

TDK Corporation Consolidated Results
3rd Quarter of Fiscal Year 2004
(October 1, 2003 – December 31, 2003)

January 29, 2004

Seiji Enami
General Manager
Finance & Accounting Department

Consolidated results for the 3Q of FY2004

(Unit:Yen millions)	3rd Q of FY03	3rd Q of FY04	Change	Change (%)
Net sales	161,678	181,851	20,173	12.5%
Cost of sales	123,018	128,695	5,677	4.6%
SG & A expenses	32,488	35,017	2,529	7.8%
Operating income	6,172	18,139	11,967	193.9%
Net income	4,575	14,132	9,557	208.9%

Sales breakdown

(Unit:Yen millions)	3rd Q of FY03	3rd Q of FY04	Change	Change (%)
Electronic materials and components	121,864	142,134	20,270	16.6%
Electronic materials	41,553	42,998	1,445	3.5%
Electronic devices	28,868	28,957	89	0.3%
Recording devices	47,818	65,425	17,607	36.8%
Semiconductors and others	3,625	4,754	1,129	31.1%
Recording media & systems	39,814	39,717	-97	-0.2%
Total net sales	161,678	181,851	20,173	12.5%

Breakdown of Change in 3Q of FY04 Operating income

(Unit:Yen millions)

3rd Quarter of FY 04

[Changes in operating income Total]	12,000
Changes in sales and product mix	24,800
Purchased materials saving	5,000
Rationalization and cost reductions	7,000
Sales price discounts(8%)	-15,400
Exchange fluctuations (1U.S.\$=Yen 123 -> 109)	-5,400
SG & A expenses(except exchange factor)	-4,000

Balance sheets (Assets)

(Unit:Yen millions)	Sept. 30, 2003	Dec. 31, 2003	Change
Current assets	446,324	465,671	19,347
Cash and cash equivalents	193,406	200,595	7,189
Net trade receivables	141,343	159,175	17,832
Inventories	77,663	76,070	-1,593
Other current assets	33,912	29,831	-4,081
Fixed assets	304,391	295,457	-8,934
Capital expenditures	216,670	210,333	-6,337
Others	87,721	85,124	-2,597
Total assets	750,715	761,128	10,413

Balance sheets (Liabilities and stockholders' equity)

(Unit:Yen millions)	Sept. 30, 2003	Dec. 31, 2003	Change
Current liabilities	109,836	116,169	6,333
Noncurrent liabilities	75,989	72,063	-3,926
Retirement and severance benefits	75,811	69,953	-5,858
Other Noncurrent liabilities	178	2,110	1,932
Minority interests	3,228	3,231	3
Total stockholders' equity	561,662	569,665	8,003
Accumulated other comprehensive income (loss)	-85,204	-88,126	-2,922
Common stock and others	646,866	657,791	10,925
Total	750,715	761,128	10,413

Operating income by Industry segment

(Unit:Yen millions)	3rd Q of FY03	3rd Q of FY04	Change	Change (%)
Electronic materials and components				
Net sales	121,864	142,134	20,270	16.6%
Operating income	5,821	18,920	13,099	225.0%
Recording media and systems				
Net sales	39,814	39,717	-97	-0.2%
Operating income (loss)	351	-781	-1,132	-
Total				
Net sales	161,678	181,851	20,173	12.5%
Operating income	6,172	18,139	11,967	193.9%

Sales by region

(Unit:Yen millions)	3rd Q of FY03	3rd Q of FY04	Change	Change (%)
Japan	43,040	46,224	3,184	7.4%
Americas	28,134	24,622	-3,512	-12.5%
Europe	21,998	22,247	249	1.1%
Asia and others	68,506	88,758	20,252	29.6%
Total	161,678	181,851	20,173	12.5%
Overseas sales ratio	73.4%	74.6%		

Consolidated Projections for the year ended March 31, 2004

Jan. 29, 2004

(Unit:Yen millions)	FY03 [Results]	FY04 [Projections]	Change	Change (%)
Net sales	608,880	664,000	55,120	9.1%
Operating income	22,080	52,500	30,420	137.8%
Income before income taxes	18,081	54,000	35,919	198.7%
Net income	12,019	41,000	28,981	241.1%
Exchange rate (U.S.\$=Yen)	122	1H 118, 3Q 109, 4Q 105		



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.