

TDK Corporation Consolidated Results

1st Quarter of Fiscal Year 2004
(April 1, 2003 – June 30, 2003)

July 30, 2003

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

Consolidated results for the 1Q of FY2004

(Unit:Yen millions)	1Q of FY03	1Q of FY04	Change	Change (%)
Net sales	148,708	153,216	4,508	3.0%
Cost of sales	112,197	111,359	-838	-0.7%
SG & A expenses	30,525	31,677	1,152	3.8%
Operating income	5,986	10,180	4,194	70.1%
Net income	2,161	8,025	5,864	271.4%

Sales breakdown

(Unit:Yen millions)	1Q of FY03	1Q of FY04	Change	Change (%)
Electronic materials and components	118,170	123,789	5,619	4.8%
Electronic materials	45,860	40,420	-5,440	-11.9%
Electronic devices	29,844	25,817	-4,027	-13.5%
Recording devices	38,341	53,840	15,499	40.4%
Semiconductors and others	4,125	3,712	-413	-10.0%
Recording media & systems	30,538	29,427	-1,111	-3.6%
Total net sales	148,708	153,216	4,508	3.0%

Breakdown of Change in 1Q of FY04 Operating income

(Unit:Yen millions)

[1Q Change in operating income Total]	4,200
Changes in sales and product mix	13,400
Purchased materials saving	5,100
Rationalization and cost reductions	2,400
Sales price discounts(8%)	-13,100
Exchange fluctuations(1U.S.\$=Yen 127 -> 119)	-2,100
SG & A expenses(except exchange factor)	-1,500

Structural reform expenses

(Unit:Yen 0.1 billions)	1Q of FY03	1Q of FY04	Change
Restructuring cost	8	14	6
Amount included in cost of sales	11	1	-10
Total	19	15	-4

Balance sheets (Assets)

(Unit:Yen millions)	March 31, 2003	June 30, 2003	Change
Current assets	420,962	437,085	16,123
Cash and cash equivalents	170,551	185,251	14,700
Net trade receivables	140,023	138,814	-1,209
Inventories	73,917	76,942	3,025
Other current assets	36,471	36,078	-393
Fixed assets	326,375	323,402	-2,973
Capital expenditures	225,907	222,772	-3,135
Others	100,468	100,630	162
Total assets	747,337	760,487	13,150

Balance sheets (Liabilities and stockholders' equity)

(Unit:Yen millions)	March 31, 2003	June 30, 2003	Change
Current liabilities	105,014	108,069	3,055
Fixed liabilities	85,078	90,826	5,748
Minority interests	3,360	3,372	12
Total stockholders' equity	553,885	558,220	4,335
Accumulated other comprehensive income (loss)	-78,824	-79,197	-373
Common stock and others	632,709	637,417	4,708
Total	747,337	760,487	13,150

Operating income by Industry segment

(Unit:Yen millions)	1Q of FY03	1Q of FY04	Change	Change (%)
Electronic materials and components				
Net sales	118,170	123,789	5,619	4.8%
Operating income	5,516	10,958	5,442	98.7%
Recording media and systems				
Net sales	30,538	29,427	-1,111	-3.6%
Operating income (loss)	470	-778	-1,248	-
Total				
Net sales	148,708	153,216	4,508	3.0%
Operating income	5,986	10,180	4,194	70.1%

Sales by region

(Unit:Yen millions)	1Q of FY03	1Q of FY04	Change	Change (%)
Japan	42,517	40,433	-2,084	-4.9%
Americas	29,197	22,498	-6,699	-22.9%
Europe	16,634	18,025	1,391	8.4%
Asia and others	60,360	72,260	11,900	19.7%
Total	148,708	153,216	4,508	3.0%
Overseas sales ratio	71.4%	73.6%		

Consolidated Projections for the year ended March 31, 2004

July 30, 2003

(Unit:Yen millions)	FY03 [Results]	FY04 [Projections]	Change	Change (%)
Net sales	608,880	635,000	26,120	4.3%
Operating income	22,080	41,000	18,920	85.7%
Income before income taxes	18,081	42,000	23,919	132.3%
Net income	12,019	30,000	17,981	149.6%
Exchange rate (U.S.\$=Yen)	122	120		

TDK's consolidated projections for fiscal 2004, the year ending March 31, 2004, as announced in May 2003, are unchanged.

Projections in sales breakdown FY04

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	FY2003		FY2004		Y on Y growth
	Actual(Yen millions)	%	Projections(Yen millions)	%	
Total net sales	608,880	100.0%	635,000	100.0%	4.3%
Electronic materials and components	472,529	77.6%	498,600	78.5%	5.5%
Electronic materials	168,949	27.8%	182,600	28.8%	8.1%
Electronic devices	112,729	18.5%	117,500	18.5%	4.2%
Recording devices	175,986	28.9%	184,200	29.0%	4.7%
Semiconductors and others	14,865	2.4%	14,300	2.2%	-3.8%
Recording media and systems	136,351	22.4%	136,400	21.5%	0.0%

TDK's consolidated projections for fiscal 2004, the year ending March 31, 2004, as announced in May 2003, are unchanged.



Cautionary Statement With Respect to 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.