



**A POWERFUL SOLUTION™**

December 1, 2008

RE: TDK Change of Manufacturing Locations

TDK Corporation has announced it's attention to continue to move manufacturing of the ferrite cores from Japan to China.

Current Status: As of today, the PC40, PC44 and PC47 standard cores ( E cores, PQ cores, EER cores, etc.) are mostly produced entirely in Xiamen, China. PC90, PC95 and High perm cores are press and sintered in Japan and transferred to Xiamen for finishing.

Commencing around April 1, 2009, almost all manufacturing including pressing and sintering will be done in Xiamen, China. The process of manufacturing the cores does not change, only the location of the manufacturing changes. The material preparation will not change. PC90, PC95 and the high perm material will continue to be manufactured in Japan and transferred to China for the core manufacturing. PC40, PC44 and PC47 has been manufactured in China for many years and will continue to be manufactured in China. The stationary kilns, used to sinter the low THD materials, are being dismantled and moved to China. TDK has invested in new kilns in China. These new kilns are the specialized kilns allowing TDK to sinter the PC90, PC95 and high perm materials in the Xiamen facility. These new kilns are now installed and going thru initial start-up and test procedures.

There are exceptions to the core manufacturing being moved to Xiamen. Large cores (EC90, PQ50/50, EI70, UU101,) and toroids above 18mm will be produced in the Akita facilities. All accessories, bobbins and clips will continue to be manufactured by the same subcontractors in Japan.

By moving the entire manufacturing process to China, TDK will have all the manufacturing in one building and under the direct control of Japanese engineers and managers. It is actually expected that quality will increase while keeping the prices the same against increasing costs.

If there are any comments or questions, please to not hesitate to contact MH&W International.

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