

4) Consolidated results for fiscal 2002

1. Financial highlights

Term Items	FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000-Mar. 31,2001)		Change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Net sales	575,029	100.0	4,323,526	689,911	100.0	-16.7
Operating income (loss)	(42,094)	-7.3	(316,496)	56,323	8.2	-
Income (loss) before income taxes	(42,069)	-7.3	(316,308)	64,516	9.4	-
Net income (loss)	(24,810)	-4.3	(186,541)	43,983	6.4	-
Net income (loss) per common share and per ADS	Yen (186.68)		US\$ (1.40)	Yen 330.54		

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 (loss) per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
3. During this consolidated accounting period, the company had 77 subsidiaries (26 in Japan and 51 overseas). The company also had 7 affiliates whose financial statements are accounted for by the equity method.
4. U.S.\$1=Yen 133

2. Sales breakdown

Term Products	FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000-Mar. 31,2001)		Change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Electronic materials and components	432,951	75.3	3,255,270	552,195	80.0	-21.6
Electronic materials	161,846	28.1	1,216,887	212,133	30.7	-23.7
Electronic devices	105,937	18.4	796,519	145,216	21.1	-27.0
Recording devices	147,004	25.6	1,105,293	169,140	24.5	-13.1
Semiconductors & Others	18,164	3.2	136,571	25,706	3.7	-29.3
Recording media & systems	142,078	24.7	1,068,256	137,716	20.0	3.2
Total sales	575,029	100.0	4,323,526	689,911	100.0	-16.7
Overseas sales	410,117	71.3	3,083,586	467,821	67.8	-12.3

Note:U.S.\$1=Yen 133

3. Statements of income

Term Items	FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000 - Mar. 31,2001)		Change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Net sales	575,029	100.0	4,323,526	689,911	100.0	-16.7
Cost of sales	462,992	80.5	3,481,143	496,083	71.9	-6.7
Gross profit	112,037	19.5	842,383	193,828	28.1	-42.2
Selling,general and administrative expenses	128,259	22.3	964,353	137,505	19.9	-6.7
Restructuring cost	25,872	4.5	194,526	-	-	-
Operating income (loss)	(42,094)	-7.3	(316,496)	56,323	8.2	-
Other income (deductions):						
Interest and dividend income	2,033		15,286	5,089		
Interest expense	1,264		9,504	490		
Gain on contribution of investment securities to pension trust	-		-	12,518		
Foreign exchange gain (loss)	618		4,647	(1,196)		
Other, net	(1,362)		(10,241)	(7,728)		
Total other income (deductions)	25	-	188	8,193	1.2	-99.7
Income (loss) before income taxes	(42,069)	-7.3	(316,308)	64,516	9.4	-
Income taxes	(16,327)	-2.8	(122,759)	19,792	2.9	-
Income (loss) before minority interests	(25,742)	-4.5	(193,549)	44,724	6.5	-
Minority interests	932	0.2	7,008	(741)	-0.1	-
Net income (loss)	(24,810)	-4.3	(186,541)	43,983	6.4	-
Net income (loss) per common share	Yen (186.68)		US\$ (1.40)	Yen 330.54		
Average common shares outstanding	132,900 thousands			133,064 thousands		

Notes:

1. The figures for net income (loss) per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
2. U.S.\$1=Yen 133

4. Balance sheets

ASSETS							
Items	Term	As of March 31, 2002			As of Mar.31,2001		Change
		(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Current assets							
Cash and cash equivalents		125,761		945,572	150,917		
Net trade receivables		142,827		1,073,887	156,585		
Inventories		91,149		685,331	116,423		
Prepaid expenses and other current assets		40,430		303,985	28,988		
Total current assets		400,167	53.3	3,008,775	452,913	55.2	-11.6
Investments and advances		24,265	3.2	182,444	21,143	2.6	14.8
Net property, plant, and equipment		265,590	35.4	1,996,917	278,625	34.0	-4.7
Prepaid pension cost		-	-	-	41,290	5.0	-
Other assets		60,849	8.1	457,511	26,206	3.2	132.2
TOTAL		750,871	100.0	5,645,647	820,177	100.0	-8.5

LIABILITIES AND STOCKHOLDERS' EQUITY							
Items	Term	As of March 31, 2002			As of Mar.31,2001		Change
		(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Current liabilities							
Short-term debt		2,312		17,384	5,879		
Trade payables		52,609		395,556	64,673		
Accrued expenses and other current liabilities		52,874		397,549	55,952		
Income taxes		2,546		19,143	19,638		
Total current liabilities		110,341	14.7	829,632	146,142	17.8	-24.5
Long-term debt, excluding current installments		459	0.1	3,451	1,004	0.1	-54.3
Retirement and severance benefits and others		50,590	6.7	380,376	31,848	3.9	58.8
Total liabilities		161,390	21.5	1,213,459	178,994	21.8	-9.8
Minority interests		4,593	0.6	34,534	3,434	0.4	33.8
Stockholders' equity							
Common stock		32,641		245,421	32,641		
Additional paid-in capital		63,051		474,068	63,051		
Legal reserve		15,683		117,917	13,409		
Retained earnings		521,104		3,918,075	556,165		
Accumulated other comprehensive income (loss)		(43,999)		(330,820)	(24,851)		
Treasury stock		(3,592)		(27,007)	(2,666)		
Total stockholders' equity		584,888	77.9	4,397,654	637,749	77.8	-8.3
TOTAL		750,871	100.0	5,645,647	820,177	100.0	-8.5
Total common shares outstanding		132,860 thousands			133,019 thousands		

Note:U.S.\$1=Yen 133

5. Statements of stockholders' equity

Term Items	FY2002 (April 1,2001 - March 31,2002)		FY2001 (April 1,2000 - Mar. 31,2001)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Common stock:			
Balance at beginning of period	32,641	245,421	32,641
Balance at end of period	32,641	245,421	32,641
Additional paid-in capital:			
Balance at beginning of period	63,051	474,068	63,051
Balance at end of period	63,051	474,068	63,051
Legal reserve:			
Balance at beginning of period	13,409	100,819	13,302
Transferred from retained earnings	2,274	17,098	107
Balance at end of period	15,683	117,917	13,409
Retained earnings:			
Balance at beginning of period	556,165	4,181,692	520,276
Net income (loss)	(24,810)	(186,541)	43,983
Cash dividends	(7,977)	(59,978)	(7,987)
Transferred to legal reserve	(2,274)	(17,098)	(107)
Balance at end of period	521,104	3,918,075	556,165
Accumulated other comprehensive income (loss):			
Balance at beginning of period	(24,851)	(186,850)	(58,257)
Other comprehensive income (loss) for the period, net of tax	(19,148)	(143,970)	33,406
Balance at end of period	(43,999)	(330,820)	(24,851)
Treasury stock:			
Balance at beginning of period	(2,666)	(20,045)	-
Acquisition of treasury stock	(926)	(6,962)	(2,666)
Balance at end of period	(3,592)	(27,007)	(2,666)
Total stockholders' equity	584,888	4,397,654	637,749

Disclosure of comprehensive income (loss):			
Net income (loss) for the period	(24,810)	(186,541)	43,983
Other comprehensive income (loss) for the period, net of tax	(19,148)	(143,970)	33,406
Total comprehensive income (loss) for the period	(43,958)	(330,511)	77,389

6. Statements of cash flows

Term Items	FY2002 (April 1,2001 - March 31,2002)		FY2001 (April 1,2000 - Mar. 31,2001)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Cash flows from operating activities:			
Net income (loss)	(24,810)	(186,541)	43,983
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	61,920	465,564	63,579
Loss on disposal of property and equipment	6,436	48,391	5,144
Deferred income taxes	(13,135)	(98,759)	(10,986)
Loss (gain) on securities	207	1,556	(13,450)
Contribution of cash and cash equivalents to pension trust	-	-	(15,315)
Changes in assets and liabilities:			
Decrease in trade receivables	18,517	139,225	22,365
Decrease (increase) in inventories	28,776	216,361	(23,607)
Decrease in trade payables	(14,806)	(111,323)	(18,969)
Increase (decrease) in income taxes	(17,181)	(129,181)	4,766
Other-net	(4,420)	(33,233)	10,087
Net cash provided by operating activities	41,504	312,060	67,597
Cash flows from investing activities:			
Capital expenditures	(58,777)	(441,932)	(99,452)
Proceeds from sale of investments	323	2,429	2,492
Payment for purchase of investments	(3,116)	(23,429)	(692)
Proceeds from maturities of marketable securities	-	-	3,761
Other-net	3,667	27,571	1,353
Net cash used in investing activities	(57,903)	(435,361)	(92,538)
Cash flows from financing activities:			
Proceeds from long-term debt	46	346	614
Repayment of long-term debt	(777)	(5,842)	(1,536)
Increase (decrease) in short-term debt	(3,568)	(26,827)	2,761
Payment to acquire treasury stock	(926)	(6,962)	(2,666)
Dividends paid	(7,977)	(59,978)	(7,987)
Net cash used in financing activities	(13,202)	(99,263)	(8,814)
Effect of exchange rate changes on cash and cash equivalents	4,445	33,421	10,153
Net decrease in cash and cash equivalents	(25,156)	(189,143)	(23,602)
Cash and cash equivalents at beginning of period	150,917	1,134,715	174,519
Cash and cash equivalents at end of period	125,761	945,572	150,917

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" is adopted.

(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.

(e) Retirement and Severance Benefits

TDK accounts for and provides disclosures about its defined benefit pension and retirement plans in accordance with SFAS No. 87, "Employers' Accounting for Pensions" and with SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits".

The weighted-average discount rates used in determining the present value of benefit obligations and expected long-term rate of return on assets were 2.5% and 3.0% for 2002 and 2001, respectively.

(f) Derivatives Financial Instruments

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of FASB Statement No. 133" have been adopted from fiscal 2002.

(g) Goodwill and Other Intangible Assets

SFAS No. 142, "Goodwill and Other Intangible Assets" has been adopted from fiscal 2002.

8. Segment Information

a) Industry Segment Information

Term		FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000 - Mar. 31,2001)		Change
		(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	
Electronic materials and components	Net sales	432,951	100.0	3,255,270	552,195	100.0	-21.6
	1)Unaffiliated customers	432,951		3,255,270	552,195		-21.6
	2)Intersegment	0		0	0		
	Operating expenses	467,669	108.0	3,516,308	486,837	88.2	-3.9
	Operating income (loss)	(34,718)	-8.0	(261,038)	65,358	11.8	-
Recording media & systems	Net sales	142,078	100.0	1,068,256	137,716	100.0	3.2
	1)Unaffiliated customers	142,078		1,068,256	137,716		3.2
	2)Intersegment	0		0	0		
	Operating expenses	149,454	105.2	1,123,714	146,751	106.6	1.8
	Operating income (loss)	(7,376)	-5.2	(55,458)	(9,035)	-6.6	18.4
Total	Net sales	575,029	100.0	4,323,526	689,911	100.0	-16.7
	1)Unaffiliated customers	575,029		4,323,526	689,911		-16.7
	2)Intersegment	0		0	0		
	Operating expenses	617,123	107.3	4,640,022	633,588	91.8	-2.6
	Operating income (loss)	(42,094)	-7.3	(316,496)	56,323	8.2	-

b) Geographic Segment Information

Term		FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000 - Mar. 31,2001)		Change
		(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	
Japan	Net sales	328,322		2,468,586	459,685		-28.6
	Operating income (loss)	(31,624)	-9.6	(237,774)	39,504	8.6	-
Americas	Net sales	105,804		795,519	136,342		-22.4
	Operating income (loss)	(12,712)	-12.0	(95,579)	(1,394)	-1.0	-
Europe	Net sales	79,329		596,459	100,258		-20.9
	Operating income (loss)	(3,184)	-4.0	(23,940)	2,236	2.2	-
Asia and others	Net sales	268,492		2,018,737	299,015		-10.2
	Operating income	1,700	0.6	12,782	20,982	7.0	-91.9
Intersegment eliminations	Net sales	206,918		1,555,775	305,389		
	Operating income (loss)	(3,726)		(28,015)	5,005		
Total	Net sales	575,029		4,323,526	689,911		-16.7
	Operating income (loss)	(42,094)	-7.3	(316,496)	56,323	8.2	-

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

c) Sales by Region

Term		FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000 - Mar. 31,2001)		Change
		(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	
Americas		113,346	19.7	852,225	131,219	19.0	-13.6
Europe		80,027	13.9	601,707	101,018	14.6	-20.8
Asia and others		216,744	37.7	1,629,654	235,584	34.2	-8.0
Overseas sales total		410,117	71.3	3,083,586	467,821	67.8	-12.3
Japan		164,912	28.7	1,239,940	222,090	32.2	-25.7
Net sales		575,029		4,323,526	689,911		-16.7

Notes:

- Sales by region are classified by geographic areas of the buyer.
- U.S.\$1=Yen 133

9. Fair Value of Securities

(Yen millions)	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
As of March 31,2002				
Equity securities	4,389	596	-	4,985
Debt securities	3,274	24	-	3,298
Total	7,663	620	-	8,283
As of March 31,2001				
Equity securities	3,903	35	592	3,346
Debt securities	2,851	32	-	2,883
Total	6,754	67	592	6,229

(U.S.\$ thousands)	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
As of March 31,2002				
Equity securities	33,000	4,481	-	37,481
Debt securities	24,617	180	-	24,797
Total	57,617	4,661	-	62,278

Note:Unlisted stocks are excluded from the above.

10. Fair Value of Derivatives

(Yen millions)	Contract Amount	Carrying Amount	Estimated Fair Value
As of March 31,2002			
Forward foreign exchange contracts	7,576	(59)	(59)
Currency swap agreements and interest rate and currency swap agreements for loans to its subsidiaries	13,268	(315)	(315)
As of March 31,2001			
Forward foreign exchange contracts	16,264	(336)	(404)
Currency option contracts			
Purchased	26,019	(22)	(22)
Written	18,585	(1,055)	(1,055)
Currency swap agreements and interest rate and currency swap agreements for loans to its subsidiaries	20,323	(481)	(566)

(U.S.\$ thousands)	Contract Amount	Carrying Amount	Estimated Fair Value
As of March 31,2002			
Forward foreign exchange contracts	56,962	(444)	(444)
Currency swap agreements and interest rate and currency swap agreements for loans to its subsidiaries	99,759	(2,368)	(2,368)