

**(Notes)**

1. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.
2. During this consolidated accounting period, TDK had 72 subsidiaries (21 in Japan and 51 in overseas). TDK also had 7 affiliates (4 in Japan and 3 in overseas) whose financial statements are accounted for by the equity method.
3. Comprehensive income comprises net income and other comprehensive income. Other comprehensive income includes changes in foreign currency translation adjustments, minimum pension liability adjustments and net unrealized gains (losses) on securities. The net income, other comprehensive income (loss) and total comprehensive income (loss) for the three months ended June 30, 2002 and 2001 were as follows;

Items	Term		The 1st Qtr. of FY2002
			(April 1, 2002 - June 30, 2002)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	2,161	18,008	1,207
Other comprehensive income (loss):			
Foreign currency translation adjustments	(19,665)	(163,875)	(379)
Minimum pension liability adjustments	(5,862)	(48,850)	-
Net unrealized gains (losses) on securities	(1,321)	(11,008)	553
Total comprehensive income (loss)	(24,687)	(205,725)	1,381

Note: U.S.\$1=Yen 120

4. Adoption of new accounting standards

1) Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)

In May 2000, the Emerging Issues Task Force reached a final consensus on Issue 00-14 ("EITF 00-14"), "Accounting for Certain Sales Incentives". EITF 00-14 addresses accounting and reporting standards for sales incentives such as coupons or rebates that are provided by vendors or manufacturers and are exercisable by customers at the point of sale.

In April 2001, the Emerging Issues Task Force also reached a final consensus on a portion of Issue 00-25 ("EITF 00-25"), "Vendor Income Statement Characterization of Consideration to a Purchaser of the Vendor's Products or Services". EITF 00-25 addresses the income statement characterization of consideration, other than that directly addressed in EITF 00-14, from a vendor (typically a manufacturer or distributor) to a customer (typically a retailer or wholesaler) in connection with the sale to the customer of the vendor's products or promotion of sales of the vendor's products by the customer.

In November 2001, EITF 00-14 and EITF 00-25 were subsequently codified in and superseded by Issue 01-9 ("EITF 01-9"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" on which the Emerging Issues Task Force reached a final consensus. TDK adopted EITF 01-9 on April 1, 2002. The adoption of EITF 01-9 did not have a material effect on TDK's consolidated financial position or results of operations.

2) Accounting for the Impairment or Disposal of Long-Lived Assets

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets" which supersedes both Statement of Financial Accounting Standards No. 121 ("SFAS 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and the accounting and reporting provisions of APB Opinion No. 30 ("Opinion 30"), "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", for the disposal of a segment of a business (as previously defined in that Opinion).

SFAS 144 retains the fundamental provisions in SFAS 121 for recognizing and measuring impairment losses on long-lived assets held for use and long-lived assets to be disposed of by sale, while also resolving significant implementation issues associated with SFAS 121. TDK adopted SFAS 144 on April 1, 2002. The adoption of SFAS 144 did not have a material effect on TDK's consolidated financial position or results of operations.

5. U.S. dollar amounts are translated from Yen, for convenience only, at the rate of Yen 120 = U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on June 28, 2002.