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FOR IMMEDIATE RELEASE

TOKYO-August 10, 2000 TDK Corporation today announced its consolidated business results for the first quarter of fiscal 2001, the three-month period ended June 30, 2000 is as follows:

1) Consolidated results

Consolidated results for the first quarter of fiscal 2001, the three-month period from April 1 , 2000 through June 30, 2000, is as follows:

	<u>Yen millions</u>	<u>U.S. \$ thousands</u>	<u>% change</u>
Net sales	175,322	1,653,981	(6.7 %)
Operating profit (%)	19,233 (11.0 %)	181,443	(13.5 %)
Income before income taxes (%)	19,091 (10.9 %)	180,104	(5.9 %)
Net income (%)	12,835 (7.3 %)	121,085	(9.4 %)

Note:

The amounts shown in U.S. Dollars are converted at the rate of U.S.\$1=Yen 106, the opening rate on the Tokyo Foreign Exchange Market on June 30, 2000.

2) Summary

Consolidated results for the first quarter of fiscal 2001, the three-month period from April 1, 2000 through June 30, 2000, are as follows:

TDK Corporation today reported consolidated results for the first quarter of fiscal 2001, the three-month period ended June 30, 2000. In relation to the first quarter of the previous fiscal year, net sales climbed 6.7% to ¥175,322 million (US\$1,653,981 thousand) and operating profit rose 13.5% to ¥19,233 million (US\$181,443 thousand). Income before income taxes increased 5.9% to ¥19,091 million (US\$180,104 thousand), net income advanced 9.4% to ¥12,835 million (US\$121,085 thousand) and net income per common share was ¥96.37 (US\$0.91).

First quarter average yen exchange rates for the U.S. dollar and euro were ¥107 and ¥100, respectively, as the yen appreciated 12% versus the dollar and 22% versus the euro compared with the previous year's first quarter. This had the net effect of reducing net sales by approximately ¥16.4 billion and operating profit by approximately ¥6.8 billion.

Effective from the current fiscal year, TDK has adopted a revised presentation for sector information and renamed some product categories. Based on this revised reporting system, sales in the electronic materials and components segment increased 11.6% to ¥144,708 million (US\$1,365,170 thousand).

Within this segment, sales in the electronic materials sector surged 26.5% to ¥52,614 million (US\$496,359 thousand). Driving growth was much higher demand for multilayer chip capacitors and ferrite cores used in mobile phones and other communications devices, PCs and peripherals, and audio and visual products. Sales growth was especially strong for multilayer chip capacitors. Mobile phones, PCs and peripherals, and digital devices all contributed to this strong performance. Sales in the electronic devices sector were up 15.5% to ¥36,308 million (US\$342,528 thousand). An increase in orders from the same sources that fueled growth in electronic materials led to higher sales in many product categories in this sector. Contributing most to the sales increase were high-frequency products such as high-frequency modules and voltage controlled oscillators, both key mobile phone components. In the recording devices sector, sales decreased 3.5% to ¥49,383 million (US\$465,877 thousand). Sales volumes of GMR heads were higher following the March 2000 acquisition of Headway Technologies, Inc., but this growth was erased by the effects of falling sales prices and the yen's strength. Sales in the semiconductors & others sector increased 17.1% to ¥6,403 million (US\$60,406 thousand). This was mainly attributable to a strong performance by semiconductors for LAN applications and modems used in set-top boxes.

Recording media & systems sales were down 11.6% to ¥30,614 million (US\$288,811 thousand). Expansion in demand for CD-Rs led to higher sales volume, but prices fell sharply because of an oversupply of these disks. Further affecting segment results were lower audiotape volume as this market contracts and lower prices for videotapes and MiniDiscs.

By region, sales in Japan rose 5.8% to ¥60,595 million (US\$571,651 thousand), mostly the result of solid demand for multilayer chip capacitors. In Europe, higher orders for multilayer chip capacitors and high-frequency components for GSM mobile phones led to a 15.3% increase in sales to ¥21,829 million (US\$205,934 thousand). In Asia (excluding Japan) and Others, sales were up 7.0% to ¥65,815 million (US\$620,896 thousand) due to strong performances by products in the electronic materials and electronic devices sectors, mainly for use in PCs and peripherals.

In the Americas, sales increased 2.0% to ¥27,083 million (US\$255,500 thousand). The tendency of companies in this region to design products internally but manufacture in Asia held down sales growth in relation to other regions. Further holding back results in this region was a decline in Recording media & systems sales.

The overall result was a 7.2% increase in overseas sales to ¥114,727 million (US\$1,082,330 thousand). As a result, overseas sales rose from 65.1% to 65.4% of consolidated net sales.

Outlook for Fiscal Year Ending March 31, 2001

TDK's revised projections for consolidated results in the current fiscal year are shown below. These figures are based on the following assumptions:

- The Yen-U.S. dollar exchange rate during the fiscal year was initially estimated to be ¥100. TDK currently estimates average rates of ¥107 for the first half and ¥100 for the second half.
- In the Electronic materials and components segment, TDK expects strong performances during the fiscal year's first half by multilayer chip capacitors for communications equipment and PCs, high-frequency components for mobile phones and GMR heads for HDDs. Growth in orders and the weakness of the Yen have both exceeded TDK's initial projections. Regarding the second half of the fiscal year, however, trends in markets for finished products and other factors make the outlook for these components unclear at this time.
- In the Recording media & systems segment, TDK is projecting another weak performance. CD-R prices are expected to fall as supply-demand dynamics deteriorate even as demand continues to expand. In addition, global demand for audiotape continues to decline and competition is exerting pressure on videotape prices.

Fiscal 2001 Projections (Yen millions)

	Revised Projection	As of May 2000	% Change from FY00
Net sales	730,000	700,000	+8.2%
Operating profit	75,000	68,000	+0.5%
Income before income taxes	77,000	69,000	+4.9%
Net income	54,000	47,000	+6.4%

Projections for the fiscal year ending March 31, 2001 are based on assumptions and beliefs of TDK and its group companies in accordance with data currently available. Consequently, these projections should not be relied upon as the sole basis for evaluating TDK. Actual results may differ substantially from the projections depending on a number of factors.

The electronics markets in which TDK operates is highly susceptible to rapid changes. Furthermore, TDK operates not only in Japan, but in many other countries. As such, factors that can have significant effects on its results include, but are not limited to, shifts in technology, demand, prices, competition, economic environments and foreign exchange rates.

3) Consolidated results for the first quarter of fiscal 2001

(1) Financial highlights

	The first quarter of FY2001 (April 1, 2000 - June 30, 2000)			The first quarter of FY2000 (April 1, 1999 - June 30, 1999)		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	
Net sales	175,322	100.0	1,653,981	164,277	100.0	6.7
Operating profit	19,233	11.0	181,443	16,948	10.3	13.5
Income before income taxes	19,091	10.9	180,104	18,021	11.0	5.9
Net income	12,835	7.3	121,085	11,730	7.1	9.4
Net income per common share and per ADS	Yen 96.37		U.S. \$ 0.91	Yen 88.07		

Notes:

1. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.
2. The figures for net income per common share are calculated based upon the weighted average number of common shares outstanding.
3. During this consolidated accounting period, the company had 75 subsidiaries (27 in Japan and 48 overseas). The company also had 8 affiliates whose financial statements are accounted for by the equity method.
4. In millions of Yen and thousands of U.S. Dollars , except for per share figures.
5. U.S.\$1=Yen 106

(2) Sales breakdown

	The first quarter of FY2001 (April 1, 2000 - June 30, 2000)			The first quarter of FY2000 (April 1, 1999 - June 30, 1999)		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	
Electronic materials and components	144,708	82.5	1,365,170	129,657	78.9	11.6
Electronic materials	52,614	30.0	496,359	41,577	25.3	26.5
Electronic devices	36,308	20.7	342,528	31,444	19.1	15.5
Recording devices	49,383	28.2	465,877	51,169	31.2	-3.5
Semiconductors & others	6,403	3.6	60,406	5,467	3.3	17.1
Recording media & systems	30,614	17.5	288,811	34,620	21.1	-11.6
Total sales	175,322	100.0	1,653,981	164,277	100.0	6.7
Overseas sales	114,727	65.4	1,082,330	106,978	65.1	7.2

Notes:

1. Effective from the fiscal year ending March 31, 2001, certain products that had been included in the Semiconductors & others sector are now included in the Recording media & systems segment. Sales in the first quarter of the previous fiscal year have been restated accordingly.
2. In millions of Yen and thousands of U.S. Dollars.
3. U.S.\$1=Yen 106

(3) Statements of income

	The first quarter of FY2001 (April 1, 2000 - June 30, 2000)			The first quarter of FY2000 (April 1, 1999 - June 30, 1999)		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	
Net sales	175,322	100.0	1,653,981	164,277	100.0	6.7
Cost of sales	124,503	71.0	1,174,557	116,196	70.7	7.1
Gross profit	50,819	29.0	479,424	48,081	29.3	5.7
Selling, general and administrative expenses	31,586	18.0	297,981	31,133	19.0	1.5
Operating profit	19,233	11.0	181,443	16,948	10.3	13.5
Other income (deductions):						
Interest and dividend income	1,240		11,698	1,286		
Interest expense	(179)		(1,688)	(206)		
Foreign exchange gain (loss)	(935)		(8,821)	536		
Other, net	(268)		(2,528)	(543)		
Other income (deductions) total	(142)	-0.1	(1,339)	1,073	0.7	
Income before income taxes	19,091	10.9	180,104	18,021	11.0	5.9
Income taxes	6,072	3.5	57,283	6,220	3.8	-2.4
Income before minority interests	13,019	7.4	122,821	11,801	7.2	10.3
Minority interests	(184)	-0.1	(1,736)	(71)	-0.1	
Net income	12,835	7.3	121,085	11,730	7.1	9.4
Net income per common share	Yen 96.37		U.S. \$ 0.91	Yen 88.07		
Average common shares outstanding	133,190	thousands		133,190	thousands	

Notes:

1. In millions of Yen and thousands of U.S. Dollars , except for per share figures.
2. U.S.\$1=Yen 106
3. Statements of income for the first quarter of fiscal 2000 and 2001 are unaudited.

(4) Balance sheets

ASSETS						
	As of June 30, 2000			As of March 31, 2000		Change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Current assets	456,097	58.6	4,302,802	455,766	59.3	0.1
Cash and cash equivalents	162,871		1,536,519	174,519		
Marketable securities	6,462		60,962	6,519		
Net trade receivables	163,460		1,542,075	162,548		
Inventories	90,380		852,642	84,839		
Prepaid expenses and other current assets	32,924		310,604	27,341		
Investments and advances	40,323	5.2	380,406	53,651	7.0	-24.8
Net property, plant, and equipment	242,825	31.2	2,290,802	234,274	30.5	3.6
Other assets	38,732	5.0	365,396	24,791	3.2	56.2
TOTAL	777,977	100.0	7,339,406	768,482	100.0	1.2

LIABILITIES AND STOCKHOLDERS' EQUITY						
	As of June 30, 2000			As of March 31, 2000		Change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Current liabilities	144,684	18.6	1,364,944	144,931	18.8	-0.2
Short-term debt	3,510		33,113	1,933		
Trade payables	74,741		705,104	70,776		
Accrued expenses and other current liabilities	48,653		458,991	57,495		
Income taxes	17,780		167,736	14,727		
Long-term debt, excluding current installments	1,259	0.2	11,877	46	-	
Retirement and severance benefits and others	59,453	7.6	560,877	57,261	7.5	3.8
Total liabilities	205,396	26.4	1,937,698	202,238	26.3	1.6
Minority interests	2,902	0.4	27,377	2,750	0.4	5.5
Common stock	32,641		307,934	32,641		
Additional paid-in capital	63,051		594,821	63,051		
Legal reserve	13,206		124,585	13,302		
Retained earnings	528,191		4,982,934	519,256		
Foreign currency translation adjustments and others	(67,410)		(635,943)	(64,756)		
Total stockholders' equity	569,679	73.2	5,374,331	563,494	73.3	1.1
TOTAL	777,977	100.0	7,339,406	768,482	100.0	1.2

Notes:

1. In millions of Yen and thousands of U.S. Dollars.
2. U.S.\$1=Yen 106
3. Balance sheet as of June 30, 2000 is unaudited.

(5) Sales by Region

	The first quarter of FY2001			The first quarter of FY2000		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Americas	27,083	15.4	255,500	26,550	16.2	2.0
Europe	21,829	12.5	205,934	18,926	11.5	15.3
Asia and others	65,815	37.5	620,896	61,502	37.4	7.0
Overseas sales total	114,727	65.4	1,082,330	106,978	65.1	7.2
Japan	60,595	34.6	571,651	57,299	34.9	5.8
Net sales	175,322	100.0	1,653,981	164,277	100.0	6.7

Notes:

1. Sales by region are classified by geographic areas of the buyer.
2. In millions of Yen and thousands of U.S. Dollars.
3. U.S.\$1 = Yen 106