ¥9,404 million (U.S.$102,217 thousand), an increase of ¥12,278 million year on year. Depreciation and amortization increased ¥1,522 million to ¥62,711 million (U.S.$681,641 thousand). In changes in assets and liabilities, trade receivables increased ¥74,968 million and trade payables increased ¥50,488 million year on year. Inventories decreased ¥14,537 million year on year.

Investing activities used net cash of ¥77,529 million (U.S.$842,707 thousand), a decrease of ¥143,071 million year on year. There was a ¥108,079 million increase in payment for purchase of short-term investments. On the other hand, there was a ¥131,301 million decrease in acquisition of subsidiaries, net of cash acquired, a ¥76,022 million increase in proceeds from sale and maturity of short-term investments, and a ¥38,448 million decrease in capital expenditures.

Financing activities used net cash during the first nine months of fiscal 2010 compared with providing cash in the corresponding period of the previous fiscal year, resulting in a ¥218,705 million change in net cash from financing activities. In the first nine months of fiscal 2009, there was a net increase in short-term debt of ¥218,040 million, while ¥18,056 million was used to pay dividends. These and other changes provided net cash of ¥198,698 million. In the first nine months of fiscal 2010, however, in addition to ¥11,609 million (U.S.$126,185 thousand) used to pay dividends, ¥7,228 million (U.S.$78,565 thousand) was used for the acquisition of noncontrolling interests. These and other changes used net cash of ¥20,007 million (U.S.$217,467 thousand) in financing activities.

3. Summary Information Regarding Consolidated Projections

[Fiscal 2010 Consolidated Projections]

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2010, the year ending March 31, 2010, are as follows.

[Consolidated Projections for Fiscal 2010]

Item \ Term	February 2010 Announcement FY2010 (Forecasts) (¥ millions)	FY2009 (Actual) (¥ millions)	Change from FY2009 (¥ millions)	% change from FY2009	October 2009 Announcement FY2010 (Forecasts) (¥ millions)
Net sales	795,000	727,400	67,600	9.3	733,700
Operating income (loss)	22,000	(54,305)	76,305	-	15,400
Income (loss) before income taxes	14,000	(81,630)	95,630	-	7,400
Net income (loss) *	7,000	(63,160)	70,160	-	5,200

*From the fiscal year ending March 31, 2010, TDK is applying Accounting Standards Codification ("ASC") 810 (formerly Statement of Financial Accounting Standards No. 160) issued by the U.S. Financial Accounting Standards Board ("FASB"). "Net income" in the above forecasts is equivalent to "Net income attributable to TDK Corp." under ASC 810 and is calculated the same as "net income" before the application of ASC 810.

[Projections for Capital Expenditures, Depreciation and Amortization, and Research and Development Expenses]

(¥ millions)

Item \ Term	FY2010 (Forecasts)		FY2009 (Actual)	
	Amount	% of sales	Amount	% of sales
Capital expenditures	63,000	-	98,425	-
Depreciation and amortization	81,000	10.2	89,567	12.3
Research and development expenses	53,000	6.7	57,645	7.9

(Notes)

(Projections for main products are as follows:)

Electronic Materials and Electronic Devices

In terms of the production of key finished products that drive demand for electronic components, TDK has prepared its sales plans for electronic materials and electronic devices for the remainder of fiscal 2010 assuming higher production of notebook PCs and flat-screen TVs, but lower production of mobile phones year on year.

Recording Devices

TDK has prepared its sales plan for recording devices assuming year-on-year growth in demand for HDDs and HDD heads for the remainder of fiscal 2010.

(Tax Refund)

As a result of a ruling by the Tokyo National Tax Tribunal, TDK has had approximately ¥14.1 billion of incremental income rescinded. This incremental income is part of the incremental income assessed in correction notices based on transfer pricing issued by the Tokyo Regional Taxation Bureau dated June 29, 2005. Consequently, TDK has prepared its consolidated earnings forecast based on the assumption that it will receive a tax refund, including corporation tax and regional taxes as well as interest on overpaid taxes, of approximately ¥9.4 billion before the end of March 2010.

(Exchange Rate Forecast)

Average yen-U.S. dollar and yen-euro exchange rates of ¥90 and ¥120, respectively, are assumed for the fourth quarter of fiscal 2010.

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 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.

4. Notes to Consolidated Financial Statements

TDK adopted FASB Accounting Standards Codification ("ASC") 105, "Generally Accepted Accounting Principles" during and after the quarter ended September 30, 2009. ASC 105 establishes ASC as the sole source for authoritative U.S. generally accepted accounting principles, except for rules and interpretive releases issued by SEC. The adoption of ASC 105 did not have a material impact on TDK's financial position and results of operations.

TDK adopted ASC 810, "Consolidation" (formerly FASB Statement of Financial Accounting Standard ("SFAS") No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51") on April 1, 2009. ASC 810 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interests, changes in a parent's ownership interest, and the valuation of a retained noncontrolling equity investment when a subsidiary is deconsolidated. ASC 810 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners.

Upon the adoption of ASC 810, minority interests, which were previously shown between liabilities and stockholders' equity on the consolidated balance sheets, are now included in total equity as noncontrolling interests. TDK also has changed the presentation of its consolidated statements of operations and consolidated statements of cash flows. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the presentation used for the consolidated financial statements as of December 31, 2009. The adoption of ASC 810 did not have a material impact on TDK's financial position and results of operations.