

5. Noncontrolling Interests in Consolidated Financial Statements

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160 ("SFAS 160"), "Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51". SFAS 160 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 interest, changes in a parent's ownership interest, and the valuation of a retained noncontrolling equity investment when a subsidiary is deconsolidated. SFAS 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners.

TDK adopted SFAS 160 on April 1, 2009. Upon the adoption of SFAS 160, 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 three-month period ended June 30, 2009. The adoption of SFAS160 did not have a material impact on TDK's financial position and results of operations.