

# TDK Corporation Consolidated Results

## for the 1<sup>st</sup> half of Fiscal Year 2003

(April 1, 2002 – September 30, 2002)

This material 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 currently available to management.

In preparing forecasts and estimates, TDK and its group companies have used as their basis, 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 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.

**This conference will be made in Japanese. Please note that we cannot guarantee the accuracy of the English translation.**

# Consolidated Results for the 1<sup>st</sup> half of FY2003

(Unit:Yen millions)	1H of FY02	<b>1H of FY03</b>	Change	Change (%)
Net sales	270,786	<b>296,380</b>	25,594	9.5%
Cost of sales	213,309	<b>223,738</b>	10,429	4.9%
SG & A expenses	60,288	<b>59,196</b>	-1,092	-1.8%
Restructuring cost	-	<b>3,427</b>	3,427	-
Operating income (loss)	-2,811	<b>10,019</b>	12,830	-
Income (loss) before income taxes	-3,082	<b>7,636</b>	10,718	-
Net income	1,832	<b>4,645</b>	2,813	153.5%

TDK adopted the Emerging Issues Task Force 01-9 ("EITF 01-9"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" from the fiscal year beginning April 1, 2002 and the prior year's consolidated financial statements have been restated for the change, accordingly.

This change only affects the figures for net sale and selling, general and administrative expenses; there is no effect on operating income (loss).

## Balance Sheets (Assets)

(Unit:Yen millions)	Mar. 31, 2002	<b>Sep. 30, 2002</b>	Change
Current assets	399,206	<b>406,300</b>	7,094
Cash and cash equivalents	125,761	<b>147,822</b>	22,061
Net trade receivables	142,827	<b>137,796</b>	-5,031
Inventories	91,149	<b>83,714</b>	-7,435
Other current assets	39,469	<b>36,968</b>	-2,501
Fixed assets	350,704	<b>321,374</b>	-29,330
Capital expenditures	265,590	<b>244,040</b>	-21,550
Others	85,114	<b>77,334</b>	-7,780
<b>Total assets</b>	<b>749,910</b>	<b>727,674</b>	<b>-22,236</b>

# Balance Sheets (Liabilities and stockholders' equity)

(Unit:Yen millions)	Mar. 31, 2002	<b>Sep. 30, 2002</b>	Change
Current liabilities	110,341	<b>99,683</b>	-10,658
Trade payables and others	81,224	<b>86,445</b>	5,221
Other current liabilities	29,117	<b>13,238</b>	-15,879
Fixed liabilities	51,049	<b>58,971</b>	7,922
Minority interests	4,593	<b>4,425</b>	-168
Total stockholders' equity	583,927	<b>564,595</b>	-19,332
<b>Total</b>	<b>749,910</b>	<b>727,674</b>	<b>-22,236</b>

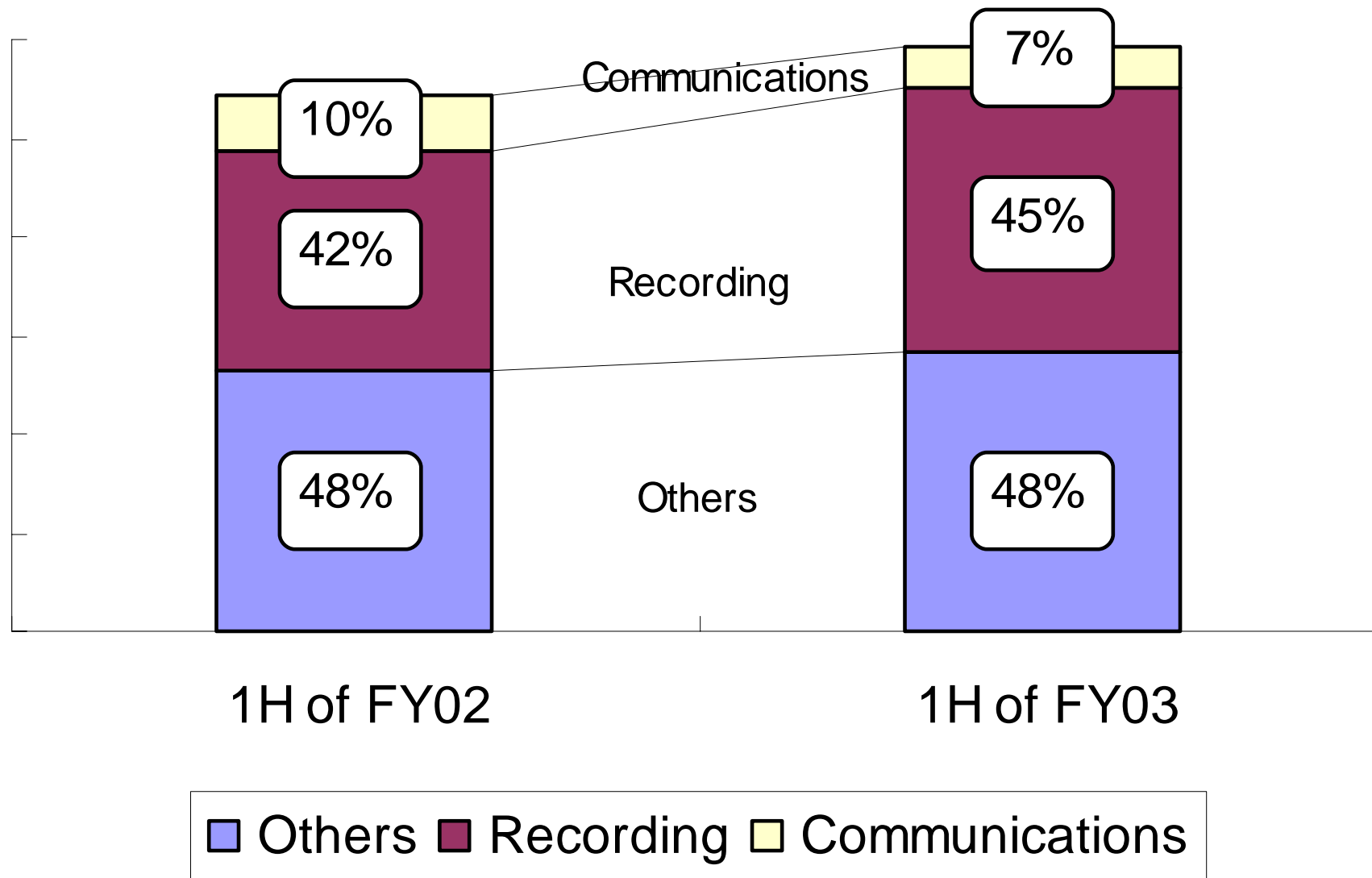
# Sales Breakdown

(Unit:Yen millions)	1H of FY02	1H of FY03	Change	Change (%)
Electronic materials and components	209,607	<b>234,272</b>	24,665	11.8%
Electronic materials	81,367	<b>88,918</b>	7,551	9.3%
Electronic devices	54,264	<b>59,293</b>	5,029	9.3%
Recording devices	64,022	<b>78,173</b>	14,151	22.1%
Semiconductors and others	9,954	<b>7,888</b>	-2,066	-20.8%
<b>Recording media &amp; systems</b>	61,179	<b>62,108</b>	929	1.5%
<b>Total net sales</b>	270,786	<b>296,380</b>	25,594	9.5%

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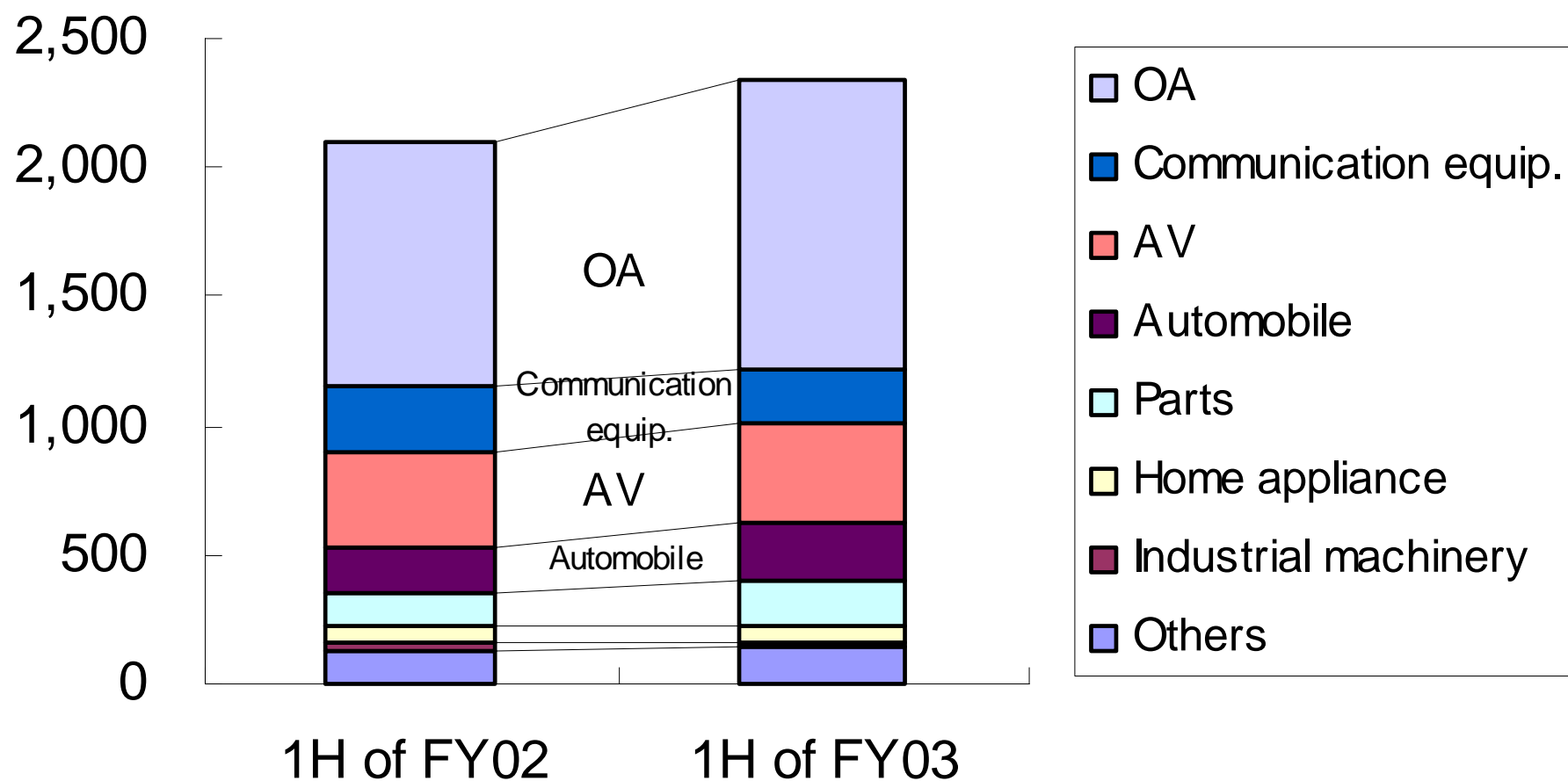
This change only affects the figures for net sale and selling, general and administrative expenses; there is no effect on operating income (loss).

## Share of sales



## Sales by customer industry (Elec. materials and components)

(Unit:Yen 0.1 billions)



# Non-consolidated Results for the 1<sup>st</sup> half of FY2003

(Unit:Yen millions)	1H of FY02	<b>1H of FY03</b>	Change	Change (%)
Net sales	164,023	<b>167,260</b>	3,237	2.0%
Cost of sales	134,770	<b>136,194</b>	1,424	1.1%
SG & A expenses	29,572	<b>27,585</b>	-1,987	-6.7%
Operating income(loss)	-319	<b>3,480</b>	3,799	-
Current income	13,970	<b>6,937</b>	-7,033	-50.3%
Net income	9,752	<b>1,056</b>	-8,696	-89.2%



# Consolidated Projections for the year ended March 31, 2003

October 31, 2002

(Unit:Yen millions)	FY02 [Results]	<b>FY03</b> [Projections]	Change	Change (%)
Net sales	570,511	<b>585,000</b>	14,489	2.5%
Operating income(loss)	-43,722	<b>20,000</b>	63,722	-
Income(loss) before income taxes	-43,697	<b>18,300</b>	61,997	-
Net income(loss)	-25,771	<b>13,000</b>	38,771	-
Exchange rate (U.S.\$=Yen)	125	<b>122</b>		

The exchange rate is the average rate for the full fiscal year.

As of October 31, 2002, the average yen-U.S. dollar exchange rate for the second half of fiscal 2003 is estimated at Yen120.

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This change only affects the figures for net sale and selling, general and administrative expenses; there is no effect on operating income (loss).

# Non-consolidated Projections for the year ended March 31, 2003

October 31, 2002

(Unit:Yen millions)	FY02 [Results]	<b>FY03</b> [Projections]	Change	Change (%)
Net sales	317,811	<b>320,000</b>	2,189	0.7%
Operating income(loss)	-8,507	<b>1,800</b>	10,307	-
Current income	7,580	<b>6,300</b>	-1,280	-16.9%
Income(loss) before income taxes	-8,772	<b>500</b>	9,272	-
Net income(loss)	-3,794	<b>300</b>	4,094	-

