

# 1<sup>st</sup> Half of FY04 Consolidated Results and Fiscal 2004 Projections

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## Consolidated Results (1<sup>st</sup> Half of FY04)

(Yen millions)	1 <sup>st</sup> H of FY03	1 <sup>st</sup> H of FY04	Change	Change (%)
Net sales	296,380	316,279	19,899	6.7%
Operating income	10,019	24,020	14,001	139.7%
Income before income taxes	7,636	25,014	17,378	227.6%
Net income	4,645	19,257	14,612	314.6%

## Sales breakdown

(Yen millions)	1 <sup>st</sup> H of FY03	1 <sup>st</sup> H of FY04	Change	Change (%)
Electronic materials and components	234,272	254,352	20,080	8.6%
Electronic materials	88,918	82,302	-6,616	-7.4%
Electronic devices	59,293	52,451	-6,842	-11.5%
Recording devices	78,173	111,423	33,250	42.5%
Semiconductors & Others	7,888	8,176	288	3.7%
Recording media & systems	62,108	61,927	-181	-0.3%
<b>Total sales</b>	<b>296,380</b>	<b>316,279</b>	<b>19,899</b>	<b>6.7%</b>

## Sales breakdown by quarter (Electronic materials and components)

Unit:Yen millions	FY2004 1Q	FY2004 2Q	Q on Q growth	
			Difference	Change
<b>Electronic materials and components</b>	123,789	130,563	6,774	5.5%
Electronic materials	40,420	41,882	1,462	3.6%
Electronic devices	25,817	26,634	817	3.2%
Recording devices	53,840	57,583	3,743	7.0%
Semiconductors & others	3,712	4,464	752	20.3%

## Major sales by customer industry (Electronic materials and components)

			%
OA	Year on Year	25% up	56%
Automobile	Year on Year	1% up	9%
Communication	Year on Year	Flat	8%
AV	Year on Year	26% down	11%

## Sales by region

(Yen millions)	1 <sup>st</sup> H of FY03	1 <sup>st</sup> H of FY04	Change	Change (%)
Japan	84,289	81,536	-2,753	-3.3%
Americas	56,294	43,328	-12,966	-23.0%
Europe	34,368	36,987	2,619	7.6%
Asia and others	121,429	154,428	32,999	27.2%
Total sales	296,380	316,279	19,899	6.7%
Share of overseas sales	71.6%	74.2%		

## Breakdown of Change in 1<sup>st</sup> Half of FY04 Operating Income

(Yen millions)

Change in operating income total (1 <sup>st</sup> Half)	14,000
Changes in sales and product mix	23,800
Rationalization and cost reductions	18,900
Reduction in Reformation costs	2,500
Sales price discounts ( 8% )	-28,400
Exchange fluctuations (US\$/Yen 123->118)	-2,800

## Operating income by Industry segment

(Yen millions)	1 <sup>st</sup> H of FY03	1 <sup>st</sup> H of FY04	Change	Change (%)
<b>Electronic materials and components</b>				
Net sales	234,272	<b>254,352</b>	20,080	8.6%
Operating income	10,715	<b>25,832</b>	15,117	141.1%
<b>Recording media &amp; systems</b>				
Net sales	62,108	<b>61,927</b>	-181	-0.3%
Operating income (loss)	-696	<b>-1,812</b>	-1,116	-
<b>Total</b>				
Net sales	296,380	<b>316,279</b>	19,899	6.7%
Operating income	10,019	<b>24,020</b>	14,001	139.7%



## Improvement in cash flows

Improvement Free Cash Flow 2.8 (Yen millions)

1<sup>st</sup> Half of FY03 30.7 (Yen millions) => 1<sup>st</sup> Half of FY04 33.5 (Yen millions)

	End of Sep. '02 Results	End of Sep. '03 Results
Inventory turnover (months)	1.7	1.5
Fixed asset turnover (times)	2.3	2.9
Trade receivables	2.8	2.7

Note: Figures as of September 30 are based on results for the first six months of the fiscal year.

## Non-Consolidated Results (1<sup>st</sup> Half of FY04)

(Yen millions)	1 <sup>st</sup> H of FY03	1 <sup>st</sup> H of FY04	Change	Change (%)
Net sales	167,260	152,474	-14,786	-8.8%
Operating income	3,480	1,062	-2,418	-69.5%
Current income	6,937	4,819	-2,118	-30.5%
Net income	1,056	1,127	71	6.7%

# Projections for the FY2004 Consolidated

Oct. 29, 2003

(Yen millions)	FY Mar 03 Results	FY Mar 04 Projections on July	FY Mar 04 Projections	Change	Change (%)
Net sales	608,880	635,000	636,000	27,120	4.5%
Operating income	22,080	41,000	45,000	22,920	103.8%
Income before income taxes	18,081	42,000	46,000	27,919	154.4%
Net income	12,019	30,000	33,500	21,481	178.7%

Exchange rate (1US\$)

1<sup>st</sup> Half results Yen 118  
2<sup>nd</sup> Half estimate Yen 110

## Projections for the FY2004 Non-Consolidated

Oct. 29, 2003

(Yen millions)	FY Mar 03 Results	FY Mar 04 Projections on May	FY Mar 04 Projections	Change	Change (%)
Net sales	320,697	321,000	307,800	-12,897	-4.0%
Operating income	3,182	8,000	2,100	-1,082	-34.0%
Current income	9,078	13,000	7,500	-1,578	-17.4%
Net income	133	7,000	2,400	2,267	1704.5%

Exchange rate (1US\$)

1<sup>st</sup> Half results Yen 118

2<sup>nd</sup> Half estimate Yen 110



## 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.