

TDK Corporation

A supplementary data for the first half of fiscal year 2003

(April 1, 2002 - Sep. 30, 2002)

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Forward-looking statements

October 31, 2002

TDK Corporation

Corporate Communications Dept.

Note FY2002

Effective from the current fiscal year, TDK has adopted Emerging Issues Task Force (EITF) Issue 01-9, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)". Consequently, TDK has restated figures for the previous fiscal year. Please refer to the notes in TDK's earnings release for details of this standard. This change only affects the figures for net sale and selling, general and administrative expenses; there is no effect on operating income (loss). Figures before and after application of this standard are as follows:
Restructuring costs are included in selling, general and administrative expenses.

[Revised]		Unit:Yen millions						
FY2002	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year	
Net sales	140,244	130,542	270,786	148,036	151,689	299,725	570,511	
<i>Electronic materials and components</i>	110,321	99,286	209,607	107,583	115,696	223,279	432,886	
Electronic materials	43,900	37,467	81,367	39,384	41,095	80,479	161,846	
Electronic devices	28,550	25,714	54,264	26,048	25,625	51,673	105,937	
Recording devices	32,834	31,188	64,022	38,259	44,723	82,982	147,004	
Semiconductors and others	5,037	4,917	9,954	3,892	4,253	8,145	18,099	
<i>Recording media and systems</i>	29,923	31,256	61,179	40,453	35,993	76,446	137,625	
Cost of sales	106,202	107,107	213,309	123,721	127,590	251,311	464,620	
Gross profit	34,042	23,435	57,477	24,315	24,099	48,414	105,891	
Forward-looking statem	31,453	28,835	60,288	38,486	50,839	89,325	149,613	
Operating income (loss)	2,589	-5,400	-2,811	-14,171	-26,740	-40,911	-43,722	

[Original]		Unit:Yen millions						
FY2002	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year	
Net sales	141,000	131,620	272,620	149,177	153,232	302,409	575,029	
<i>Electronic materials and components</i>	110,351	99,299	209,650	107,592	115,709	223,301	432,951	
Electronic materials	43,900	37,467	81,367	39,384	41,095	80,479	161,846	
Electronic devices	28,550	25,714	54,264	26,048	25,625	51,673	105,937	
Recording devices	32,834	31,188	64,022	38,259	44,723	82,982	147,004	
Semiconductors and others	5,067	4,930	9,997	3,901	4,266	8,167	18,164	
<i>Recording media and systems</i>	30,649	32,321	62,970	41,585	37,523	79,108	142,078	
Cost of sales	106,202	107,107	213,309	123,721	127,590	251,311	464,620	
Gross profit	34,798	24,513	59,311	25,456	25,642	51,098	110,409	
SG&A expenses	32,209	29,913	62,122	39,627	52,382	92,009	154,131	
Operating income (loss)	2,589	-5,400	-2,811	-14,171	-26,740	-40,911	-43,722	

[Revised - Original]		Unit:Yen millions						
FY2002	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year	
Net sales	-756	-1,078	-1,834	-1,141	-1,543	-2,684	-4,518	
<i>Electronic materials and components</i>	-30	-13	-43	-9	-13	-22	-65	
Electronic materials	0	0	0	0	0	0	0	
Electronic devices	0	0	0	0	0	0	0	
Recording devices	0	0	0	0	0	0	0	
Semiconductors and others	-30	-13	-43	-9	-13	-22	-65	
<i>Recording media and systems</i>	-726	-1,065	-1,791	-1,132	-1,530	-2,662	-4,453	
Cost of sales	0	0	0	0	0	0	0	
Gross profit	-756	-1,078	-1,834	-1,141	-1,543	-2,684	-4,518	
SG&A expenses	-756	-1,078	-1,834	-1,141	-1,543	-2,684	-4,518	
Operating income (loss)	0	0	0	0	0	0	0	

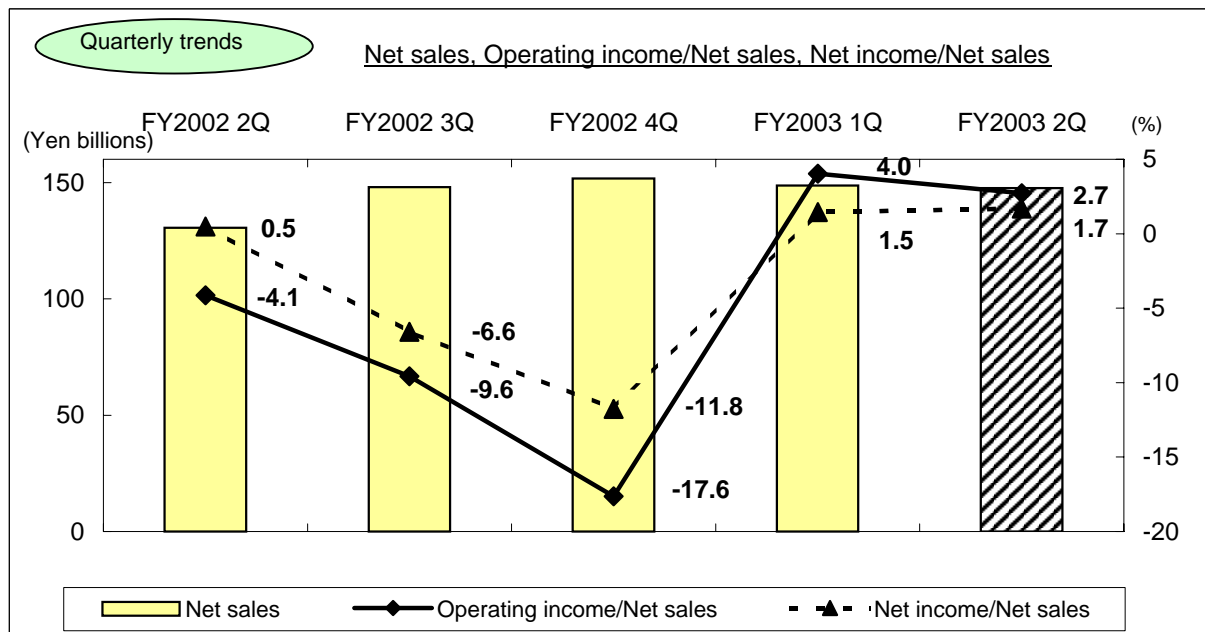
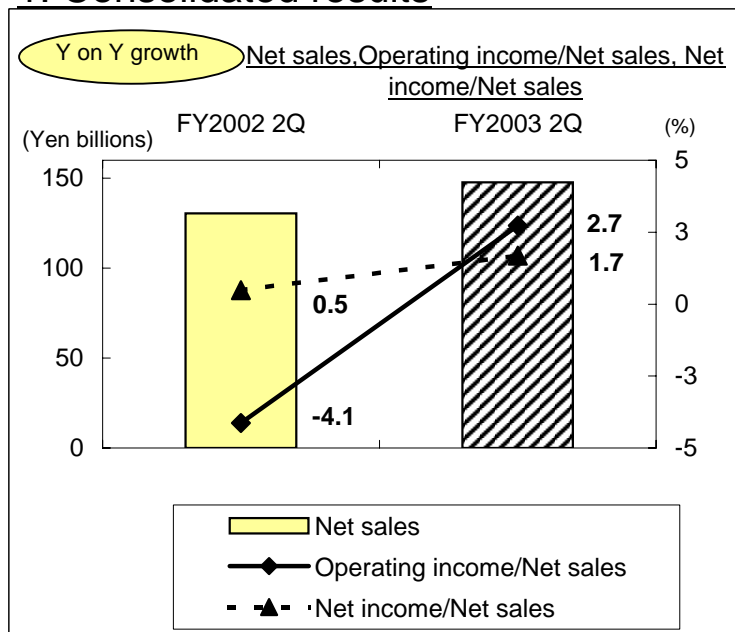
Sales by Region

[Revised]		Unit:Yen millions						
FY2002	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year	
Japan	43,499	41,671	85,170	40,857	38,777	79,634	164,804	
Americas	26,970	23,493	50,463	28,526	30,463	58,989	109,452	
Europe	19,765	18,052	37,817	21,384	20,438	41,822	79,639	
Asia and others	50,010	47,326	97,336	57,269	62,011	119,280	216,616	
Total	140,244	130,542	270,786	148,036	151,689	299,725	570,511	

[Original]		Unit:Yen millions						
FY2002	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year	
Japan	43,505	41,709	85,214	40,894	38,804	79,698	164,912	
Americas	27,632	24,387	52,019	29,504	31,823	61,327	113,346	
Europe	19,836	18,166	38,002	21,496	20,529	42,025	80,027	
Asia and others	50,027	47,358	97,385	57,283	62,076	119,359	216,744	
Total	141,000	131,620	272,620	149,177	153,232	302,409	575,029	

[Revised - Original]		Unit:Yen millions						
FY2002	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year	
Japan	-6	-38	-44	-37	-27	-64	-108	
Americas	-662	-894	-1,556	-978	-1,360	-2,338	-3,894	
Europe	-71	-114	-185	-112	-91	-203	-388	
Asia and others	-17	-32	-49	-14	-65	-79	-128	
Total	-756	-1,078	-1,834	-1,141	-1,543	-2,684	-4,518	

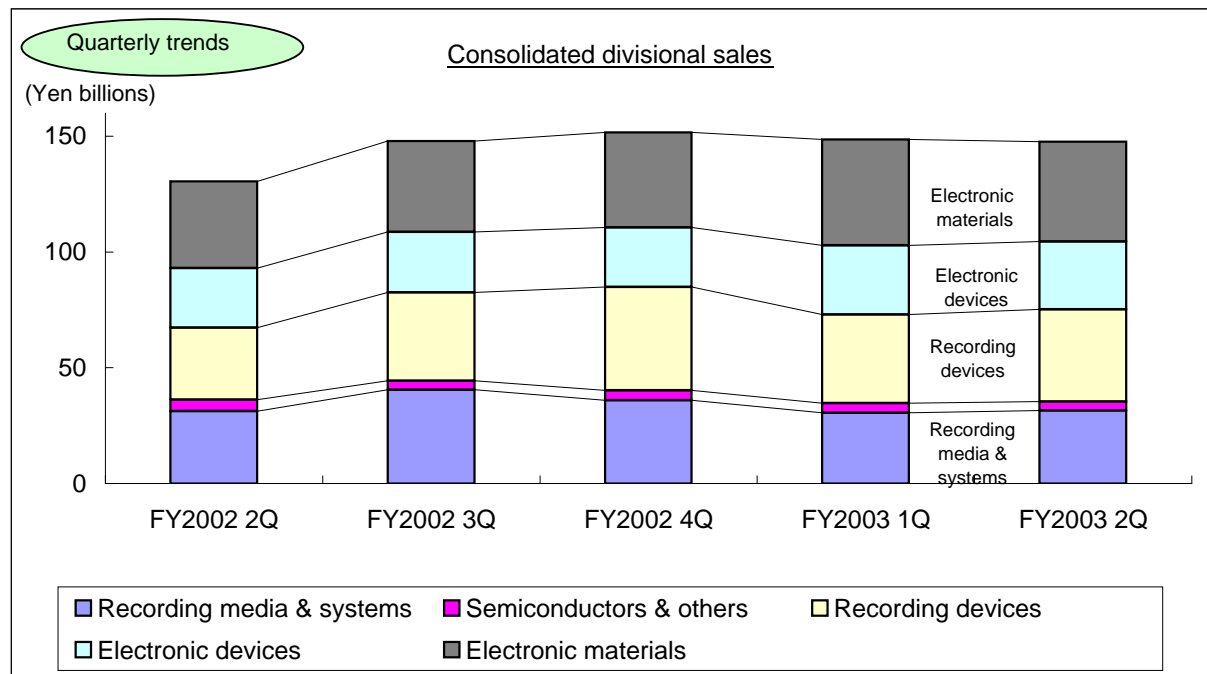
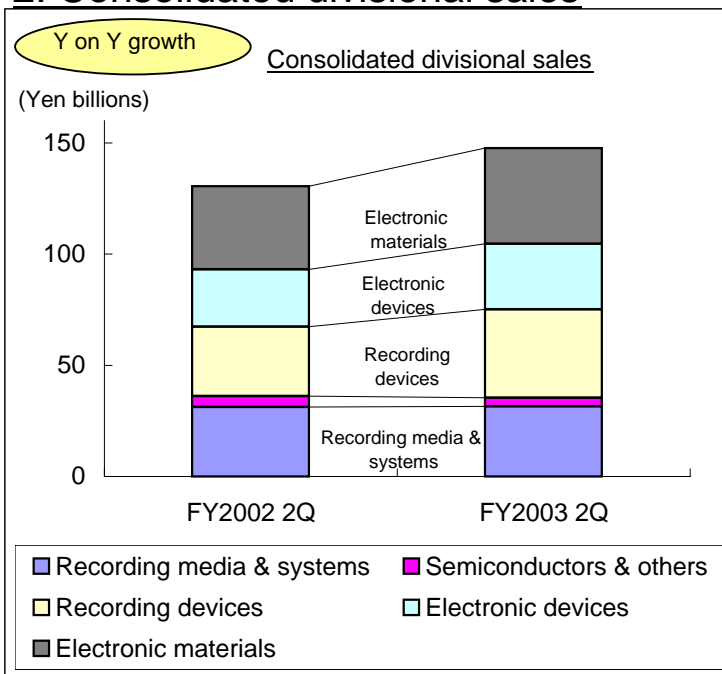
1. Consolidated results



Unit:Yen millions	FY2002 2Q	FY2003 2Q	Y on Y growth Diff.	Change	Unit:Yen millions	FY2002 2Q	FY2002 3Q	FY2002 4Q	FY2003 1Q	FY2003 2Q	Q on Q growth Diff.	Change
Net sales	130,542	147,672	17,130	13.1%	Net sales	130,542	148,036	151,689	148,708	147,672	-1,036	-0.7%
Cost of sales	107,107	111,541	4,434	4.1%	Cost of sales	107,107	123,721	127,590	112,197	111,541	-656	-0.6%
Share of net sales (%)	82.0	75.5			Share of net sales (%)	82.0	83.6	84.1	75.4	75.5		
Selling,general and administrative expenses	27,721	29,483	1,762	6.4%	Selling,general and administrative expenses	27,721	31,204	33,363	29,713	29,483	-230	-0.8%
Restructuring cost *	1,114	2,615	1,501	134.7%	Restructuring cost *	1,114	7,282	17,476	812	2,615	1,803	222.0%
Operating income (loss)	-5,400	4,033	9,433	-	Operating income (loss)	-5,400	-14,171	-26,740	5,986	4,033	-1,953	-32.6%
Operating income /Net sales(%)	-4.1	2.7			Operating income /Net sales(%)	-4.1	-9.6	-17.6	4.0	2.7		
Net income	625	2,484	1,859	297.4%	Net income (loss)	625	-9,759	-17,844	2,161	2,484	323	14.9%
Net income/Net sales(%)	0.5	1.7			Net income/Net sales(%)	0.5	-6.6	-11.8	1.5	1.7		
Exchange rate(U.S.\$=Yen)	122	119			Exchange rate(U.S.\$=Yen)	122	123	133	127	119		

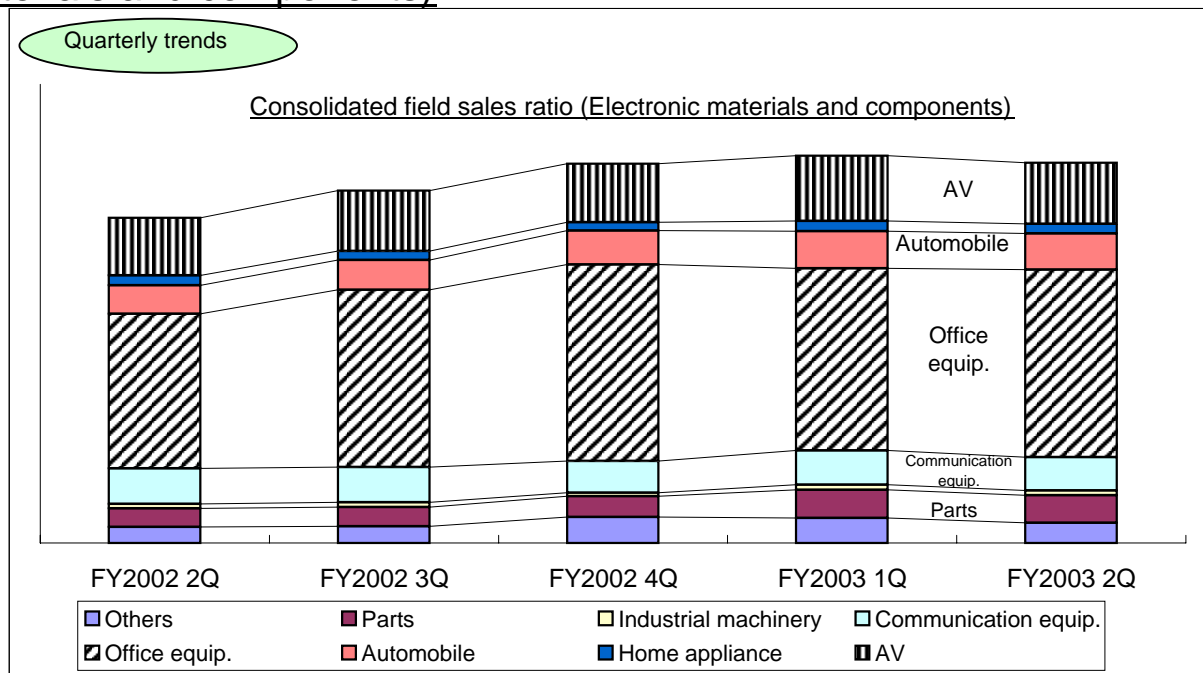
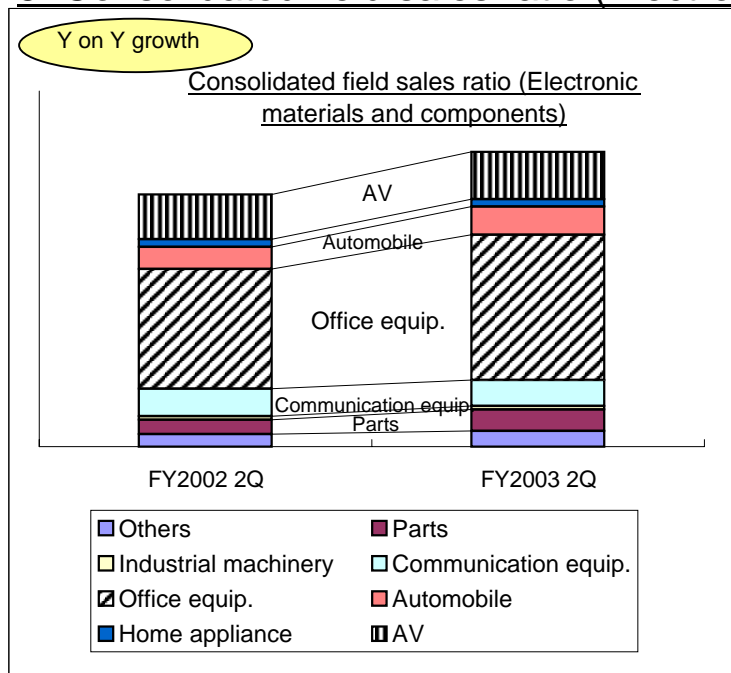
* The Yen 1,114 million in restructuring cost shown in the second quarter of the previous fiscal year above was included in the first-half figure for fiscal 2002.

2. Consolidated divisional sales



Unit:Yen millions	FY2002 2Q	FY2003 2Q	Y on Y growth		Unit:Yen millions	FY2002 2Q	FY2002 3Q	FY2002 4Q	FY2003 1Q	FY2003 2Q	Q on Q growth	
			Diff.	Change							Diff.	Change
Electronic materials and components	99,286	116,102	16,816	16.9%	Electronic materials and components	99,286	107,583	115,696	118,170	116,102	-2,068	-1.8%
Electronic materials	37,467	43,058	5,591	14.9%	Electronic materials	37,467	39,384	41,095	45,860	43,058	-2,802	-6.1%
Electronic devices	25,714	29,449	3,735	14.5%	Electronic devices	25,714	26,048	25,625	29,844	29,449	-395	-1.3%
Recording devices	31,188	39,832	8,644	27.7%	Recording devices	31,188	38,259	44,723	38,341	39,832	1,491	3.9%
Semiconductors & others	4,917	3,763	-1,154	-23.5%	Semiconductors & others	4,917	3,892	4,253	4,125	3,763	-362	-8.8%
Recording media & systems	31,256	31,570	314	1.0%	Recording media & systems	31,256	40,453	35,993	30,538	31,570	1,032	3.4%
Total	130,542	147,672	17,130	13.1%	Total	130,542	148,036	151,689	148,708	147,672	-1,036	-0.7%

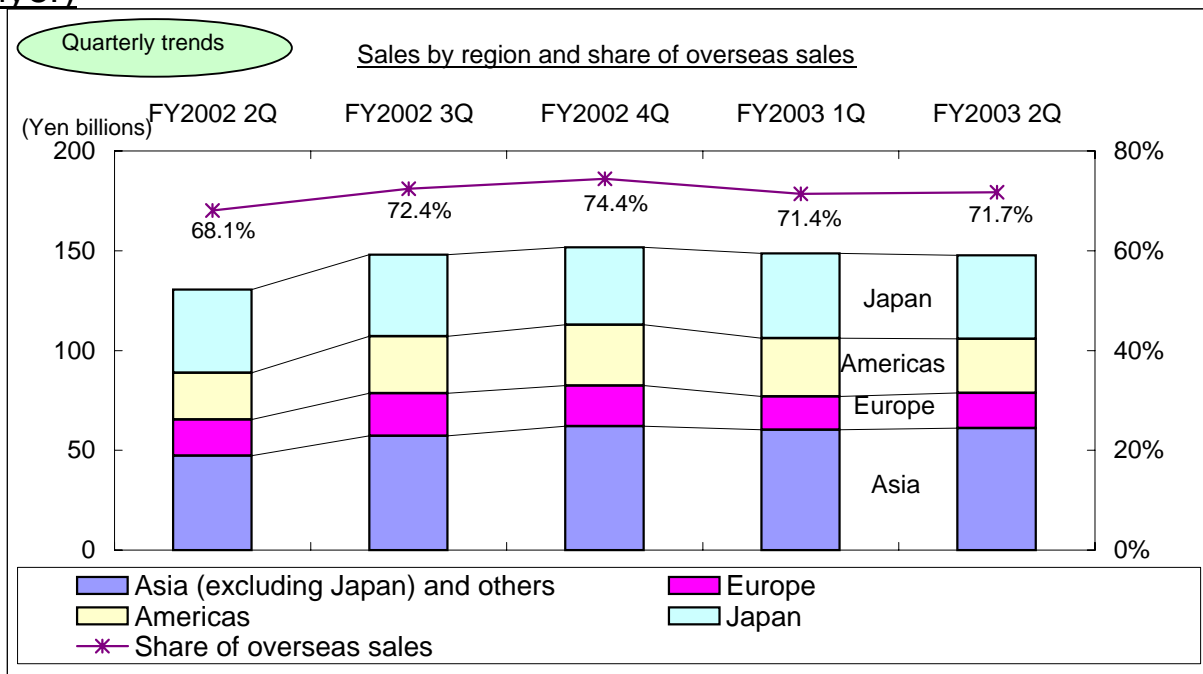
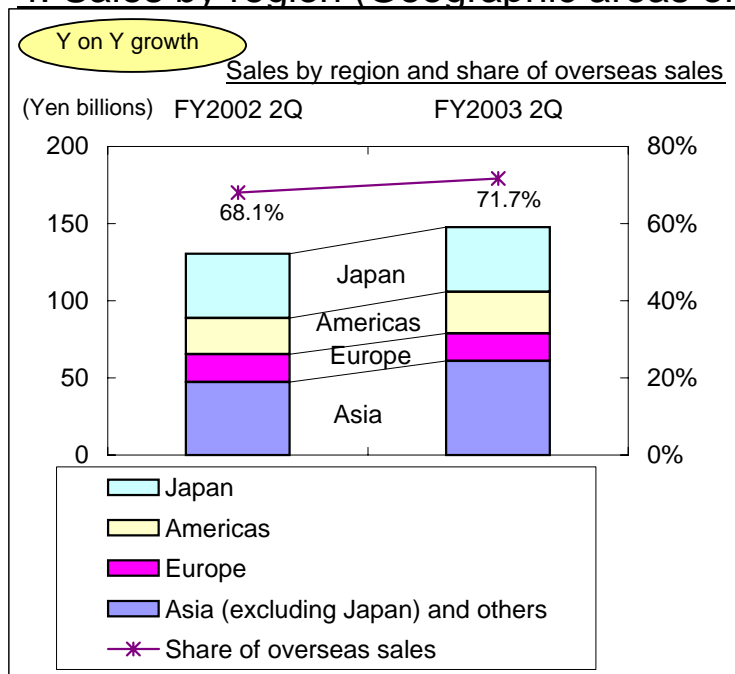
3. Consolidated field sales ratio (Electronic materials and components)



Unit: %	FY2002 2Q	FY2003 2Q	Y on Y growth Change
AV	18%	16%	6.4%
Home appliance	3%	2%	-6.4%
Automobile	9%	10%	28.2%
Office equip.	48%	49%	21.2%
Communication equip.	11%	9%	-6.3%
Industrial machinery	1%	1%	7.6%
Parts	6%	7%	49.5%
Others	4%	6%	24.9%

Unit: %	FY2002 2Q	FY2002 3Q	FY2002 4Q	FY2003 1Q	FY2003 2Q	Q on Q growth Change
AV	18%	17%	15%	17%	16%	-5.7%
Home appliance	3%	3%	2%	3%	2%	-7.8%
Automobile	9%	8%	9%	10%	10%	-2.0%
Office equip.	48%	50%	52%	47%	49%	2.8%
Communication equip.	11%	10%	8%	9%	9%	-2.9%
Industrial machinery	1%	1%	1%	1%	1%	-2.5%
Parts	6%	5%	5%	7%	7%	-2.2%
Others	4%	6%	8%	6%	6%	-19.3%

4. Sales by region (Geographic areas of the buyer)



Unit:Yen millions	FY2002 2Q	FY2003 2Q	Y on Y growth Diff.	Change	Unit:Yen millions	FY2002 2Q	FY2002 3Q	FY2002 4Q	FY2003 1Q	FY2003 2Q	Q on Q growth Diff.	Change
Japan	41,671	41,772	101	0.2%	Japan	41,671	40,857	38,777	42,517	41,772	-745	-1.8%
Americas	23,493	27,097	3,604	15.3%	Americas	23,493	28,526	30,463	29,197	27,097	-2,100	-7.2%
Europe	18,052	17,734	-318	-1.8%	Europe	18,052	21,384	20,438	16,634	17,734	1,100	6.6%
Asia (excluding Japan) and others	47,326	61,069	13,743	29.0%	Asia (excluding Japan) and others	47,326	57,269	62,011	60,360	61,069	709	1.2%
Total	130,542	147,672	17,130	13.1%	Total	130,542	148,036	151,689	148,708	147,672	-1,036	-0.7%
Share of overseas sales	68.1%	71.7%			Share of overseas sales	68.1%	72.4%	74.4%	71.4%	71.7%		

5. Results and projections of Investment in facilities, Depreciation expenses, Research and development expenses

October 31, 2002

Unit:Yen millions	FY 2001 [Results]	FY 2002 [Results]	FY 2003	
			Projections on Aug. 1	Projections on Oct. 31
Investment in facilities	99,452	58,777	50,000	50,000
Depreciation expenses	63,579	61,920	60,000	60,000
Research and development expenses	36,970	38,630	32,000	32,000
(Share of net sales)	5.4%	6.8%	5.5%	5.5%
<Net sales>	689,911 *	570,511	580,000	585,000

* Net sales for the year ended March 31, 2001 (FY2001) do not reflect application of EITF 01-9.

6. Consolidated results and projections

October 31, 2002

Unit:Yen millions,%	FY 2002 [Results]		FY 2003				Y on Y growth
	(Yen mill.)	(%)	Projections on Aug. 1		Projections on Oct. 31		
	(Yen mill.)	(%)	(Yen mill.)	(%)	(Yen mill.)	(%)	(%)
Net sales	570,511	100.0%	580,000	100.0%	585,000	100.0%	2.5%
Electronic materials and components	432,886	75.9%	447,300	77.1%	455,400	77.8%	5.2%
<i>Electronic materials</i>	161,846	28.4%	171,700	29.6%	169,500	29.0%	4.7%
<i>Electronic devices</i>	105,937	18.6%	113,000	19.5%	114,700	19.6%	8.3%
<i>Recording devices</i>	147,004	25.8%	150,000	25.9%	157,300	26.9%	7.0%
<i>Semiconductors and others</i>	18,099	3.2%	12,600	2.2%	13,900	2.4%	-23.2%
Recording media and systems	137,625	24.1%	132,700	22.9%	129,600	22.2%	-5.8%
Operating income (loss)	-43,722	-7.7%	20,000	3.4%	20,000	3.4%	
Income (loss) before income taxes	-43,697	-7.7%	17,000	2.9%	18,300	3.1%	
Net income (loss)	-25,771	-4.5%	13,000	2.2%	13,000	2.2%	
Exchange rate (U.S.\$=Yen)	125		122		122	*	

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

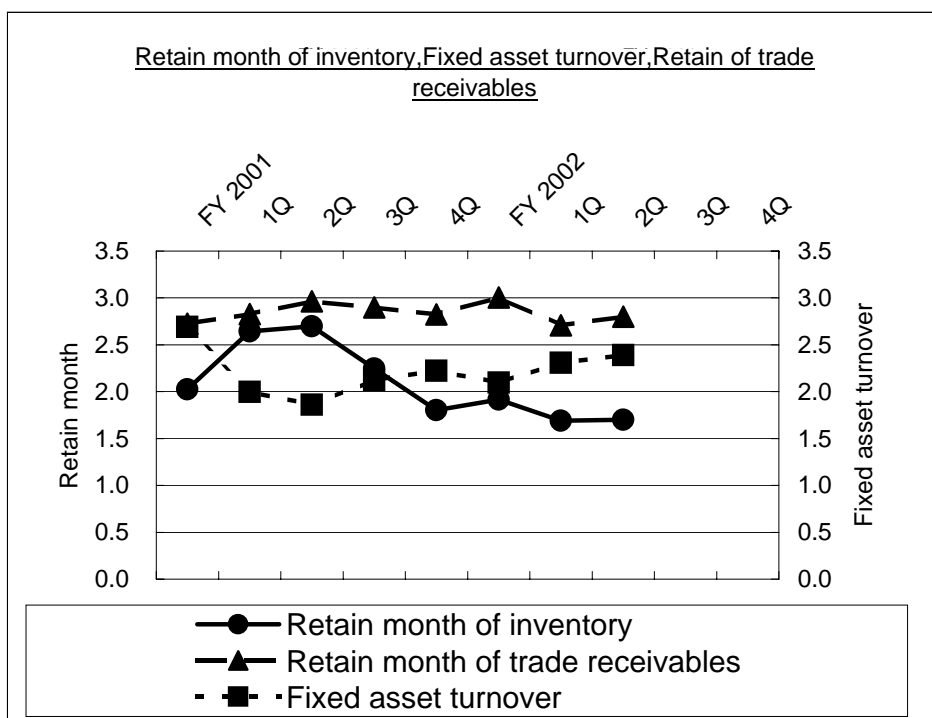
As of October 31, 2002, the average yen-U.S. dollar exchange rate for the second half of fiscal 2003 is estimated at Yen120.

7. Projections of consolidated divisional sales

October 31, 2002

FY 2003 Unit:Yen 0.1billions , %	1st half		3Q		4Q		2nd half		Full year	
	Results	Y on Y growth Change	Projections	Y on Y growth Change	Projections	Y on Y growth Change	Projections	Y on Y growth Change	Projections	Y on Y growth Change
	(Yen 0.1bill.)	(%)	(Yen 0.1bill.)	(%)	(Yen 0.1bill.)	(%)	(Yen 0.1bill.)	(%)	(Yen 0.1bill.)	(%)
Electronic materials and components	2,343	11.8%	1,148	6.7%	1,063	-8.1%	2,211	-1.0%	4,554	5.2%
Electronic materials	889	9.3%	407	3.4%	398	-3.0%	806	0.1%	1,695	4.7%
Electronic devices	593	9.3%	287	10.0%	267	4.4%	554	7.2%	1,147	8.3%
Recording devices	782	22.1%	425	11.0%	367	-18.0%	791	-4.6%	1,573	7.0%
Semiconductors & others	79	-20.8%	29	-25.1%	31	-27.2%	60	-26.2%	139	-23.2%
Recording media & systems	621	1.5%	359	-11.3%	316	-12.2%	675	-11.7%	1,296	-5.8%
Total net sales	2,964	9.5%	1,507	1.8%	1,379	-9.1%	2,886	-3.7%	5,850	2.5%

8. Managing index of inventory, fixed asset, trade receivables



Retain month of inventory

Quarter: Inventory in the end of each quarter / Average monthly sales in the quarter

Full Year: Inventory in the end of FY / Average monthly sales in the FY

Fixed asset turnover

Quarter: (Sales in the each quarter) * 4 / Average fixed asset in the each quarter

Full Year: Net sales / Average fixed asset

Retain month of trade receivable

Quarter: Trade receivable in the end of each quarter / Average monthly sales in the quarter

Full Year: Trade receivable in the end of FY / Average monthly sales in the FY

Unit: Yen millions	FY 2001	1Q	2Q	3Q	4Q
FY 2002					
Total assets	820,177	790,946	748,935	768,230	749,910
Inventory	116,423	123,531	117,409	110,879	91,149
Retain month of inventory	2.0	2.6	2.7	2.2	1.8
Fixed asset	278,625	283,377	277,477	280,198	265,590
Fixed asset turnover	2.7	2.0	1.9	2.1	2.2
Trade receivables	156,585	132,123	129,004	143,054	142,827
Retain month of trade receivables	2.7	2.8	3.0	2.9	2.8
Net sales	689,911	140,244	130,542	148,036	151,689
Unit: Yen millions	FY 2002	1Q	2Q	3Q	4Q
FY 2003					
Total assets	749,910	720,376	727,674		
Inventory	91,149	83,734	83,714		
Retain month of inventory	1.9	1.7	1.7		
Fixed asset	265,590	249,884	244,040		
Fixed asset turnover	2.1	2.3	2.4		
Trade receivables	142,827	134,155	137,796		
Retain month of trade receivables	3.0	2.7	2.8		
Net sales	570,511	148,708	147,672		

Cautionary Statements with Respect of Forward-Looking Statements

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.