

[Summary Information and Financial Statements]

1. Business Results

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for fiscal 2012, the year ended March 31, 2012, were as follows.

Looking at the world economy in fiscal 2012, while emerging countries maintained solid growth as a whole, industrialized economies faced a slowdown in economic activity and financial and capital market turmoil triggered by sovereign debt problems in Europe, which increased uncertainty regarding the economic outlook. The Japanese economy saw a marked downturn and stagnated as a result of supply chain interruptions due to the Great East Japan Earthquake and restrictions on power supplies due to the nuclear accident. Economic activity in Japan was also impacted by the yen's appreciation, rising resource prices and other factors. Furthermore, flooding in Thailand in the second half of fiscal 2012 negatively impacted Japanese corporate earnings and business activity.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, production levels differ by finished product. Production of mobile phones, especially smartphones, and tablet devices, remained strong, rising year on year, on the back of expanding demand. On the other hand, production of flat-screen TVs and PCs was almost the same as the previous fiscal year. Hard disk drive (HDD) production dropped year on year, as a result of the impact of flooding in Thailand. Production of hybrid vehicle and electric vehicle was increased year on year.

Under these market conditions, TDK posted consolidated net sales of ¥814,497 million (U.S.\$9,932,890 thousand), a decrease of 6.6% from the ¥871,943 million reported in fiscal 2011. Operating income was ¥18,687 million (U.S.\$227,890 thousand), a 70.9% decrease from ¥64,321 million in fiscal 2011. Income from continuing operations before income taxes was ¥12,245 million (U.S.\$149,329 thousand), down 79.8% from ¥60,620 million in fiscal 2011. TDK recorded net loss attributable to TDK of ¥2,454 million (U.S.\$29,927 thousand) although TDK posted net income attributable to TDK of ¥45,264 million in fiscal 2011. Basic net loss attributable to TDK per common share was ¥19.06 (U.S.\$0.23), compared with ¥350.90 in fiscal 2011.

* Effective from fiscal 2012, TDK has shown earnings related to the display business, which have been included in Other, as discontinued operations in the consolidated statements of operations, in accordance with the provisions of Accounting Standards Codification ("ASC") Subtopic 205-20, "Presentation of Financial Statements—Discontinued Operations," issued by the U.S. Financial Accounting Standards Board ("FASB"). Consequently, fiscal 2011 figures have been restated to match the presentation in fiscal 2012.

Average exchange rates for the U.S. dollar and euro during fiscal 2012 were ¥79.07 and ¥109.06, respectively, as the yen appreciated 7.8% versus the U.S. dollar and 3.6% against the euro year on year. This lowered net sales by approximately ¥50.9 billion and operating income by approximately ¥15.1 billion. The Great East Japan Earthquake, including the subsequent aftershocks and blackouts, resulted in declines of approximately ¥5.4 billion in net sales and

approximately ¥3.5 billion in operating income in fiscal 2012. In addition, flooding in Thailand occurred in the third quarter of fiscal 2012 resulted in a decline of approximately ¥14.7 billion in net sales and an approximate ¥4.9 billion decline in operating income in the second half of fiscal 2012. The first quarter also saw TDK incur a one-off charge of approximately ¥3.1 billion at the operating income level, mainly associated with changes made to TDK's pension plan. Furthermore, TDK recorded a one-off charge of approximately ¥13.0 billion at the operating income level in association with structural reforms carried out during fiscal 2012.

TDK additionally booked income taxes of approximately ¥12.0 billion in the third quarter, due to the impact of a corporate tax reduction and the special corporation tax for reconstruction, as well as the reassessment of the recoverability of deferred tax assets.

Overview of net sales by product

Term Product	FY2011 (April 1, 2010 - March 31, 2011)		FY2012 (April 1, 2011 - March 31, 2012)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	145,393	16.7	132,364	16.3	1,614,195	(13,029)	-9.0
Inductive devices	130,183	14.9	121,201	14.9	1,478,061	(8,982)	-6.9
Other	149,956	17.2	128,011	15.7	1,561,110	(21,945)	-14.6
Passive Components	425,532	48.8	381,576	46.9	4,653,366	(43,956)	-10.3
Recording devices	257,522	29.5	208,728	25.6	2,545,463	(48,794)	-18.9
Other	98,951	11.4	107,674	13.2	1,313,098	8,723	8.8
Magnetic Application Products	356,473	40.9	316,402	38.8	3,858,561	(40,071)	-11.2
Applied Film Products	58,597	6.7	92,727	11.4	1,130,817	34,130	58.2
Other	31,341	3.6	23,792	2.9	290,146	(7,549)	-24.1
Consolidated total	871,943	100.0	814,497	100.0	9,932,890	(57,446)	-6.6
Overseas sales	763,046	87.5	702,469	86.2	8,566,695	(60,577)	-7.9

Notes:

1. U.S.\$1=Yen 82, for convenience only.
2. Reportable segments are changed and sales in discontinued operations are excluded. And certain products are reclassified from "Inductive devices" to "Other (i.e., other than 2 reportable segments)" due to the reorganization from April 1, 2012. The prior year's sales are also reclassified to conform to the new segmentation. Please refer to "Segment information" on page 16 and 17 for new segmentation.

[Sales by Sector]

(1) 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 ¥381,576 million (U.S.\$4,653,366 thousand), down 10.3% year on year from ¥425,532 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors and film capacitors. Sales in the capacitors business were ¥132,364 million (U.S.\$1,614,195 thousand), down 9.0% year on year from ¥145,393 million. Sales of aluminum electrolytic capacitors and film capacitors were higher for industrial equipment and automobiles. However, sales of ceramic capacitors declined mainly to the home information appliance market.

Sales of inductive devices decreased 6.9% year on year from ¥130,183 million to ¥121,201 million (U.S.\$1,478,061 thousand). Although TDK recorded higher sales for use in automobiles, there was a decline in sales for use in home information appliances.

Other passive components include high-frequency components, piezoelectric material components,

circuit protection devices, and sensors. Sales of other passive components decreased 14.9% year on year from ¥149,956 million to ¥128,011 million (U.S.\$1,561,110 thousand). Sales of high-frequency components decreased mainly to the communications equipment market. Sales of piezoelectric material components, circuit protection devices declined to the industrial equipment market.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices, and (2) other magnetic application products. Segment sales decreased 11.2% year on year, from ¥356,473 million to ¥316,402 million (U.S.\$3,858,561 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded sales of ¥208,728 million (U.S.\$2,545,463 thousand), down 18.9% year on year from ¥257,522 million. HDD head sales volume declined in line with the lower HDD production caused by the flooding in Thailand. The overall decline also reflected price declines and the strong Japanese yen against the U.S. dollar.

Other magnetic application products include power supplies and magnets. Sales increased 8.8% year on year from ¥98,951 million to ¥107,674 million (U.S.\$1,313,098 thousand). Sales of power supplies decreased to the industrial equipment market, but increased to the automotive market. Magnet sales grew steadily mainly to the automotive market.

(3) Applied Film Products Segment

This segment includes energy devices (rechargeable batteries), among other products. Segment sales increased 58.2% year on year from ¥58,597 million to ¥92,717 million (U.S.\$1,130,817 thousand). Sales of energy devices to both the communications equipment market, particularly for smartphone applications, and the home information appliance market increased markedly.

(4) Other

Other includes mechatronics (production equipment) and other businesses. Segment sales declined 24.1% year on year from ¥31,341 million to ¥23,792 million (U.S.\$290,146 thousand).

[Sales by Region]

Overseas sales decreased 7.9% year on year from ¥763,046 million to ¥702,469 million (U.S.\$ thousand). Overseas sales accounted for 86.2% of consolidated net sales, a 1.3 percentage point decrease from 87.5% one year earlier. Detailed information on sales by region can be found in the consolidated supplementary information on page 21.

[Fiscal 2013 Consolidated Projections]

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2013, the year ending March 31, 2013, are as follows.

Term Item	FY2013 (April 1, 2012 - March 31, 2013)	FY2012 (April 1, 2011 - March 31, 2012)	vs FY2012 Changes	
	Forecast in April'12	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	%
Net Sales	900,000	814,497	85,503	10.5
Operating Income	57,000	18,687	38,313	205.0
Income before income taxes	53,000	12,245	40,755	332.8
Net income attributable to TDK	40,000	-2,454	42,454	-
Capital expenditures	85,000	99,653	(14,653)	-14.7
Depreciation and amortization	82,000	79,918	2,082	2.6
Research and development	53,000	52,551	449	0.9

(Exchange Rate Assumption)

Average yen exchange rates against the U.S. dollar and the euro of ¥77 and ¥103 respectively will be assumed from the forth quarter onward.

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 and/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) Summary Information Regarding Consolidated Financial Position

(1) The following table summarizes TDK's consolidated balance sheet as of March 31, 2012.

Total assets	¥1,072,829 million	(1.1% increase)
Total TDK stockholders' equity	¥498,159 million	(6.8% decrease)
Stockholders' equity ratio	46.4%	(4.0 point decrease)

As of March 31, 2012, total assets had increased ¥11,976 million compared with March 31, 2011. In terms of liquidity, cash and cash equivalents increased ¥37,924 million, short-term investments decreased ¥44,435 million and marketable securities decreased ¥16,909 million, respectively. In addition, net trade receivables increased ¥12,619 million, inventories increased ¥15,552 million and property, plant and equipment increased ¥13,922 million, respectively. On the other hand, other assets decreased ¥22,219 million.

Total liabilities increased ¥39,696 million from March 31, 2011. Debt increased ¥27,871 million, mainly due to the proceeds from long-term debt.

TDK stockholders' equity, which is included in total equity, declined ¥36,114 million from March 31, 2011 due mainly to a ¥15,164 million decrease in retained earnings and a ¥13,093 million increase in treasury stock.

(2) Cash Flows

(Yen millions)

	FY March 2011	FY March 2012	Change
Net cash provided by operating activities	101,879	55,334	(46,545)
Net cash used in investing activities	(61,341)	(29,898)	31,443
Net cash provided by (used in) financing activities	(31,860)	12,929	44,789
Effect of exchange rate changes on cash and cash equivalents	(12,571)	(441)	12,130
Net increase (decrease) in cash and cash equivalents	(3,893)	37,924	41,817
Cash and cash equivalents at beginning of period	132,984	129,091	(3,893)
Cash and cash equivalents at end of period	129,091	167,015	37,924

Operating activities provided net cash of ¥55,334 million (U.S. \$674,805 thousand), a year on year decrease of ¥46,545 million. TDK recorded a net loss of ¥1,701 million (U.S. \$20,744 thousand) due to mainly one-time structure reform expenses and the reassessment of the recovery of deferred tax assets. Depreciation and amortization increased ¥2,603 million to ¥80,197 million (U.S. \$978,012 thousand). In changes in assets and liabilities, a ¥6,446 million decrease in accrued expenses, a ¥4,525 million decrease in trade payables, and a ¥4,204 million increase in trade receivables reduced operating cash flows.

Investing activities used net cash of ¥29,898 million (U.S. \$364,610 thousand), a decrease of ¥31,443 million year on year. There was a ¥138,834 million decrease in payment for purchase of short-term investments and a ¥10,826 million increase in proceeds from sales of tangible and intangible assets, which outweighed a ¥106,409 million decrease in proceeds from sale and maturity of short-term investments and a ¥21,015 million increase in capital expenditures.

In fiscal 2012, TDK provided net cash in financing activities, which used net cash in fiscal 2011. The net change year on year was ¥44,789 million. In fiscal 2011, there was a net increase in short-term debt of ¥19,616 million. On the other hand, ¥49,522 million and ¥9,035 million were used to repay long-term debt and pay dividends, respectively. TDK used net cash of ¥31,860 million in these and other financing activities. In fiscal 2012, ¥56,046 million (U.S. \$683,488 thousand), ¥13,260 million (U.S. \$161,707 thousand), and ¥10,321 million (U.S. \$125,866 thousand) were used to repay long-term debt, purchase of treasury stock, and pay dividends, respectively. On the other hand, there were proceeds from long-term debt of ¥50,306 million (U.S. \$613,488 thousand), a net increase in short-term debt of ¥32,487 million (U.S. \$396,183 thousand), and proceeds from noncontrolling interest shareholders of ¥11,061 million (U.S. \$134,890 thousand). These and other financing activities provided net cash of ¥12,929 million (U.S. \$157,671 thousand).

(3) Trends in Cash Flow Indicators

	FY2009	FY2010	FY2011	FY2012
1) Stockholders' equity ratio (%)	50.3	49.8	50.4	46.4
2) Stockholders' equity ratio on a market value basis (%)	42.8	73.5	59.8	55.0
3) No. of years to redeem debt	4.81	2.28	2.40	4.93
4) Interest coverage ratio (times)	25.3	29.5	35.8	18.6

[Notes]

1) Stockholders' equity ratio = Total stockholders' equity/Total assets

2) Stockholders' equity ratio on a market value basis = Market capitalization (*1)/Total assets

(*1) Market capitalization = Closing price of TDK's common shares on the Tokyo Stock Exchange at fiscal year-end x Shares issued and outstanding at fiscal year-end after deducting treasury shares

3) No. of years to redeem debt = Interest-bearing liabilities (*2)/Cash flows from operating activities (*3)

(*2) Interest-bearing liabilities: "Short-term debt," "current installments of long-term debt," and "long-term debt, excluding current installments" on the consolidated balance sheets.

(*3) Cash flows from operating activities: "Net cash provided by operating activities" on the consolidated statements of cash flows.

4) Interest coverage ratio = Cash flows from operating activities/Interest payments (*4)

(*4) Interest payments: "Interest expense" on the consolidated statements of income

(3) Fundamental Policy for Distribution of Earnings, and Fiscal 2012 and Fiscal 2013 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 the Company's 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.

TDK plans to pay a year-end dividend of ¥40 per common share, subject to approval at the ordinary general meeting of shareholders scheduled for June 28, 2012. Combined with the interim dividend of ¥40 per common share paid in December 2011, the planned dividend per common share applicable to the year will be ¥80.

TDK plans to pay an interim dividend of ¥40 per common share and a year-end dividend of ¥50 per common share respectively in Fiscal 2013.

	FY March 2013 Forecast	FY March 2012
(Yen)		
Interim dividend	40.00	(Actual) 40.00
Year-end dividend	50.00	(Forecast) 40.00
Annual dividend	90.00	(Forecast) 80.00