



TDK Corporation
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Contact;

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Consolidated results (U.S. GAAP) for the 2nd quarter of FY March 2012

Summary (April 1, 2011 - September 30, 2011)

Item	Term		1H of FY2011			1H of FY2012			Change	
	(April 1, 2010 - Sep. 30, 2010)		(April 1, 2011 - Sep. 30, 2011)		(April 1, 2011 - Sep. 30, 2011)		(U.S.\$ thousands)			
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)	
Net sales	442,234	100.0	417,157	100.0	5,417,623			(25,077)	-5.7	
Operating income	37,188	8.4	13,792	3.3	179,117			(23,396)	-62.9	
Income before income taxes	34,644	7.8	10,681	2.6	138,714			(23,963)	-69.2	
Net income attributable to TDK	26,116	5.9	6,719	1.6	87,260			(19,397)	-74.3	
Per common share :										
Net income attributable to TDK / Basic	Yen 202.46		Yen 52.09		U.S.\$ 0.68					
Net income attributable to TDK / Diluted	Yen 202.28		Yen 52.03		U.S.\$ 0.68					
Capital expenditures	33,817	-	53,548	-	695,429			19,731	58.3	
Depreciation and amortization	37,764	8.5	37,344	9.0	484,987			(420)	-1.1	
Research and development	26,379	6.0	26,426	6.3	343,195			47	0.2	
Result of financial income (loss)	(750)	-	(705)	-	(9,156)			45	-	
Ratio of overseas production	84.7%	-	81.6%	-	-					
Number of employees	84,399	-	88,449	-	-					

**2nd quarter consolidated results
(July 1, 2011 - September 30, 2011)**

Item	Term		2Q of FY2011			2Q of FY2012			Change	
	(July 1, 2010 - Sep. 30, 2010)		(July 1, 2011 - Sep. 30, 2011)		(July 1, 2011 - Sep. 30, 2011)		(U.S.\$ thousands)			
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)	
Net sales	220,309	100.0	210,386	100.0	2,732,286			(9,923)	-4.5	
Operating income	16,979	7.7	8,149	3.9	105,831			(8,830)	-52.0	
Income before income taxes	15,826	7.2	7,359	3.5	95,571			(8,467)	-53.5	
Net income attributable to TDK	11,593	5.3	4,296	2.0	55,792			(7,297)	-62.9	
Per common share :										
Net income attributable to TDK / Basic	Yen 89.87		Yen 33.30		U.S.\$ 0.43					
Net income attributable to TDK / Diluted	Yen 89.78		Yen 33.26		U.S.\$ 0.43					
Capital expenditures	19,957	-	26,762	-	347,558			6,805	34.1	
Depreciation and amortization	18,975	8.6	18,673	8.9	242,506			(302)	-1.6	
Research and development	13,596	6.2	12,854	6.1	166,935			(742)	-5.5	
Result of financial income (loss)	(453)	-	(298)	-	(3,870)			155	-	
Ratio of overseas production	84.8%	-	80.7%	-	-					

Note:

U.S.\$1=Yen 77, for convenience only.

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[Summary Information and Financial Statements]

1. Summary Information Regarding Financial Results for the Second Quarter of Fiscal 2012

(1) Summary Information Regarding Consolidated Business Results

Consolidated results for the first-half of fiscal 2012, the period from April 1 to September 30, 2011, are as follows.

Looking at the world economy in the first half of fiscal 2012, although emerging countries generally maintained robust growth rates, industrialized nations saw economic activity slow and the financial crisis in Europe deepen. Also, there is an increasing uncertainty surrounding the outlook for the world economy.

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 rose year on year on the back of expanding demand, while production of industrial equipment remained healthy. In addition, a gradual recovery was evident in the production of automobiles for the domestic automotive market. On the other hand, for flat-screen TVs, PCs, and hard disk drives (HDDs), production only hovered around the same level as the corresponding period of the previous fiscal year due to changes in demand.

Under these market conditions, TDK posted consolidated net sales of ¥417,157 million (U.S.\$5,417,623 thousand), a decrease of 5.7% from the ¥442,234 million reported in the first half of fiscal 2011. Operating income was ¥13,792 million (U.S.\$179,117 thousand), a 62.9% decrease from ¥37,188 million. Income before income taxes was ¥10,681 million (U.S.\$138,714 thousand), down 69.2% from ¥34,644 million. TDK recorded net income attributable to TDK of ¥6,719 million (U.S.\$87,260 thousand), a 74.3% decline from ¥26,116 million. Basic net income attributable to TDK per common share was ¥52.09 (U.S.\$0.68), compared with ¥202.46 in the first half of fiscal 2011.

In this quarter, the Organic Electroluminescent Display Business was classified as discontinued operations. However, because the business does not have a material impact on TDK's results of operations, it is not excluded from the results of continuing operations. The business does not belong to either of two segments, which are the Passive Components Segment and the Magnetic Application Products Segment.

Average first-half yen exchange rates for the U.S. dollar and the euro were ¥79.84 and

¥114.00, respectively, as the yen appreciated 10.2% against the U.S. dollar and depreciated 0.2% against the euro, compared with the first-half of fiscal 2011. This lowered net sales by approximately ¥33.2 billion and operating income by approximately ¥10.9 billion. The Great East Japan Earthquake, the subsequent aftershocks and blackouts resulted in a decline of approximately ¥5.7 billion in net sales and a ¥3.6 billion decline in operating income in the first-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 the change of the pension plan in TDK.

Sales by Sector

Term Product	1H of FY2011 (April 1, 2010 - September 30, 2010)		1H of FY2012 (April 1, 2011 - September 30, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Capacitors	75,730	17.1	70,230	16.8	912,078	(5,500)	-7.3
Inductive devices	65,687	14.9	64,233	15.4	834,195	(1,454)	-2.2
Other Passive Components	72,033	16.3	67,138	16.1	871,922	(4,895)	-6.8
Passive Components	213,450	48.3	201,601	48.3	2,618,195	(11,849)	-5.6
Recording devices	137,000	31.0	108,540	26.0	1,409,610	(28,460)	-20.8
Other Magnetic Application Products	55,506	12.5	58,636	14.1	761,507	3,130	5.6
Magnetic Application Products	192,506	43.5	167,176	40.1	2,171,117	(25,330)	-13.2
Other	36,278	8.2	48,380	11.6	628,311	12,102	33.4
Consolidated total	442,234	100.0	417,157	100.0	5,417,623	(25,077)	-5.7
Overseas sales	387,152	87.5	365,196	87.5	4,742,805	(21,956)	-5.7

Notes:

1. U.S.\$1=Yen 77, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (*i.e.*, other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.

(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 ¥201,601 million (U.S.\$2,618,195 thousand), down 5.6% year on year from ¥213,450 million.

The capacitors business is made up of ceramic capacitors, aluminum electrolytic capacitors and film capacitors. Sales in the capacitors business were ¥70,230 million (U.S.\$912,078 thousand), down 7.3% year on year from ¥75,730 million. Sales of aluminum electrolytic capacitors and film capacitors, mainly for industrial equipment applications, increased, but sales of ceramic capacitors for home information appliance applications, in particular, decreased.

Sales of inductive devices decreased 2.2% year on year from ¥65,687 million to ¥64,233 million (U.S.\$834,195 thousand). Although TDK recorded higher sales for use in communications equipment, centered on smartphones, and 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 6.8% year on year from ¥72,033 million to ¥67,138 million (U.S.\$871,922 thousand). Sales of high-frequency components, mainly to the communications equipment market, declined. Sales of piezoelectric material components, circuit protection devices, and sensors for use in the communications equipment market increased, although sales of

piezoelectric material components, circuit protection devices, and sensors for use in the home information appliance and the automotive markets declined.

(2) Magnetic Application Products Segment

This segment is made up of (1) recording devices; and (2) other magnetic application products. Segment sales decreased 13.2% year on year, from ¥192,506 million to ¥167,176 million (U.S.\$2,171,117 thousand).

The recording devices business is comprised mainly of HDD heads and HDD suspension assemblies. It recorded sales of ¥108,540 million (U.S.\$1,409,610 thousand), down 20.8% year on year from ¥137,000 million. This decrease reflects lower sales volumes of HDD heads, as well as price declines and the strong Japanese yen against the U.S. dollar.

Other magnetic application products include power supplies, magnets and recording media. Sales increased 5.6% year on year from ¥55,506 million to ¥58,636 million (U.S.\$761,507 thousand). Sales of power supplies to the automotive and industrial equipment markets increased. Sales of magnets to the home information appliances market also increased.

(3) Other

Other includes energy devices (rechargeable batteries), mechatronics (production equipment) and other businesses. Segment sales rose 33.4% year on year from ¥36,278 million to ¥48,380 million (U.S.\$628,311 thousand). Sales of energy devices to both the home information appliance and the communications equipment markets increased.

The classification of segments is as follows.

Classification	Constituent Main Business
Passive Components*	Ceramic capacitors, Aluminum electrolytic capacitors, Film capacitors, Inductive devices (Coils/Ferrite cores/Transformers), High-frequency devices, Piezoelectric material components, Circuit protection devices, Sensors
Magnetic Application Products	Recording devices, Power supplies, Magnets, Recording media
Other	Energy devices (rechargeable batteries), Mechatronics (production equipment), Other

[Sales by Region]

Overseas sales decreased 5.7% year on year from ¥387,152 million to ¥365,196 million (U.S.\$4,742,805 thousand). Overseas sales accounted for 87.5% of consolidated net sales, the same as that of the first-half of fiscal 2011. Detailed information on sales by region can be found in the consolidated supplementary information on page 17.

(2) Summary Information Regarding Consolidated Financial Position

(1) The following table summarizes TDK's consolidated balance sheet as of September 30, 2011.

Total assets	¥1,049,813 million	(1.0% decrease)
Total TDK stockholders' equity	¥499,197 million	(6.6% decrease)
Stockholders' equity ratio	47.6%	(2.8 point decrease)

As of September 30, 2011, total assets had decreased ¥11,040 million compared with March 31, 2011. Cash and cash equivalents increased ¥37,151 million and inventories increased ¥12,824 million, respectively. On the other hand, short-term investments decreased ¥47,542 million and other assets decreased ¥20,544 million, respectively.

Total liabilities increased ¥16,416 million from March 31, 2011. Short-term debt increased ¥30,774 million, however, retirement and severance benefits decreased ¥6,497 million and other noncurrent liabilities decreased ¥7,720 million, respectively.

TDK stockholders' equity, which is included in total equity, declined ¥35,076 million from March 31, 2011. Accumulated other comprehensive loss increased ¥40,233 million, mainly due to a deterioration in foreign currency translation adjustments because of the yen's appreciation.

(2) Cash Flows

(Yen millions)

	Fiscal 2011 2Q	Fiscal 2012 2Q	Change
Net cash provided by operating activities	50,766	24,120	(26,646)
Net cash used in investing activities	(30,813)	(5,648)	25,165
Net cash provided by (used in) financing activities	(10,279)	30,368	40,647
Effect of exchange rate changes on cash and cash equivalents	(12,207)	(11,689)	518
Net increase (decrease) in cash and cash equivalents	(2,533)	37,151	39,684
Cash and cash equivalents at beginning of period	132,984	129,091	(3,893)
Cash and cash equivalents at end of period	130,451	166,242	35,791

Operating activities provided net cash of ¥24,120 million (U.S. \$313,247 thousand), a year on year decrease of ¥26,646 million. TDK recorded net income of ¥7,245 million (U.S. \$94,091 thousand), a decrease of ¥18,879 million year on year. Depreciation and

amortization decreased ¥420 million to ¥37,344 million (U.S. \$484,987 thousand). In changes in assets and liabilities, a ¥5,427 million decrease in trade receivables contributed to an increase of operating cash flows. However, a ¥3,349 million increase in inventories and a ¥11,054 million increase in changes in other assets and liabilities, net reduced operating cash flows.

Investing activities used net cash of ¥5,648 million (U.S. \$73,351 thousand), a decrease of ¥25,165 million year on year. There was a ¥76,177 million decrease in payment for purchase of short-term investments, which outweighed a ¥27,844 million decrease in proceeds from sale and maturity of short-term investments and a ¥19,731 million increase in capital expenditures.

In the first six months of fiscal 2012, TDK provided net cash in financing activities, which used net cash in the first six months of fiscal 2011. The net change year on year was ¥40,647 million. In the first six months of fiscal 2011, ¥29,288 million and ¥3,873 million were used to repay long-term debt and pay dividends, respectively. On the other hand, there was a net increase in short-term debt of ¥18,222 million. TDK used net cash of ¥10,279 million in these and other financing activities. In the first six months of fiscal 2012, ¥7,489 million (U.S. \$97,260 thousand) and ¥5,158 million (U.S. \$66,987 thousand) were used to repay long-term debt and pay dividends, respectively. On the other hand, there were a net increase in short-term debt of ¥31,631 million (U.S. \$410,792 thousand) and proceeds from noncontrolling interest shareholders of ¥11,341 million (U.S. \$147,286 thousand). These and other financing activities provided net cash of ¥30,368 million (U.S. \$394,390 thousand).

(3) Summary Information Regarding Consolidated Projections

(Fiscal 2012 Consolidated Projections)

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2012, the year ending March 31, 2012, are as follows.

Term Item	FY2012 (April 1, 2011 - March 31, 2012)	FY2012 (April 1, 2011 - March 31, 2012)	FY2011 (April 1, 2010 - March 31, 2011)	vs FY2011 Changes	
	Forecast in October'11	Forecast in June'11 and July'11	Actual		
	(Yen millions)	(Yen millions)	(Yen millions)	(Yen millions)	%
Net Sales	820,000	890,000	875,737	-55,737	-6.4
Operating Income	35,000	67,000	63,842	-28,842	-45.2
Income before income taxes	30,000	65,000	60,065	-30,065	-50.1
Net income attributable to TDK	20,000	50,000	45,264	-25,264	-55.8
Capital expenditures	80,000	85,000	78,638	1,362	1.7
Depreciation and amortization	80,000	85,000	77,594	2,406	3.1
Research and development	52,000	53,000	52,973	-973	-1.8

(Note)

The TDK Group (defined below) has revised forecasts issued in June 2011, after reviewing demand for electronic components based on information currently available related to the electronics market and main finished products and also reviewing impact on foreign exchange markets due to the rapidly appreciated yen and the negative impact caused by flooding in Thailand.

(Exchange Rate Forecast)

Average yen exchange rates against the U.S. dollar and the euro of ¥76 and ¥105 respectively will be 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 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. Other Information

(1) Changes in Significant Subsidiaries

Nothing to report

(2) Simplified Accounting Treatment and Special Accounting Treatment

Nothing to report

(3) Accounting Policy Changes, Accounting Estimate Changes and Restatements

Nothing to report

(4) Fundamental Policy for Distribution of Earnings, and Fiscal 2012 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 2012 are as follows. TDK has revised the year-end dividend forecast to 40 yen from 50 yen, based on the revision of the consolidated projections for the Fiscal Year March 2012 as well as on the fundamental policy for distribution of earnings.

	FY2012	FY2011 Actual
Interim dividend	40.00	40.00
Year-end dividend	(Forecast) 40.00	40.00
Annual dividend	(Forecast) 80.00	80.00

(Yen)

3. Consolidated Financial Statements

(1) Balance Sheets

ASSETS										
Item	Term	As of March 31, 2011		As of September 30, 2011			Change from March 31, 2011	As of June 30, 2011		Change from June 30, 2011
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current assets		526,882	49.7	532,507	50.7	6,915,675	5,625	526,291	49.4	6,216
Cash and cash equivalents		129,091		166,242		2,158,987	37,151	148,648		17,594
Short-term investments		50,803		3,261		42,351	(47,542)	12,336		(9,075)
Marketable securities		17,736		14,633		190,039	(3,103)	19,691		(5,058)
Net trade receivables		165,242		162,001		2,103,909	(3,241)	161,250		751
Inventories		121,679		134,503		1,746,792	12,824	135,978		(1,475)
Other current assets		42,331		51,867		673,597	9,536	48,388		3,479
Noncurrent assets		533,971	50.3	517,306	49.3	6,718,260	(16,665)	539,426	50.6	(22,120)
Investments in securities		34,117		33,598		436,338	(519)	38,073		(4,475)
Net property, plant and equipment		318,403		322,801		4,192,221	4,398	328,072		(5,271)
Other assets		181,451		160,907		2,089,701	(20,544)	173,281		(12,374)
TOTAL		1,060,853	100.0	1,049,813	100.0	13,633,935	(11,040)	1,065,717	100.0	(15,904)

LIABILITIES AND EQUITY										
Item	Term	As of March 31, 2011		As of September 30, 2011			Change from March 31, 2011	As of June 30, 2011		Change from June 30, 2011
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	%	(Yen millions)
Current liabilities		327,696	30.9	363,370	34.6	4,719,091	35,674	345,877	32.5	17,493
Short-term debt		98,294		129,068		1,676,208	30,774	106,624		22,444
Current installments of long-term debt		55,968		53,259		691,675	(2,709)	55,981		(2,722)
Trade payables		83,555		87,854		1,140,961	4,299	94,565		(6,711)
Accrued expenses		72,966		73,398		953,221	432	70,977		2,421
Income taxes payables		4,545		4,488		58,286	(57)	3,772		716
Other current liabilities		12,368		15,303		198,740	2,935	13,958		1,345
Noncurrent liabilities		193,391	18.2	174,133	16.6	2,261,467	(19,258)	187,459	17.6	(13,326)
Long-term debt, excluding current installments		90,707		85,666		1,112,545	(5,041)	88,161		(2,495)
Retirement and severance benefits		80,036		73,539		955,052	(6,497)	77,708		(4,169)
Deferred income taxes		9,511		3,433		44,584	(6,078)	9,042		(5,609)
Other noncurrent liabilities		13,137		11,495		149,286	(1,642)	12,548		(1,053)
Total liabilities		521,087	49.1	537,503	51.2	6,980,558	16,416	533,336	50.1	4,167
Common stock		32,641		32,641		423,909	-	32,641		-
Additional paid-in capital		61,258		64,788		841,403	3,530	61,383		3,405
Legal reserve		21,459		22,448		291,533	989	22,026		422
Retained earnings		643,025		643,572		8,358,078	547	639,713		3,859
Accumulated other comprehensive income (loss)		(217,979)		(258,212)		(3,353,403)	(40,233)	(222,684)		(35,528)
Treasury stock		(6,131)		(6,040)		(78,442)	91	(6,092)		52
Total TDK stockholders' equity		534,273	50.4	499,197	47.6	6,483,078	(35,076)	526,987	49.4	(27,790)
Noncontrolling interests		5,493	0.5	13,113	1.2	170,299	7,620	5,394	0.5	7,719
Total equity		539,766	50.9	512,310	48.8	6,653,377	(27,456)	532,381	49.9	(20,071)
TOTAL		1,060,853	100.0	1,049,813	100.0	13,633,935	(11,040)	1,065,717	100.0	(15,904)

Note:

U.S.\$1=Yen 77, for convenience only.

(2) Statements of Income

[1st half results]

Term Item	1H of FY2011 (April 1, 2010 - September 30, 2010)		1H of FY2012 (April 1, 2011 - September 30, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	442,234	100.0	417,157	100.0	5,417,623	(25,077)	-5.7
Cost of sales	328,786	74.3	320,270	76.8	4,159,350	(8,516)	-2.6
Gross profit	113,448	25.7	96,887	23.2	1,258,273	(16,561)	-14.6
Selling, general and administrative expenses	76,260	17.3	83,095	19.9	1,079,156	6,835	9.0
Operating income	37,188	8.4	13,792	3.3	179,117	(23,396)	-62.9
Other income (deductions):							
Interest and dividend income	661		827		10,740	166	
Interest expense	(1,411)		(1,532)		(19,896)	(121)	
Foreign exchange gain	(2,108)		(746)		(9,688)	1,362	
Other-net	314		(1,660)		(21,559)	(1,974)	
Total other income (deductions)	(2,544)	-0.6	(3,111)	-0.7	(40,403)	(567)	-
Income before income taxes	34,644	7.8	10,681	2.6	138,714	(23,963)	-69.2
Income taxes	8,520	1.9	3,436	0.9	44,623	(5,084)	-59.7
Net income	26,124	5.9	7,245	1.7	94,091	(18,879)	-72.3
Less: Net income (loss) attributable to noncontrolling interests	8	0.0	526	0.1	6,831	518	-
Net income attributable to TDK	26,116	5.9	6,719	1.6	87,260	(19,397)	-74.3

[2nd quarter results]

Term Item	2Q of FY2011 (July 1, 2010 - September 30, 2010)		2Q of FY2012 (July 1, 2011 - September 30, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	220,309	100.0	210,386	100.0	2,732,286	(9,923)	-4.5
Cost of sales	163,996	74.4	162,827	77.4	2,114,637	(1,169)	-0.7
Gross profit	56,313	25.6	47,559	22.6	617,649	(8,754)	-15.5
Selling, general and administrative expenses	39,334	17.9	39,410	18.7	511,818	76	0.2
Operating income	16,979	7.7	8,149	3.9	105,831	(8,830)	-52.0
Other income (deductions):							
Interest and dividend income	306		469		6,091	163	
Interest expense	(759)		(767)		(9,961)	(8)	
Foreign exchange gain	(977)		(144)		(1,870)	833	
Other-net	277		(348)		(4,520)	(625)	
Total other income (deductions)	(1,153)	-0.5	(790)	-0.4	(10,260)	363	-
Income before income taxes	15,826	7.2	7,359	3.5	95,571	(8,467)	-53.5
Income taxes	4,188	1.9	2,530	1.2	32,857	(1,658)	-39.6
Net income	11,638	5.3	4,829	2.3	62,714	(6,809)	-58.5
Less: Net income (loss) attributable to noncontrolling interests	45	0.0	533	0.3	6,922	488	-
Net income attributable to TDK	11,593	5.3	4,296	2.0	55,792	(7,297)	-62.9

Note:

U.S.\$1=Yen 77, for convenience only.

(3) Statements of Cash Flows

[1st half results]

Item	Term	1H of FY2012	
		(April 1, 2010 - September 30, 2010)	(April 1, 2011 - September 30, 2011)
		(Yen millions)	(Yen millions) (U.S.\$ thousands)
Cash flows from operating activities:			
Net income		26,124	7,245 94,091
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		37,764	37,344 484,987
Changes in assets and liabilities, net of effects of acquisition of businesses:			
Decrease (increase) in trade receivables		(15,676)	(10,249) (133,104)
Decrease (increase) in inventories		(18,410)	(21,759) (282,584)
Increase (decrease) in trade payables		12,916	12,573 163,286
Increase (decrease) in accrued expenses		2,572	2,231 28,974
Increase (decrease) in changes in other assets and liabilities, net		5,498	(5,556) (72,156)
Other-net		(22)	2,291 29,753
Net cash provided by operating activities		50,766	24,120 313,247
Cash flows from investing activities:			
Capital expenditures		(33,817)	(53,548) (695,429)
Proceeds from sale and maturity of short-term investments		79,740	51,896 673,974
Payment for purchase of short-term investments		(82,170)	(5,993) (77,831)
Proceeds from sale and maturity of securities		5,866	4,172 54,182
Payment for purchase of securities		(943)	(3,456) (44,883)
Other-net		511	1,281 16,636
Net cash used in investing activities		(30,813)	(5,648) (73,351)
Cash flows from financing activities:			
Proceeds from long-term debt		4,134	127 1,650
Repayment of long-term debt		(29,288)	(7,489) (97,260)
Increase (decrease) in short-term debt, net		18,222	31,631 410,792
Dividends paid		(3,873)	(5,158) (66,987)
Proceeds from noncontrolling interest shareholders		-	11,341 147,286
Other-net		526	(84) (1,091)
Net cash provided by (used in) financing activities		(10,279)	30,368 394,390
Effect of exchange rate changes on cash and cash equivalents		(12,207)	(11,689) (151,805)
Net increase (decrease) in cash and cash equivalents		(2,533)	37,151 482,481
Cash and cash equivalents at beginning of period		132,984	129,091 1,676,506
Cash and cash equivalents at end of period		130,451	166,242 2,158,987

Note:

U.S.\$1=Yen 77, for convenience only.

(4) Notes Concerning Going Concern Assumptions

Nothing to report.

(5) Segment Information

TDK classifies its businesses into two (2) segments: (1) "Passive Components"; and (2) "Magnetic Application Products". Businesses that do not fall under either of these two (2) segments are considered to be "Other".

【1st half results】

Net sales by industry segment

		1H of FY2011 (April 1, 2010 - September 30, 2010)		1H of FY2012 (April 1, 2011 - September 30, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	213,450	48.3	201,601	48.3	2,618,195	(11,849)	-5.6
	Intersegment	1,141		1,519		19,727	378	33.1
	Total	214,591		203,120		2,637,922	(11,471)	-5.3
Magnetic Application Products	External customers	192,506	43.5	167,176	40.1	2,171,117	(25,330)	-13.2
	Intersegment	3,045		2,373		30,818	(672)	-22.1
	Total	195,551		169,549		2,201,935	(26,002)	-13.3
Other	External customers	36,278	8.2	48,380	11.6	628,311	12,102	33.4
	Intersegment	6,432		12,128		157,506	5,696	88.6
	Total	42,710		60,508		785,817	17,798	41.7
Intersegment eliminations		(10,618)		(16,020)		(208,051)	(5,402)	
Consolidated total		442,234	100.0	417,157	100.0	5,417,623	(25,077)	-5.7

Segment profit by industry segment

		1H of FY2011 (April 1, 2010 - September 30, 2010)		1H of FY2012 (April 1, 2011 - September 30, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		13,507	6.3	5,041	2.5	65,467	(8,466)	-62.7
Magnetic Application Products		28,613	14.9	16,356	9.8	212,416	(12,257)	-42.8
Other		2,678	7.4	3,247	6.7	42,169	569	21.2
Sub total		44,798	10.1	24,644	5.9	320,052	(20,154)	-45.0
Corporate and Eliminations		(7,610)		(10,852)		(140,935)	(3,242)	
Operating income		37,188	8.4	13,792	3.3	179,117	(23,396)	-62.9

Note:

1. U.S.\$1=Yen 77, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (i.e., other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.

【2nd quarter results】

Net sales by industry segment

		2Q of FY2011 (July 1, 2010 - September 30, 2010)		2Q of FY2012 (July 1, 2011 - September 30, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	108,748	49.3	99,891	47.5	1,297,286	(8,857)	-8.1
	Intersegment	595		693		9,000	98	16.5
	Total	109,343		100,584		1,306,286	(8,759)	-8.0
Magnetic Application Products	External customers	92,244	41.9	84,508	40.2	1,097,506	(7,736)	-8.4
	Intersegment	1,555		1,273		16,533	(282)	-18.1
	Total	93,799		85,781		1,114,039	(8,018)	-8.5
Other	External customers	19,317	8.8	25,987	12.3	337,494	6,670	34.5
	Intersegment	3,615		6,281		81,571	2,666	73.7
	Total	22,932		32,268		419,065	9,336	40.7
Intersegment eliminations		(5,765)		(8,247)		(107,104)	(2,482)	
Consolidated total		220,309	100.0	210,386	100.0	2,732,286	(9,923)	-4.5

Segment profit by industry segment

		2Q of FY2011 (July 1, 2010 - September 30, 2010)		2Q of FY2012 (July 1, 2011 - September 30, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		7,252	6.7	1,266	1.3	16,442	(5,986)	-82.5
Magnetic Application Products		12,536	13.6	8,801	10.4	114,299	(3,735)	-29.8
Other		1,699	8.8	1,748	6.7	22,701	49	2.9
Sub total		21,487	9.8	11,815	5.6	153,442	(9,672)	-45.0
Corporate and Eliminations		(4,508)		(3,666)		(47,611)	842	
Operating income		16,979	7.7	8,149	3.9	105,831	(8,830)	-52.0

Notes:

1. U.S.\$1=Yen 77, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (*i.e.*, other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.

(6) Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.

(7) Consolidated Supplementary Information

1. Exchange rates used for conversion

Item \ Term	As of September 30, 2010		As of September 30, 2011		As of March 31, 2011	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	83.82	114.24	76.65	104.11	83.15	117.57

2. Sales by region

[1st half results]

Region \ Term	1H of FY2011 (April 1, 2010 - September 30, 2010)		1H of FY2012 (April 1, 2011 - September 30, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	47,383	10.7	42,726	10.2	554,883	(4,657)	-9.8
Europe	62,854	14.2	66,972	16.1	869,766	4,118	6.6
Asia and others	276,915	62.6	255,498	61.2	3,318,156	(21,417)	-7.7
Overseas sales total	387,152	87.5	365,196	87.5	4,742,805	(21,956)	-5.7
Japan	55,082	12.5	51,961	12.5	674,818	(3,121)	-5.7
Net sales	442,234	100.0	417,157	100.0	5,417,623	(25,077)	-5.7

[2nd quarter results]

Region \ Term	2Q of FY2011 (July 1, 2010 - September 30, 2010)		2Q of FY2012 (July 1, 2011 - September 30, 2011)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	23,645	10.7	21,321	10.1	276,896	(2,324)	-9.8
Europe	31,081	14.1	32,116	15.3	417,091	1,035	3.3
Asia and others	137,907	62.6	129,610	61.6	1,683,247	(8,297)	-6.0
Overseas sales total	192,633	87.4	183,047	87.0	2,377,234	(9,586)	-5.0
Japan	27,676	12.6	27,339	13.0	355,052	(337)	-1.2
Net sales	220,309	100.0	210,386	100.0	2,732,286	(9,923)	-4.5

Notes:

- Overseas sales are based on the location of the customers.
- U.S.\$1=Yen 77, for convenience only.

3. Company group

As of September 30, 2011, TDK had one hundred and twenty-four (124) consolidated subsidiaries (fourteen (14) in Japan and one hundred and ten (110) overseas). TDK also had eight (8) affiliates (five (5) in Japan and three (3) overseas), the financial statements for which are accounted for by the equity method.

4. Overview of net sales by product

Term Product	1Q of FY2011 (April 1, 2010 - June 30, 2010)		2Q of FY2011 (July 1, 2010 - September 30, 2010)		3Q of FY2011 (October 1, 2010 - December 31, 2010)		4Q of FY2011 (January 1, 2011 - March 31, 2011)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	37,985	17.1	37,745	17.1	35,150	16.0	34,513	16.1
Inductive devices	32,134	14.5	33,553	15.2	32,631	14.8	31,865	14.9
Other	34,583	15.6	37,450	17.0	39,329	17.9	38,594	18.1
Passive Components	104,702	47.2	108,748	49.3	107,110	48.7	104,972	49.1
Recording devices	71,668	32.3	65,332	29.7	63,039	28.7	57,483	26.9
Other	28,594	12.9	26,912	12.2	27,746	12.6	27,707	13.0
Magnetic Application Products	100,262	45.2	92,244	41.9	90,785	41.3	85,190	39.9
Other	16,961	7.6	19,317	8.8	22,042	10.0	23,404	11.0
Consolidated total	221,925	100.0	220,309	100.0	219,937	100.0	213,566	100.0

Term Product	1Q of FY2012 (April 1, 2011 - June 30, 2011)		2Q of FY2012 (July 1, 2011 - September 30, 2011)		
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	36,080	17.5	34,150	16.2	443,507
Inductive devices	32,879	15.9	31,354	14.9	407,195
Other	32,751	15.8	34,387	16.4	446,584
Passive Components	101,710	49.2	99,891	47.5	1,297,286
Recording devices	55,235	26.7	53,305	25.4	692,272
Other	27,433	13.3	31,203	14.8	405,234
Magnetic Application Products	82,668	40.0	84,508	40.2	1,097,506
Other	22,393	10.8	25,987	12.3	337,494
Consolidated total	206,771	100.0	210,386	100.0	2,732,286

Notes:

1. U.S.\$1=Yen 77, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (i.e., other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.