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FOR IMMEDIATE RELEASE

TOKYO - July 29, 2004 TDK Corporation today announced its consolidated business results prepared in conformity with accounting principles generally accepted in the United States of America (the "U.S. GAAP") for the 1st quarter ("Qtr.") of fiscal year ("FY") 2005 and 2004, the three months ended June 30, 2004 and 2003 are as follows;

1) Summary

Consolidated results (April 1, 2004 - June 30, 2004)

Term Item	The 1st Qtr. of FY2005 (April 1, 2004 - June 30, 2004)			The 1st Qtr. of FY2004 (April 1, 2003 - June 30, 2003)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
Net sales	157,891	100.0	1,461,954	153,216	100.0	4,675	3.1
Operating income	14,025	8.9	129,861	10,180	6.6	3,845	37.8
Income before income taxes	14,950	9.5	138,426	11,164	7.3	3,786	33.9
Net income	10,163	6.4	94,102	8,025	5.2	2,138	26.6
Per common share :							
Net income / Basic	Yen 76.75		U.S.\$ 0.71	Yen 60.51			
Net income / Diluted	Yen 76.69		U.S.\$ 0.71	Yen 60.51			

(Sales breakdown)

Term Product	The 1st Qtr. of FY2005 (April 1, 2004 - June 30, 2004)			The 1st Qtr. of FY2004 (April 1, 2003 - June 30, 2003)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
Electronic materials and components	130,468	82.6	1,208,037	123,789	80.8	6,679	5.4
Electronic materials	44,763	28.3	414,472	40,420	26.4	4,343	10.7
Electronic devices	28,248	17.9	261,556	25,817	16.9	2,431	9.4
Recording devices	52,163	33.0	482,991	53,840	35.1	(1,677)	-3.1
Semiconductors & others	5,294	3.4	49,018	3,712	2.4	1,582	42.6
Recording media & systems	27,423	17.4	253,917	29,427	19.2	(2,004)	-6.8
Total sales	157,891	100.0	1,461,954	153,216	100.0	4,675	3.1
Overseas sales	115,113	72.9	1,065,861	112,783	73.6	2,330	2.1

Notes:

1. Consolidated results for the 1st quarter of FY2005 and FY2004 are unaudited by independent accountant.
2. U.S.\$1 = Yen 108

2) Business Results and Financial Position

1. Summary

Consolidated results for the first quarter of fiscal year 2005, or the three-month period from April 1, 2004 through June 30, 2004, were as follows:

Consolidated net sales were ¥157,891 million (U.S.\$1,461,954 thousand), 3.1% higher than the ¥153,216 million recorded in the corresponding period of the previous fiscal year. Operating income rose 37.8% to ¥14,025 million (U.S.\$129,861 thousand), from ¥10,180 million. Income before income taxes increased 33.9% to ¥14,950 million (U.S.\$138,426 thousand), from ¥11,164 million. Net income was ¥10,163 million (U.S.\$94,102 thousand), 26.6% higher than the ¥8,025 million recorded in the first quarter of the previous fiscal year. Consequently, basic net income per common share was ¥76.75 (U.S.\$0.71), up from ¥60.51.

Average first-quarter yen exchange rates for the U.S. dollar and euro were ¥109.63 and ¥132.15, respectively, as the yen appreciated 7.5% from ¥118.50 versus the U.S. dollar and 1.9% from ¥134.66 against the euro, compared with the first quarter of the previous fiscal year. This resulted in lowering net sales by approximately ¥8.0 billion and operating income by approximately ¥3.4 billion.

(Sales by Segment)

TDK's businesses are broadly classified into two business segments: electronic materials and components segment and recording media & systems segment. The following is an explanation of sales by segment.

(1) Electronic materials and components segment

This segment is made up of four product sectors: (1-1) electronic materials, (1-2) electronic devices, (1-3) recording devices, and (1-4) semiconductors & others.

Segment net sales rose 5.4% to ¥130,468 million (U.S.\$1,208,037 thousand), from ¥123,789 million, while segment operating income climbed 36.3% to ¥14,931 million (U.S.\$138,250 thousand), from ¥10,958 million. The electronics market in the first quarter of fiscal year 2005 saw demand continue to grow for mobile phones and digital home electronics appliances such as flat-screen TVs, digital still cameras and DVD recorders. These robust market conditions supported firm demand for electronic components as a whole. Sector results were as follows.

(1-1) Electronic materials

This sector is broken down into two product categories: capacitors and ferrite cores and magnets.

Sales in the electronic materials sector increased 10.7% to ¥44,763 million (U.S.\$414,472 thousand), from ¥40,420 million.

(Capacitors) Sales of capacitors increased year on year. Multilayer ceramic chip capacitors, the main products in the capacitor sector, recorded growth in sales due to demand for use in digital home electronics appliances and mobile phones, a rising proportion of which have color displays and cameras. This growth absorbed the effect of downward pressure on sales prices and the higher yen.

(Ferrite cores and magnets) Sales of ferrite cores and magnets increased year on year. In ferrite cores, sales were buoyed by healthy demand for use in coils and transformers in digital home electronics appliances and information and communications equipment. Magnet sales rose too on the back of higher shipment volumes.

(1-2) Electronic devices

This sector has three product categories: inductive devices, high-frequency components and other products.

Sales in the electronic devices sector increased 9.4% to ¥28,248 million (U.S.\$261,556 thousand), compared with ¥25,817 million in the first quarter of the previous fiscal year.

(Inductive devices) Sales of inductive devices, the largest product category in the electronic devices sector, rose year on year on higher sales to the communications equipment field, which offset the effect of downward pressure on sales prices and the higher yen.

(High-frequency components) Sales of high-frequency components edged up over the previous fiscal year. There was an upswing in shipment volumes that resulted from strong demand for components used in mobile phones, the main market for these components, and successful activities to win new orders. This growth was largely negated, however, by a continuing overall glut in the supply of high-frequency components, which prompted customers to demand price reductions that were higher than in other electronic component categories.

(Other products) Sales of other products rose year on year, with sensors and actuators and power systems both recording higher sales to the communications equipment market.

(1-3) Recording devices

This sector has two product categories: HDD heads and other heads.

Sector sales declined 3.1% to ¥52,163 million (U.S.\$482,991 thousand), from ¥53,840 million.

(HDD heads) Sales of HDD heads declined from the first quarter of the previous fiscal year due to a decline in orders for TDK's HDD heads, which reflected the effect of a customer producing heads in-house and lower production levels of major HDD manufacturers.

(Other heads) Sales of other heads declined year on year.

(1-4) Semiconductors & others

This sector has two product categories: semiconductors and others.

Sector sales climbed 42.6% to ¥5,294 million (U.S.\$49,018 thousand), from ¥3,712 million.

(Semiconductors) Sales of semiconductors declined due to lower sales to the communications equipment market.

(Others) Others sales increased year on year mainly on higher sales of anechoic chambers for electromagnetic noise control.

(2) Recording media & systems segment

This segment is made up of four product categories: audiotapes, videotapes, optical media and other products.

Segment sales declined 6.8% to ¥27,423 million (U.S.\$253,917 thousand), from ¥29,427 million. The segment recorded an operating loss of ¥906 million (U.S.\$8,389 thousand), which was 16.5% higher than last year's operating loss of ¥778 million.

(Audiotapes and Videotapes) Sales of audiotapes and videotapes declined year on year. This was because, while TDK maintained a high market share, demand continued to decrease due to structural changes in the market.

(Optical media) Sales of optical media increased, as strong sales of DVDs due to expanding demand absorbed the effect of downward pressure on sales prices.

(Other products) Sales of other products decreased year on year, the result mainly of the sale in the previous fiscal year of a U.S. software development subsidiary and sluggish sales of recording equipment. On a brighter note, sales of LTO-standard* (Linear Tape-Open) tape-based data storage media for computers continued to increase.

*Linear Tape-Open, LTO, LTO logo, Ultrium and Ultrium logo are trademarks of HP, IBM and Certance LLC in the U.S., other countries or both.

(Sales by Region)

Detailed geographic segment information can be found in the segment information on page 10.

By region, sales in Japan increased in all sectors with the exception of electronic devices. The decline in sales in electronic devices was mainly the result of customers shifting production to Asia as their main base. In the Americas, sales decreased, except in electronic devices and semiconductors & others. The major causes of these declines were lower sales to the automotive sector and the effect of the higher yen versus the U.S. dollar. In Europe, sales fell, except in electronic devices and recording devices. In Asia (excluding Japan) and other areas, sales increased in all sectors, except recording devices.

2. Financial Position

(2-1) The following table summarizes TDK's balance sheet at June 30, 2004, compared with March 31, 2004.

Total assets	¥792,179 million	2.8% increase
Total stockholders' equity	¥593,086 million	2.9% increase
Equity ratio	74.9%	0.1 percentage point increase

At the end of the first quarter of fiscal year 2005, cash and cash equivalents were ¥3,462 million higher than at March 31, 2004, net trade receivables were ¥2,737 million higher and inventories were ¥4,842 million higher. Net property, plant and equipment rose ¥4,570 million. As a result of these and other changes, total assets increased ¥21,860 million.

Total liabilities increased ¥4,839 million. While retirement and severance benefits declined ¥7,448 million, other current liabilities increased ¥7,910 million and deferred income taxes rose ¥2,859 million.

Total stockholders' equity increased ¥16,867 million. This reflected a ¥5,849 million increase in retained earnings and a ¥10,616 million decrease in accumulated other comprehensive loss.

(2-2) Cash Flows

	(¥ millions)		
	FY 2005 1Q	FY 2004 1Q	Change
Net cash provided by operating activities	18,825	25,685	(6,860)
Net cash used in investing activities	(14,060)	(8,238)	(5,822)
Net cash used in financing activities	(3,856)	(3,378)	(478)
Effect of exchange rate changes on cash and cash equivalents	2,553	631	1,922
Net increase in cash and cash equivalents	3,462	14,700	(11,238)
Cash and cash equivalents at beginning of period	227,155	170,551	56,604
Cash and cash equivalents at end of period	230,617	185,251	45,366

Operating activities provided net cash of ¥18,825 million (U.S.\$174,306 thousand), ¥6,860 million less than a year earlier. Net income rose ¥2,138 million to ¥10,163 million (U.S.\$94,102 thousand) and depreciation and amortization increased ¥591 million to ¥12,308 million (U.S.\$113,963 thousand). In changes in assets and liabilities, trade receivables increased ¥2,353 million, inventories rose ¥1,262 million and accrued expenses increased ¥1,321 million.

Investing activities used net cash of ¥14,060 million (U.S.\$130,185 thousand), ¥5,822 million more than a year earlier. Capital expenditures increased ¥5,790 million to ¥14,345 million (U.S.\$132,824 thousand).

Financing activities used net cash of ¥3,856 million (U.S.\$35,704 thousand), ¥478 million more than in the first quarter of the previous fiscal year. Dividends paid increased ¥656 million.

3. Fiscal 2005 Projections

TDK's consolidated projections for fiscal year 2005, or the year ending March 31, 2005, are as follows.

[Consolidated Projections for Fiscal 2005]

	Year ending March 2005 (¥ million)	% change from FY2004	Year ended March 2004 (¥ million)
Net sales	680,000	3.2	658,862
Operating income	60,000	10.5	54,322
Income before income taxes	62,000	11.5	55,603
Net income	46,500	10.4	42,101

Notes:

1. The above projections for fiscal year 2005 are the same as those announced on April 28, 2004.
2. The projections are based principally on the following assumptions:
 - An average exchange rate of ¥105=US\$1 for fiscal year 2005 from the second quarter onward.
 - Orders for passive components (electronic materials and electronic devices) as a whole are expected to remain at a comparatively high level, supported by firm demand in the first half of the year. However, this demand may wane by the end of 2004.
 - Orders for recording devices are expected to decline in the first half of fiscal year 2005, but second-half sales of these products should be supported by growth in demand for HDDs used in PCs and consumer electronics.
 - In the recording media & systems segment, lower sales of audiotapes and videotapes are forecast. However, sales may rise year on year in the segment as a whole, with higher sales of optical media products absorbing this decline.

Cautionary Statement About Projections

This earnings release contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings and evaluations, about TDK and its group companies that are not historical facts. These forward-looking statements are based on current forecasts, estimates, assumptions, plans, beliefs and evaluations in light of information available to management on the date of this earnings release.

In preparing forecasts and estimates, TDK and its group companies have used, as their bases, certain assumptions as necessary, in addition to confirmed historical facts. However, due to their nature, there is no guarantee that these statements and assumptions will prove to be accurate in the future. TDK therefore wishes to caution readers that these statements, facts and certain assumptions contained in this earnings release are subject to a number of risks and uncertainties and may prove to be inaccurate.

The electronics markets in which TDK and its group companies operate are highly susceptible to rapid changes. Furthermore, TDK and its group companies operate 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.

The premises and assumptions used in computing the projections in this earnings release include, but are not limited to, those explained above.

3) Statements of income

Item	Term		The 1st Qtr. of FY2005 (April 1, 2004 - June 30, 2004)		The 1st Qtr. of FY2004 (April 1, 2003 - June 30, 2003)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%	
Net sales	157,891	100.0	1,461,954	153,216	100.0	4,675	3.1	
Cost of sales	112,549	71.3	1,042,121	111,359	72.7	1,190	1.1	
Gross profit	45,342	28.7	419,833	41,857	27.3	3,485	8.3	
Selling, general and administrative expenses	31,317	19.8	289,972	31,677	20.7	(360)	-1.1	
Operating income	14,025	8.9	129,861	10,180	6.6	3,845	37.8	
Other income (deductions) :								
Interest and dividend income	267		2,472	316		(49)		
Interest expense	(51)		(472)	(56)		5		
Foreign exchange gain	119		1,102	297		(178)		
Other-net	590		5,463	427		163		
Total other income (deductions)	925	0.6	8,565	984	0.7	(59)	-6.0	
Income before income taxes	14,950	9.5	138,426	11,164	7.3	3,786	33.9	
Income taxes	4,647	3.0	43,028	3,034	2.0	1,613	53.2	
Income before minority interests	10,303	6.5	95,398	8,130	5.3	2,173	26.7	
Minority interests	140	0.1	1,296	105	0.1	35	33.3	
Net income	10,163	6.4	94,102	8,025	5.2	2,138	26.6	

Notes:

1. Statements of income for the 1st quarter of FY2005 and FY2004 are unaudited by independent accountant.
2. U.S.\$1=Yen 108

4) Balance sheets

ASSETS								
Term Item	As of June 30, 2004			As of Mar. 31, 2004		Change	As of June 30, 2003	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	(Yen millions)	%
Current assets	491,546	62.0	4,551,352	475,773	61.8	15,773	437,085	57.5
Cash and cash equivalents	230,617		2,135,343	227,155		3,462	185,251	
Marketable securities	403		3,732	402		1	-	
Net trade receivables	141,068		1,306,185	138,331		2,737	138,814	
Inventories	82,143		760,583	77,301		4,842	76,942	
Other current assets	37,315		345,509	32,584		4,731	36,078	
Noncurrent assets	300,633	38.0	2,783,639	294,546	38.2	6,087	323,402	42.5
Investments in securities	18,284		169,296	18,381		(97)	18,493	
Net property, plant and equipment	213,515		1,976,991	208,945		4,570	222,772	
Other assets	68,834		637,352	67,220		1,614	82,137	
TOTAL	792,179	100.0	7,334,991	770,319	100.0	21,860	760,487	100.0

LIABILITIES AND STOCKHOLDERS' EQUITY								
Term Item	As of June 30, 2004			As of Mar. 31, 2004		Change	As of June 30, 2003	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	(Yen millions)	%
Current liabilities	124,594	15.7	1,153,648	115,218	15.0	9,376	108,069	14.2
Short-term debt	440		4,074	416		24	1,865	
Trade payables	59,917		554,787	59,917		-	55,548	
Accrued expenses	46,250		428,241	45,534		716	38,071	
Income taxes payables	5,415		50,139	4,689		726	3,707	
Other current liabilities	12,572		116,407	4,662		7,910	8,878	
Noncurrent liabilities	71,069	9.0	658,047	75,606	9.8	(4,537)	90,826	12.0
Long-term debt, excluding current installments	68		630	27		41	107	
Retirement and severance benefits	66,073		611,787	73,521		(7,448)	88,567	
Deferred income taxes	3,074		28,463	215		2,859	2,152	
Other noncurrent liabilities	1,854		17,167	1,843		11	-	
Total liabilities	195,663	24.7	1,811,695	190,824	24.8	4,839	198,895	26.2
Minority interests	3,430	0.4	31,759	3,276	0.4	154	3,372	0.4
Common stock	32,641		302,231	32,641		-	32,641	
Additional paid-in capital	63,051		583,805	63,051		-	63,051	
Legal reserve	16,817		155,713	16,497		320	16,352	
Retained earnings	566,605		5,246,343	560,756		5,849	530,229	
Accumulated other comprehensive income (loss)	(79,771)		(738,620)	(90,387)		10,616	(79,197)	
Treasury stock	(6,257)		(57,935)	(6,339)		82	(4,856)	
Total stockholders' equity	593,086	74.9	5,491,537	576,219	74.8	16,867	558,220	73.4
TOTAL	792,179	100.0	7,334,991	770,319	100.0	21,860	760,487	100.0

Notes:

- Balance sheets as of June 30, 2004 and 2003 are unaudited by independent accountant.
- U.S.\$1 = Yen 108

5) Statements of cash flows

Term Item	The 1st Qtr. of FY2005 (April 1, 2004 - June 30, 2004)		The 1st Qtr. of FY2004 (April 1, 2003 - June 30, 2003)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Cash flows from operating activities:			
Net income	10,163	94,102	8,025
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,308	113,963	11,717
Loss on disposal of property and equipment	207	1,917	718
Deferred income taxes	(276)	(2,555)	916
Loss (gain) on securities	(95)	(880)	1,180
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(411)	(3,806)	1,942
Increase in inventories	(3,780)	(35,000)	(2,518)
Decrease in trade payables	(1,458)	(13,500)	(2,093)
Increase (decrease) in accrued expenses	41	380	(1,280)
Increase (decrease) in income taxes payables, net	1,300	12,037	2,641
Increase in retirement and severance benefits	2,009	18,602	2,522
Other-net	(1,183)	(10,954)	1,915
Net cash provided by operating activities	18,825	174,306	25,685
Cash flows from investing activities:			
Capital expenditures	(14,345)	(132,824)	(8,555)
Proceeds from sales and maturities of available-for-sale securities	190	1,759	89
Payment for purchase of available-for-sale securities	(196)	(1,815)	-
Payment for purchase of other investments	1	9	(10)
Proceeds from sales of property, plant and equipment	291	2,695	340
Acquisition of minority interests	-	-	(100)
Other-net	(1)	(9)	(2)
Net cash used in investing activities	(14,060)	(130,185)	(8,238)
Cash flows from financing activities:			
Proceeds from long-term debt	132	1,222	33
Repayment of long-term debt	(25)	(232)	(79)
Increase (decrease) in short-term debt, net	(51)	(472)	(15)
Sale (purchase) of treasury stock, net	60	556	(1)
Dividends paid	(3,972)	(36,778)	(3,316)
Net cash used in financing activities	(3,856)	(35,704)	(3,378)
Effect of exchange rate changes on cash and cash equivalents	2,553	23,639	631
Net increase in cash and cash equivalents	3,462	32,056	14,700
Cash and cash equivalents at beginning of period	227,155	2,103,287	170,551
Cash and cash equivalents at end of period	230,617	2,135,343	185,251

Notes:

1. Statements of cash flows for the 1st quarter of FY2005 and FY2004 are unaudited by independent accountant.
2. U.S.\$1=Yen 108

6) Segment Information

The following industry and geographic segment information are required by the Japanese Securities Exchange Law.

1. Industry segment information

Product	Term		The 1st Qtr. of FY2005			The 1st Qtr. of FY2004		Change	
			(April 1, 2004 - June 30, 2004)			(April 1, 2003 - June 30, 2003)			
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%		
Electronic materials and components									
Net sales	130,468	100.0	1,208,037	123,789	100.0	6,679	5.4		
Unaffiliated customers	130,468		1,208,037	123,789		6,679	5.4		
Intersegment	-		-	-		-	-		
Operating expenses	115,537	88.6	1,069,787	112,831	91.1	2,706	2.4		
Operating income	14,931	11.4	138,250	10,958	8.9	3,973	36.3		
Recording media & systems									
Net sales	27,423	100.0	253,917	29,427	100.0	(2,004)	-6.8		
Unaffiliated customers	27,423		253,917	29,427		(2,004)	-6.8		
Intersegment	-		-	-		-	-		
Operating expenses	28,329	103.3	262,306	30,205	102.6	(1,876)	-6.2		
Operating income (loss)	(906)	-3.3	(8,389)	(778)	-2.6	(128)	-16.5		
TOTAL									
Net sales	157,891	100.0	1,461,954	153,216	100.0	4,675	3.1		
Unaffiliated customers	157,891		1,461,954	153,216		4,675	3.1		
Intersegment	-		-	-		-	-		
Operating expenses	143,866	91.1	1,332,093	143,036	93.4	830	0.6		
Operating income	14,025	8.9	129,861	10,180	6.6	3,845	37.8		

Note: U.S.\$1 = Yen 108

2. Geographic segment information

Region	Term		The 1st Qtr. of FY2005			The 1st Qtr. of FY2004		Change	
			(April 1, 2004 - June 30, 2004)			(April 1, 2003 - June 30, 2003)			
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%		
Japan	Net sales	86,661	100.0	802,417	77,112	100.0	9,549	12.4	
	Operating income	5,783	6.7	53,546	1,510	2.0	4,273	283.0	
Americas	Net sales	22,654	100.0	209,759	24,752	100.0	(2,098)	-8.5	
	Operating income	272	1.2	2,519	814	3.3	(542)	-66.6	
Europe	Net sales	17,266	100.0	159,871	17,847	100.0	(581)	-3.3	
	Operating income (loss)	(269)	-1.6	(2,491)	(215)	-1.2	(54)	-25.1	
Asia and others	Net sales	93,440	100.0	865,185	88,203	100.0	5,237	5.9	
	Operating income	8,955	9.6	82,917	8,108	9.2	847	10.4	
Intersegment eliminations	Net sales	62,130		575,278	54,698		7,432		
	Operating income	716		6,630	37		679		
Total	Net sales	157,891	100.0	1,461,954	153,216	100.0	4,675	3.1	
	Operating income	14,025	8.9	129,861	10,180	6.6	3,845	37.8	

Notes:

- The sales are classified by geographic areas of the seller and include transfers between geographic areas.
- U.S.\$1 = Yen 108

3. Sales by region

Region	Term		The 1st Qtr. of FY2005			The 1st Qtr. of FY2004		Change	
			(April 1, 2004 - June 30, 2004)			(April 1, 2003 - June 30, 2003)			
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%		
Americas	20,577	13.0	190,528	22,498	14.7	(1,921)	-8.5		
Europe	17,328	11.0	160,444	18,025	11.8	(697)	-3.9		
Asia and others	77,208	48.9	714,889	72,260	47.1	4,948	6.8		
Overseas sales total	115,113	72.9	1,065,861	112,783	73.6	2,330	2.1		
Japan	42,778	27.1	396,093	40,433	26.4	2,345	5.8		
Net sales	157,891	100.0	1,461,954	153,216	100.0	4,675	3.1		

Notes:

- Sales by region are classified by geographic areas of the buyer.
- U.S.\$1 = Yen 108

(Notes)

1. The consolidated financial statements are prepared in conformity with the U.S. GAAP.
2. During this consolidated accounting period, TDK had 71 subsidiaries (20 in Japan and 51 overseas). TDK also had 8 affiliates (5 in Japan and 3 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 for the three months ended June 30, 2004 and 2003 were as follows;

Item	Term	The 1st Qtr. of FY2005		The 1st Qtr. of FY2004
		(April 1, 2004 - June 30, 2004)		(April 1, 2003 - June 30, 2003)
		(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income		10,163	94,102	8,025
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments		5,464	50,593	717
Minimum pension liability adjustments		5,518	51,092	(1,485)
Net unrealized gains (losses) on securities		(366)	(3,389)	395
Total comprehensive income		20,779	192,398	7,652

Note: U.S.\$1=Yen 108