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**Consolidated results (U.S. GAAP) for the 2nd quarter of FY March 2010**

**Summary (April 1, 2009 - September 30, 2009)**

Term Item	1H of FY2009 (April 1, 2008 - Sep. 30, 2008)		1H of FY2010 (April 1, 2009 - Sep. 30, 2009)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	396,537	100.0	385,851	100.0	4,287,233	(10,686)	-2.7
Operating income	14,381	3.6	5,402	1.4	60,022	(8,979)	-62.4
Income before income taxes	14,826	3.7	953	0.2	10,589	(13,873)	-93.6
Net income attributable to TDK Corp.	11,868	3.0	1,140	0.3	12,667	(10,728)	-90.4
Per common share :							
Net income attributable to TDK Corp. / Basic	Yen 92.02		Yen 8.84		U.S.\$ 0.10		
Net income attributable to TDK Corp./ Diluted	Yen 91.97		Yen 8.83		U.S.\$ 0.10		
Capital expenditures	67,716	-	33,141	-	368,233	(34,575)	-51.1
Depreciation and amortization	38,824	9.8	41,128	10.7	456,978	2,304	5.9
Research and development	27,149	6.8	26,975	7.0	299,722	(174)	-0.6
Result of financial income (loss)	1,899	-	(1,446)	-	(16,067)	(3,345)	-
Ratio of overseas production	74.2%	-	77.5%	-	-		
Number of employees	65,243	-	72,024	-	-		

**2nd quarter consolidated results  
(July 1, 2009 - September 30, 2009)**

Term Item	2Q of FY2009 (July 1, 2008 - Sep. 30, 2008)		2Q of FY2010 (July 1, 2009 - Sep. 30, 2009)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	205,914	100.0	204,305	100.0	2,270,056	(1,609)	-0.8
Operating income	8,988	4.4	9,047	4.4	100,522	59	0.7
Income before income taxes	9,249	4.5	6,371	3.1	70,789	(2,878)	-31.1
Net income attributable to TDK Corp.	7,422	3.6	4,356	2.1	48,400	(3,066)	-41.3
Per common share :							
Net income attributable to TDK Corp. / Basic	Yen 57.55		Yen 33.77		U.S.\$ 0.38		
Net income attributable to TDK Corp./ Diluted	Yen 57.51		Yen 33.74		U.S.\$ 0.37		
Capital expenditures	36,589	-	17,981	-	199,789	(18,608)	-50.9
Depreciation and amortization	20,426	9.9	21,162	10.4	235,133	736	3.6
Research and development	13,889	6.7	13,731	6.7	152,567	(158)	-1.1
Result of financial income (loss)	860	-	(869)	-	(9,656)	(1,729)	-
Ratio of overseas production	74.4%	-	78.1%	-	-		

**Note:**

U.S.\$1=Yen 90, for convenience only.

## **[Summary Information and Financial Statements]**

### **1.Summary Information Regarding Consolidated Business Results**

Consolidated results for the first half of fiscal 2010, the six-month period from April 1, 2009 through September 30, 2009, were as follows:

The first half 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 started to show signs of a gradual upturn. The degree of recovery differs by finished product, but production volumes were above levels seen before the synchronized global recession for the likes of notebook PCs and flat-screen TVs in the first half of fiscal 2010. Notwithstanding, overall production volumes were down year on year. Under these conditions, demand for TDK's electronic components trended upward mirroring finished products. Again, though, demand fell short of that in the corresponding period of the previous fiscal year.

TDK posted consolidated net sales of ¥385,851 million (U.S.\$4,287,233 thousand), down 2.7% year on year from ¥396,537 million in the first half of fiscal 2009. TDK recorded operating income of ¥5,402 million (U.S.\$60,022 thousand), 62.4% worse than the operating income of ¥14,381 million in the corresponding period of fiscal 2009. TDK also posted income before income taxes of ¥953 million (U.S.\$10,589 thousand), 93.6% worse than the income before income taxes of ¥14,826 million in the corresponding period of fiscal 2009. Furthermore, TDK recorded net income attributable to TDK Corp. of ¥1,140 million (U.S.\$12,667 thousand), 90.4% worse than the net income of ¥11,868 million in the first six months of fiscal 2009. Net income attributable to TDK Corp. per common share (basic) was ¥8.84 (U.S.\$0.10), compared with basic net income attributable to TDK Corp. per common share of ¥92.02 in the first six months of fiscal 2009.

Average first-half yen exchange rates for the U.S. dollar and euro were ¥95.53 and ¥133.21, respectively, as the yen appreciated 10.0% versus the U.S. dollar and 18.2% against the euro, compared with the first half (April 1 to September 30) of the previous fiscal year. This lowered net sales by approximately ¥30.5 billion and operating income by approximately ¥8.7 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 due to their materiality following the August 2007 transfer of the TDK brand recording media sales business. Sector sales were as follows.

### **(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 32.5% from ¥92,188 million in the first half of fiscal 2009 to ¥62,198 million (U.S.\$691,089 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, automobiles 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 28.5% from ¥98,728 million in the first half of fiscal 2009 to ¥70,582 million (U.S.\$784,244 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 lower sales for use in PCs and 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 11.1% from ¥150,069 million to ¥133,362 million (U.S.\$1,481,800 thousand).

**[HDD heads]** Sales of HDD heads decreased year on year. TDK's HDD head sales volume increased from the first half 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 decreased year on year.

### **(1-4) Others**

This sector includes all TDK products not included in the three sectors above. Sector sales increased 115.5% from ¥55,552 million to ¥119,709 million (U.S.\$1,330,100 thousand). The main reason for the increase was the inclusion for the first time in the first six months of a fiscal year of net sales of EPCOS AG and its subsidiaries of ¥80,151 million. 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 the segment information on page 13.

**[Japan]** Overall sales declined, with sales decreasing in all four product sectors.

**[Americas]** Overall sales declined, with sales decreasing in all product sectors except others, which was boosted by the inclusion of the sales of EPCOS AG and its subsidiaries in consolidated results for the first time in the first six months of a fiscal year.

**[Europe]** Overall sales rose. Sales rose in others mainly due to the inclusion of the net sales of EPCOS AG and its subsidiaries. However, sales declined in the other three product sectors.

**[Asia (excluding Japan) and other areas]** Overall sales declined, with sales decreasing in all product sectors except others, where the inclusion of the sales of EPCOS AG and its subsidiaries lifted sales.

As a result, overseas sales rose 1.2% from ¥332,929 million to ¥337,042 million (U.S.\$3,744,911 thousand). Overseas sales accounted for 87.4% of consolidated net sales, a 3.4 percentage point increase from 84.0% one year earlier.

**2. Summary Information Regarding Consolidated Financial Position**  
**(2-1) The following table summarizes TDK’s consolidated balance sheet as of September 30, 2009.**

Total assets	¥1,088,929 million	(1.1% decrease)
Total stockholders’ equity	¥523,599 million	(5.5% decrease)
Stockholders’ equity ratio	48.1%	(2.2 percentage point decrease)

At September 30, 2009, total assets had decreased by ¥12,107 million compared with March 31, 2009. Net trade receivables increased by ¥35,039 million and cash and cash equivalents decreased by ¥30,041 million due to the ongoing recovery in demand. Net property, plant and equipment decreased by ¥15,714 million.

Total liabilities increased by ¥19,908 million compared with March 31, 2009. Trade payables increased by ¥24,176 million from the same date.

Total stockholders’ equity decreased by ¥30,619 million from March 31, 2009. This reflected a ¥7,326 million decrease in retained earnings and a ¥24,319 million increase in accumulated other comprehensive income (loss).

**(2-2) Cash Flows**

(¥ millions)

	Fiscal 2009 Interim	Fiscal 2010 Interim	Change
Net cash provided by operating activities	45,841	43,905	(1,936)
Net cash used in investing activities	(142,693)	(53,907)	88,786
Net cash provided by (used in) financing activities	99,210	(10,855)	(110,065)
Effect of exchange rate changes on cash and cash equivalents	5,154	(9,184)	(14,338)
Net increase (decrease) in cash and cash equivalents	7,512	(30,041)	(37,553)
Cash and cash equivalents at beginning of period	166,105	165,705	(400)
Cash and cash equivalents at end of period	173,617	135,664	(37,953)

Operating activities provided net cash of ¥43,905 million (U.S.\$487,833 thousand), a year-on-year decrease of ¥1,936 million. TDK recorded net income of ¥579 million (U.S.\$6,433 thousand), down ¥11,009 million year on year. Depreciation and amortization increased ¥2,304 million to ¥41,128 million (U.S.\$456,978 thousand). In changes in assets and liabilities, trade receivables increased ¥42,188 million year on year and trade payables increased ¥24,636 million year on year. Inventories decreased ¥12,376 million year on year.

Investing activities used net cash of ¥53,907 million (U.S.\$598,967 thousand), ¥88,786 million less year on year. There was a ¥63,400 million increase in payment for purchase of short-term investments. On the other hand, there was a ¥74,953 million decrease in payments for the acquisition of affiliates, a ¥46,595 million increase in proceeds from sale and maturity of short-term investments and a ¥34,575 million decrease in capital expenditures.

Financing activities used net cash of ¥10,855 million (U.S.\$120,611 thousand), a ¥110,065 million change from the net cash provided by financing activities in the corresponding period of the previous fiscal year. In the first six months of fiscal 2009, there was a net increase in short-term debt of ¥108,503 million, while ¥9,027 million was used to pay dividends. These and other changes provided net cash of ¥99,210 million. In the first half of fiscal 2010, however, in addition to ¥7,739 million used to pay dividends, ¥4,831 million was used for the repayment of long-term debt.

### 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	October 2009 Announcement FY2010 (Forecasts) (¥ millions)	FY2009 (Actual) (¥ millions)	Change from FY2009 (¥ millions)	% change from FY2009	August 2009 Announcement FY2010 (Forecasts) (¥ millions)
Net sales		733,700	727,400	6,300	0.9	717,800
Operating income (loss)		15,400	(54,305)	69,705	-	13,500
Income (loss) before income taxes		7,400	(81,630)	89,030	-	6,900
Net income (loss) *		5,200	(63,160)	68,360	-	5,200

\*From the fiscal year ending March 31, 2010, TDK applies Accounting Standards Codification ("ASC") 810 (formerly Statement of Financial Accounting Standards No. 160) issued by the U.S. Financial Accounting Standards Board. "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		41,000	-	98,425	-
Depreciation and amortization		81,000	11.0	89,567	12.3
Research and development expenses		53,000	7.2	57,645	7.9

#### (Notes)

##### (Projections for main products are as follows:)

##### Electronic Materials and Electronic Devices

Given the uncertain outlook for consumer spending and capital investment due to lackluster real economies in Japan and overseas, preparing demand forecasts for key finished products in the electronics market and the electronic components used in them is a very difficult task. However, TDK has prepared its sales plans for electronic materials and electronic devices assuming lower year-on-year demand for key finished products (such as mobile phones and automobiles) that drive the electronic components market.

##### Recording Devices

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

##### (Exchange Rate Forecast)

Average yen-U.S. dollar and yen-euro exchange rates of ¥90 and ¥120, respectively, are assumed for the second half 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. (1) Notes to Consolidated Financial Statements**

TDK adopted FASB Accounting Standards Codification ("ASC") 105, "Generally Accepted Accounting Principles" during 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 interest, 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 three-month and six-month periods ended September 30, 2009. The adoption of ASC 810 did not have a material impact on TDK's financial position and results of operations.

## **4. (2) Fundamental Policy for Distribution of Earnings, and Fiscal 2010 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.

TDK's projected dividends for fiscal 2010 are as follows. TDK has declared an interim dividend of ¥30 per common share and plans to pay a year-end dividend of ¥30 per common share.

(Yen)	FY2010	FY2009 Actual
Interim dividend	30.00	70.00
Year-end dividend	30.00 (plan)	60.00
Annual dividend	60.00 (plan)	130.00



## 5) Balance sheets

ASSETS									
Term Item	As of September 30, 2009			As of March 31, 2009		Change from March 31, 2009	As of June 30, 2009		Change from June 30, 2009
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	488,837	44.9	5,431,522	481,157	43.7	7,680	501,505	44.8	(12,668)
Cash and cash equivalents	135,664		1,507,378	165,705		(30,041)	158,065		(22,401)
Short-term investments	42,417		471,300	23,993		18,424	34,923		7,494
Marketable securities	15,746		174,955	17,968		(2,222)	17,646		(1,900)
Net trade receivables	157,750		1,752,778	122,711		35,039	142,157		15,593
Inventories	95,699		1,063,322	105,684		(9,985)	98,844		(3,145)
Other current assets	41,561		461,789	45,096		(3,535)	49,870		(8,309)
Noncurrent assets	600,092	55.1	6,667,689	619,879	56.3	(19,787)	618,135	55.2	(18,043)
Investments in securities	36,836		409,289	35,047		1,789	36,322		514
Net property, plant and equipment	332,931		3,699,233	348,645		(15,714)	344,647		(11,716)
Other assets	230,325		2,559,167	236,187		(5,862)	237,166		(6,841)
TOTAL	1,088,929	100.0	12,099,211	1,101,036	100.0	(12,107)	1,119,640	100.0	(30,711)

LIABILITIES AND EQUITY									
Term Item	As of September 30, 2009			As of March 31, 2009		Change from March 31, 2009	As of June 30, 2009		Change from June 30, 2009
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	224,119	20.6	2,490,211	199,621	18.1	24,498	230,309	20.6	(6,190)
Short-term debt	74,282		825,355	71,049		3,233	84,505		(10,223)
Current installments of long-term debt	7,223		80,255	3,497		3,726	5,781		1,442
Trade payables	75,146		834,956	50,970		24,176	66,617		8,529
Accrued expenses	57,506		638,956	63,314		(5,808)	62,453		(4,947)
Other current liabilities	9,962		110,689	10,791		(829)	10,953		(991)
Noncurrent liabilities	333,784	30.6	3,708,711	338,374	30.8	(4,590)	337,212	30.1	(3,428)
Long-term debt, excluding current installments	205,868		2,287,422	210,083		(4,215)	207,360		(1,492)
Retirement and severance benefits	98,786		1,097,622	98,007		779	99,513		(727)
Other noncurrent liabilities	29,130		323,667	30,284		(1,154)	30,339		(1,209)
Total liabilities	557,903	51.2	6,198,922	537,995	48.9	19,908	567,521	50.7	(9,618)
Common stock	32,641		362,678	32,641		-	32,641		-
Additional paid-in capital	64,487		716,522	64,257		230	64,355		132
Legal reserve	21,431		238,122	20,772		659	21,176		255
Retained earnings	598,296		6,647,733	605,622		(7,326)	594,258		4,038
Accumulated other comprehensive income (loss)	(187,060)		(2,078,444)	(162,741)		(24,319)	(161,805)		(25,255)
Treasury stock	(6,196)		(68,844)	(6,333)		137	(6,310)		114
Total stockholders' equity	523,599	48.1	5,817,767	554,218	50.3	(30,619)	544,315	48.6	(20,716)
Noncontrolling interests	7,427	0.7	82,522	8,823	0.8	(1,396)	7,804	0.7	(377)
Total equity	531,026	48.8	5,900,289	563,041	51.1	(32,015)	552,119	49.3	(21,093)
TOTAL	1,088,929	100.0	12,099,211	1,101,036	100.0	(12,107)	1,119,640	100.0	(30,711)

## Note:

U.S.\$1=Yen 90, for convenience only.

**6) Statements of income****[1st half results]**

Item	Term	1H of FY2009 (April 1, 2008 - Sep. 30, 2008)		1H of FY2010 (April 1, 2009 - Sep. 30, 2009)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales		396,537	100.0	385,851	100.0	4,287,233	(10,686)	-2.7
Cost of sales		307,556	77.6	302,431	78.4	3,360,344	(5,125)	-1.7
Gross profit		88,981	22.4	83,420	21.6	926,889	(5,561)	-6.2
Selling, general and administrative expenses		74,600	18.8	75,841	19.6	842,678	1,241	1.7
Restructuring cost		-	-	2,177	0.6	24,189	2,177	-
Operating income		14,381	3.6	5,402	1.4	60,022	(8,979)	-62.4
Other income (deductions):								
Interest and dividend income		2,177		924		10,266	(1,253)	
Interest expense		(278)		(2,370)		(26,333)	(2,092)	
Foreign exchange gain (loss)		(1,758)		(1,748)		(19,422)	10	
Other-net		304		(1,255)		(13,944)	(1,559)	
Total other income (deductions)		445	0.1	(4,449)	-1.2	(49,433)	(4,894)	-
Income before income taxes		14,826	3.7	953	0.2	10,589	(13,873)	-93.6
Income taxes		3,238	0.8	374	0.0	4,156	(2,864)	-88.4
Net income		11,588	2.9	579	0.2	6,433	(11,009)	-95.0
Less:Net income (loss) attributable to noncontrolling interests		(280)	-0.1	(561)	-0.1	(6,234)	(281)	-
Net income attributable to TDK Corp.		11,868	3.0	1,140	0.3	12,667	(10,728)	-90.4

**[2nd quarter results]**

Item	Term	2Q of FY2009 (July 1, 2008 - Sept. 30, 2008)		2Q of FY2010 (July 1, 2009 - Sep. 30, 2009)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales		205,914	100.0	204,305	100.0	2,270,056	(1,609)	-0.8
Cost of sales		159,141	77.3	156,011	76.4	1,733,456	(3,130)	-2.0
Gross profit		46,773	22.7	48,294	23.6	536,600	1,521	3.3
Selling, general and administrative expenses		37,785	18.3	38,493	18.8	427,700	708	1.9
Restructuring cost		-	-	754	0.4	8,378	754	-
Operating income		8,988	4.4	9,047	4.4	100,522	59	0.7
Other income (deductions):								
Interest and dividend income		1,059		480		5,333	(579)	
Interest expense		(199)		(1,349)		(14,989)	(1,150)	
Foreign exchange gain (loss)		(1,060)		(1,104)		(12,266)	(44)	
Other-net		461		(703)		(7,811)	(1,164)	
Total other income (deductions)		261	0.1	(2,676)	-1.3	(29,733)	(2,937)	-
Income before income taxes		9,249	4.5	6,371	3.1	70,789	(2,878)	-31.1
Income taxes		1,898	0.9	2,079	1.0	23,100	181	9.5
Net income		7,351	3.6	4,292	2.1	47,689	(3,059)	-41.6
Less:Net income (loss) attributable to noncontrolling interests		(71)	-0.0	(64)	-0.0	(711)	7	-
Net income attributable to TDK Corp.		7,422	3.6	4,356	2.1	48,400	(3,066)	-41.3

**Note:**

U.S.\$1=Yen 90, for convenience only.

## 7) Statements of cash flows

### [1st half results]

Item	Term	1H of FY2010	
		(April 1, 2008 - Sep. 30, 2008)	(April 1, 2009 - Sep. 30, 2009)
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
<b>Cash flows from operating activities:</b>			
Net income	11,588	579	6,433
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	38,824	41,128	456,978
Changes in assets and liabilities, net of effects of acquisition of businesses:			
Decrease (increase) in trade receivables	(1,149)	(43,337)	(481,522)
Decrease (increase) in inventories	(4,459)	7,917	87,967
Increase (decrease) in trade payables	4,814	29,450	327,222
Increase (decrease) in accrued expenses	(1,005)	2,982	33,133
Increase (decrease) in changes in other assets and liabilities, net	(3,745)	1,946	21,622
Other-net	973	3,240	36,000
<b>Net cash provided by operating activities</b>	<b>45,841</b>	<b>43,905</b>	<b>487,833</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(67,716)	(33,141)	(368,233)
Proceeds from sale and maturity of short-term investments	1,212	47,807	531,189
Payment for purchase of short-term investments	(5,909)	(69,309)	(770,100)
Proceeds from sale and maturity of investments in securities	4,155	1,057	11,744
Payment for purchase of investments in securities	(823)	(4)	(45)
Acquisition of affiliates	(74,953)	-	-
Other-net	1,341	(317)	(3,522)
<b>Net cash used in investing activities</b>	<b>(142,693)</b>	<b>(53,907)</b>	<b>(598,967)</b>
<b>Cash flows from financing activities:</b>			
Repayment of long-term debt	(207)	(4,831)	(53,678)
Increase (decrease) in short-term debt, net	108,503	2,128	23,645
Dividends paid	(9,027)	(7,739)	(85,989)
Other-net	(59)	(413)	(4,589)
<b>Net cash provided by (used in) financing activities</b>	<b>99,210</b>	<b>(10,855)</b>	<b>(120,611)</b>
Effect of exchange rate changes on cash and cash equivalents	5,154	(9,184)	(102,044)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,512</b>	<b>(30,041)</b>	<b>(333,789)</b>
Cash and cash equivalents at beginning of period	166,105	165,705	1,841,167
Cash and cash equivalents at end of period	173,617	135,664	1,507,378

**Note:**

U.S.\$1=Yen 90, for convenience only.

## 8) Segment Information

### 1. Geographic segment information

#### [1st half results]

Term		1H of FY2009 (April 1, 2008 - Sep. 30, 2008)		1H of FY2010 (April 1, 2009 - Sep. 30, 2009)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Region								
Japan	Net sales	168,428	100.0	122,330	100.0	1,359,222	(46,098)	-27.4
	Operating income (loss)	(5,525)	-3.3	(15,005)	-12.3	(166,722)	(9,480)	-
Americas	Net sales	45,532	100.0	41,679	100.0	463,100	(3,853)	-8.5
	Operating income	5,779	12.7	2,877	6.9	31,966	(2,902)	-50.2
Europe	Net sales	21,419	100.0	72,169	100.0	801,878	50,750	236.9
	Operating income (loss)	(758)	-3.5	(10,676)	-14.8	(118,622)	(9,918)	-
Asia and others	Net sales	301,404	100.0	286,412	100.0	3,182,355	(14,992)	-5.0
	Operating income	16,925	5.6	28,443	9.9	316,033	11,518	68.1
Intersegment eliminations	Net sales	140,246		136,739		1,519,322	(3,507)	
	Operating income	2,040		237		2,633	(1,803)	
Total	Net sales	396,537	100.0	385,851	100.0	4,287,233	(10,686)	-2.7
	Operating income	14,381	3.6	5,402	1.4	60,022	(8,979)	-62.4

#### [2nd quarter results]

Term		2Q of FY2009 (July 1, 2008 - Sep. 30, 2008)		2Q of FY2010 (July 1, 2009 - Sep. 30, 2009)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Region								
Japan	Net sales	84,366	100.0	66,266	100.0	736,289	(18,100)	-21.5
	Operating income (loss)	(3,753)	-4.4	(4,706)	-7.1	(52,289)	(953)	-
Americas	Net sales	23,670	100.0	22,838	100.0	253,756	(832)	-3.5
	Operating income	4,652	19.7	1,302	5.7	14,467	(3,350)	-72.0
Europe	Net sales	10,663	100.0	38,918	100.0	432,422	28,255	265.0
	Operating income (loss)	(770)	-7.2	(4,325)	-11.1	(48,056)	(3,555)	-
Asia and others	Net sales	159,410	100.0	152,264	100.0	1,691,822	(7,146)	-4.5
	Operating income	9,985	6.3	16,486	10.8	183,178	6,501	65.1
Intersegment eliminations	Net sales	72,195		75,981		844,233	3,786	
	Operating income (loss)	1,126		(290)		(3,222)	(1,416)	
Total	Net sales	205,914	100.0	204,305	100.0	2,270,056	(1,609)	-0.8
	Operating income	8,988	4.4	9,047	4.4	100,522	59	0.7

#### 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 90, for convenience only.

**2. Sales by region**

**[1st half results]**

Region	Term	1H of FY2009 (April 1, 2008 - Sep. 30, 2008)		1H of FY2010 (April 1, 2009 - Sep. 30, 2009)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		44,589	11.2	36,470	9.5	405,222	(8,119)	-18.2
Europe		23,998	6.1	51,674	13.4	574,156	27,676	115.3
Asia and others		264,342	66.7	248,898	64.5	2,765,533	(15,444)	-5.8
Overseas sales total		332,929	84.0	337,042	87.4	3,744,911	4,113	1.2
Japan		63,608	16.0	48,809	12.6	542,322	(14,799)	-23.3
Net sales		396,537	100.0	385,851	100.0	4,287,233	(10,686)	-2.7

**[2nd quarter results]**

Region	Term	2Q of FY2009 (July 1, 2008 - Sep. 30, 2008)		2Q of FY2010 (July 1, 2009 - Sep. 30, 2009)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		21,999	10.7	19,979	9.8	221,989	(2,020)	-9.2
Europe		11,847	5.8	27,437	13.4	304,855	15,590	131.6
Asia and others		140,925	68.4	131,117	64.2	1,456,856	(9,808)	-7.0
Overseas sales total		174,771	84.9	178,533	87.4	1,983,700	3,762	2.2
Japan		31,143	15.1	25,772	12.6	286,356	(5,371)	-17.2
Net sales		205,914	100.0	204,305	100.0	2,270,056	(1,609)	-0.8

**Notes:**

1. Overseas sales are based on the location of the customers.
2. U.S.\$1=Yen 90, for convenience only.

## 9) Supplementary Information (Consolidated)

### Exchange rates used for conversion

Term	As of Sep. 30, 2008		As of Sep. 30, 2009		As of March 31, 2009	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	103.57	149.05	90.21	131.72	98.23	129.84

### Sales breakdown

#### [1st half results]

Term	1H of FY2009 (April 1, 2008 - Sep. 30, 2008)		1H of FY2010 (April 1, 2009 - Sep. 30, 2009)			Change	
	Amount (Yen millions)	Ratio to sales (%)	Amount (Yen millions)	Ratio to sales (%)	Amount (U.S.\$ thousands)	(Yen millions)	Change(%)
Electronic materials	92,188	23.3	62,198	16.1	691,089	(29,990)	-32.5
Electronic devices	98,728	24.9	70,582	18.3	784,244	(28,146)	-28.5
Recording devices	150,069	37.8	133,362	34.6	1,481,800	(16,707)	-11.1
Others	55,552	14.0	119,709	31.0	1,330,100	64,157	115.5
Total sales	396,537	100.0	385,851	100.0	4,287,233	(10,686)	-2.7
Overseas sales	332,929	84.0	337,042	87.4	3,744,911	4,113	1.2

#### [2nd quarter results]

Term	2Q of FY2009 (July 1, 2008 - Sep. 30, 2008)		2Q of FY2010 (July 1, 2009 - Sep. 30, 2009)			Change	
	Amount (Yen millions)	Ratio to sales (%)	Amount (Yen millions)	Ratio to sales (%)	Amount (U.S.\$ thousands)	(Yen millions)	Change(%)
Electronic materials	46,517	22.6	33,729	16.5	374,767	(12,788)	-27.5
Electronic devices	50,053	24.3	36,600	17.9	406,667	(13,453)	-26.9
Recording devices	77,624	37.7	70,812	34.7	786,800	(6,812)	-8.8
Others	31,720	15.4	63,164	30.9	701,822	31,444	99.1
Total sales	205,914	100.0	204,305	100.0	2,270,056	(1,609)	-0.8
Overseas sales	174,771	84.9	178,533	87.4	1,983,700	3,762	2.2

#### Notes:

1. Recording media results are now included in the "Others" sector.
2. U.S.\$1=Yen 90, for convenience only.

### Overseas sales by division

#### [1st half results]

Term	1H of FY2009 (April 1, 2008 - Sep. 30, 2008)		1H of FY2010 (April 1, 2009 - Sep. 30, 2009)		Change	
	Amount (Yen millions)	Ratio to sales (%)	Amount (Yen millions)	Ratio to sales (%)	(Yen millions)	Change(%)
Electronic materials	69,325	17.5	46,137	12.0	(23,188)	-33.4
Electronic devices	69,058	17.4	47,951	12.4	(21,107)	-30.6
Recording devices	148,712	37.5	132,398	34.3	(16,314)	-11.0
Others	45,834	11.6	110,556	28.7	64,722	141.2
Overseas sales	332,929	84.0	337,042	87.4	4,113	1.2

#### [2nd quarter results]

Term	2Q of FY2009 (July 1, 2008 - Sep. 30, 2008)		2Q of FY2010 (July 1, 2009 - Sep. 30, 2009)		Change	
	Amount (Yen millions)	Ratio to sales (%)	Amount (Yen millions)	Ratio to sales (%)	(Yen millions)	Change(%)
Electronic materials	35,426	17.2	24,901	12.2	(10,525)	-29.7
Electronic devices	35,413	17.2	25,171	12.3	(10,242)	-28.9
Recording devices	76,852	37.3	70,320	34.4	(6,532)	-8.5
Others	27,080	13.2	58,141	28.5	31,061	114.7
Overseas sales	174,771	84.9	178,533	87.4	3,762	2.2

#### Note:

Recording media results are now included in the "Others" sector.

### Company group

As of September 30, 2009, TDK had 132 subsidiaries (19 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.