

TDK Corporation Consolidated Results

1st half of Fiscal Year 2005

(April 1, 2004 – Sep. 30, 2004)

Oct. 28, 2004

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 bases, 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.

Consolidated results for 1st half of FY2005

(Unit:Yen millions)	1H of FY2004	1H of FY2005	Change	Change(%)
Net sales	316,279	318,770	2,491	0.8%
Cost of sales	227,919	228,776	857	0.4%
SG & A expenses	64,340	63,105	(1,235)	-1.9%
Operating income	24,020	26,889	2,869	11.9%
Income before income taxes	25,014	28,804	3,790	15.2%
Income taxes	5,511	8,852	3,341	60.6%
Net income	19,257	19,869	612	3.2%

Cash flows

(Unit:Yen millions)	1H of FY04	1H of FY05	Change
Net cash provided by operating activities	52,031	38,415	-13,616
Net cash used in investing activities	-18,535	-29,107	-10,572
Net cash used in financing activities	-5,292	-5,701	-409
Effect of exchange rate changes on cash and cash equivalents	-5,349	5,207	10,556
Net increase in cash and cash equivalents	22,855	8,814	-14,041
Cash and cash equivalents at beginning of period	170,551	227,155	56,604
Cash and cash equivalents at end of period	193,406	235,969	42,563

Sales Breakdown

(Unit:Yen millions)	1H of FY2004	1H of FY2005	Change	Change(%)
Electronic materials and components	254,352	262,364	8,012	3.1%
Electronic materials	82,302	91,036	8,734	10.6%
Electronic devices	52,451	57,511	5,060	9.6%
Recording devices	111,423	103,333	(8,090)	-7.3%
Semiconductors & others	8,176	10,484	2,308	28.2%
Recording media & systems	61,927	56,406	(5,521)	-8.9%
Total sales	316,279	318,770	2,491	0.8%

Non-Consolidated Projections for the year ended March 31, 2005

Oct. 28, 2004

(Unit:Yen millions)	FY04 [Results]	FY05 [Projections]	Change	Change (%)
Net sales	316,050	344,700	28,650	9.1%
Operating income	1,756	13,400	11,644	663.1%
Current income	10,277	33,700	23,423	227.9%
Net income	4,458	22,900	18,442	413.7%
Exchange rate (U.S.\$=Yen)	113	110 / 105 *		

* An average exchange rate of ¥105=US\$1 for fiscal 2005 from the third quarter onward.

