

ABOUT TDK

SINCE 1935, TDK CORPORATION HAS PROSPERED BY SUPPLYING MATERIALS AND COMPONENTS ESSENTIAL TO THE PROGRESS OF THE ELECTRONICS INDUSTRY. IN TODAY'S ERA OF NETWORKING, TDK IS CONCENTRATING ON "E-MATERIALS." FUTURE GROWTH WILL BE DRIVEN BY PROVIDING SOLUTIONS TO FUNDAMENTAL CHALLENGES: HIGHER RECORDING DENSITIES, HIGHER TRANSMISSION FREQUENCIES, DIGITAL SIGNALS, AS WELL AS THE CHALLENGE OF SQUEEZING MORE PERFORMANCE INTO SMALLER AND LIGHTER DEVICES. TO TRANSLATE THESE ACCOMPLISHMENTS INTO GREATER EARNINGS, TDK HAS ANNOUNCED AN AMBITIOUS MEDIUM-TERM PLAN CALLED "EXCITING 108." CENTRAL TO THIS DRIVE ARE RIGOROUS STANDARDS FOR MORE CLOSELY INTEGRATING THE COST OF CAPITAL IN THE DECISION-MAKING PROCESS.

The e-materials of TDK—and

Density

GMR HEAD
magneto-resistive
materials



CD-R/DVD
organic dye

Efficiency

TRANSFORMER
CORES
ferrite



DC-DC CONVERTERS
ferrite

Size

MULTILAYER
CHIP CAPACITORS
dielectric materials



METAL MAGNETS
rare-earth metals



Reliability

NOISE FILTERS
ferrite



DATA STORAGE TAPES
magnetic materials



page 3 >> **To Our Shareholders**

With the start of the new millennium, TDK has launched an ambitious management plan called Exciting 108. In this year's message, president and CEO Hajime Sawabe discusses the thinking behind this plan and outlines its key objectives.

page 6 >> **Management Policies and Goals**

Turn to this section for an overview of TDK's policies for liquidity and the application of TDK Value Added (TVA). Following it on page 7 is an outline of the reasoning behind Exciting 108 and its chief goals.

page 8 >> **Welcome to TDK TechnoForum 2000**

An in-house exposition, the TDK TechnoForum 2000, was held at the company's Technical Center near Tokyo from May 24 to 26, 2000. This section is designed to lead the reader through some of the most important technologies and products shown.

page 14 >> **Fiscal 2000 Performance Matrix**

A summary of TDK's product sectors along with results and selected highlights of the past year.

page 16 >> **TDK's Signal Path**

Almost all of TDK's products handle electrical signals somehow. Comparing a signal with various forms of pasta, this section illustrates some of the many roles performed by TDK components to achieve the ultimate objective.

page 16 >> **Review of Operations**

An explanation of fiscal 2000's sales is presented here for each of TDK's five product sectors. Note that some reclassifications have been made compared with fiscal 1999, as is explained on page 17.

page 24 >> **Directors and Corporate Auditors**

page 25 >> **Financial Review**

page 35 >> **Consolidated Financial Statements and Notes**

what they do



DIGITAL
VIDEOTAPES
magnetic materials



SMD COILS FOR
POWER SUPPLIES
ferrite



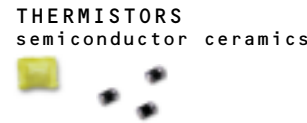
EL DISPLAYS
organic
electroluminescent
materials



MULTILAYER CHIP
INDUCTOR
ferrite



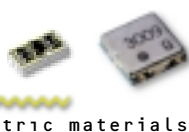
POWER SUPPLIES
ferrite



THERMISTORS
semiconductor ceramics











ANECHOIC TESTING
CHAMBERS
ferrite



VCO
dielectric materials

e-materials

-  magneto-resistive materials
-  ferrite
-  organic dye
-  magnetic materials
-  rare-earth metals
-  organic electroluminescent materials
-  dielectric materials
-  semiconductor ceramics