

## Fiscal 2002 Projections

TDK's consolidated and non-consolidated projections for fiscal 2002, the year ending March 31, 2002, are based on the following assumptions:

- An average exchange rate of ¥120=US\$1 for the fiscal year.
- The effects of the inventory corrections by customers, principally in the communications and PC-related markets, brought on by the slowdown in the U.S. economy from the fourth quarter of fiscal 2001, are expected to linger through the first half of fiscal 2002. This is expected to hamper results in the electronic materials, electronic devices and recording devices sectors.
- The recording media & systems segment is expected to reverse the previous year's operating loss and move into the black as it reaps the benefits from the consolidation of production bases, primarily overseas, carried out in fiscal 2001.
- Net income on a non-consolidated basis is expected to increase sharply over the previous fiscal year. This is because in fiscal 2001 an expense of approximately ¥50.0 billion was recorded that resulted from the adoption of a new accounting standard for retirement liabilities. (Please note that the actual effect on earnings was a decrease of around ¥34.6 billion because the extraordinary loss of approximately ¥50.0 billion was offset by an approximate gain of ¥15.2 billion resulting from the establishment of a trust to fund these liabilities.)

## Consolidated Projections for Fiscal 2002

	Year ending March 2002	% change from FY01	Year ended March 2001
	¥ millions		¥ millions
Net sales	¥690,000	0.0	¥689,911
Operating profit	40,000	-29.0	56,323
Income before income taxes	42,000	-34.9	64,516
Net income	28,500	-35.2	43,983

## Non-Consolidated Projections for Fiscal 2002

	Year ending March 2002	% change from FY01	Year ended March 2001
	¥ millions		¥ millions
Net sales	¥385,000	-15.9	¥457,676
Operating profit	16,000	-38.7	26,084
Current income	28,500	-43.1	50,081
Net income	17,000	94.5	8,739

### **Cautionary Statement About Projections**

Projections for the fiscal year ending March 31, 2002 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 are 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.