



TDK Corporation

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February 4, 2011

TDK Corporation

Corporate Communications Department

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TDK Issues Corrections to Financial Results for the Third Quarter of Fiscal 2011

TDK Corporation (President: Takehiro Kamigama) announced today some corrections to errors in a section of its “Consolidated Results (U.S. GAAP) for the Nine-month Period of FY March 2011” announced on January 31, 2011. The errors and their corrections are detailed below.

1. Incorrect Data

Amounts for diluted net income attributable to TDK per common share for the nine-month period ended December 31, 2010.

2. Reason for Corrections

An error was made in aggregating the number of shares related to unexercised stock options when computing diluted net income attributable to TDK per common share.

3. Corrections

*Corrections are shown with double underlines in the tables.

1. Summary Information

(Before Correction)

Summary (April 1, 2010 - December 31, 2010)

Term Item	The 9-month-period of FY2010 (April 1, 2009 - Dec. 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - Dec. 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	597,513	100.0	662,171	100.0	8,174,951	64,658	10.8
Operating income	17,495	2.9	54,401	8.2	671,617	36,906	211.0
Income before income taxes	10,832	1.8	51,201	7.7	632,111	40,369	372.7
Net income attributable to TDK	9,966	1.7	38,711	5.8	477,914	28,745	288.4
Per common share :							
Net income attributable to TDK / Basic	Yen 77.26		Yen 300.10		U.S.\$ 3.70		
Net income attributable to TDK / Diluted	Yen 77.21		<u>Yen 299.77</u>		U.S.\$ 3.70		

(After Correction)

Summary (April 1, 2010 - December 31, 2010)

Term Item	The 9-month-period of FY2010 (April 1, 2009 - Dec. 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - Dec. 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	597,513	100.0	662,171	100.0	8,174,951	64,658	10.8
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Net income attributable to TDK / Basic	Yen 77.26		Yen 300.10		U.S.\$ 3.70		
Net income attributable to TDK / Diluted	Yen 77.21		<u>Yen 299.82</u>		U.S.\$ 3.70		



Amendments (February 4, 2011)

TDK Corporation
January 31, 2011

Contact;

TDK Corporation(Tokyo)

Corporate Communications Department

Tatsuhiko Atsumi

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Consolidated results (U.S. GAAP) for the 9-month-period of FY March 2011

Summary (April 1, 2010 - December 31, 2010)

Term Item	The 9-month-period of FY2010 (April 1, 2009 - Dec. 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - Dec. 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	597,513	100.0	662,171	100.0	8,174,951	64,658	10.8
Operating income	17,495	2.9	54,401	8.2	671,617	36,906	211.0
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Per common share :							
Net income attributable to TDK / Basic	Yen 77.26		Yen 300.10		U.S.\$ 3.70		
Net income attributable to TDK / Diluted	Yen 77.21		<u>Yen 299.82</u>		U.S.\$ 3.70		
Capital expenditures	48,335	-	54,081	-	667,667	5,746	11.9
Depreciation and amortization	62,711	10.5	57,511	8.7	710,012	(5,200)	-8.3
Research and development	40,213	6.7	38,885	5.9	480,062	(1,328)	-3.3
Result of financial income (loss)	(2,033)	-	(1,064)	-	(13,136)	969	-
Ratio of overseas production	79.9%	-	83.7%	-	-		
Number of employees	73,410	-	83,895	-	-		

3rd quarter consolidated results (October 1, 2010 - December 31, 2010)

Term Item	3Q of FY2010 (Oct. 1, 2009 - Dec. 31, 2009)		3Q of FY2011 (Oct. 1, 2010 - Dec. 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
Operating income	12,093	5.7	17,213	7.8	212,506	5,120	42.3
Income before income taxes	9,879	4.7	16,557	7.5	204,407	6,678	67.6
Net income attributable to TDK	8,826	4.2	12,595	5.7	155,494	3,769	42.7
Per common share :							
Net income attributable to TDK / Basic	Yen 68.42		Yen 97.64		U.S.\$ 1.21		
Net income attributable to TDK / Diluted	Yen 68.37		Yen 97.54		U.S.\$ 1.20		
Capital expenditures	15,194	-	20,264	-	250,173	5,070	33.4
Depreciation and amortization	21,583	10.2	19,747	9.0	243,790	(1,836)	-8.5
Research and development	13,238	6.3	12,506	5.7	154,395	(732)	-5.5
Result of financial income (loss)	(587)	-	(314)	-	(3,877)	273	-
Ratio of overseas production	84.2%	-	81.8%	-	-		

Note:

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

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[Summary Information and Financial Statements]

1. Qualitative Information Regarding Financial Results for the 3rd Quarter of Fiscal 2011

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first nine months of fiscal 2011, the period from April 1 to December 31, 2010, were as follows.

The world economy in the first nine months of fiscal 2011 saw a certain degree of recovery, after coming through the simultaneous global economic recession that began in the fall of 2008. However, going into October 2010 excessive sovereign debt problems resurfaced in some European countries, while in the U.S., economic indicators such as employment and housing market had yet to make a full-scaled recovery. On the other hand, China and other developing nations, which have led the global economic recovery, still show economic growth in contrast to Europe and the U.S., which still tend to follow the easy monetary policy, though there are rising fears of inflation and increasingly visible moves to tighten lending.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, production levels differ by finished product. Production of smartphones and tablet PCs in the October-December quarter of 2010 increased significantly compared with the April-June and July-September quarters of the same year. Production of finished products in the automobile and industrial equipment fields also grew steadily. However, production of notebook PCs and HDDs in the October-December quarter of 2010 was only marginally higher than in the April-June and July-September quarters of the same year. Production of these products tends to rise sharply in the October-December quarter in a typical year due primarily to demand related to the Christmas shopping season in Europe and the U.S.

Under these market conditions, TDK posted consolidated net sales of ¥662,171 million (U.S.\$8,174,951 thousand), an increase of 10.8% from ¥597,513 million reported in the corresponding period of the previous fiscal year. Operating income was ¥54,401 million (U.S.\$671,617 thousand), a 211.0% increase from ¥17,495 million reported in the corresponding period of the previous fiscal year. Income before income taxes was

¥51,201 million (U.S.\$632,111 thousand), a 372.7% increase from the ¥10,832 million reported in the corresponding period of the previous fiscal year. TDK recorded net income attributable to TDK of ¥38,711 million (U.S.\$477,914 thousand), a 288.4% increase from the ¥9,966 million reported in the corresponding period of the previous fiscal year. Basic net income attributable to TDK per common share was ¥300.10 (U.S.\$3.70), compared with ¥77.26 in the corresponding period of the previous fiscal year.

Average yen exchange rates for the U.S. dollar and the euro during the first nine months of fiscal 2011 were ¥86.84 and ¥113.27, respectively, as the yen appreciated 7.2% versus the U.S. dollar and 14.9% against the euro, compared to the corresponding period of the previous fiscal year. This lowered net sales by approximately ¥38.6 billion and operating income by approximately ¥12.7 billion.

Sales by Sector

Term Product	The 9-month-period of FY2010 (April 1, 2009 - December 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	97,037	16.3	110,880	16.8	1,368,889	13,843	14.3
Inductive devices	82,620	13.8	100,744	15.2	1,243,753	18,124	21.9
Other passive components	88,635	14.8	111,362	16.8	1,374,840	22,727	25.6
Passive Components	268,292	44.9	322,986	48.8	3,987,482	54,694	20.4
Recording devices	207,720	34.8	200,039	30.2	2,469,617	(7,681)	-3.7
Other magnetic application products	77,452	12.9	83,252	12.6	1,027,803	5,800	7.5
Magnetic Application Products	285,172	47.7	283,291	42.8	3,497,420	(1,881)	-0.7
Other	44,049	7.4	55,894	8.4	690,049	11,845	26.9
Consolidated total	597,513	100.0	662,171	100.0	8,174,951	64,658	10.8
Overseas sales	519,477	86.9	578,271	87.3	7,139,148	58,794	11.3

Note:

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

TDK changed sector classifications effective from April 1, 2010. Please see segment information on page 13 and consolidated supplementary information on page 17 for more details.

Passive Components Segment

This segment is made up of (1) capacitors, (2) inductive devices, and (3) other passive components. Sales in the passive components segment were ¥322,986 million (U.S.\$3,987,482 thousand), up 20.4% year on year from ¥268,292 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic

capacitors, and film capacitors. Sales in the capacitors business were ¥110,880 million (U.S.\$1,368,889 thousand), up 14.3% year on year from ¥97,037 million. The increased sales reflected higher sales of ceramic capacitors for communication equipment such as mobile phones, as well as in the automobile market. Higher sales of aluminum electrolytic capacitors and film capacitors for industrial equipment applications also contributed to the overall increase in capacitor business sales.

Sales of inductive devices increased 21.9% year on year from ¥82,620 million to ¥100,744 million (U.S.\$1,243,753 thousand). This rise was attributable to higher sales for use in home information appliances, communications equipment centered on smart phones, automobiles, and industrial equipment.

Other passive components include high-frequency components, piezoelectric materials and products, circuit protection components and sensors. Sales of high-frequency components rose year on year, the result mainly of increased sales to the communications equipment market. Sales of piezoelectric materials and products, circuit protection components and sensors increased year on year, mainly on account of higher sales to the communications equipment and industrial equipment markets.

Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales decreased 0.7% year on year from ¥285,172 million to ¥283,291 million (U.S.\$3,497,420 thousand).

The recording devices business is comprised of mainly HDD heads and HDD suspension assemblies. It recorded sales of ¥200,039 million (U.S.\$2,469,617 thousand), down 3.7% year on year from ¥207,720 million. This decrease mainly reflected price decline and the Japanese yen appreciation against the U.S. dollar, despite larger sales volume of HDD heads year-on-year.

Other magnetic application products include power supplies, magnets, and recording media. Sales in the power supplies business rose year on year, mainly due to higher sales for industrial equipment applications. Sales of magnets rose year on year, the

result primarily of higher sales to the automobile markets. Recording media sales declined year on year.

Other

The Other includes energy devices (rechargeable batteries), mechatronics (production equipment), and other businesses. Segment sales increased 26.9% year on year from ¥44,049 million to ¥55,894 million (U.S.\$690,049 thousand).

Sales by Region

Overseas sales increased 11.3% year on year from ¥519,477 million to ¥578,271 million (U.S.\$7,139,148 thousand). Overseas sales accounted for 87.3% of consolidated net sales, a 0.4 percentage point increase from 86.9% one year earlier. Detailed information on sales by region can be found in the consolidated supplementary information on page 15 and 16.

(2) Summary Information Regarding Consolidated Financial Position

1) The following table summarizes TDK's consolidated balance sheet as of December 31, 2010.

Total assets	¥1,047,258 million	(4.0% decrease)
Total TDK stockholders' equity	¥509,229 million	(6.3% decrease)
Stockholders' equity ratio	48.6%	(1.2 point decrease)

As of December 31, 2010, total assets had decreased ¥44,200 million compared with March 31, 2010. In terms of liquidity, cash and cash equivalents increased ¥16,812 million. However, short-term investments decreased ¥21,885 million, and marketable securities decreased ¥8,307 million. In addition, net property, plant and equipment decreased ¥12,880 million, and other assets decreased ¥20,427 million.

Total liabilities decreased ¥9,678 million from March 31, 2010. Debt decreased ¥6,383 million, mainly due to the repayment of long-term debt.

TDK stockholders' equity, which is included in total equity, declined ¥34,527 million from March 31, 2010. Retained earnings increased ¥30,218 million due to higher

earnings. However, accumulated other comprehensive loss increased ¥64,277 million, mainly due to a deterioration in foreign currency translation adjustments because of the yen's rapid appreciation since March 31, 2010.

2) Cash Flows

(Yen millions)

	The 9-month-period of FY 2010	The 9-month-period of FY 2011	Change
Net cash provided by operating activities	78,637	76,712	(1,925)
Net cash used in investing activities	(77,529)	(31,181)	46,348
Net cash used in financing activities	(20,007)	(12,505)	7,502
Effect of exchange rate changes on cash and cash equivalents	(6,547)	(16,214)	(9,667)
Net increase (decrease) in cash and cash equivalents	(25,446)	16,812	42,258
Cash and cash equivalents at beginning of period	165,705	132,984	(32,721)
Cash and cash equivalents at end of period	140,259	149,796	9,537

Operating activities provided net cash of ¥76,712 million (U.S.\$947,062 thousand), a year-on-year decrease of ¥1,925 million. TDK recorded net income of ¥38,760 million (U.S.\$478,519 thousand), an increase of ¥29,356 million year on year. Depreciation and amortization decreased ¥5,200 million to ¥57,511 million (U.S.\$710,012 thousand). In changes in assets and liabilities, a ¥29,880 million decrease in trade receivables contributed to the increase of operating cash flows. However, a ¥24,466 million increase in inventories and a ¥22,639 million decrease in trade payables both reduced operating cash flows.

Investing activities used net cash of ¥31,181 million (U.S.\$384,951 thousand), a decrease of ¥46,348 million in net cash used year on year. A ¥39,956 million increase in cash from proceeds from sale and maturity of short-term investments, and a ¥14,717 million decrease in cash used for the purchase of short-term investments contributed to such decrease.

Financing activities used net cash of ¥12,505 million (U.S.\$154,383 thousand), a decrease of ¥7,502 million year on year. There was a net increase in cash payments for debt of ¥2,226 million, with repayments of long-term debt, excluding refinancing with short-term debt, outweighing proceeds from new long-term debt. On the other hand, there was a ¥7,224 million year-on-year decrease in acquisition of noncontrolling interests.

(3) Summary Information Regarding Consolidated Projections

(Fiscal 2011 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2011, the year ending March 31, 2011, are as follows.

Term Item	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 millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net Sales	880,000	880,000	808,858	71,142	8.8
Operating Income	62,000	62,000	25,774	36,226	140.6
Income before income taxes	60,000	60,000	21,907	38,093	173.9
Net income attributable to TDK	45,000	45,000	13,520	31,480	232.8
Capital expenditures	75,000	75,000	64,370	10,630	16.5
Depreciation and amortization	82,000	82,000	83,788	(1,788)	-2.1
Research and development	53,000	53,000	53,942	(942)	-1.7

(Notes)

The above projection is based on the determination that compared with TDK's projections as of October 28, 2010, there should be no major change in demand for electronic components used in major finished products based on information regarding trends in the electronics market and major finished products etc, which is currently available to TDK Group (as defined below).

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥80 and ¥110 respectively are assumed for the fourth quarter of fiscal 2011.

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 positions could be materially different from any future results, performance, achievements or financial positions 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.

2. Other Information

(1) Changes in Significant Subsidiaries

Nothing to report

(2) Simplified Accounting Treatment and Special Accounting Treatment

Nothing to report

(3) Changes in Accounting Principles, Procedures and Presentation Methods

Nothing to report

(4) Fundamental Policy for Distribution of Earnings, and Fiscal 2011 Dividends

TDK recognizes that achieving growth in corporate value over the long term ultimately translates into higher shareholder value. In line with this recognition, TDK’s

fundamental policy is to work to consistently increase dividends through growth in earnings per share. By actively investing for growth, mainly in the development of new products and technologies in key fields so as to respond precisely to rapid technological advances in the electronics industry, TDK is aiming to increase long-term corporate value. Accordingly, TDK actively reinvests its profits in business activities and sets dividends taking comprehensively into consideration the return on equity (ROE) and dividends on equity (DOE) on a consolidated basis, as well as changes in the business environment, among other factors.

Projected dividends per share for fiscal 2011 are as follows. TDK keeps initial dividend forecast unchanged.

	FY2011	FY2010
(Yen)		Actual
Interim dividend	(Actual) 40.00	30.00
Year-end dividend	(Forecast) 40.00	30.00
Annual dividend	(Forecast) 80.00	60.00

3. Consolidated Financial Statements

(1) Balance Sheets

ASSETS									
Term Item	As of March 31, 2010		As of December 31, 2010			Change from March 31, 2010	As of September 30, 2010		Change from September 30, 2010
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	537,747	49.3	530,970	50.7	6,555,185	(6,777)	535,128	50.5	(4,158)
Cash and cash equivalents	132,984		149,796		1,849,333	16,812	130,451		19,345
Short-term investments	67,873		45,988		567,753	(21,885)	64,455		(18,467)
Marketable securities	22,405		14,098		174,049	(8,307)	16,962		(2,864)
Net trade receivables	169,349		165,847		2,047,494	(3,502)	169,850		(4,003)
Inventories	105,069		116,436		1,437,482	11,367	115,848		588
Other current assets	40,067		38,805		479,074	(1,262)	37,562		1,243
Noncurrent assets	553,711	50.7	516,288	49.3	6,373,926	(37,423)	525,391	49.5	(9,103)
Investments in securities	38,324		34,208		422,321	(4,116)	33,188		1,020
Net property, plant and equipment	318,205		305,325		3,769,444	(12,880)	308,722		(3,397)
Other assets	197,182		176,755		2,182,161	(20,427)	183,481		(6,726)
TOTAL	1,091,458	100.0	1,047,258	100.0	12,929,111	(44,200)	1,060,519	100.0	(13,261)

LIABILITIES AND EQUITY									
Term Item	As of March 31, 2010		As of December 31, 2010			Change from March 31, 2010	As of September 30, 2010		Change from September 30, 2010
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	251,377	23.0	277,405	26.5	3,424,753	26,028	279,114	26.3	(1,709)
Short-term debt	79,946		100,172		1,236,691	20,226	97,056		3,116
Current installments of long-term debt	10,554		11,283		139,296	729	10,567		716
Trade payables	84,988		83,704		1,033,383	(1,284)	87,141		(3,437)
Accrued expenses	63,249		63,069		778,630	(180)	66,718		(3,649)
Income taxes payables	3,541		7,166		88,469	3,625	6,104		1,062
Other current liabilities	9,099		12,011		148,284	2,912	11,528		483
Noncurrent liabilities	290,412	26.6	254,706	24.3	3,144,519	(35,706)	258,983	24.4	(4,277)
Long-term debt, excluding current installments	179,554		152,216		1,879,210	(27,338)	153,826		(1,610)
Retirement and severance benefits	84,304		80,944		999,309	(3,360)	82,480		(1,536)
Deferred income taxes	11,312		8,794		108,568	(2,518)	9,610		(816)
Other noncurrent liabilities	15,242		12,752		157,432	(2,490)	13,067		(315)
Total liabilities	541,789	49.6	532,111	50.8	6,569,272	(9,678)	538,097	50.7	(5,986)
Common stock	32,641		32,641		402,975	-	32,641		-
Additional paid-in capital	61,124		61,186		755,383	62	61,137		49
Legal reserve	21,823		21,278		262,691	(545)	22,144		(866)
Retained earnings	606,445		636,663		7,860,037	30,218	628,366		8,297
Accumulated other comprehensive income (loss)	(172,092)		(236,369)		(2,918,136)	(64,277)	(221,466)		(14,903)
Treasury stock	(6,185)		(6,170)		(76,173)	15	(6,179)		9
Total stockholders' equity	543,756	49.8	509,229	48.6	6,286,777	(34,527)	516,643	48.7	(7,414)
Noncontrolling interests	5,913	0.6	5,918	0.6	73,062	5	5,779	0.6	139
Total equity	549,669	50.4	515,147	49.2	6,359,839	(34,522)	522,422	49.3	(7,275)
TOTAL	1,091,458	100.0	1,047,258	100.0	12,929,111	(44,200)	1,060,519	100.0	(13,261)

Note:

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

(2) Statements of Income

[9-month-period results]

Term Item	The 9-month-period of FY2010 (April 1, 2009 - Dec. 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	597,513	100.0	662,171	100.0	8,174,951	64,658	10.8
Cost of sales	460,598	77.1	494,517	74.7	6,105,149	33,919	7.4
Gross profit	136,915	22.9	167,654	25.3	2,069,802	30,739	22.5
Selling, general and administrative expenses	117,376	19.6	113,253	17.1	1,398,185	(4,123)	-3.5
Restructuring cost	2,044	0.4	-	-	-	(2,044)	-
Operating income	17,495	2.9	54,401	8.2	671,617	36,906	211.0
Other income (deductions):							
Interest and dividend income	1,260		1,035		12,778	(225)	
Interest expense	(3,293)		(2,099)		(25,914)	1,194	
Foreign exchange gain (loss)	(1,107)		(2,323)		(28,679)	(1,216)	
Other-net	(3,523)		187		2,309	3,710	
Total other income (deductions)	(6,663)	-1.1	(3,200)	-0.5	(39,506)	3,463	-
Income before income taxes	10,832	1.8	51,201	7.7	632,111	40,369	372.7
Income taxes	1,428	0.2	12,441	1.9	153,592	11,013	771.2
Net income	9,404	1.6	38,760	5.8	478,519	29,356	312.2
Less: Net income (loss) attributable to noncontrolling interests	(562)	-0.1	49	0.0	605	611	-
Net income attributable to TDK	9,966	1.7	38,711	5.8	477,914	28,745	288.4

[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.

(3) Statements of Cash Flows

[9-month-period results]

Item	Term	The 9-month-period of FY2011	
	The 9-month-period of FY2010 (April 1, 2009 - December 31, 2009)	(April 1, 2010 - December 31, 2010)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	9,404	38,760	478,519
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	62,711	57,511	710,012
Changes in assets and liabilities, net of effects of acquisition of businesses:			
Decrease (increase) in trade receivables	(45,983)	(16,103)	(198,802)
Decrease (increase) in inventories	2,480	(21,986)	(271,432)
Increase (decrease) in trade payables	34,637	11,998	148,123
Increase (decrease) in accrued expenses	2,674	1,236	15,259
Increase (decrease) in changes in other assets and liabilities, net	6,866	5,061	62,482
Other-net	5,848	235	2,901
Net cash provided by operating activities	78,637	76,712	947,062
Cash flows from investing activities:			
Capital expenditures	(48,335)	(54,081)	(667,667)
Proceeds from sale and maturity of short-term investments	81,352	121,308	1,497,630
Payment for purchase of short-term investments	(121,444)	(106,727)	(1,317,617)
Proceeds from sale and maturity of investments in securities	15,254	15,846	195,629
Payment for purchase of investments in securities	(11,275)	(8,429)	(104,062)
Repayment of deposits for investments	6,912	-	-
Other-net	7	902	11,136
Net cash used in investing activities	(77,529)	(31,181)	(384,951)
Cash flows from financing activities:			
Proceeds from long-term debt	519	6,162	76,074
Repayment of long-term debt	(5,140)	(32,023)	(395,346)
Increase (decrease) in short-term debt, net	2,756	21,770	268,765
Dividends paid	(11,609)	(9,011)	(111,247)
Acquisition of noncontrolling interests	(7,228)	(4)	(49)
Other-net	695	601	7,420
Net cash used in financing activities	(20,007)	(12,505)	(154,383)
Effect of exchange rate changes on cash and cash equivalents	(6,547)	(16,214)	(200,173)
Net increase (decrease) in cash and cash equivalents	(25,446)	16,812	207,555
Cash and cash equivalents at beginning of period	165,705	132,984	1,641,778
Cash and cash equivalents at end of period	140,259	149,796	1,849,333

Note:

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

(4) Notes Concerning Going Concern Assumption

Nothing to report.

(5) Segment Information

In the past, TDK prepared segment information in accordance with Japan's regulations for consolidated financial statements in conformity with applicable exemption provisions in the U.S. Due to a revision to the exemption provisions by the U.S. Securities and Exchange Commission in September 2008, with the objective of strengthening reporting by foreign issuers, TDK has disclosed segment information in accordance with Accounting Standards Codification ("ASC") 280, "Segment Reporting," issued by the U.S. Financial Accounting Standards Board ("FASB"), generally accepted accounting principles in the U.S.

TDK classifies its businesses into two segments: 1) Passive Components, 2) Magnetic Application Products, and Other. For details, please see page 17.

【9-month-period results】

Net sales by industry segment

		The 9-month-period of FY2010 (April 1, 2009 - December 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	268,292	44.9	322,986	48.8	3,987,482	54,694	20.4
	Intersegment	69		2,019		24,926	1,950	-
	Total	268,361		325,005		4,012,408	56,644	21.1
Magnetic Application Products	External customers	285,172	47.7	283,291	42.8	3,497,420	(1,881)	-0.7
	Intersegment	2,868		4,183		51,642	1,315	45.9
	Total	288,040		287,474		3,549,062	(566)	-0.2
Other	External customers	44,049	7.4	55,894	8.4	690,049	11,845	26.9
	Intersegment	5,837		10,153		125,346	4,316	73.9
	Total	49,886		66,047		815,395	16,161	32.4
Intersegment eliminations		(8,774)		(16,355)		(201,914)	(7,581)	
Consolidated total		597,513	100.0	662,171	100.0	8,174,951	64,658	10.8

Segment profit (loss) by industry segment

	The 9-month-period of FY2010 (April 1, 2009 - December 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	(8,738)	-3.3	19,705	6.1	243,272	28,443	-
Magnetic Application Products	31,777	11.1	40,133	14.2	495,469	8,356	26.3
Other	3,097	7.0	4,682	8.4	57,802	1,585	51.2
Sub total	26,136	4.4	64,520	9.7	796,543	38,384	146.9
Corporate and Eliminations	(8,641)		(10,119)		(124,926)	(1,478)	
Operating income	17,495	2.9	54,401	8.2	671,617	36,906	211.0

Note:

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

[3rd quarter results]

Net sales by industry segment

		3Q of FY2010 (October 1, 2009 - December 31, 2009)		3Q of FY2011 (October 1, 2010 - December 31, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	94,315	44.6	108,424	49.3	1,338,568	14,109	15.0
	Intersegment	26		878		10,840	852	-
	Total	94,341		109,302		1,349,408	14,961	15.9
Magnetic Application Products	External customers	101,990	48.2	90,785	41.3	1,120,803	(11,205)	-11.0
	Intersegment	949		1,138		14,049	189	19.9
	Total	102,939		91,923		1,134,852	(11,016)	-10.7
Other	External customers	15,357	7.2	20,728	9.4	255,901	5,371	35.0
	Intersegment	1,722		3,721		45,938	1,999	116.1
	Total	17,079		24,449		301,839	7,370	43.2
Intersegment eliminations		(2,697)		(5,737)		(70,827)	(3,040)	
Consolidated total		211,662	100.0	219,937	100.0	2,715,272	8,275	3.9

Segment profit by industry segment

		3Q of FY2010 (October 1, 2009 - December 31, 2009)		3Q of FY2011 (October 1, 2010 - December 31, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		254	0.3	6,251	5.8	77,173	5,997	-
Magnetic Application Products		14,564	14.3	11,520	12.7	142,222	(3,044)	-20.9
Other		1,059	6.9	1,951	9.4	24,086	892	84.2
Sub total		15,877	7.5	19,722	9.0	243,481	3,845	24.2
Corporate and Eliminations		(3,784)		(2,509)		(30,975)	1,275	
Operating income		12,093	5.7	17,213	7.8	212,506	5,120	42.3

Note:

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

(6) Notes Concerning Significant Change in Stockholders' Equity

Nothing to report.

(7) Consolidated Supplementary Information

1. Exchange rates used for conversion

Item \ Term	As of December 31, 2009		As of December 31, 2010		As of March 31, 2010	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	92.10	132.00	81.49	107.90	93.04	124.92

2. Geographic information

[9-month-period results]

Term \ Region		The 9-month-period of FY2010 (April 1, 2009 - December 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Japan	Net sales	199,584	100.0	225,105	100.0	2,779,074	25,521	12.8
	Operating income (loss)	(13,366)	-6.7	(3,218)	-1.4	(39,729)	10,148	-
Americas	Net sales	58,115	100.0	74,450	100.0	919,136	16,335	28.1
	Operating income (loss)	(1,791)	-3.1	6,187	8.3	76,383	7,978	-
Europe	Net sales	112,534	100.0	142,910	100.0	1,764,321	30,376	27.0
	Operating income (loss)	(15,384)	-13.7	(3,685)	-2.6	(45,494)	11,699	-
Asia and others	Net sales	442,903	100.0	486,953	100.0	6,011,766	44,050	9.9
	Operating income	48,172	10.9	56,179	11.5	693,568	8,007	16.6
Eliminations	Net sales	215,623		267,247		3,299,346	51,624	
	Operating income	136		1,062		13,111	926	
Total	Net sales	597,513	100.0	662,171	100.0	8,174,951	64,658	10.8
	Operating income	17,495	2.9	54,401	8.2	671,617	36,906	211.0

[3rd quarter results]

Term \ Region		3Q of FY2010 (October 1, 2009 - December 31, 2009)		3Q of FY2011 (October 1, 2010 - December 31, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Japan	Net sales	77,254	100.0	72,449	100.0	894,432	(4,805)	-6.2
	Operating income (loss)	1,639	2.1	(902)	-1.2	(11,136)	(2,541)	-
Americas	Net sales	16,436	100.0	24,454	100.0	301,901	8,018	48.8
	Operating income (loss)	(4,668)	-28.4	2,411	9.9	29,765	7,079	-
Europe	Net sales	40,365	100.0	50,464	100.0	623,012	10,099	25.0
	Operating income (loss)	(4,708)	-11.7	(1,685)	-3.3	(20,802)	3,023	-
Asia and others	Net sales	156,491	100.0	159,247	100.0	1,966,013	2,756	1.8
	Operating income	19,729	12.6	17,875	11.2	220,679	(1,854)	-9.4
Eliminations	Net sales	78,884		86,677		1,070,086	7,793	
	Operating income (loss)	(101)		486		6,000	587	
Total	Net sales	211,662	100.0	219,937	100.0	2,715,272	8,275	3.9
	Operating income	12,093	5.7	17,213	7.8	212,506	5,120	42.3

Notes:

- 1 Net sales in each geographic area are based on the location of TDK entities where the sales are generated.
- 2 U.S.\$1=Yen 81, for convenience only.

3. Sales by region

【9-month-period results】

Term Region	The 9-month-period of FY2010 (April 1, 2009 - December 31, 2009)		The 9-month-period of FY2011 (April 1, 2010 - December 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	59,278	9.9	68,151	10.3	841,370	8,873	15.0
Europe	80,677	13.5	94,408	14.2	1,165,531	13,731	17.0
Asia and others	379,522	63.5	415,712	62.8	5,132,247	36,190	9.5
Overseas sales total	519,477	86.9	578,271	87.3	7,139,148	58,794	11.3
Japan	78,036	13.1	83,900	12.7	1,035,803	5,864	7.5
Net sales	597,513	100.0	662,171	100.0	8,174,951	64,658	10.8

【3rd quarter results】

Term Region	3Q of FY2010 (October 1, 2009 - December 31, 2009)		3Q of FY2011 (October 1, 2010 - December 31, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	22,808	10.8	20,768	9.5	256,395	(2,040)	-8.9
Europe	29,003	13.7	31,554	14.3	389,556	2,551	8.8
Asia and others	130,624	61.7	138,797	63.1	1,713,543	8,173	6.3
Overseas sales total	182,435	86.2	191,119	86.9	2,359,494	8,684	4.8
Japan	29,227	13.8	28,818	13.1	355,778	(409)	-1.4
Net sales	211,662	100.0	219,937	100.0	2,715,272	8,275	3.9

Notes:

- 1 Overseas sales are based on the location of the customers.
- 2 U.S.\$1=Yen 81, for convenience only.

4. Company group

As of December 31, 2010, TDK had 128 subsidiaries (15 in Japan and 113 overseas).

TDK also had 8 affiliates (4 in Japan and 4 overseas) whose financial statements are accounted for by the equity method.

5. Overview of net sales by product

Term Product	1Q of FY2010 (April 1, 2009 - June 30, 2009)		2Q of FY2010 (July 1, 2009 - September 30, 2009)		3Q of FY2010 (October 1, 2009 - December 31, 2009)		4Q of FY2010 (January 1, 2010 - March 31, 2010)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	28,812	15.9	33,580	16.4	34,645	16.4	36,071	17.1
Inductive devices	24,758	13.6	28,917	14.2	28,945	13.7	29,338	13.9
Other	26,653	14.7	31,257	15.3	30,725	14.5	31,104	14.7
Passive Components	80,223	44.2	93,754	45.9	94,315	44.6	96,513	45.7
Recording devices	62,854	34.6	71,039	34.8	73,827	34.9	72,281	34.2
Other	24,076	13.3	25,213	12.3	28,163	13.3	26,287	12.4
Magnetic Application Products	86,930	47.9	96,252	47.1	101,990	48.2	98,568	46.6
Other	14,393	7.9	14,299	7.0	15,357	7.2	16,264	7.7
Consolidated total	181,546	100.0	204,305	100.0	211,662	100.0	211,345	100.0

Term Product	1Q of FY2011 (April 1, 2010 - June 30, 2010)		2Q of FY2011 (July 1, 2010 - September 30, 2010)		3Q of FY2011 (October 1, 2010 - December 31, 2010)		
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	37,985	17.1	37,745	17.1	35,150	16.0	433,951
Inductive devices	32,513	14.6	34,286	15.6	33,945	15.4	419,074
Other	34,583	15.6	37,450	17.0	39,329	17.9	485,543
Passive Components	105,081	47.3	109,481	49.7	108,424	49.3	1,338,568
Recording devices	71,668	32.3	65,332	29.7	63,039	28.7	778,260
Other	28,594	12.9	26,912	12.2	27,746	12.6	342,543
Magnetic Application Products	100,262	45.2	92,244	41.9	90,785	41.3	1,120,803
Other	16,582	7.5	18,584	8.4	20,728	9.4	255,901
Consolidated total	221,925	100.0	220,309	100.0	219,937	100.0	2,715,272

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

New Classification	Constituent Main business
Passive Components*	Ceramic capacitors, Aluminum electrolytic capacitors, Film capacitors, Inductive devices (Coils/Ferrite cores/Transformers), High-frequency devices, Piezoelectric material products, Circuit protection components, Sensors
Magnetic Application Products	Recording devices, Power supplies, Magnets, Recording media
Other	Energy devices (rechargeable batteries), Mechatronics (production equipments), other

* The products of EPCOS have been allocated to similar businesses in the Passive Components.

Previous Classification	Constituent Main Business
Electronic materials	Ferrite cores, Ceramic capacitors, Magnets
Electronic devices	Inductive devices (Coils/Transformers), High-frequency devices, Power supplies, Sensors, Piezoelectric materials and products
Recording devices	HDD Heads, other
Other	Energy devices (rechargeable batteries), Mechatronics (production equipment), EPCOS products, Recording media