

HDD Head Business Outlook

Jan. 31, 2005

Data Storage & Thin Film Technology Components
Business Group

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.

Data Storage Components Business Group FY2005 1st Half Sales Result & 2nd Half and Term Total Sales Forecast

(Unit: Billion JPY)	Forecast		Result & Forecast
	(Oct. '04)	→	(Jan. '05)
1 st Half	103.3	→	103.3
3Q			65.3
4Q			61.3
2 nd Half	119.0	→	126.6
Total	222.3	→	229.9

HDD Head Demand & Share FY2005 Total

(Unit:Million)	FY2004		FY2005			
	(Apr. 1, 2003 - Mar. 31, 2004)		Forecast (Oct. '04)		Forecast (Jan. '05)	
			Qty	Share	Qty	Share
HDD Demand	272		301		313	
Heads/HDD(Pcs)	2.6		2.6		2.6	
HGA Demand	708		796		818	
TDK Sales		33%		31%		31%

(Source: TDK estimates as of Jan 2005)

Product Launching Schedule

2.5"/3.5" HDD by capacity



