

# TDK Corporation

## Supplementary data for the 1st half of fiscal year 2005

(April 1, 2004 - September 30, 2004)

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October 28, 2004

TDK Corporation

Corporate Communications Dept.

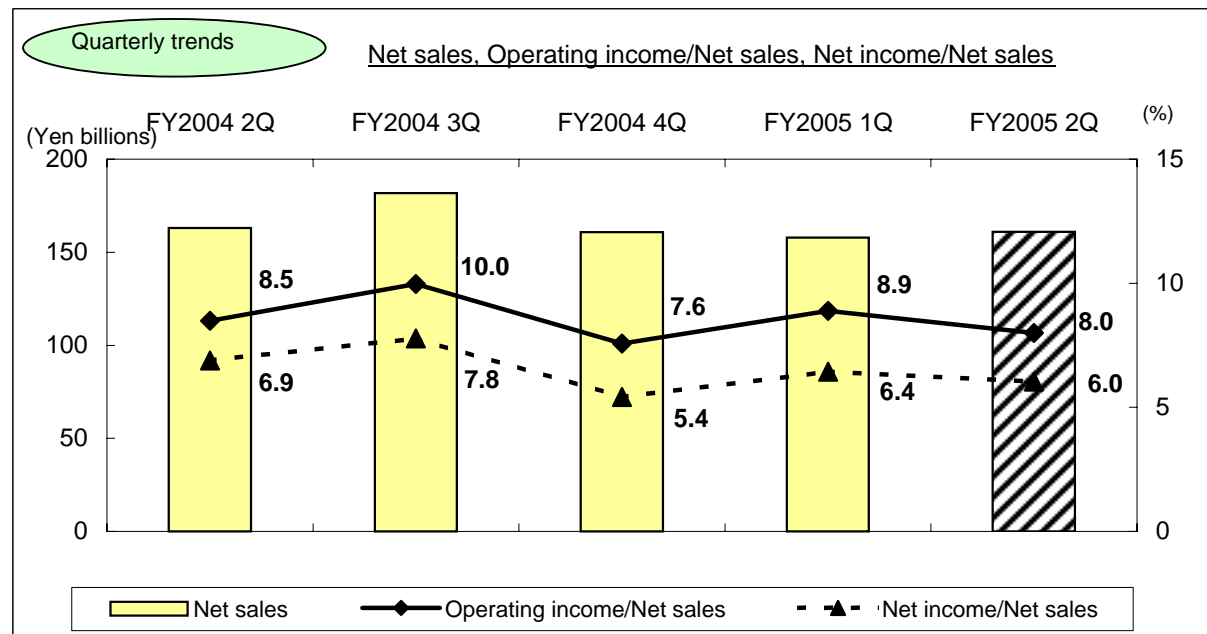
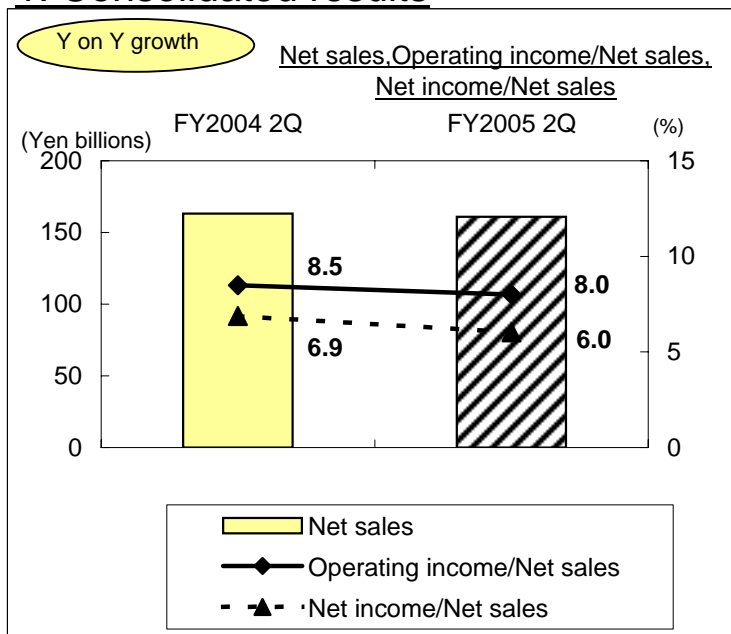
## Cautionary Statements with Respect of Forward-Looking Statements

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.

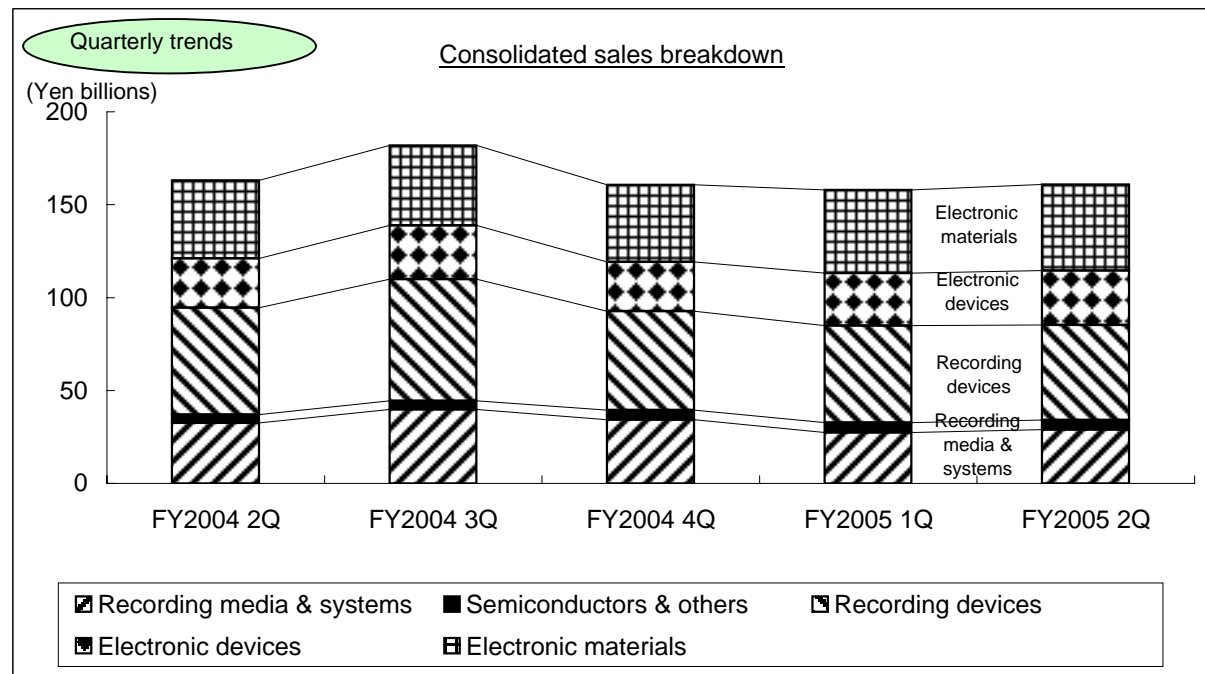
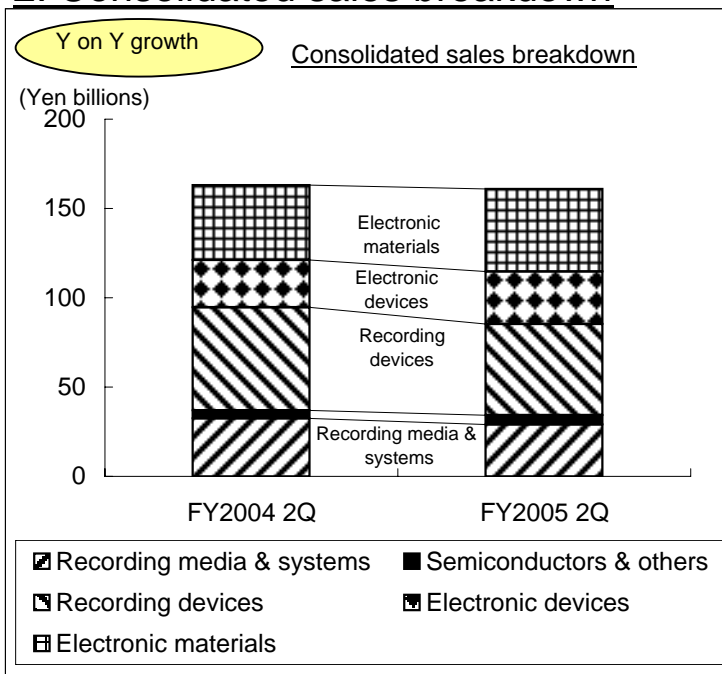
The electronics markets in which TDK and its group companies operate are highly susceptible to rapid changes. Furthermore, TDK and its group companies operate not only in Japan, but in many other countries. As such, factors that can have significant effects on its results include, but are not limited to, shifts in technology, demand, prices, competition, economic environments and foreign exchange rates.

# 1. Consolidated results



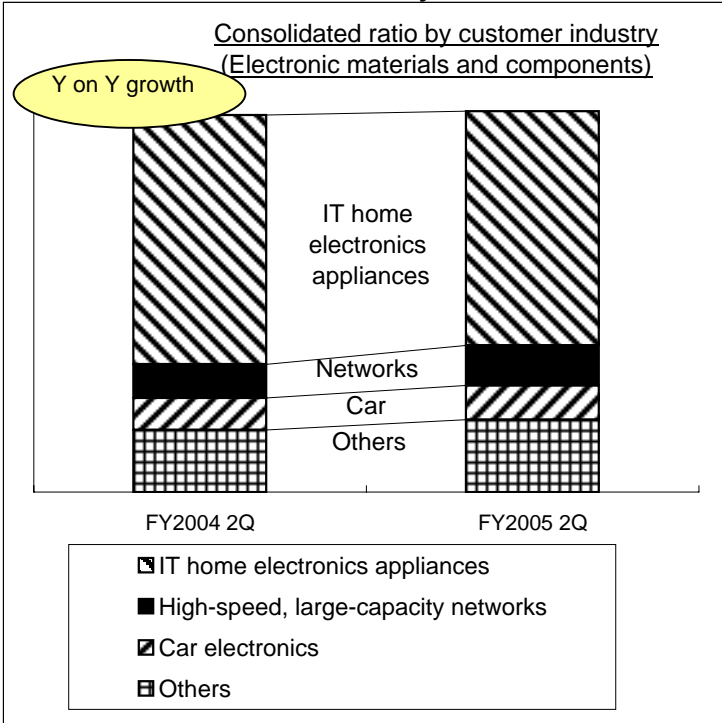
Unit:Yen millions	FY2004 2Q	FY2005 2Q	Y on Y growth Diff.	Change	Unit:Yen millions	FY2004 2Q	FY2004 3Q	FY2004 4Q	FY2005 1Q	FY2005 2Q	Q on Q growth Diff.	Change
Net sales	163,063	160,879	-2,184	-1.3%	Net sales	163,063	181,851	160,732	157,891	160,879	2,988	1.9%
Cost of sales	116,560	116,227	-333	-0.3%	Cost of sales	116,560	128,695	117,492	112,549	116,227	3,678	3.3%
Share of net sales (%)	71.5	72.2			Share of net sales (%)	71.5	70.8	73.1	71.3	72.2		
Selling, general and administrative expenses	32,663	31,788	-875	-2.7%	Selling, general and administrative expenses	32,663	35,017	31,077	31,317	31,788	471	1.5%
Operating income	13,840	12,864	-976	-7.1%	Operating income	13,840	18,139	12,163	14,025	12,864	-1,161	-8.3%
Operating income/Net sales(%)	8.5	8.0			Operating income/Net sales(%)	8.5	10.0	7.6	8.9	8.0		
Net income	11,232	9,706	-1,526	-13.6%	Net income	11,232	14,132	8,712	10,163	9,706	-457	-4.5%
Net income/Net sales(%)	6.9	6.0			Net income/Net sales(%)	6.9	7.8	5.4	6.4	6.0		
Exchange rate(U.S.\$=Yen)	118	110			Exchange rate(U.S.\$=Yen)	118	109	107	110	110		

## 2. Consolidated sales breakdown

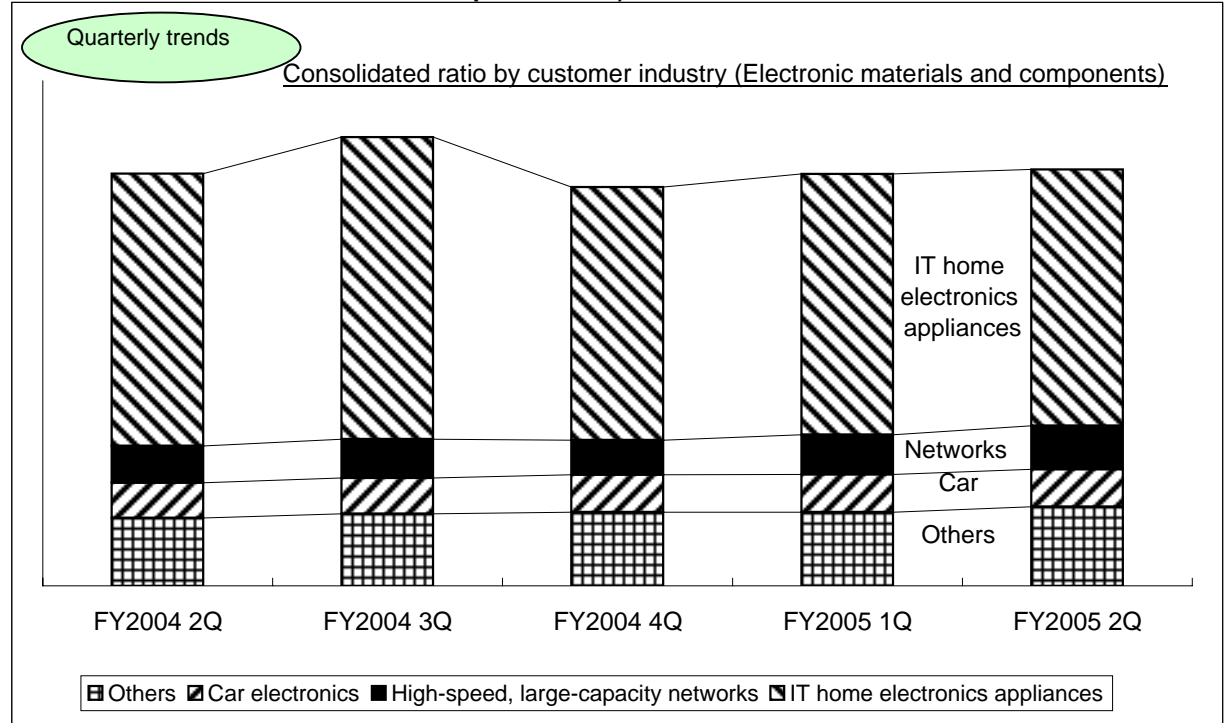


Unit:Yen millions	FY2004 2Q	FY2005 2Q	Y on Y growth Diff.	Change	Unit:Yen millions	FY2004 2Q	FY2004 3Q	FY2004 4Q	FY2005 1Q	FY2005 2Q	Q on Q growth Diff.	Change
Electronic materials and components	130,563	131,896	1,333	1.0%	Electronic materials and components	130,563	142,134	126,376	130,468	131,896	1,428	1.1%
Electronic materials	41,882	46,273	4,391	10.5%	Electronic materials	41,882	42,998	41,518	44,763	46,273	1,510	3.4%
Electronic devices	26,634	29,263	2,629	9.9%	Electronic devices	26,634	28,957	26,591	28,248	29,263	1,015	3.6%
Recording devices	57,583	51,170	-6,413	-11.1%	Recording devices	57,583	65,425	53,257	52,163	51,170	-993	-1.9%
Semiconductors & others	4,464	5,190	726	16.3%	Semiconductors & others	4,464	4,754	5,010	5,294	5,190	-104	-2.0%
Recording media & systems	32,500	28,983	-3,517	-10.8%	Recording media & systems	32,500	39,717	34,356	27,423	28,983	1,560	5.7%
<b>Total</b>	<b>163,063</b>	<b>160,879</b>	<b>-2,184</b>	<b>-1.3%</b>	<b>Total</b>	<b>163,063</b>	<b>181,851</b>	<b>160,732</b>	<b>157,891</b>	<b>160,879</b>	<b>2,988</b>	<b>1.9%</b>

### 3. Consolidated ratio by customer industry (Electronic materials and components)

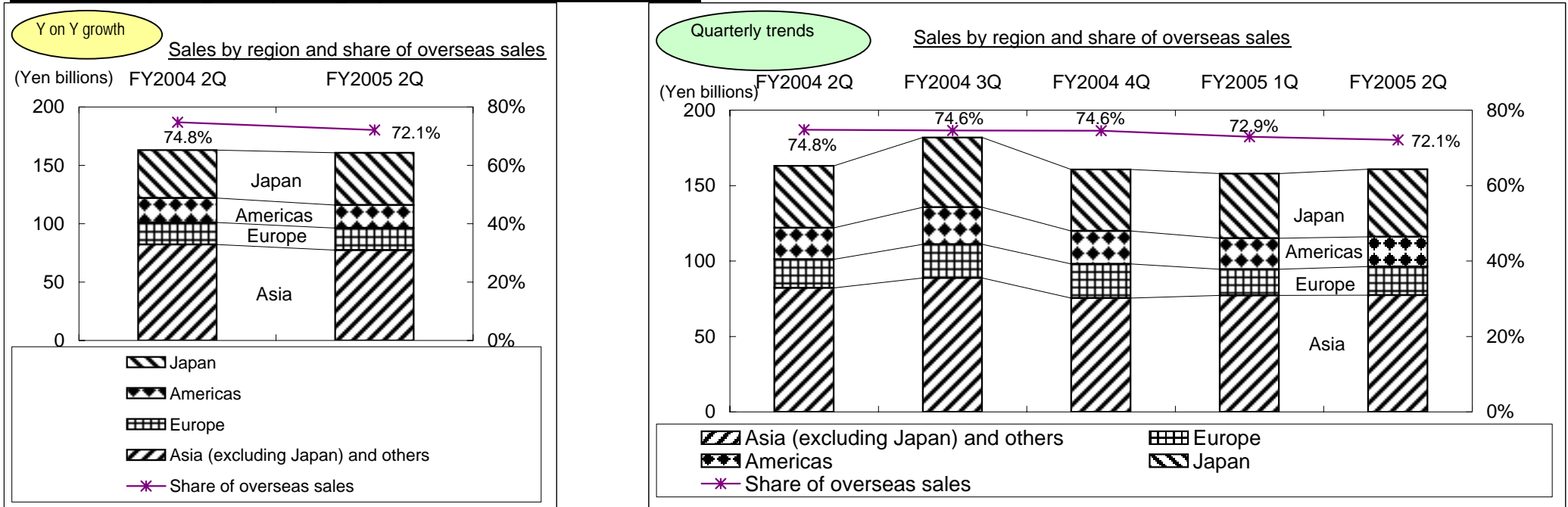


Unit: %	FY2004 2Q	FY2005 2Q	Y on Y growth Change
IT home electronics appliances =AV+Office equip.	66%	62%	-5.9%
High-speed, large-capacity networks =Communication equip.	9%	11%	19.0%
Car electronics =Automobile	9%	9%	6.5%
Others =Home appliance + Industrial machinery + Parts + Others	16%	18%	16.4%



Unit: %	FY2004 2Q	FY2004 3Q	FY2004 4Q	FY2005 1Q	FY2005 2Q	Q on Q growth Change
IT home electronics appliances =AV+Office equip.	66%	67%	63%	63%	62%	-1.7%
High-speed, large-capacity networks =Communication equip.	9%	9%	9%	10%	11%	9.8%
Car electronics =Automobile	9%	8%	9%	9%	9%	-1.0%
Others =Home appliance + Industrial machinery + Parts + Others	16%	16%	19%	18%	18%	7.3%

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



Unit:Yen millions	FY2004 2Q	FY2005 2Q	Y on Y growth Diff.	Change	Unit:Yen millions	FY2004 2Q	FY2004 3Q	FY2004 4Q	FY2005 1Q	FY2005 2Q	Q on Q growth Diff.	Change
Japan	41,103	44,854	3,751	9.1%	Japan	41,103	46,224	40,896	42,778	44,854	2,076	4.9%
Americas	20,830	19,711	-1,119	-5.4%	Americas	20,830	24,622	21,707	20,577	19,711	-866	-4.2%
Europe	18,962	18,876	-86	-0.5%	Europe	18,962	22,247	22,716	17,328	18,876	1,548	8.9%
Asia (excluding Japan) and others	82,168	77,438	-4,730	-5.8%	Asia (excluding Japan) and others	82,168	88,758	75,413	77,208	77,438	230	0.3%
<b>Total</b>	<b>163,063</b>	<b>160,879</b>	<b>-2,184</b>	<b>-1.3%</b>	<b>Total</b>	<b>163,063</b>	<b>181,851</b>	<b>160,732</b>	<b>157,891</b>	<b>160,879</b>	<b>2,988</b>	<b>1.9%</b>
Share of overseas sales	74.8%	72.1%			Share of overseas sales	74.8%	74.6%	74.6%	72.9%	72.1%		

5. Results and projections of Capital expenditures, Depreciation and amortization, Research and development

October 28, 2004

Unit:Yen millions	FY 2004 [Results]	FY 2005 Projections on July 29	FY 2005 Projections on Oct. 28
Capital expenditures	44,866	55,000	55,000
Depreciation and amortization	51,233	54,000	54,000
Research and development (Share of net sales)	34,495 5.2%	39,000 5.7%	39,000 5.7%
<Net sales>	658,862	680,000	680,000

## 6. Consolidated results and projections

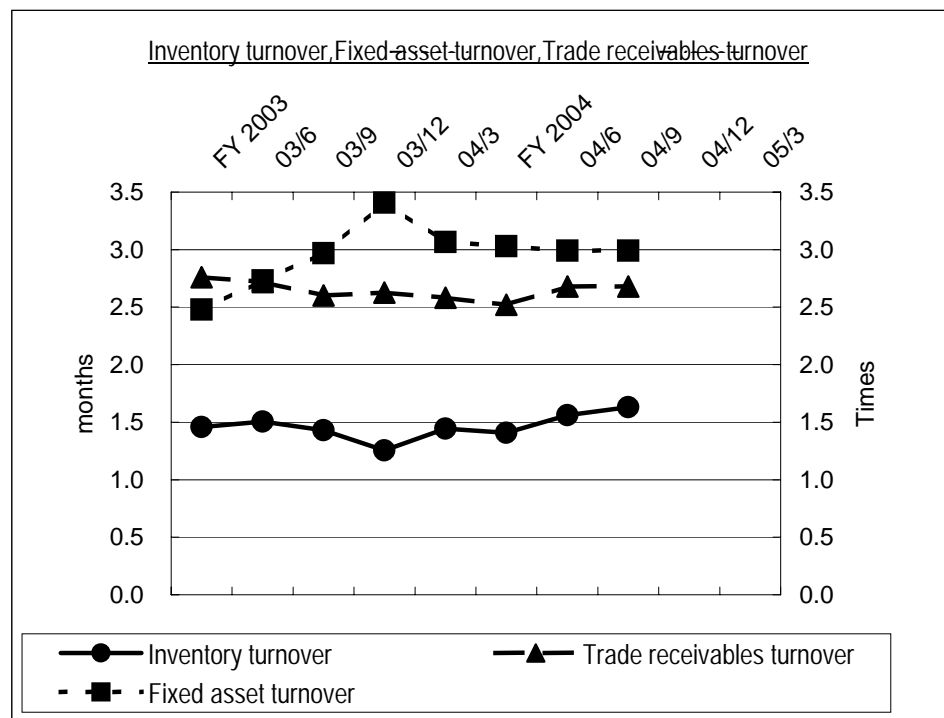
October 28, 2004

Unit:Yen millions,%	FY 2004 [Results]		FY 2005 Projections on Jul. 29		FY 2005 Projections on Oct. 28		Y on Y growth
	(Yen mill.)	(%)	(Yen mill.)	(%)	(Yen mill.)	(%)	
Net sales	658,862	100.0%	680,000	100.0%	680,000	100.0%	3.2%
<b>Electronic materials and components</b>	522,862	79.4%	542,000	79.7%	548,500	80.7%	4.9%
<i>Electronic materials</i>	166,818	25.3%	182,600	26.9%	184,400	27.1%	10.5%
<i>Electronic devices</i>	107,999	16.4%	119,600	17.6%	119,100	17.5%	10.3%
<i>Recording devices</i>	230,105	35.0%	221,200	32.5%	222,300	32.7%	-3.4%
<i>Semiconductors and others</i>	17,940	2.7%	18,600	2.7%	22,700	3.4%	26.5%
<b>Recording media and systems</b>	136,000	20.6%	138,000	20.3%	131,500	19.3%	-3.3%
Operating income	54,322	8.2%	60,000	8.8%	60,000	8.8%	
Income before income taxes	55,603	8.4%	62,000	9.1%	62,000	9.1%	
Net income	42,101	6.4%	46,500	6.8%	46,500	6.8%	
Exchange rate (U.S.\$=Yen)	113		105		105	*	

\* An average exchange rate of Yen105=US\$1 for fiscal 2005 from the third quarter onward.



## 7. Managing index of inventory, fixed asset, trade receivables



### # Inventory turnover

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

### # Trade receivables turnover

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 2003	03/6	03/9	03/12	04/3
<b>FY 2004</b>					
Total assets	747,337	760,487	750,715	761,128	770,319
Inventory	73,917	76,942	77,663	76,070	77,301
Inventory turnover (months)	1.5	1.5	1.4	1.3	1.4
Fixed asset	225,907	222,772	216,670	210,333	208,945
Fixed asset turnover (times)	2.5	2.7	3.0	3.4	3.1
Trade receivables	140,023	138,814	141,343	159,175	138,331
Trade receivables turnover (months)	2.8	2.7	2.6	2.6	2.6
Net sales	608,880	153,216	163,063	181,851	160,732
Unit: Yen millions	FY 2004	04/6	04/9	04/12	05/3
<b>FY 2005</b>					
Total assets	770,319	792,179	807,913		
Inventory	77,301	82,143	87,429		
Inventory turnover (months)	1.4	1.6	1.6		
Fixed asset	208,945	213,515	216,753		
Fixed asset turnover (times)	3.0	3.0	3.0		
Trade receivables	138,331	141,068	143,671		
Trade receivables turnover (months)	2.5	2.7	2.7		
Net sales	658,862	157,891	160,879		