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FOR IMMEDIATE RELEASE

TOKYO-November 9, 2000 TDK Corporation today announced its consolidated business results for the second quarter and the first half of fiscal 2001, and nonconsolidated business results for the first half of fiscal 2001.

1) Consolidated results (the second quarter)

Consolidated results for the second quarter of fiscal 2001, from July 1 ,2000 through September 30, 2000, are as follows:

	<u>Yen millions</u>		<u>US\$ thousands</u>		<u>% change</u>
Net sales		176,704		1,636,148	(7.0 %)
Operating profit	(%)	17,216 (9.7 %)		159,407	(-11.1 %)
Income before income taxes	(%)	28,740 (16.3 %)		266,111	(79.5 %)
Net income	(%)	19,770 (11.2 %)		183,056	(70.0 %)

Consolidated results (the first half)

Consolidated results for the first half of fiscal 2001, from April 1 ,2000 through September 30, 2000, are as follows:

	<u>Yen millions</u>		<u>US\$ thousands</u>		<u>% change</u>
Net sales		352,026		3,259,500	(6.8 %)
Operating profit	(%)	36,449 (10.4 %)		337,491	(0.4 %)
Income before income taxes	(%)	47,831 (13.6 %)		442,880	(40.6 %)
Net income	(%)	32,605 (9.3 %)		301,898	(39.6 %)

Nonconsolidated results (the first half)

Nonconsolidated results for the first half of fiscal 2001, from April 1 ,2000 through September 30, 2000, are as follows:

	<u>Yen millions</u>		<u>US\$ thousands</u>	<u>% change</u>
Net sales	233,970		2,166,388	(10.0 %)
Operating profit (%)	11,710 (5.0 %)		108,425	(42.4 %)
Current income (%)	35,009 (15.0 %)		324,157	(16.6 %)
Net income (%)	2,190 (0.9 %)		20,277	(-88.3 %)

Note: The amounts shown in U.S. Dollars are converted at the rate of U.S.\$1=Yen 108, the opening rate on the Tokyo Foreign Exchange Market on September 29, 2000.

2)Management Policies

(1) Fundamental Management Policy

TDK was established in 1935 as the world's first company to commercialize a magnetic material called ferrite. In the ensuing years, TDK has conducted research and development programs in ferrite and a variety of other electronic materials and components. This drive was based on the company's founding spirit of "contributing to culture and industry through the process of creation."

To preserving its identity as a dynamic company, TDK is dedicated to creating value for all stakeholders by drawing on innovative thinking and a willingness to tackle new challenges. TDK firmly believes that it must remain an organization that is a constant source of exciting ideas.

(2) Medium- and Long-Term Management Strategy

Information technology, notably the Internet, is bringing about dramatic increases in the speed at which companies must act. At the same time, market participants are now able to quickly distinguish between products of value and those offering no value. We have entered an age when only companies able to provide genuine value will survive. TDK is taking a fresh look at its unique attributes and strengths. By further refining specialized skills in these areas, TDK intends to become a company capable of increasing its value in the 21st century.

To meet the challenges of this operating environment, TDK launched its Exciting 108 medium-term management plan in April 2000. Scheduled to end in March 2004, the plan is structured to transform TDK into an exciting company and increase TDK's value. There are three fundamental elements:

I. Become an e-material solution provider

TDK must be a speedy and dynamic company able to anticipate the needs of its customers. By drawing on its core expertise in electronic materials, TDK will then quickly formulate the value-added products required to solve customers' problems. This process is the essence of providing e-material solutions. During Exciting 108, priority will be placed on recording and communications.

II. Build a world-class management system

Management systems just as businesses themselves are becoming increasingly borderless. Personnel management practices are also on the verge of dramatic change. TDK needs to move swiftly to implement the necessary management systems.

III. Aim for zero emissions

TDK's goal is to operate "eco-factories" with zero emissions. Doing so mandates that factories generate less waste, use more recycled materials and expand their own recycling. Eventually, TDK wants to reach the point where its plants rely completely on recycled materials and generate no emissions at all.

By accomplishing these three objectives, TDK intends to maximize its corporate value, bring its activities in closer step with the environment and make greater contributions to society.

3) Summary

Consolidated results for the first half of fiscal 2001, the six-month period from April 1, 2000 through September 30, 2000, are as follows:

TDK Corporation today announced its consolidated business results for the first half of fiscal 2001, the six-month period ended September 30, 2000. Net sales rose 6.8% to ¥352,026 million (US\$3,259,500 thousand) and operating profit was up 0.4% compared with the first half of fiscal 2000 to ¥36,449 million (US\$337,491 thousand). Income before income taxes increased 40.6% to ¥47,831 million (US\$442,880 thousand), net income climbed 39.6% to ¥32,605 million (US\$301,898 thousand) and net income per common share was ¥244.96 (US\$2.27). Results for the period include a gain of ¥12,518 million (US\$115,907 thousand) resulting from the establishment of a trust to fund pension liabilities.

Average exchange rates for the yen were ¥107 and ¥99 versus the U.S. dollar and euro, respectively, as the yen strengthened by 9% and 20% in relation to these two currencies. TDK estimates that the appreciation of the yen had the net effect of reducing net sales by ¥24.5 billion and operating profit by ¥10.1 billion.

Effective from the current fiscal year, TDK has revised its presentation for sector information. Based on this new reporting system, net sales in the electronic materials and components segment increased 11.7% to ¥289,239 million (US\$2,678,139 thousand).

Within this segment, sales in the electronic materials sector were up 29.8% to ¥109,323 million (US\$1,012,250 thousand). This growth was primarily attributable to a large increase in sales of multilayer chip capacitors for use in mobile phones, PCs and peripherals, and digital devices. Orders for ferrite cores also rose, mainly from manufacturers of audio and visual products, PCs and data-communications devices. Magnet sales declined slightly as the impact of the strong yen on overseas results outweighed an increase in sales volume.

In the electronic devices sector, sales increased 19.9% to ¥75,068 million (US\$695,074 thousand) as several key product categories performed well. Sales of high-frequency components for mobile phones rose substantially. This was due to TDK's development of new high-frequency modules that target the expanding mobile phone market along with investments to step up output capacity of all types of high-frequency components. Sales of inductive devices increased. Rising demand in the audio and visual products, office equipment and communications markets led to higher orders for coils. Noise reduction components also benefited

from expansion in output of office and communications equipment. Holding back growth in inductive device sales were transformers, where sales declined as downsizing led to lower unit prices and some products lost market share. In sensors and actuators, robust demand for mobile phone components led to higher sales. Power systems sales also rose, chiefly for use in industrial machinery, communications equipment and semiconductor production equipment.

Recording devices sales decreased 9.3% to ¥91,757 million (US\$849,602 thousand). As in the year's first quarter, results felt the effects of falling unit prices and a strong yen. In addition, performance in the second quarter was impacted by a downturn in shipments of new GMR heads due to lower production yields caused by the advanced technology required by these heads. Further limiting sales was a six-day suspension in production at TDK's Kofu Plant in September because of heavy rain.

Sales in the semiconductors & others sector climbed 20.6% to ¥13,091 million (US\$121,213 thousand). Growth was driven mainly by higher sales of semiconductors for LAN products and set-top box modems.

In the recording media & systems segment, sales were down 11.0% to ¥62,787 million (US\$581,361 thousand). Expansion in sales volumes of CD-R optical disks continued but sales fell as an oversupply of these disks exerted severe pressure on prices. Also bringing down segment sales was declining demand for audiotapes and lower sales prices in the videotape and MD markets. The rapid decline in CD-R sales prices resulted in an operating loss in this segment.

By region, sales in Japan increased 5.0% to ¥120,582 million (US\$1,116,500 thousand). Sales of electronic materials, notably multilayer chip capacitors, and electronic devices were higher while sales of recording media & systems fell. In Europe, sales climbed 15.3% to ¥45,732 million (US\$423,445 thousand), mostly the result of strength in multilayer chip capacitors and high-frequency components for GSM-format mobile phones. Growth in the electronic materials and electronic devices sectors, mainly for products used in audio and visual products and PCs and peripherals, was mainly responsible for a 7.2% increase in sales in Asia (excluding Japan) and Oceania to ¥129,925 million (US\$1,203,009 thousand). In the Americas, sales increased 3.7% to ¥55,787 million (US\$516,546 thousand). Growth in the electronic materials and components segment was smaller than in other regions as TDK designs many components in the Americas but manufactures them in Asia. Sales of recording media & systems declined. Total overseas sales rose 7.8% to ¥231,444 million (US\$2,143,000 thousand) and increased from 65.2% to 65.7% of total consolidated net sales.

On a parent-company basis, net sales increased 10.0% to ¥233,970 million (US\$2,166,388 thousand). The main contributors were multilayer chip capacitors and high-frequency components. Operating profit surged 42.4% to ¥11,710 million (US\$108,425 thousand) and current income increased 16.6% to ¥35,009 million (US\$324,157 thousand). On the other hand, net income fell 88.3% to ¥2,190 million (US\$20,277 thousand). TDK posted an expense of ¥34,644 million (US\$320,777 thousand) due to the adoption of a new accounting method for retirement liabilities. This expense is net of a gain of ¥15,245 million (US\$141,157 thousand) resulting from the establishment of a trust to fund these liabilities.

At today's meeting of TDK's board of directors, an interim dividend of ¥30 per share of common stock was approved.

Outlook for the Fiscal Year Ending March 31, 2001

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

- The estimates assume average yen-U.S. dollar exchange rates of ¥107 in the first half of the fiscal year and ¥105 in the second half compared with the original second-half projection of ¥100.
- TDK has lowered estimated consolidated net sales. Although sales of electronic materials and devices are expected to continue to grow as the demand in the communications, office equipment, and audio and visual products markets expands, an interruption in production due to heavy rain and low yields will impact sales of recording devices.
- There is no change in projected operating profit. TDK expects that the benefits of rising output of electronic materials and devices will exceed initial projections and offset the decline in earnings in the recording devices sector.
- Income before income taxes is expected to exceed the prior estimate due to the recognition of a ¥12.5 billion gain from the establishment of a trust to fund pension liabilities.

Consolidated (yen in millions)

	Revised Projection	% Change From FY00	As of August 2000
Net sales	¥720,000	+6.8%	¥730,000
Operating profit	75,000	+0.5%	75,000
Income before income taxes	86,000	+17.1%	77,000
Net income	59,000	+16.3%	54,000

Non-Consolidated (yen in millions)

	Revised Projection	% Change From FY00	As of May 2000
Net sales	¥466,000	+7.2%	¥450,000
Operating profit	20,000	+4.8%	18,000
Current income	45,000	+3.0%	42,000
Net income	7,500	-69.2%	3,000

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.

4) Consolidated results for the second quarter of fiscal 2001

(1) Financial highlights

	The second quarter of FY2001 (July 1, 2000 - Sep. 30, 2000)			The second quarter of FY2000 (July 1, 1999 - Sep. 30, 1999)		change %
	(Yen millions)	%	(US\$ thousands)	(Yen millions)	%	
Net sales	176,704	100.0	1,636,148	165,210	100.0	7.0
Operating profit	17,216	9.7	159,407	19,360	11.7	-11.1
Income before income taxes	28,740	16.3	266,111	16,010	9.7	79.5
Net income	19,770	11.2	183,056	11,626	7.0	70.0
Net income per common share and per ADS	Yen 148.59		US\$ 1.38	Yen 87.29		

Notes:

- The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.
- The figures for net income per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
- During this consolidated accounting period, the company had 75 subsidiaries (27 in Japan and 48 overseas).
The company also had 11 affiliates whose financial statements are accounted for by the equity method.
- In millions of Yen and thousands of US Dollars, except for per share figures.
- U.S.\$1=Yen 108

(2) Sales breakdown

	The second quarter of FY2001 (July 1, 2000 - Sep. 30, 2000)			The second quarter of FY2000 (July 1, 1999 - Sep. 30, 1999)		change %
	(Yen millions)	%	(US\$ thousands)	(Yen millions)	%	
Electronic materials and components	144,531	81.8	1,338,250	129,299	78.3	11.8
Electronic materials	56,709	32.1	525,083	42,675	25.8	32.9
Electronic devices	38,760	21.9	358,889	31,189	18.9	24.3
Recording devices	42,374	24.0	392,352	50,046	30.3	-15.3
Semiconductors & Others	6,688	3.8	61,926	5,389	3.3	24.1
Recording media & systems	32,173	18.2	297,898	35,911	21.7	-10.4
Total sales	176,704	100.0	1,636,148	165,210	100.0	7.0
Overseas sales	116,717	66.1	1,080,713	107,716	65.2	8.4

Notes:

- 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 second quarter of the previous fiscal year has been restated accordingly.
- In millions of Yen and thousands of U.S. Dollars.
- U.S.\$1=Yen 108

5) Consolidated results for the first half of fiscal 2001

(1) Financial highlights

	The first half of FY2001 (April 1, 2000 - Sep. 30, 2000)			The first half of FY2000 (April 1, 1999 -Sep. 30, 1999)		change	FY2000 (April 1, 1999 -Mar. 31, 2000)	
	(Yen millions)	%	(US\$ thousands)	(Yen millions)	%		(Yen millions)	%
	Net sales	352,026	100.0	3,259,500	329,487	100.0	6.8	674,464
Operating profit	36,449	10.4	337,491	36,308	11.0	0.4	74,607	11.1
Income before income taxes	47,831	13.6	442,880	34,031	10.3	40.6	73,414	10.9
Net income	32,605	9.3	301,898	23,356	7.1	39.6	50,730	7.5
Net income per common share and per ADS	Yen 244.96		US\$ 2.27	Yen 175.36			Yen 380.89	

Notes:

- The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.
- The figures for net income per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
- During this consolidated accounting period, the company had 75 subsidiaries (27 in Japan and 48 overseas).
The company also had 11 affiliates whose financial statements are accounted for by the equity method.
- In millions of Yen and thousands of US Dollars, except for per share figures.
- U.S.\$1=Yen 108

(2) Sales breakdown

	The first half of FY2001 (April 1, 2000 - Sep. 30, 2000)			The first half of FY2000 (April 1, 1999 -Sep. 30, 1999)		change	FY2000 (April 1, 1999 -Mar. 31, 2000)	
	(Yen millions)	%	(US\$ thousands)	(Yen millions)	%		(Yen millions)	%
	Electronic materials and components	289,239	82.2	2,678,139	258,956	78.6	11.7	525,807
Electronic materials	109,323	31.1	1,012,250	84,252	25.6	29.8	174,897	25.9
Electronic devices	75,068	21.3	695,074	62,633	19.0	19.9	129,025	19.1
Recording devices	91,757	26.1	849,602	101,215	30.7	-9.3	200,748	29.8
Semiconductors & Others	13,091	3.7	121,213	10,856	3.3	20.6	21,137	3.2
Recording media & systems	62,787	17.8	581,361	70,531	21.4	-11.0	148,657	22.0
Total sales	352,026	100.0	3,259,500	329,487	100.0	6.8	674,464	100.0
Overseas sales	231,444	65.7	2,143,000	214,694	65.2	7.8	442,525	65.6

Notes:

- 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 half of the previous fiscal year and the previous fiscal year have been restated accordingly.
- In millions of Yen and thousands of U.S. Dollars.
- U.S.\$1=Yen 108

(3)Statements of income

	The first half of FY2001 (April 1, 2000 - Sep. 30, 2000)			The first half of FY2000 (April 1, 1999 - Sep. 30, 1999)			change %	FY2000 (April 1, 1999 - Mar. 31, 2000)	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)		%	
	Net sales	352,026	100.0	3,259,500	329,487	100.0		6.8	674,464
Cost of sales	249,568	70.9	2,310,815	231,891	70.4	7.6	475,340	70.5	
Gross profit	102,458	29.1	948,685	97,596	29.6	5.0	199,124	29.5	
Selling, general and administrative expenses	66,009	18.7	611,194	61,288	18.6	7.7	124,517	18.4	
Operating profit	36,449	10.4	337,491	36,308	11.0	0.4	74,607	11.1	
Other income (deductions):									
Interest and dividend income	2,586		23,944	2,650			5,227		
Interest expense	(350)		(3,241)	(384)			(568)		
Gain on sale of investment securities	917		8,491	1,252			1,452		
Gain on exchange of investment securities	3,351		31,028	-			-		
Gain on contribution of investment securities									
to pension trust	12,518		115,907	-			-		
Write-off of intangible assets	(4,394)		(40,685)	-			-		
Foreign exchange gain (loss)	(1,541)		(14,268)	(4,671)			(4,646)		
Other, net	(1,705)		(15,787)	(1,124)			(2,658)		
Other income (deductions) total	11,382	3.2	105,389	(2,277)	-0.7	-	(1,193)	-0.2	
Income before income taxes	47,831	13.6	442,880	34,031	10.3	40.6	73,414	10.9	
Income taxes	14,847	4.2	137,472	10,529	3.2	41.0	22,245	3.3	
Income before minority interests	32,984	9.4	305,408	23,502	7.1	40.3	51,169	7.6	
Minority interests	(379)	-0.1	(3,510)	(146)			(439)	-0.1	
Net income	32,605	9.3	301,898	23,356	7.1	39.6	50,730	7.5	
Net income per common share	Yen 244.96		US\$ 2.27	Yen 175.36			Yen 380.89		
Average common shares outstanding	133,103 thousands			133,190 thousands			133,190 thousands		

Notes:

1. The figures for net income per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
2. In millions of Yen and thousands of U.S. Dollars, except for per share figures.
3. U.S.\$1=Yen 108
4. Statements of income for the first half of fiscal 2000 are unaudited by independent auditors.

(4) Balance sheets

ASSETS							
	As of Sep. 30, 2000			As of Mar. 31, 2000		As of Sep. 30, 1999	
	(Yen millions)	%	(US\$ thousands)	(Yen millions)	%	(Yen millions)	%
Current assets	456,449	58.1	4,226,380	455,773	58.7	464,282	60.6
Cash and cash equivalents	155,008		1,435,259	174,519		197,104	
Marketable securities	4,817		44,602	6,530		4,528	
Net trade receivables	164,613		1,524,195	162,548		148,484	
Inventories	97,505		902,824	84,839		82,167	
Prepaid expenses and other current assets	34,506		319,500	27,337		31,999	
Investments and advances	21,664	2.8	200,593	66,347	8.6	49,560	6.5
Net property, plant, and equipment	253,018	32.2	2,342,759	234,274	30.2	220,026	28.8
Other assets	54,318	6.9	502,944	19,598	2.5	31,693	4.1
TOTAL	785,449	100.0	7,272,676	775,992	100.0	765,561	100.0

Notes:

- SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" has been adopted in the Consolidated Statement of Stockholders' Equity for the first half of fiscal 2001. Accordingly, the Consolidated Statement of Stockholders' Equity has been restated for fiscal 2000.
- In millions of Yen and thousands of U.S. Dollars.
- U.S.\$1=Yen 108
- Balance sheets as of Sep. 30, 1999 are unaudited by independent auditors.

Balance sheets

LIABILITIES AND STOCKHOLDERS' EQUITY							
	As of Sep. 30, 2000			As of Mar. 31, 2000		As of Sep. 30, 1999	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
Current liabilities	155,244	19.7	1,437,445	144,931	18.7	144,686	18.9
Short-term debt	2,393		22,158	1,933		2,203	
Trade payables	75,453		698,639	70,776		66,672	
Accrued expenses and other current liabilities	52,356		484,778	57,495		57,217	
Income taxes	25,042		231,870	14,727		18,594	
Long-term debt, excluding current installments	1,172	0.2	10,852	46	-	654	0.1
Retirement and severance benefits and others	17,632	2.2	163,259	57,252	7.4	80,431	10.5
Total liabilities	174,048	22.1	1,611,556	202,229	26.1	225,771	29.5
Minority interests	2,893	0.4	26,787	2,750	0.3	2,435	0.3
Common stock	32,641		302,231	32,641		32,641	
Additional paid-in capital	63,051		583,806	63,051		63,051	
Legal reserve	13,407		124,139	13,302		13,289	
Retained earnings	548,780		5,081,296	520,276		496,910	
Accumulated other comprehensive income (loss)	(46,703)		(432,435)	(58,257)		(68,536)	
Treasury stock	(2,668)		(24,704)	-		-	
Total stockholders' equity	608,508	77.5	5,634,333	571,013	73.6	537,355	70.2
TOTAL	785,449	100.0	7,272,676	775,992	100.0	765,561	100.0

Notes:

- SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" has been adopted in the Consolidated Statement of Stockholders' Equity for the first half of fiscal 2001. Accordingly, the Consolidated Statement of Stockholders' Equity has been restated for fiscal 2000.
- In millions of Yen and thousands of U.S. Dollars.
- U.S.\$1=Yen 108
- Balance sheets as of Sep. 30, 1999 are unaudited by independent auditors.

(5) Statements of stockholders' equity

	The first half of FY2001		FY2000
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Common stock:			
Balance at beginning of period	32,641	302,231	32,641
Balance at end of period	32,641	302,231	32,641
Additional paid-in capital:			
Balance at beginning of period	63,051	583,806	63,051
Balance at end of period	63,051	583,806	63,051
Legal reserve:			
Balance at beginning of period	13,302	123,167	12,674
Transferred from retained earnings	105	972	628
Balance at end of period	13,407	124,139	13,302
Retained earnings:			
Balance at beginning of period, as previously reported	-	-	477,812
Effect of restatement	-	-	1,020
Balance at beginning of period, as restated	520,276	4,817,370	478,832
Net income	32,605	301,898	50,730
Cash dividends	(3,996)	(37,000)	(8,658)
Transferred to legal reserve	(105)	(972)	(628)
Balance at end of period	548,780	5,081,296	520,276
Accumulated other comprehensive income (loss):			
Balance at beginning of period, as previously reported	-	-	(54,067)
Effect of restatement	-	-	2,267
Balance at beginning of period, as restated	(58,257)	(539,417)	(51,800)
Other comprehensive income (loss) for the period, net of tax	11,554	106,982	(6,457)
Balance at end of period	(46,703)	(432,435)	(58,257)
Treasury stock:			
Balance at beginning of period	-	-	-
Acquisition of treasury stock	(2,668)	(24,704)	-
Balance at end of period	(2,668)	(24,704)	-
Total stockholders' equity	608,508	5,634,333	571,013
Disclosure of comprehensive income:			
Net income for the period	32,605	301,898	50,730
Other comprehensive income (loss) for the period, net of tax	11,554	106,982	(6,457)
Total comprehensive income for the period	44,159	408,880	44,273

Note:

SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" has been adopted in the Consolidated Statement of Stockholders' Equity for the first half of fiscal 2001. Accordingly, the Consolidated Statement of Stockholders' Equity has been restated for fiscal 2000.

(6) Statements of cash flows

	The first half of FY2001		FY2000
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Cash flows from operating activities:			
Net income	32,605	301,898	50,730
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	29,021	268,713	53,846
Loss on disposal of property and equipment	1,383	12,806	2,156
Deferred income taxes	(9,225)	(85,417)	(3,375)
Gain on sale of investment securities	(917)	(8,491)	(1,452)
Gain on contribution of investment securities to pension trust	(12,518)	(115,907)	-
Gain on exchange of investment securities	(3,351)	(31,028)	-
Contribution of investment securities to pension trust	(34,573)	(320,120)	-
Contribution of cash and cash equivalents to pension trust	(15,315)	(141,806)	-
Other noncash charges - net	11,845	109,676	7,662
Changes in assets and liabilities:			
Increase in trade receivables	(1,192)	(11,037)	(24,427)
Increase in inventories	(12,765)	(118,194)	(9,408)
Increase in trade payables	2,457	22,750	20,002
Increase in income taxes	10,365	95,972	2,566
Other - net	(4,212)	(39,000)	(4,392)
Net cash provided by (used in) operating activities	(6,392)	(59,185)	93,908
Cash flows from investing activities:			
Capital expenditures	(44,068)	(408,037)	(84,780)
Proceeds from sale of investments	2,477	22,935	4,256
Proceeds from sale of investments for pension trust	34,573	320,121	-
Payment for purchase of investments	(1,061)	(9,824)	(17,189)
Proceeds from maturities of marketable securities	1,698	15,722	-
Payment for purchase of marketable securities	-	-	(1,993)
Other - net	67	620	929
Net cash used in investing activities	(6,314)	(58,463)	(98,777)
Cash flows from financing activities:			
Proceeds from long-term debt	1	9	72
Repayment of long-term debt	(445)	(4,120)	(2,505)
Decrease in short-term debt	(158)	(1,463)	(1,694)
Acquisition of treasury stock	(2,668)	(24,704)	-
Dividends paid	(3,996)	(37,000)	(8,658)
Net cash used in financing activities	(7,266)	(67,278)	(12,785)
Effect of exchange rate changes on cash and cash equivalents	461	4,269	(7,946)
Net decrease in cash and cash equivalents	(19,511)	(180,657)	(25,600)
Cash and cash equivalents at beginning of period	174,519	1,615,916	200,119
Cash and cash equivalents at end of period	155,008	1,435,259	174,519

(7) Summary of Significant Accounting Policies

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

(a) Marketable Securities

SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" has been adopted in the Consolidated Statement of Stockholder's Equity for the first half of fiscal 2001. Accordingly, the Consolidated Statement of Stockholder's Equity has been restated for fiscal 2000.

(b) Inventories

Inventories are stated at the lower of cost or market. Cost is determined principally by the average method.

(c) Depreciation

Depreciation of property, plant, and equipment is principally computed by the declining-balance method for assets located in Japan and of certain foreign subsidiaries and by the straight-line method for assets of other foreign subsidiaries based on estimated useful lives.

(d) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards.

(8) Segment information

CONSOLIDATED

a) Industry Segment Information

		The first half of FY2001			The first half of FY2000		Change %	FY2000	
		(Yen millions)	(%)	(US\$ thousands)	(Yen millions)	(%)		(Yen millions)	(%)
Electronic materials and Components	1.Net sales								
	1)Unaffiliated customers	289,239		2,678,139	258,956		11.7	525,807	
	2)Intersegment	0		0	0			0	
	Total revenue	289,239	100.0	2,678,139	258,956	100.0	11.7	525,807	100.0
	2.Operating expenses	249,931	86.4	2,314,176	223,028	86.1	12.1	453,694	86.3
	Operating profit	39,308	13.6	363,963	35,928	13.9	9.4	72,113	13.7
Recording media and systems	1.Net sales								
	1)Unaffiliated customers	62,787		581,361	70,531		-11.0	148,657	
	2)Intersegment	0		0	0			0	
	Total revenue	62,787	100.0	581,361	70,531	100.0	-11.0	148,657	100.0
	2.Operating expenses	65,646	104.6	607,833	70,151	99.5	-6.4	146,163	98.3
	Operating profit	(2,859)	-4.6	(26,472)	380	0.5	-	2,494	1.7
Total	1.Net sales								
	1)Unaffiliated customers	352,026		3,259,500	329,487		6.8	674,464	
	2)Intersegment	0		0	0			0	
	Total revenue	352,026	100.0	3,259,500	329,487	100.0	6.8	674,464	100.0
	2.Operating expenses	315,577	89.6	2,922,009	293,179	89.0	7.6	599,857	88.9
	Operating profit	36,449	10.4	337,491	36,308	11.0	0.4	74,607	11.1

Note: Effective from the fiscal year ending March 31,2001, certain products that had been included in Electronic materials and Components are now included in Recording media and systems. Results in the first half of the previous fiscal year and the previous fiscal year have been restated accordingly.

b) Geographic segment information

		The first half of FY2001		The first half of FY2000	Change %	FY2000 (Yen millions)
		(Yen millions)	(US\$ thousands)	(Yen millions)		
Japan	Net Sales	232,777	2,155,343	215,245	8.1	440,258
	Operating profit	19,751	182,880	12,312	60.4	28,075
Americas	Net Sales	69,960	647,778	58,326	19.9	116,888
	Operating profit	451	4,176	1,240	-63.6	2,302
Europe	Net Sales	44,764	414,481	38,276	17.0	87,300
	Operating profit	1,189	11,009	352	237.8	3,248
Asia and others	Net Sales	160,041	1,481,861	150,654	6.2	307,482
	Operating profit	15,626	144,685	22,148	-29.4	40,704
Intersegment eliminations	Net Sales	155,516	1,439,963	133,014		277,464
	Operating profit	568	5,259	(258)		(278)
Total	Net Sales	352,026	3,259,500	329,487	6.8	674,464
	Operating profit	36,449	337,491	36,308	0.4	74,607

The sales are classified by geographic areas of the seller and include transfers between geographic areas.

c) Sales by Region

	The first half of FY2001			The first half of FY2000		Change %	FY2000	
	(Yen millions)	(%)	(US\$ thousands)	(Yen millions)	(%)		(Yen millions)	(%)
Americas	55,787	15.8	516,546	53,780	16.4	3.7	108,245	16.1
Europe	45,732	13.0	423,445	39,678	12.0	15.3	90,564	13.4
Asia and others	129,925	36.9	1,203,009	121,236	36.8	7.2	243,716	36.1
Overseas sales total	231,444	65.7	2,143,000	214,694	65.2	7.8	442,525	65.6
Japan	120,582	34.3	1,116,500	114,793	34.8	5.0	231,939	34.4
Net sales	352,026		3,259,500	329,487		6.8	674,464	

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 108

(9) Fair Value of Securities

(Yen millions)	Acquisition Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Carrying Amount
As of Sep. 30, 2000				
Equity securities	6,700	613	218	7,095
Debt securities	4,820	6	-	4,826
Total	11,520	619	218	11,921
As of March 31, 2000				
Equity securities	24,061	14,944	2,231	36,774
Debt securities	6,621	11	17	6,615
Total	30,682	14,955	2,248	43,389

(U.S.\$ thousands)	Acquisition Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Carrying Amount
As of Sep. 30, 2000				
Equity securities	62,037	5,676	2,018	65,695
Debt securities	44,630	55	-	44,685
Total	106,667	5,731	2,018	110,380

Note: Unlisted stocks are excluded from the above.

(10) Fair Value of Derivatives

(Yen millions)	Contract Amount	Carrying Amount	Estimated Fair Value
As of Sep. 30, 2000			
Forward foreign exchange contracts	42,217	(977)	(353)
Interest rate swap agreement for securities	-	-	-
Currency and interest rate swap agreement for loans	-	-	-
Currency swap agreement for loans to its subsidiaries	10,704	56	(80)
As of March 31, 2000			
Forward foreign exchange contracts	30,169	(148)	(171)
Interest rate swap agreement for securities	1,698	-	5
Currency and interest rate swap agreement for loans	2,921	264	281
Currency swap agreement for loans to its subsidiaries	3,798	446	438

(U.S.\$ thousands)	Contract Amount	Carrying Amount	Estimated Fair Value
As of Sep. 30, 2000			
Forward foreign exchange contracts	390,898	(9,046)	(3,269)
Interest rate swap agreement for securities	-	-	-
Currency and interest rate swap agreement for loan	-	-	-
Currency swap agreement for loans to its subsidiaries	99,111	519	(741)

6) Nonconsolidated results for the first half of fiscal 2001

(1) Financial highlights

	The first half of FY2001 (April 1, 2000 - Sep. 30, 2000)			The first half of FY2000 (April 1, 1999 - Sep. 30, 1999)		change %	FY2000 (April 1, 1999 - Mar. 31, 2000)	
	(Yen millions)	%	(US\$ thousands)	(Yen millions)	%		(Yen millions)	%
Net sales	233,970	100.0	2,166,388	212,627	100.0	10.0	434,833	100.0
Operating profit	11,710	5.0	108,425	8,222	3.9	42.4	19,086	4.4
Current income	35,009	15.0	324,157	30,035	14.1	16.6	43,707	10.1
Net income	2,190	0.9	20,277	18,699	8.8	-88.3	24,373	5.6
Net income per common share	Yen 16.45		US\$ 0.15	Yen 140.40			Yen 183.00	
Dividends per share	Yen 30.00		US\$ 0.27	Yen 30.00			Yen 30.00	

Notes:

- The figures for net income per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
- In millions of Yen and thousands of US Dollars , except for per share figures.
- U.S.\$1=Yen 108

(2) Sales breakdown

	The first half of FY2001 (April 1, 2000 - Sep. 30, 2000)			The first half of FY2000 (April 1, 1999 - Sep. 30, 1999)		change %	FY2000 (April 1, 1999 - Mar. 31, 2000)	
	(Yen millions)	%	(US\$ thousands)	(Yen millions)	%		(Yen millions)	%
Electronic materials and components	203,359	86.9	1,882,953	176,249	82.9	15.4	361,424	83.1
Electronic materials	90,339	38.6	836,472	68,043	32.0	32.8	142,952	32.8
Electronic devices	59,749	25.5	553,231	48,582	22.8	23.0	102,413	23.6
Recording devices	39,880	17.1	369,259	49,259	23.2	-19.0	97,679	22.5
Semiconductors & Others	13,389	5.7	123,972	10,364	4.9	29.2	18,378	4.2
Recording media & systems	30,611	13.1	283,435	36,378	17.1	-15.9	73,408	16.9
Total sales	233,970	100.0	2,166,388	212,627	100.0	10.0	434,833	100.0
Overseas sales	119,388	51.0	1,105,444	101,038	47.5	18.2	209,161	48.1

Notes:

- 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 half of the previous fiscal year and the previous fiscal year have been restated accordingly.
- In millions of Yen and thousands of U.S. Dollars.
- U.S.\$1=Yen 108

(3) Statements of income

	The first half of FY2001 (April 1.2000 - Sep. 30.2000)		The first half of FY2000 (April 1.1999 - Sep. 30. 1999)	change %	FY2000 (April 1.1999 - Mar. 31. 2000)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)		(Yen millions)
Income					
Sales	233,970	2,166,388	212,627	10.0	434,833
Other income	25,268	233,962	23,977		28,234
	259,239	2,400,361	236,604		463,067
Costs and expenses					
Cost of sales	188,482	1,745,203	172,663		352,547
S.G.A.	33,777	312,750	31,742		63,199
Interest expenses	38	351	51		88
Other expenses	1,931	17,879	2,112		3,523
	224,229	2,076,194	206,569		419,359
Current income	35,009	324,157	30,035	16.6	43,707
Extraordinary profit	16,327	151,175	670		1,207
Extraordinary loss	50,871	471,027	2,559		6,612
Income before income taxes	465	4,305	28,146	-98.3	38,303
Income taxes					
Current	15,426	142,833	11,600		14,704
Deferred	(17,151)	(158,805)	(2,153)		(775)
Net income	2,190	20,277	18,699	-88.3	24,373
Earnings per common share	16.45	0.15	140.40		183.00

Notes:

1. In millions of Yen and thousands of U.S. Dollars , except for per share figures.
2. U.S.\$1=Yen 108

(4) Balance sheets

ASSETS				
	As of Sep. 30, 2000		As of Mar. 31, 2000	As of Sep. 30, 1999
	(Yen millions)	(US\$ thousands)	(Yen millions)	(Yen millions)
Current assets				
Cash	46,274	428,462	55,807	71,862
Marketable securities	35,832	331,777	47,779	42,817
Trade receivables				
Notes	9,689	89,712	9,397	9,523
Accounts	109,727	1,015,990	104,925	102,016
Allowance for doubtful receivables	(648)	(6,000)	(783)	(763)
Net trade receivables	200,876	1,859,962	113,539	110,777
Inventories	36,568	338,592	32,969	31,969
Prepaid expenses and other current assets	48,004	444,481	32,262	35,778
Total current assets	285,449	2,643,046	282,359	293,205
Investments and advances				
Investments in securities	3,730	34,537	24,165	25,392
Share of subsidiaries	104,233	965,120	102,934	101,963
Other	40,439	374,435	15,173	12,888
Allowance for doubtful receivables	(788)	(7,296)	(341)	(133)
Total investments and advances	147,616	1,366,814	141,931	140,110
Property, plant, and equipment				
Land	15,449	143,046	15,430	15,494
Buildings	51,359	475,546	48,309	47,938
Machinery and equipment	56,278	521,092	56,181	49,703
Construction in progress	15,102	139,833	16,090	10,892
Total property, plant, and equipment	138,189	1,279,527	136,010	124,028
Other assets	2,915	26,990	2,639	2,403
TOTAL	574,170	5,316,388	562,942	559,748

Notes:

1. Accumulated depreciation amounted to Yen 247,479 million (U.S.\$ 2,291,472,000) on Sep. 30, 2000.
2. In millions of Yen and thousands of U.S. Dollars.
3. U.S.\$1=Yen 108

Balance sheets

LIABILITIES AND STOCKHOLDERS' EQUITY				
	As of Sep. 30, 2000		As of Mar. 31, 2000	As of Sep. 30, 1999
	(Yen millions)	(US\$ thousands)	(Yen millions)	(Yen millions)
Current liabilities				
Current installments of long-term debt	-	-	26	51
Trade payables	61,535	569,768	60,903	53,788
Accrued expenses	14,946	138,388	11,412	13,352
Income taxes	15,721	145,564	8,019	11,972
Other current liabilities	23,389	216,564	24,047	23,243
Total current liabilities	115,593	1,070,305	104,408	102,408
Retirement allowance	-	-	16,906	17,464
Retirement and severance benefits	18,986	175,796	-	-
Directors' retirement allowance	504	4,666	554	482
Total liabilities	135,084	1,250,777	121,870	120,354
Stockholders' equity				
Common stock	32,641	302,231	32,641	32,641
Additional paid-in capital	59,256	548,666	59,256	59,256
Legal reserve	8,160	75,555	8,160	8,160
Retained earnings	339,129	3,140,083	341,012	339,334
Unrealized holding losses on other securities	(102)	(944)	-	-
Total stockholders' equity	439,086	4,065,611	441,072	439,393
TOTAL	574,170	5,316,388	562,942	559,748

Notes:

1. In millions of Yen and thousands of U.S. Dollars.
2. U.S.\$1=Yen 108

(Supplement)

Ratio of results on a consolidated basis to results on a nonconsolidated basis

		Ratio of the corresponding period of the previous year
Net sales	1.5	1.5
Operating profit	3.1	4.4
Income before income taxes	102.9	1.2
Net income	14.9	1.2

Exchange rates used for conversion

	April 1, 2000 - Sep. 30, 2000		April 1, 1999 - Sep. 30, 1999	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
Sales		98.65	117.31	123.5
The end of the period	108.00	95.03	106.95	113.7

NONCONSOLIDATED

	April 1, 2000 - Sep. 30, 2000		April 1, 1999 - Sep. 30, 1999		Change (%)	April 1, 1999 - Mar. 31, 2000	
	Amount (Yen Mil.)	Ratio to sales(%)	Amount (Yen Mil.)	Ratio to sales(%)		Amount (Yen nil.)	Ratio to sales(%)
Investment in facilities	15,674	-	18,061	-	-13.2	41,949	-
Depreciation expenses	11,354	4.9	10,125	4.8	12.1	21,873	5.0
Research and development expenses	12,745	5.4	10,788	5.1	18.1	22,605	5.2
Result of financial operation	22,605		20,767		8.9	21,112	
Number of employees(as at the end of the period)	7,392		7,493			7,405	

CONSOLIDATED

	April 1, 2000 - Sep. 30, 2000		April 1, 1999 - Sep. 30, 1999		Change (%)	April 1, 1999 - Mar. 31, 2000	
	Amount (Yen Mil.)	Ratio to sales(%)	Amount (Yen Mil.)	Ratio to sales(%)		Amount (Yen Mil.)	Ratio to sales(%)
Investment in facilities	44,068	-	42,886	-	2.8	84,780	-
Depreciation expenses	29,021	8.2	25,334	7.7	14.6	53,846	8.0
Research and development expenses	17,339	4.9	12,782	3.9	35.7	26,948	4.0
Result of financial operation	2,236		2,266		-1.3	4,659	
Number of employees(as at the end of the period)	38,037		33,305			34,321	
Ratio of overseas production	57.1 %		60.6 %			56.8 %	

OVERSEAS SALES BY DIVISION

	April 1, 2000 - Sep. 30, 2000		April 1, 1999 - Sep. 30, 1999		Change (%)	April 1, 1999 - Mar. 31, 2000	
	Amount (Yen Mil.)	Ratio to sales(%)	Amount (Yen Mil.)	Ratio to sales(%)		Amount (Yen Mil.)	Ratio to sales(%)
Electronic materials and components	190,920	54.2 %	169,158	51.4 %	12.9	345,669	51.2 %
Electronic materials	75,804	21.5	57,449	17.5	32.0	119,119	17.7
Electronic devices	43,720	12.4	33,297	10.1	31.3	70,348	10.4
Recording devices	61,243	17.4	70,244	21.3	-12.8	139,689	20.7
Semiconductors & Others	10,153	2.9	8,168	2.5	24.3	16,513	2.4
Recording media & systems	40,524	11.5	45,536	13.8	-11.0	96,856	14.4
Overseas sales	231,444	65.7	214,694	65.2	7.8	442,525	65.6

Notes:

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 half of the previous fiscal year and the previous fiscal year have been restated accordingly.