



TDK Corporation
October 28, 2010

Contact;

TDK Corporation(Tokyo)

Corporate Communications Department

Tatsuhiko Atsumi

+81(3)5201-7102

Consolidated results (U.S. GAAP) for the 2nd quarter of FY March 2011

Summary (April 1, 2010 - September 30, 2010)

Term Item	1H of FY2010 (April 1, 2009 - Sep. 30, 2009)		1H of FY2011 (April 1, 2010 - Sep. 30, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	385,851	100.0	442,234	100.0	5,264,690	56,383	14.6
Operating income	5,402	1.4	37,188	8.4	442,714	31,786	588.4
Income before income taxes	953	0.2	34,644	7.8	412,429	33,691	-
Net income attributable to TDK	1,140	0.3	26,116	5.9	310,905	24,976	-
Per common share :							
Net income attributable to TDK / Basic	Yen 8.84		Yen 202.46		U.S.\$ 2.41		
Net income attributable to TDK / Diluted	Yen 8.83		Yen 202.28		U.S.\$ 2.41		
Capital expenditures	33,141	-	33,817	-	402,583	676	2.0
Depreciation and amortization	41,128	10.7	37,764	8.5	449,571	(3,364)	-8.2
Research and development	26,975	7.0	26,379	6.0	314,036	(596)	-2.2
Result of financial income (loss)	(1,446)	-	(750)	-	(8,928)	696	-
Ratio of overseas production	77.5%	-	84.7%	-	-		
Number of employees	72,024	-	84,399	-	-		

**2nd quarter consolidated results
(July 1, 2010 - September 30, 2010)**

Term Item	2Q of FY2010 (July 1, 2009 - Sep. 30, 2009)		2Q of FY2011 (July 1, 2010 - Sep. 30, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	204,305	100.0	220,309	100.0	2,622,726	16,004	7.8
Operating income	9,047	4.4	16,979	7.7	202,131	7,932	87.7
Income before income taxes	6,371	3.1	15,826	7.2	188,405	9,455	148.4
Net income attributable to TDK	4,356	2.1	11,593	5.3	138,012	7,237	166.1
Per common share :							
Net income attributable to TDK / Basic	Yen 33.77		Yen 89.87		U.S.\$ 1.07		
Net income attributable to TDK / Diluted	Yen 33.74		Yen 89.78		U.S.\$ 1.07		
Capital expenditures	17,981	-	19,957	-	237,583	1,976	11.0
Depreciation and amortization	21,162	10.4	18,975	8.6	225,893	(2,187)	-10.3
Research and development	13,731	6.7	13,596	6.2	161,857	(135)	-1.0
Result of financial income (loss)	(869)	-	(453)	-	(5,393)	416	-
Ratio of overseas production	78.1%	-	84.8%	-	-		

Note:

U.S.\$1=Yen 84, for convenience only.

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[Summary Information and Financial Statements]

1. Summary Information Regarding Financial Results for the 2nd Quarter of Fiscal 2011

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first half of fiscal 2011, the six-month period from April 1 through September 30, 2010, were as follows:

The world economy in the first half 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, there is widening uncertainty about the world economic recovery. Weakness in employment and consumption has grown more pronounced in the U.S., and economic momentum has started to slow in some quarters in China and other developing nations, which have driven the world economic recovery.

Looking at the electronics market, which has a large bearing on the consolidated performance of TDK, the degree of recovery differs by finished product. On one hand, steady growth was evident in production of many finished products in the communications equipment field, centered on smartphones, as well as in the automobile and industrial equipment fields. On the other hand, although production was higher than the corresponding period of fiscal 2010 of flat-screen TVs, notebook PCs, HDDs and certain other products, manufacturers adjusted production from the first quarter through the second quarter of fiscal 2011 in response to changing demand.

Under these market conditions, TDK posted consolidated net sales of ¥442,234 million (U.S.\$5,264,690 thousand), an increase of 14.6% from ¥385,851 million in the first half of fiscal 2010. Operating income was ¥37,188 million (U.S.\$442,714 thousand), an 588.4% increase from the operating income of ¥5,402 million reported in the first half of fiscal 2010. Income before income taxes was ¥34,644 million (U.S.\$412,429 thousand), increase from ¥953 million reported in the corresponding period of the previous fiscal year. TDK recorded net income attributable to TDK of ¥26,116 million (U.S.\$310,905 thousand), an increase from ¥1,140 million reported in the corresponding period of the previous fiscal year. Basic net income attributable to TDK per common share was ¥202.46 (U.S.\$2.41), compared with ¥8.84 in the first six months of the previous fiscal year.

Average first-half yen exchange rates for the U.S. dollar and euro were ¥88.89 and ¥113.80, respectively, as the yen appreciated 7.0% versus the U.S. dollar and 14.6% against the euro, compared with the first half of the previous fiscal year. This lowered net sales by approximately ¥28.2 billion and operating income by approximately ¥8.4 billion.

Sales by Sector

Term Product	1H of FY2010 (April 1, 2009 - September 30, 2009)		1H of FY2011 (April 1, 2010 - September 30, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	62,392	16.2	75,730	17.1	901,547	13,338	21.4
Inductive devices	53,675	13.9	66,799	15.1	795,226	13,124	24.5
Other passive components	57,910	15.0	72,033	16.3	857,536	14,123	24.4
Passive Components	173,977	45.1	214,562	48.5	2,554,309	40,585	23.3
Recording devices	133,893	34.7	137,000	31.0	1,630,952	3,107	2.3
Other magnetic application products	49,289	12.8	55,506	12.5	660,786	6,217	12.6
Magnetic Application Products	183,182	47.5	192,506	43.5	2,291,738	9,324	5.1
Other	28,692	7.4	35,166	8.0	418,643	6,474	22.6
Consolidated total	385,851	100.0	442,234	100.0	5,264,690	56,383	14.6
Overseas sales	337,042	87.4	387,152	87.5	4,608,952	50,110	14.9

Note:

U.S.\$1=Yen 84, for convenience only.

TDK changed sector classifications effective from April 1, 2010. Please see segment information on page 13, 14 and 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 ¥214,562 million (U.S.\$2,554,309 thousand), up 23.3% year on year from ¥173,977 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors, and film capacitors. Sales in the capacitors business were ¥75,730 million (U.S.\$901,547 thousand), up 21.4% year on year from ¥62,392 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 24.5% year on year from ¥53,675 million to ¥66,799 million (U.S.\$795,226 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 increased 5.1% year on year from ¥183,182 million to ¥192,506 million (U.S.\$2,291,738 thousand).

The recording devices business comprises mainly HDD heads and HDD suspension assemblies. It recorded sales of ¥137,000 million (U.S.\$1,630,952 thousand), up 2.3% year on year from ¥133,893 million. This increase mainly reflected a larger sales volume of HDD heads in line with higher year-on-year HDD production, despite production adjustments prompted by changing demand.

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 market. Recording media sales declined year on year.

Other

The Other includes energy devices (rechargeable batteries), mechatronics (production equipment), and other businesses. Segment sales increased 22.6% year on year from ¥28,692 million to ¥35,166 million (U.S.\$418,643 thousand).

Sales by Region

Overseas sales increased 14.9% year on year from ¥337,042 million to ¥387,152 million (U.S.\$4,608,952 thousand). Overseas sales accounted for 87.5% of consolidated net sales, a 0.1 percentage point increase from 87.4% 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 September 30, 2010.

Total assets	1,060,519 million	(2.8% decrease)
Total TDK stockholders' equity	516,643 million	(5.0% decrease)
Stockholders' equity ratio	48.7%	(1.1 point decrease)

As of September 30, 2010, total assets had decreased ¥30,939 million compared to March 31, 2010. In terms of liquidity, cash and cash equivalents decreased ¥2,533 million, short-term investments decreased ¥3,418 million, and marketable securities decreased ¥5,443 million. In addition, net property, plant and equipment decreased ¥9,483 million and other assets decreased ¥13,701 million.

Total liabilities decreased ¥3,692 million from March 31, 2010. Accrued expenses increased ¥3,469 million, while debt decreased ¥8,605 million, mainly due to the repayment of long-term debt.

TDK stockholders' equity, which is included in total equity, declined ¥27,113 million from March 31, 2010. Retained earnings increased ¥21,921 million due to higher earnings. However, accumulated other comprehensive loss increased ¥49,374 million, mainly due to a deterioration in foreign currency translation adjustments because of the yen's rapid appreciation.

2) Cash Flows

(Yen millions)

	Fiscal 2010 2Q	Fiscal 2011 2Q	Change
Net cash provided by operating activities	43,905	50,766	6,861
Net cash used in investing activities	(53,907)	(30,813)	23,094
Net cash used in financing activities	(10,855)	(10,279)	576
Effect of exchange rate changes on cash and cash equivalents	(9,184)	(12,207)	(3,023)
Net increase (decrease) in cash and cash equivalents	(30,041)	(2,533)	27,508
Cash and cash equivalents at beginning of period	165,705	132,984	(32,721)
Cash and cash equivalents at end of period	135,664	130,451	(5,213)

Operating activities provided net cash of ¥50,766 million (U.S.\$604,357 thousand), a year-on-year increase of ¥6,861 million. TDK recorded net income of ¥26,124 million (U.S.\$311,000 thousand), an increase of ¥25,545 million year on year. Depreciation and amortization decreased ¥3,364 million to ¥37,764 million (U.S.\$449,571 thousand). In changes in assets and liabilities, a ¥27,661 million decrease in trade receivables contributed to operating cash flows. However, inventories increased ¥26,327 million and trade payables decreased ¥16,534 million.

Investing activities used net cash of ¥30,813 million (U.S.\$366,821 thousand), a decrease of ¥23,094 million year on year. There was a ¥31,933 million increase in cash from proceeds from sale and maturity of short-term investments, which outweighed a ¥12,861 million increase in payment for purchase of short-term investments.

Financing activities used net cash of ¥10,279 million (U.S.\$122,369 thousand), a decrease of ¥576 million year on year. There was a net increase in cash payments for debt of ¥4,313 million, with the repayment of long-term debt and refinancing with short-term debt outweighing proceeds from new long-term debt. Furthermore, there was a year-on-year decrease in dividends paid of ¥3,866 million.

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 October '10	Forecast in April '10&July '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)

Management has judged that compared with TDK's projections as of July 29, 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)

An average Yen exchange rates for U.S. dollar and euro of ¥80 and ¥115 respectively are assumed from the third 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 or its group companies (collectively "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.

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.

(Yen)	FY2011	FY2010 Actual
Interim dividend	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 September 30, 2010			Change from March 31, 2010	As of June 30, 2010		Change from June 30, 2010
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets	537,747	49.3	535,128	50.5	6,370,571	(2,619)	529,250	50.2	5,878
Cash and cash equivalents	132,984		130,451		1,552,988	(2,533)	141,150		(10,699)
Short-term investments	67,873		64,455		767,321	(3,418)	52,614		11,841
Marketable securities	22,405		16,962		201,928	(5,443)	21,291		(4,329)
Net trade receivables	169,349		169,850		2,022,024	501	163,847		6,003
Inventories	105,069		115,848		1,379,143	10,779	111,080		4,768
Other current assets	40,067		37,562		447,167	(2,505)	39,268		(1,706)
Noncurrent assets	553,711	50.7	525,391	49.5	6,254,655	(28,320)	524,590	49.8	801
Investments in securities	38,324		33,188		395,095	(5,136)	35,571		(2,383)
Net property, plant and equipment	318,205		308,722		3,675,262	(9,483)	305,032		3,690
Other assets	197,182		183,481		2,184,298	(13,701)	183,987		(506)
TOTAL	1,091,458	100.0	1,060,519	100.0	12,625,226	(30,939)	1,053,840	100.0	6,679

LIABILITIES AND EQUITY									
Term Item	As of March 31, 2010		As of September 30, 2010			Change from March 31, 2010	As of June 30, 2010		Change from June 30, 2010
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities	251,377	23.0	279,114	26.3	3,322,785	27,737	251,791	23.9	27,323
Short-term debt	79,946		97,056		1,155,428	17,110	81,695		15,361
Current installments of long-term debt	10,554		10,567		125,797	13	10,154		413
Trade payables	84,988		87,141		1,037,393	2,153	86,305		836
Accrued expenses	63,249		66,718		794,262	3,469	58,091		8,627
Income taxes payables	3,541		6,104		72,667	2,563	3,994		2,110
Other current liabilities	9,099		11,528		137,238	2,429	11,552		(24)
Noncurrent liabilities	290,412	26.6	258,983	24.4	3,083,131	(31,429)	280,536	26.6	(21,553)
Long-term debt, excluding current installments	179,554		153,826		1,831,262	(25,728)	176,335		(22,509)
Retirement and severance benefits	84,304		82,480		981,905	(1,824)	81,175		1,305
Deferred income taxes	11,312		9,610		114,405	(1,702)	9,742		(132)
Other noncurrent liabilities	15,242		13,067		155,559	(2,175)	13,284		(217)
Total liabilities	541,789	49.6	538,097	50.7	6,405,916	(3,692)	532,327	50.5	5,770
Common stock	32,641		32,641		388,583	-	32,641		-
Additional paid-in capital	61,124		61,137		727,821	13	61,200		(63)
Legal reserve	21,823		22,144		263,619	321	21,964		180
Retained earnings	606,445		628,366		7,480,548	21,921	616,957		11,409
Accumulated other comprehensive income (loss)	(172,092)		(221,466)		(2,636,500)	(49,374)	(211,041)		(10,425)
Treasury stock	(6,185)		(6,179)		(73,559)	6	(6,189)		10
Total stockholders' equity	543,756	49.8	516,643	48.7	6,150,512	(27,113)	515,532	48.9	1,111
Noncontrolling interests	5,913	0.6	5,779	0.6	68,798	(134)	5,981	0.6	(202)
Total equity	549,669	50.4	522,422	49.3	6,219,310	(27,247)	521,513	49.5	909
TOTAL	1,091,458	100.0	1,060,519	100.0	12,625,226	(30,939)	1,053,840	100.0	6,679

Note:

U.S.\$1=Yen 84, for convenience only.

(2) Statements of income

[1st half results]

Item	Term		1H of FY2010 (April 1, 2009 - Sep. 30, 2009)			1H of FY2011 (April 1,2010 - Sep. 30,2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)			
Net sales	385,851	100.0	442,234	100.0	5,264,690	56,383	14.6			
Cost of sales	302,431	78.4	328,786	74.3	3,914,119	26,355	8.7			
Gross profit	83,420	21.6	113,448	25.7	1,350,571	30,028	36.0			
Selling, general and administrative expenses	75,841	19.6	76,260	17.3	907,857	419	0.6			
Restructuring cost	2,177	0.6	-	-	-	(2,177)	-			
Operating income	5,402	1.4	37,188	8.4	442,714	31,786	588.4			
Other income (deductions):										
Interest and dividend income	924		661		7,869	(263)				
Interest expense	(2,370)		(1,411)		(16,797)	959				
Foreign exchange gain (loss)	(1,748)		(2,108)		(25,095)	(360)				
Other-net	(1,255)		314		3,738	1,569				
Total other income (deductions)	(4,449)	-1.2	(2,544)	-0.6	(30,285)	1,905	-			
Income before income taxes	953	0.2	34,644	7.8	412,429	33,691	-			
Income taxes	374	0.0	8,520	1.9	101,429	8,146	-			
Net income	579	0.2	26,124	5.9	311,000	25,545	-			
Less:Net income (loss) attributable to noncontrolling interests	(561)	-0.1	8	0.0	95	569	-			
Net income attributable to TDK	1,140	0.3	26,116	5.9	310,905	24,976	-			

[2nd quarter results]

Item	Term		2Q of FY2010 (July 1, 2009 - Sept. 30, 2009)			2Q of FY2011 (July 1, 2010 - Sep. 30, 2010)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)			
Net sales	204,305	100.0	220,309	100.0	2,622,726	16,004	7.8			
Cost of sales	156,011	76.4	163,996	74.4	1,952,333	7,985	5.1			
Gross profit	48,294	23.6	56,313	25.6	670,393	8,019	16.6			
Selling, general and administrative expenses	38,493	18.8	39,334	17.9	468,262	841	2.2			
Restructuring cost	754	0.4	-	-	-	(754)	-			
Operating income	9,047	4.4	16,979	7.7	202,131	7,932	87.7			
Other income (deductions):										
Interest and dividend income	480		306		3,643	(174)				
Interest expense	(1,349)		(759)		(9,036)	590				
Foreign exchange gain (loss)	(1,104)		(977)		(11,631)	127				
Other-net	(703)		277		3,298	980				
Total other income (deductions)	(2,676)	-1.3	(1,153)	-0.5	(13,726)	1,523	-			
Income before income taxes	6,371	3.1	15,826	7.2	188,405	9,455	148.4			
Income taxes	2,079	1.0	4,188	1.9	49,857	2,109	101.4			
Net income	4,292	2.1	11,638	5.3	138,548	7,346	171.2			
Less:Net income (loss) attributable to noncontrolling interests	(64)	-0.0	45	0.0	536	109	-			
Net income attributable to TDK	4,356	2.1	11,593	5.3	138,012	7,237	166.1			

Note:

U.S.\$1=Yen 84, for convenience only.

(3) Statements of cash flows**[1st half results]**

Item	Term	1H of FY2011	
		(April 1, 2009 - Sep. 30, 2009)	(April 1, 2010 - Sep. 30, 2010)
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
Cash flows from operating activities:			
Net income	579	26,124	311,000
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	41,128	37,764	449,571
Changes in assets and liabilities, net of effects of acquisition of businesses:			
Decrease (increase) in trade receivables	(43,337)	(15,676)	(186,619)
Decrease (increase) in inventories	7,917	(18,410)	(219,167)
Increase (decrease) in trade payables	29,450	12,916	153,762
Increase (decrease) in accrued expenses	2,982	2,572	30,619
Increase (decrease) in changes in other assets and liabilities, net	1,946	5,498	65,453
Other-net	3,240	(22)	(262)
Net cash provided by operating activities	43,905	50,766	604,357
Cash flows from investing activities:			
Capital expenditures	(33,141)	(33,817)	(402,583)
Proceeds from sale and maturity of short-term investments	47,807	79,740	949,286
Payment for purchase of short-term investments	(69,309)	(82,170)	(978,214)
Proceeds from sale and maturity of investments in securities	1,057	5,866	69,833
Payment for purchase of investments in securities	(4)	(943)	(11,226)
Other-net	(317)	511	6,083
Net cash used in investing activities	(53,907)	(30,813)	(366,821)
Cash flows from financing activities:			
Proceeds from long-term debt	84	4,134	49,214
Repayment of long-term debt	(4,831)	(29,288)	(348,667)
Increase (decrease) in short-term debt, net	2,128	18,222	216,929
Dividends paid	(7,739)	(3,873)	(46,107)
Other-net	(497)	526	6,262
Net cash used in financing activities	(10,855)	(10,279)	(122,369)
Effect of exchange rate changes on cash and cash equivalents	(9,184)	(12,207)	(145,322)
Net increase (decrease) in cash and cash equivalents	(30,041)	(2,533)	(30,155)
Cash and cash equivalents at beginning of period	165,705	132,984	1,583,143
Cash and cash equivalents at end of period	135,664	130,451	1,552,988

Note:

U.S.\$1=Yen 84, 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 and 2) Magnetic Application Products, and Other. For details, please see on page 17.

【1st half results】

Net sales by industry segment

		1H of FY2010 (April 1, 2009 - September 30, 2009)		1H of FY2011 (April 1, 2010 - September 30, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	173,977	45.1	214,562	48.5	2,554,309	40,585	23.3
	Intersegment	43		1,141		13,584	1,098	-
	Total	174,020		215,703		2,567,893	41,683	24.0
Magnetic Application Products	External customers	183,182	47.5	192,506	43.5	2,291,738	9,324	5.1
	Intersegment	1,919		3,045		36,250	1,126	58.7
	Total	185,101		195,551		2,327,988	10,450	5.6
Other	External customers	28,692	7.4	35,166	8.0	418,643	6,474	22.6
	Intersegment	4,115		6,432		76,571	2,317	56.3
	Total	32,807		41,598		495,214	8,791	26.8
Intersegment eliminations		(6,077)		(10,618)		(126,405)	(4,541)	
Consolidated total		385,851	100.0	442,234	100.0	5,264,690	56,383	14.6

Segment profit (loss) by industry segment

		1H of FY2010 (April 1, 2009 - September 30, 2009)		1H of FY2011 (April 1, 2010 - September 30, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		(8,992)	-5.2	13,454	6.3	160,167	22,446	-
Magnetic Application Products		17,213	9.4	28,613	14.9	340,631	11,400	66.2
Other		2,038	7.1	2,731	7.8	32,512	693	34.0
Sub total		10,259	2.7	44,798	10.1	533,310	34,539	336.7
Corporate and Eliminations		(4,857)		(7,610)		(90,596)	(2,753)	
Operating income		5,402	1.4	37,188	8.4	442,714	31,786	588.4

Note:

U.S.\$1=Yen 84, for convenience only.

[2nd quarter results]

Net sales by industry segment

		2Q of FY2010 (July 1, 2009 - September 30, 2009)		2Q of FY2011 (July 1, 2010 - September 30, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	93,754	45.9	109,481	49.7	1,303,345	15,727	16.8
	Intersegment	24		595		7,083	571	-
	Total	93,778		110,076		1,310,428	16,298	17.4
Magnetic Application Products	External customers	96,252	47.1	92,244	41.9	1,098,143	(4,008)	-4.2
	Intersegment	1,011		1,555		18,512	544	53.8
	Total	97,263		93,799		1,116,655	(3,464)	-3.6
Other	External customers	14,299	7.0	18,584	8.4	221,238	4,285	30.0
	Intersegment	2,239		3,615		43,036	1,376	61.5
	Total	16,538		22,199		264,274	5,661	34.2
Intersegment eliminations		(3,274)		(5,765)		(68,631)	(2,491)	
Consolidated total		204,305	100.0	220,309	100.0	2,622,726	16,004	7.8

Segment profit by industry segment

		2Q of FY2010 (July 1, 2009 - September 30, 2009)		2Q of FY2011 (July 1, 2010 - September 30, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		159	0.2	7,271	6.6	86,560	7,112	-
Magnetic Application Products		11,315	11.8	12,536	13.6	149,238	1,221	10.8
Other		1,233	8.6	1,680	9.0	20,000	447	36.3
Sub total		12,707	6.2	21,487	9.8	255,798	8,780	69.1
Corporate and Eliminations		(3,660)		(4,508)		(53,667)	(848)	
Operating income		9,047	4.4	16,979	7.7	202,131	7,932	87.7

Note:

U.S.\$1=Yen 84, 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 September 30, 2009		As of September 30, 2010		As of March 31, 2010	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	90.21	131.72	83.82	114.24	93.04	124.92

2. Geographic information

【1st half results】

Term \ Region		1H of FY2010 (April 1, 2009 - September 30, 2009)		1H of FY2011 (April 1, 2010 - September 30, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Japan	Net sales	122,330	100.0	152,656	100.0	1,817,333	30,326	24.8
	Operating income (loss)	(15,005)	-12.3	(2,316)	-1.5	(27,571)	12,689	-
Americas	Net sales	41,679	100.0	49,996	100.0	595,190	8,317	20.0
	Operating income	2,877	6.9	3,776	7.6	44,952	899	31.2
Europe	Net sales	72,169	100.0	92,446	100.0	1,100,548	20,277	28.1
	Operating income (loss)	(10,676)	-14.8	(2,000)	-2.2	(23,810)	8,676	-
Asia and others	Net sales	286,412	100.0	327,706	100.0	3,901,262	41,294	14.4
	Operating income	28,443	9.9	38,304	11.7	456,000	9,861	34.7
Eliminations	Net sales	136,739		180,570		2,149,643	43,831	
	Operating income	237		576		6,857	339	
Total	Net sales	385,851	100.0	442,234	100.0	5,264,690	56,383	14.6
	Operating income	5,402	1.4	37,188	8.4	442,714	31,786	588.4

【2nd quarter results】

Term \ Region		2Q of FY2010 (July 1, 2009 - September 30, 2009)		2Q of FY2011 (July 1, 2010 - September 30, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Japan	Net sales	66,266	100.0	76,375	100.0	909,226	10,109	15.3
	Operating income (loss)	(4,706)	-7.1	(3,206)	-4.2	(38,167)	1,500	-
Americas	Net sales	22,838	100.0	24,071	100.0	286,560	1,233	5.4
	Operating income	1,302	5.7	1,156	4.8	13,762	(146)	-11.2
Europe	Net sales	38,918	100.0	47,631	100.0	567,036	8,713	22.4
	Operating income (loss)	(4,325)	-11.1	(675)	-1.4	(8,036)	3,650	-
Asia and others	Net sales	152,264	100.0	162,071	100.0	1,929,416	9,807	6.4
	Operating income	16,486	10.8	19,385	12.0	230,774	2,899	17.6
Eliminations	Net sales	75,981		89,839		1,069,512	13,858	
	Operating income (loss)	(290)		(319)		(3,798)	(29)	
Total	Net sales	204,305	100.0	220,309	100.0	2,622,726	16,004	7.8
	Operating income	9,047	4.4	16,979	7.7	202,131	7,932	87.7

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 84, for convenience only.

3. Sales by region

【1st half results】

Region	Term	1H of FY2010 (April 1, 2009 - September 30, 2009)		1H of FY2011 (April 1, 2010 - September 30, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		36,470	9.5	47,383	10.7	564,083	10,913	29.9
Europe		51,674	13.4	62,854	14.2	748,262	11,180	21.6
Asia and others		248,898	64.5	276,915	62.6	3,296,607	28,017	11.3
Overseas sales total		337,042	87.4	387,152	87.5	4,608,952	50,110	14.9
Japan		48,809	12.6	55,082	12.5	655,738	6,273	12.9
Net sales		385,851	100.0	442,234	100.0	5,264,690	56,383	14.6

【2nd quarter results】

Region	Term	2Q of FY2010 (July 1, 2009 - September 30, 2009)		2Q of FY2011 (July 1, 2010 - September 30, 2010)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		19,979	9.8	23,645	10.7	281,488	3,666	18.3
Europe		27,437	13.4	31,081	14.1	370,012	3,644	13.3
Asia and others		131,117	64.2	137,907	62.6	1,641,750	6,790	5.2
Overseas sales total		178,533	87.4	192,633	87.4	2,293,250	14,100	7.9
Japan		25,772	12.6	27,676	12.6	329,476	1,904	7.4
Net sales		204,305	100.0	220,309	100.0	2,622,726	16,004	7.8

Notes:

- 1 Overseas sales are based on the location of the customers.
- 2 U.S.\$1=Yen 84, for convenience only.

4. Company group

As of September 30, 2010, TDK had 130 subsidiaries (18 in Japan and 112 overseas).

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