



Consolidated Financial Statements
for the three-month-period ended September 30, 2009
and September 30, 2008 (in English)

On November 13, 2009, this report in the Japanese version was filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance pursuant to Japan's Financial Instruments and Exchange Act.

[This is an English translation prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.]

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TABLE OF CONTENTS

Consolidated Financial Statements for the three-month-period ended September 30, 2009
and September 30, 2008 (in English)

- 1) Consolidated balance sheets (Unaudited)
- 2) Consolidated statements of income (Unaudited)
- 3) Consolidated statements of cash flows (Unaudited)
- 4) Notes to Consolidated Financial Statements (Unaudited)

1) Consolidated balance sheets (Unaudited)

ASSETS	Yen (Millions)	
	September 30, 2009	March 31, 2009
Current assets:		
Cash and cash equivalents	¥ 135,664	165,705
Short-term investments	42,417	23,993
Marketable securities (Note 2)	15,746	17,968
Net trade receivables	157,750	122,711
Inventories (Note 3)	95,699	105,684
Other current assets	41,561	45,096
Total current assets	<u>488,837</u>	<u>481,157</u>
Investments in securities (Note 2)	36,836	35,047
Net property, plant and equipment	332,931	348,645
Goodwill and other intangible assets (Note 10)	140,019	143,136
Other assets	90,306	93,051
	<u>¥ 1,088,929</u>	<u>1,101,036</u>

See accompanying notes to consolidated financial statements.

LIABILITIES AND EQUITY	Yen (Millions)	
	September 30, 2009	March 31, 2009
Current liabilities:		
Short-term debt	¥ 74,282	71,049
Current installments of long-term debt	7,223	3,497
Trade payables	75,146	50,970
Accrued expenses (Note 9)	57,506	63,314
Other current liabilities	9,962	10,791
Total current liabilities	<u>224,119</u>	<u>199,621</u>
Long-term debt, excluding current installments	205,868	210,083
Retirement and severance benefits	98,786	98,007
Other noncurrent liabilities	29,130	30,284
Total liabilities	<u>557,903</u>	<u>537,995</u>
 Stockholders' equity (Note 11) :		
Common stock		
Authorized 480,000,000 shares; issued 129,590,659 shares at September 30, 2009 and March 31, 2009	32,641	32,641
Additional paid-in capital	64,487	64,257
Legal reserve	21,431	20,772
Retained earnings	598,296	605,622
Accumulated other comprehensive income (loss) (Note 12)	(187,060)	(162,741)
Treasury stock at cost; 598,536 shares at September 30, 2009 and 611,272 shares at March 31, 2009	(6,196)	(6,333)
Total stockholders' equity	<u>523,599</u>	<u>554,218</u>
Noncontrolling interests (Note 11)	7,427	8,823
Total equity (Note 11)	<u>531,026</u>	<u>563,041</u>
	<u>¥ 1,088,929</u>	<u>1,101,036</u>

2) Consolidated statements of income (Unaudited)

	Yen (Millions)	
	Six months ended September 30, 2009	Six months ended September 30, 2008
Net sales	¥ 385,851	396,537
Cost of sales	302,431	307,556
Gross profit	83,420	88,981
Selling, general and administrative expenses	75,841	74,600
Restructuring cost (Note 9)	2,177	-
Operating income	5,402	14,381
Other income (deductions):		
Interest and dividend income	924	2,177
Interest expense	(2,370)	(278)
Foreign exchange gain (loss)	(1,748)	(1,758)
Other - net	(1,255)	304
	(4,449)	445
Income before income taxes	953	14,826
Income taxes	374	3,238
Net income (Note 12)	579	11,588
Less: Net income (loss)		
attributable to noncontrolling interests (Note 12)	(561)	(280)
Net income attributable to TDK Corp. (Note 12)	¥ 1,140	11,868
Amounts per share:		
	Yen	
Net income attributable to TDK Corp. per share (Note 13):		
Basic	¥ 8.84	92.02
Diluted	8.83	91.97
Cash dividends paid during the period	¥ 60.00	70.00

See accompanying notes to consolidated financial statements.

	Yen (Millions)	
	Three months ended September 30, 2009	Three months ended September 30, 2008
Net sales	¥ 204,305	205,914
Cost of sales	156,011	159,141
Gross profit	48,294	46,773
Selling, general and administrative expenses	38,493	37,785
Restructuring cost (Note 9)	754	-
Operating income	9,047	8,988
Other income (deductions):		
Interest and dividend income	480	1,059
Interest expense	(1,349)	(199)
Foreign exchange gain (loss)	(1,104)	(1,060)
Other - net	(703)	461
	(2,676)	261
Income before income taxes	6,371	9,249
Income taxes	2,079	1,898
Net income (Note 12)	4,292	7,351
Less: Net income (loss)		
attributable to noncontrolling interests (Note 12)	(64)	(71)
Net income attributable to TDK Corp. (Note 12)	¥ 4,356	7,422

Amounts per share:

	Yen	
Net income attributable to TDK Corp. per share (Note 13):		
Basic	¥ 33.77	57.55
Diluted	33.74	57.51
Cash dividends paid during the period	¥ -	-

See accompanying notes to consolidated financial statements.

3) Consolidated statements of cash flows (Unaudited)

	Yen (Millions)	
	Six months ended September 30, 2009	Six months ended September 30, 2008
Cash flows from operating activities:		
Net income	¥ 579	11,588
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	41,128	38,824
Changes in assets and liabilities, net of effects of acquisition of businesses:		
Decrease (increase) in trade receivables	(43,337)	(1,149)
Decrease (increase) in inventories	7,917	(4,459)
Increase (decrease) in trade payables	29,450	4,814
Increase (decrease) in accrued expenses	2,982	(1,005)
Increase (decrease) in changes in other assets and liabilities, net	1,946	(3,745)
Other - net	3,240	973
Net cash provided by operating activities	<u>43,905</u>	<u>45,841</u>
Cash flows from investing activities:		
Capital expenditures	(33,141)	(67,716)
Proceeds from sale and maturity of short-term investments	47,807	1,212
Payment for purchase of short-term investments	(69,309)	(5,909)
Proceeds from sale and maturity of investments in securities	1,057	4,155
Payment for purchase of investments in securities	(4)	(823)
Acquisition of affiliates	-	(74,953)
Other - net	(317)	1,341
Net cash used in investing activities	<u>(53,907)</u>	<u>(142,693)</u>
Cash flows from financing activities:		
Repayment of long-term debt	(4,831)	(207)
Increase (decrease) in short-term debt, net	2,128	108,503
Dividends paid	(7,739)	(9,027)
Other - net	(413)	(59)
Net cash provided by (used in) financing activities	<u>(10,855)</u>	<u>99,210</u>
Effect of exchange rate changes on cash and cash equivalents	(9,184)	5,154
Net increase (decrease) in cash and cash equivalents	<u>(30,041)</u>	<u>7,512</u>
Cash and cash equivalents at beginning of period	165,705	166,105
Cash and cash equivalents at end of period	<u>¥ 135,664</u>	<u>173,617</u>

See accompanying notes to consolidated financial statements.

4) Notes to Consolidated Financial Statements (Unaudited)

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

TDK and most of its domestic subsidiaries maintain their books of account in conformity with financial accounting standards of Japan, and its foreign subsidiaries mainly in conformity with those of the countries of their domicile.

The consolidated financial statements presented herein reflect certain adjustments, not recorded on the primary books of TDK and subsidiaries, to present the financial position, results of operations, and cash flows in conformity with U.S. generally accepted accounting principles (the “U.S. GAAP”).

(b) Consolidation Policy

The consolidated financial statements include the accounts of TDK, its subsidiaries and those variable interest entities where TDK is the primary beneficiary under U.S. GAAP. All significant intercompany accounts and transactions have been eliminated in consolidation.

The investments in affiliates in which TDK’s ownership is 20 percent to 50 percent and where TDK exercises significant influence over their operating and financial policies are accounted for by the equity method. All significant intercompany profits from these affiliates have been eliminated.

(c) Adoption of New Accounting Standards

“Generally Accepted Accounting Principles”

TDK adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 105, “Generally Accepted Accounting Principles” during the second quarter beginning on July 1, 2009. ASC 105 establishes ASC as the sole source for authoritative U.S. GAAP, except for rules and interpretive releases issued by U.S. Securities and Exchange Commission (“SEC”). Accordingly, the references to accounting standards in Notes to Consolidated Financial Statements are based on ASC. The adoption of ASC 105 did not have a material impact on TDK’s financial position and results of operations.

“Business Combinations”

TDK adopted FASB ASC 805 “Business Combinations” (Former FASB Statement of Financial Accounting Standards (“SFAS”) No.141(R), “Business Combinations”) on April 1, 2009. ASC 805 establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. ASC 805 also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. The adoption of ASC 805 did not have a material impact on TDK’s financial position and results of operations.

“Noncontrolling Interests in Consolidated Financial Statements”

TDK adopted FASB ASC 810 “Consolidation” (Former FASB 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 six-month and three-month ended September 30, 2009. The adoption of ASC 810 did not have a material impact on TDK's financial position and results of operations.

“Fair Value Measurements”

FASB ASC 820 “Fair Value Measurements and Disclosures” (Former FASB Staff Positions No. FAS 157-2 (“FSP FAS 157-2”), “Effective Date of FASB Statement No. 157”) delayed the effective date of ASC 820 for one year for all nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis, until the beginning of the first quarter of the year ending March 31, 2010.

TDK adopted ASC 820 for all nonfinancial assets and nonfinancial liabilities in the first quarter for the year ending March 31, 2010. The adoption of ASC 820 did not have a material impact on TDK's consolidated financial position and results of operations. The required disclosures in accordance with ASC 820 are presented in Note 8 of the Notes to Consolidated Financial Statements.

“Subsequent Events”

TDK adopted FASB ASC 855 “Subsequent Events” (Former FASB SFAS No. 165, “Subsequent Events”) during the first quarter beginning on April 1, 2009. ASC 855 requires an entity that has a current expectation of widely distributing its financial statements to its shareholders and other financial statement users (including a public entity) to evaluate subsequent events through the date that the financial statements are issued and disclose when the date is. TDK has evaluated subsequent events through the date and time the financial statements were issued on November 13, 2009.

(d) Reclassifications

Certain reclassifications have been made to the prior year's consolidated financial statements and quarterly consolidated financial statements to conform to the presentation used for the six-month and the three-month ended September 30, 2009.

2. Marketable Securities and Investments in Securities

Marketable securities and investments in securities at September 30, 2009 and March 31, 2009, are as follows:

	Yen (Millions)	
	September 30, 2009	March 31, 2009
Marketable securities	¥ 15,746	17,968
Investments in securities:		
Long-term marketable securities	13,753	10,566
Nonmarketable securities	924	990
Investments in affiliates	22,159	23,491
Total investments in securities	36,836	35,047
	¥ 52,582	53,015

Marketable securities and investments in securities include available-for-sale securities. Information with respect to such securities at September 30, 2009 and March 31, 2009, are as follows:

As of September 30, 2009

Yen (Millions):	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Equity securities	¥ 11,225	2,182	1,186	12,221
Debt securities	17,198	80	-	17,278
	¥ 28,423	2,262	1,186	29,499

As of March 31, 2009

Yen (Millions):	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Equity securities	¥ 12,420	482	3,029	9,873
Debt securities	18,659	3	1	18,661
	¥ 31,079	485	3,030	28,534

Debt securities classified as available-for-sale at September 30, 2009 have a weighted average remaining term of 0.4 years.

The proceeds from sale and maturity of available-for-sale securities are ¥1,057 million for the six-month and the three-month ended September 30, 2009. The gross realized gains on the sale and settlement of available-for-sale securities are ¥58 million for the six-month and the three-month ended September 30, 2009. TDK recorded an impairment of ¥313 million and ¥264 million on certain available-for-sale securities and nonmarketable securities representing other-than-temporary declines in the fair value for the six-month and the three-month ended September 30, 2009, respectively.

At September 30, 2009, all of the available-for-sale securities with unrealized losses had been in a continuous unrealized loss position for less than 12 months.

The aggregate cost of nonmarketable securities accounted for under the cost method at September 30, 2009 totaled ¥924 million and most of those securities as of September 30, 2009 were not evaluated for impairment because (a) TDK did not estimate the fair value of those investments as it was not practicable to estimate the fair value of the investment and (b) TDK did not identify any events or changes in circumstances that might have had significant adverse effect on the fair value of those investments.

As of September 30, 2009, certain debt securities in the amount of ¥1,695 million were pledged as collateral for extended custom duty payments to Tokyo Customs.

3. Inventories

Inventories at September 30, 2009 and March 31, 2009, are summarized as follows:

	Yen (Millions)	
	September 30, 2009	March 31, 2009
Finished goods	¥ 40,122	50,473
Work in process	26,478	25,440
Raw materials	29,099	29,771
	¥ 95,699	105,684

4. Cost for Retirement and Severance Benefits

Net periodic benefit cost for TDK's employee retirement and severance defined benefit plans for the six-month ended September 30, 2009 and September 30, 2008 consisted of the following components:

	Yen (Millions)	
	Six months ended September 30, 2009	Six months ended September 30, 2008
Service cost-benefits earned during the period	¥ 3,483	3,252
Interest cost on projected benefit obligation	2,970	2,245
Expected return on plan assets	(1,726)	(2,594)
Recognized actuarial loss	2,606	634
Amortization of unrecognized prior service benefit	(1,016)	(1,011)
	¥ 6,317	2,526

Net periodic benefit cost for TDK's employee retirement and severance defined benefit plans for the three-month ended September 30, 2009 and September 30, 2008 consisted of the following components:

	Yen (Millions)	
	Three months ended September 30, 2009	Three months ended September 30, 2008
Service cost-benefits earned during the period	¥ 1,749	1,628
Interest cost on projected benefit obligation	1,473	1,125
Expected return on plan assets	(880)	(1,299)
Recognized actuarial loss	1,170	312
Amortization of unrecognized prior service benefit	(510)	(507)
	¥ 3,002	1,259

5. Contingent Liabilities

TDK and certain of its subsidiaries provide guarantees to third parties on bank loans of its employees. The guarantees on behalf of the employees are made for their housing loans. For each guarantee issued, in the event the employee defaults on payment, TDK would be required to make payments under its guarantee.

The maximum amounts of undiscounted payments TDK would have to make in the event of default at September 30, 2009 and March 31, 2009, are as follows:

	Yen (Millions)	
	September 30, 2009	March 31, 2009
Contingent liabilities for guarantees of loans of TDK's employees	¥ 4,051	4,374

As of September 30, 2009, the liability recognized for the estimated fair value of TDK's obligation under the guarantee arrangement is not material.

Several claims against TDK and certain subsidiaries are pending. Provision has been made for the estimated liabilities for the items. In the opinion of management, based upon discussion with counsel, any additional liability not currently provided for will not materially affect the consolidated financial position and results of operations of TDK.

6. Risk Management Activities and Derivative Financial Instruments

TDK and its subsidiaries operate internationally and are exposed to the risk of changes in foreign exchange rates and interest rates as well as changes in raw material prices. TDK and its subsidiaries assess these risks by continuously monitoring changes in the exchange rates, interest rates and raw material prices and by evaluating hedging opportunities. TDK and its subsidiaries utilize derivative financial instruments to reduce these risks. TDK and its subsidiaries do not hold or issue derivative financial instruments for trading purposes. TDK and its subsidiaries are exposed to credit related losses in the event of nonperformance by the counterparties to those derivative financial instruments, but does not expect any counterparties to fail to meet their obligations given their high credit ratings and so on. The credit exposure of these derivative financial instruments is represented by the fair values of contracts. The fair values of the contracts are calculated based on the quotes presented by financial institutions etc.

TDK and its subsidiaries use forward foreign exchange contracts in order to offset foreign exchange gain (loss) mainly arising from foreign-currency denominated assets and liabilities. TDK and its subsidiaries use currency swaps in order to control the fluctuation risks of foreign exchange rates. Also, TDK and its subsidiaries use commodity forward transactions in order to control the fluctuation risks of raw material prices. Although these contracts have not been designated as hedges, which is required to apply hedge accountings, TDK and its subsidiaries consider they are effective as hedges from the economic viewpoint. The fair values of these undesignated contracts are recognized as income or expenses as incurred.

Notional amounts of derivative financial instruments at September 30, 2009 and March 31, 2009, are as follows:

	Yen (Millions)	
	September 30, 2009	March 31, 2009
Forward foreign exchange contracts	¥ 37,591	44,226
Currency swaps	15,326	6,025
Commodity forward transactions	1,951	4,944
	<u>¥ 54,868</u>	<u>55,195</u>

Fair value of derivative financial instruments at September 30, 2009 and March 31, 2009 are as follows:

		Yen (Millions)	
		As of September 30, 2009	
		Account	Fair value
Assets:			
Forward foreign exchange contracts	Other current assets		¥ 271
Currency swaps	Other current assets		54
Currency swaps	Other assets		63
Commodity forward transactions	Other current assets		18
Liabilities:			
Forward foreign exchange contracts	Other current liabilities		293
Currency swaps	Other current liabilities		352
Commodity forward transactions	Other current liabilities		146
		Yen (Millions)	
		As of March 31, 2009	
		Account	Fair value
Assets:			
Forward foreign exchange contracts	Other current assets		¥ 1,146
Currency swaps	Other current assets		143
Commodity forward transactions	Other current assets		292
Liabilities:			
Forward foreign exchange contracts	Other current liabilities		807
Currency swaps	Other noncurrent liabilities		164
Commodity forward transactions	Other current liabilities		1,042

The effect of derivative financial instruments on the consolidated statements of income for the six-month and the three-month ended September 30, 2009 are as follows:

		Six months ended September 30, 2009	
		Account	Yen (Millions)
Forward foreign exchange contracts	Foreign exchange gain (loss)		¥ 635
Currency swaps	Foreign exchange gain (loss)		(216)
Commodity forward transactions	Cost of sales		(40)
		Three months ended September 30, 2009	
		Account	Yen (Millions)
Forward foreign exchange contracts	Foreign exchange gain (loss)		¥ 532
Currency swaps	Foreign exchange gain (loss)		(174)
Commodity forward transactions	Cost of sales		(34)

7. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of financial instruments in cases for which it is practicable:

(a) Cash and cash equivalents, Short-term investments, Trade receivables, Other current assets, Short-term debt, Trade payables, Accrued expenses and Other current liabilities

The carrying amount approximates fair value because of the short maturity of these instruments.

(b) Marketable securities and Investments in securities

The fair values of marketable securities and investments in securities are primarily estimated based on quoted market prices for these instruments. For a part of investments in securities for which there are no quoted market prices, a reasonable estimate of fair values could not be made without incurring excessive costs.

(c) Long-term debt

The fair value of TDK's long-term debt is estimated based on the amount of future cash flows associated with the instrument discounted using TDK's current borrowing rate for similar debt of comparable maturity, or based on the quoted market prices for the same or similar issues.

The carrying amounts and estimated fair values of TDK's financial instruments at September 30, 2009 and March 31, 2009, are summarized as follows:

<u>As of September 30, 2009</u>	Yen (Millions)	
	Carrying amount	Estimated fair value
Assets:		
Marketable securities for which it is:		
Practicable to estimate fair value	¥ 15,746	15,746
Investments in securities and other assets for which it is:		
Practicable to estimate fair value	29,852	29,852
Not practicable to estimate fair value	1,075	-
Liability:		
Long-term debt, including current portion	(213,091)	(214,521)
<u>As of March 31, 2009</u>	Yen (Millions)	
	Carrying amount	Estimated fair value
Assets:		
Marketable securities for which it is:		
Practicable to estimate fair value	¥ 17,968	17,968
Investments in securities and other assets for which it is:		
Practicable to estimate fair value	26,830	26,830
Not practicable to estimate fair value	588	-
Liability:		
Long-term debt, including current portion	(213,580)	(213,290)

Derivative financial instruments are presented in Note 6 of the Notes to Consolidated Financial Statements.

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

8. Fair Value Measurements

FASB ASC 820 “Fair Value Measurements and Disclosures” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. ASC 820 establishes a three-level fair value hierarchy for material inputs used in measuring fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that TDK has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liability.

Assets and liabilities that are measured at fair value on a recurring basis

Assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2009 are as follows:

<u>As of September 30, 2009</u>	Yen (Millions)			Total
	Level 1	Level 2	Level 3	
Assets:				
Marketable securities:				
Debt securities	¥ 15,746	-	-	¥ 15,746
Derivative contracts	-	406	-	406
Long-term marketable securities:				
Debt securities	701	831	-	1,532
Equity securities	12,221	-	-	12,221
Total	¥ 28,668	1,237	-	¥ 29,905
Liabilities:				
Derivative contracts	¥ -	791	-	¥ 791
Total	¥ -	791	-	¥ 791

Level 1 marketable securities and long-term marketable securities that are mainly listed shares are valued using unadjusted quoted prices in active markets in which transactions occur with sufficient frequency and volume.

Level 2 derivative contracts include forward foreign exchange contracts, currency swaps and commodity forward transactions and are valued based on quotes obtained from counterparties and are verified using observable market inputs, such as foreign currency exchange rates and inputs from commodities markets. Long-term marketable securities consist of commercial papers and the fair values thereof are based on the third-party assessment using observable market data.

9. Restructuring Cost

For the six-month ended September 30, 2009, TDK recorded restructuring cost of ¥2,177 million related to workforce reductions in the electronic materials and components segment mainly at subsidiaries in Asia, Americas and Europe. TDK had already paid ¥1,367 million by September 30, 2009.

The liabilities of ¥1,530 million recognized at March 31, 2009 were included in Accrued expenses in the consolidated balance sheets. TDK had already paid ¥820 million by September 30, 2009.

The impact of the restructuring activities for the six-month ended September 30, 2009 is as follows:

	Yen (Millions)		
	Workforce reduction obligations	Other liabilities	Total
March 31, 2009	¥ 313	1,217	¥ 1,530
Costs and expenses	2,046	131	2,177
Payments	1,536	651	2,187
Non-cash adjustments	(52)	(5)	(57)
September 30, 2009	¥ 771	692	¥ 1,463

Liabilities relate to restructuring were included in Accrued expenses in the consolidated balance sheets as of September 30, 2009.

TDK expects that most of the accrued liabilities of ¥1,463 million recognized at September 30, 2009 will be paid by March 31, 2010.

10. Goodwill and Other Intangible Assets

The components of acquired intangible assets excluding goodwill at September 30, 2009 and March 31, 2009 are as follows:

Yen (Millions)			
As of September 30, 2009			
	Gross Carrying Amount	Accumulated Amortization	Net Amount
Amortized intangible assets:			
Patent	¥ 42,437	11,143	¥ 31,294
Customer relationships	23,688	6,738	16,950
Software	13,477	7,806	5,671
Unpatented technologies	28,939	9,454	19,485
Other	5,130	1,033	4,097
Total	¥ 113,671	36,174	¥ 77,497
Unamortized intangible assets:			
Trademark	¥ 7,758		¥ 7,758
Other	1,241		1,241
Total	¥ 8,999		¥ 8,999

Yen (Millions)			
As of March 31, 2009			
	Gross Carrying Amount	Accumulated Amortization	Net Amount
Amortized intangible assets:			
Patent	¥ 39,629	10,395	¥ 29,234
Customer relationships	24,932	6,178	18,755
Software	11,903	7,141	4,762
Unpatented technologies	30,467	8,621	21,846
Other	6,227	1,822	4,405
Total	¥ 113,158	34,157	¥ 79,002
Unamortized intangible assets:			
Trademark	¥ 7,705		¥ 7,705
Other	1,231		1,231
Total	¥ 8,936		¥ 8,936

Intangible assets subject to amortization are amortized using the straight-line method over their estimated useful lives to their estimated residual value of zero. The useful lives are 3 years to 18 years for Patent, 5 to 17 years for Customer relationships, 2 to 10 years for Internal-use Software, 3 years to 20 years for Unpatented technologies and 5 to 15 years for Other intangible assets.

Aggregate amortization expense for the six-month ended September 30, 2009 was ¥6,964 million. Estimated amortization expense for the next five years is: ¥13,109 million in 2010, ¥12,179 million in 2011, ¥10,578 million in 2012, ¥8,349 million in 2013, and ¥7,173 million in 2014.

The changes in the carrying amount of goodwill by segment for the six-month ended September 30, 2009 is as follows:

	Yen (Millions)		
	Electronic materials and components	Recording media	Total
March 31, 2009	¥ 55,198	-	¥ 55,198
Acquisitions	-	-	-
Impairments	-	-	-
Others	(80)	-	(80)
Translation adjustment	(1,595)	-	(1,595)
September 30, 2009	¥ 53,523	-	¥ 53,523

11. Equity

The changes in the carrying amount of stockholders' equity, noncontrolling interests and total equity for the six-month ended September 30, 2009 is as follows:

	Yen (Millions)		
	Stockholders' equity	Noncontrolling interests	Total equity
March 31, 2009	¥ 554,218	8,823	¥ 563,041
Equity transaction of consolidated subsidiaries and other	299	(470)	(171)
Comprehensive income (loss):			
Net income (loss)	1,140	(561)	579
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(26,945)	(238)	(27,183)
Pension liability adjustments	403	(12)	391
Net unrealized gains (losses) on securities	2,223	-	2,223
Other comprehensive income (loss), net of tax	(24,319)	(250)	(24,569)
Total comprehensive income (loss), net of tax:	(23,179)	(811)	(23,990)
Dividends	(7,739)	(115)	(7,854)
September 30, 2009	¥ 523,599	7,427	¥ 531,026

Net income attributable to TDK Corp. and transfers (to) from noncontrolling interest for the six-month ended September 30, 2009 is as follows:

	Yen (Millions)
	Six months ended September 30, 2009
Net income attributable to TDK Corp.	¥ 1,140
Increase in TDK Corp.'s paid-in capital for purchase of 7,200,000 TDK Philippines Corporation common shares	94
Decrease in TDK Corp.'s paid-in capital for purchase of 2,000 TDK-Lambda (Thailand) Co., Ltd. common shares	(24)
Net transfers (to) from noncontrolling interest	70
Change from net income attributable to TDK Corp. and transfers (to) from noncontrolling interest	¥ 1,210

12. Comprehensive Income (Loss)

Comprehensive income (loss) for the six-month ended September 30, 2009 and September 30, 2008 are as follows:

	Yen (Millions)	
	Six months ended September 30, 2009	Six months ended September 30, 2008
Net income	¥ 579	11,588
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(27,183)	9,065
Pension liability adjustments	391	(306)
Net unrealized gains (losses) on securities	2,223	(282)
Other comprehensive income (loss), net of tax	(24,569)	8,477
Comprehensive income (loss)	(23,990)	20,065
Comprehensive income (loss) attributable to non-controlling interests	(811)	(237)
Comprehensive income (loss) attributable to TDK Corp.	¥ (23,179)	20,302

Comprehensive income (loss) for the three-month ended September 30, 2009 and September 30, 2008 are as follows:

	Yen (Millions)	
	Three months ended September 30, 2009	Three months ended September 30, 2008
Net income	¥ 4,292	7,351
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(26,767)	(11,892)
Pension liability adjustments	342	(66)
Net unrealized gains (losses) on securities	863	(1,824)
Other comprehensive income (loss), net of tax	(25,562)	(13,782)
Comprehensive income (loss)	(21,270)	(6,431)
Comprehensive income (loss) attributable to non-controlling interests	(371)	(176)
Comprehensive income (loss) attributable to TDK Corp.	¥ (20,899)	(6,255)

13. Net Income Attributable to TDK Corp. per Share

A reconciliation of the numerators and denominators of the basic and diluted net income attributable to TDK Corp. per share computations are as follows:

	Yen (Millions)	
	Six months ended September 30, 2009	Six months ended September 30, 2008
Net income attributable to TDK Corp.	¥ 1,140	11,868
	Number of shares (Thousands)	
	Six months ended September 30, 2009	Six months ended September 30, 2008
Weighted average common shares outstanding – Basic	128,982	128,968
Effect of dilutive stock options	93	70
Weighted average common shares outstanding – Diluted	129,075	129,038
	Yen	
	Six months ended September 30, 2009	Six months ended September 30, 2008
Net income attributable to TDK Corp. per share:		
Basic	¥ 8.84	92.02
Diluted	¥ 8.83	91.97
	Yen (Millions)	
	Three months ended September 30, 2009	Three months ended September 30, 2008
Net income attributable to TDK Corp.	¥ 4,356	7,422
	Number of shares (Thousands)	
	Three months ended September 30, 2009	Three months ended September 30, 2008
Weighted average common shares outstanding – Basic	128,985	128,976
Effect of dilutive stock options	108	80
Weighted average common shares outstanding – Diluted	129,093	129,056
	Yen	
	Three months ended September 30, 2009	Three months ended September 30, 2008
Net income attributable to TDK Corp. per share:		
Basic	¥ 33.77	57.55
Diluted	¥ 33.74	57.51

14. Acquisition

On October 17, 2008 (“acquisition date”), TDK acquired 36.0 percent of the issued and outstanding common shares of EPCOS AG (“EPCOS”) by a public tender offer (“Offer”) in accordance with Business Combination Agreement (“BCA”) that TDK and EPCOS concluded on July 31, 2008.

As a result of the Offer and the acquisitions of shares outside the Offer, TDK obtained 55,993 thousand shares (84.3 percent equity interest) in EPCOS at the acquisition date, and EPCOS became a consolidated subsidiary of TDK.

EPCOS is headquartered in Munich, Germany, and is a leading manufacturer of electronic components, modules and systems. With its broad portfolio, EPCOS offers a comprehensive range of products and focuses on fast-growing and technologically demanding markets, in particular in the areas of information and communication technology, as well as automotive, industrial and consumer electronics. EPCOS and its subsidiaries have design and manufacturing locations and sales offices in Europe, Asia, and in North and South America.

TDK and EPCOS are both engaged in the electronic components business, but there is little overlap in terms of product fields or markets, and TDK expects to capture powerful synergies.

TDK acquired 23,890 thousand shares (36.0 percent equity interest) at a cost of ¥63,560 million through the Offer. Prior to the conclusion of the Offer, TDK had acquired 32,103 thousand shares of EPCOS in the market, giving it 48.3 percent equity interest at a cost of ¥79,466 million. As of the acquisition date, TDK held 55,993 thousand shares (84.3 percent equity interest) in EPCOS at a total cost of ¥143,026 million.

As a result of the successful Offer, TDK conducted an additional public tender offer from October 14, 2008 through October 27, 2008 (“Additional Offer”) in accordance with the German regulations. TDK acquired an additional 7,904 thousand shares (11.5 percent equity interest) for ¥17,858 million including shares acquired outside of the Additional Offer.

As of March 31, 2009, TDK held 63,897 thousand shares (95.8 percent equity interest) in EPCOS at a total cost of ¥163,727 million, which was paid in cash. The total cost includes direct costs of ¥2,843 million.

There are no changes in the shares owned and the equity interest for the six-month ended September 30, 2009.

The acquisition has been accounted for by the purchase method of accounting. TDK applied equity method of accounting prior to the acquisition date.

TDK has included the results of operations of EPCOS and its subsidiaries in its consolidated financial statements since the acquisition date.

There are no significant changes in goodwill for the six-month ended September 30, 2009.

15. Subsequent Events

On October 22, 2009, the squeeze out of the shares of noncontrolling interests (4.2% of the issued stocks) of EPCOS AG as of September 30, 2009 was completed in accordance with German Stock Corporation Act, and TDK has acquired all issued stocks of EPCOS AG at the time of quarterly report filing date.

16. Segment Information

(a) Industry segment information

Three months ended September 30, 2009

	Yen (Millions)				
	Electronic materials & components	Recording media	Sub total	Eliminations and corporate	Total
Net sales					
External sales	¥ 200,538	3,767	204,305	-	¥ 204,305
Intersegment	-	-	-	-	-
Total	200,538	3,767	204,305	-	204,305
Operating expenses	190,982	4,276	195,258	-	195,258
Operating income (loss)	¥ 9,556	(509)	9,047	-	¥ 9,047

Three months ended September 30, 2008

	Yen (Millions)				
	Electronic materials & components	Recording media	Sub total	Eliminations and corporate	Total
Net sales					
External sales	¥ 199,475	6,439	205,914	-	¥ 205,914
Intersegment	-	-	-	-	-
Total	199,475	6,439	205,914	-	205,914
Operating expenses	189,426	7,500	196,926	-	196,926
Operating income (loss)	¥ 10,049	(1,061)	8,988	-	¥ 8,988

Six months ended September 30, 2009

	Yen (Millions)				
	Electronic materials & components	Recording media	Sub total	Eliminations and corporate	Total
Net sales					
External sales	¥ 378,086	7,765	385,851	-	¥ 385,851
Intersegment	-	-	-	-	-
Total	378,086	7,765	385,851	-	385,851
Operating expenses	371,096	9,353	380,449	-	380,449
Operating income (loss)	¥ 6,990	(1,588)	5,402	-	¥ 5,402

Six months ended September 30, 2008

	Yen (Millions)				
	Electronic materials & components	Recording media	Sub total	Eliminations and corporate	Total
Net sales					
External sales	¥ 384,244	12,293	396,537	-	¥ 396,537
Intersegment	-	-	-	-	-
Total	384,244	12,293	396,537	-	396,537
Operating expenses	368,229	13,927	382,156	-	382,156
Operating income (loss)	¥ 16,015	(1,634)	14,381	-	¥ 14,381

(Notes) 1. Segment classification

Segments are classified by the similarity of the products, the product's character, the manufacturing method and the selling market.

2. Principal products in each segment

Electronic materials and components:

Multilayer ceramic chip capacitors, Rare-earth magnets, Ferrite cores, Inductive devices (Coils, Transformers), Switching power supplies, HDD heads, Energy devices (Rechargeable batteries), and products manufactured and sold by the EPCOS and its subsidiaries

Recording media:

Optical media (Blu-ray discs) and Tape-based data storage media for computers

(b) Geographic segment information

Three months ended September 30, 2009

	Yen (Millions)						Total
	Japan	Americas	Europe	Asia and others	Sub total	Eliminations and corporate	
Net sales							
External sales	¥ 28,310	12,465	31,377	132,153	204,305	-	¥ 204,305
Intersegment	37,956	10,373	7,541	20,111	75,981	(75,981)	-
Total	66,266	22,838	38,918	152,264	280,286	(75,981)	204,305
Operating expenses	70,972	21,536	43,243	135,778	271,529	(76,271)	195,258
Operating income (loss)	¥ (4,706)	1,302	(4,325)	16,486	8,757	290	¥ 9,047

Three months ended September 30, 2008

	Yen (Millions)						Total
	Japan	Americas	Europe	Asia and others	Sub total	Eliminations and corporate	
Net sales							
External sales	¥ 36,559	11,508	10,064	147,783	205,914	-	¥ 205,914
Intersegment	47,807	12,162	599	11,627	72,195	(72,195)	-
Total	84,366	23,670	10,663	159,410	278,109	(72,195)	205,914
Operating expenses	88,119	19,018	11,433	149,425	267,995	(71,069)	196,926
Operating income (loss)	¥ (3,753)	4,652	(770)	9,985	10,114	(1,126)	¥ 8,988

Six months ended September 30, 2009

	Yen (Millions)						Total
	Japan	Americas	Europe	Asia and others	Sub total	Eliminations and corporate	
Net sales							
External sales	¥ 54,280	22,464	58,691	250,416	385,851	-	¥ 385,851
Intersegment	68,050	19,215	13,478	35,996	136,739	(136,739)	-
Total	122,330	41,679	72,169	286,412	522,590	(136,739)	385,851
Operating expenses	137,335	38,802	82,845	257,969	516,951	(136,502)	380,449
Operating income (loss)	¥ (15,005)	2,877	(10,676)	28,443	5,639	(237)	¥ 5,402

Six months ended September 30, 2008

	Yen (Millions)						Total
	Japan	Americas	Europe	Asia and others	Sub total	Eliminations and corporate	
Net sales							
External sales	¥ 74,692	23,265	20,443	278,137	396,537	-	¥ 396,537
Intersegment	93,736	22,267	976	23,267	140,246	(140,246)	-
Total	168,428	45,532	21,419	301,404	536,783	(140,246)	396,537
Operating expenses	173,953	39,753	22,177	284,479	520,362	(138,206)	382,156
Operating income (loss)	¥ (5,525)	5,779	(758)	16,925	16,421	(2,040)	¥ 14,381

- (Notes)**
1. Net sales in each geographic area are based on the location of TDK entities where the sales are generated.
 2. Principal nations in each geographic segment excluding Japan:
Americas: United States of America
Europe: Germany, Austria and Hungary
Asia and others: Hong Kong, China, Singapore, Thailand and Taiwan

(c) Overseas sales

Three months ended September 30, 2009

	Yen (Millions)			Total
	Americas	Europe	Asia and others	
Sales by region	¥ 19,979	27,437	131,117	¥ 178,533
Net sales				204,305
Ratio of overseas sales to net sales (%)	9.8	13.4	64.2	87.4

Three months ended September 30, 2008

	Yen (Millions)			Total
	Americas	Europe	Asia and others	
Sales by region	¥ 21,999	11,847	140,925	¥ 174,771
Net sales				205,914
Ratio of overseas sales to net sales (%)	10.7	5.8	68.4	84.9

Six months ended September 30, 2009

	Yen (Millions)			Total
	Americas	Europe	Asia and others	
Sales by region	¥ 36,470	51,674	248,898	¥ 337,042
Net sales				385,851
Ratio of overseas sales to net sales (%)	9.5	13.4	64.5	87.4

Six months ended September 30, 2008

	Yen (Millions)			Total
	Americas	Europe	Asia and others	
Sales by region	¥ 44,589	23,998	264,342	¥ 332,929
Net sales				396,537
Ratio of overseas sales to net sales (%)	11.2	6.1	66.7	84.0

- (Notes)
1. Overseas sales are based on the location of the customers.
 2. Principal nations in each region excluding Japan:
Americas: United States of America
Europe: Germany, Italy, Hungary and France
Asia and others: Hong Kong, China, Taiwan, Korea and Singapore
 3. Overseas sales are net sales of TDK and its consolidated subsidiaries in the countries and regions other than Japan.