

## Consolidated Statements of Operations

TDK Corporation and Subsidiaries years ended March 31, 2004, 2003 and 2002

	Yen (Millions)			U.S. Dollars (Thousands) (Note 2)
	2004	2003	2002	2004
<b>Net sales</b> (Note 19) . . . . .	<b>¥658,862</b>	608,880	570,511	<b>\$6,215,679</b>
<b>Cost of sales</b> . . . . .	<b>474,106</b>	459,616	464,620	<b>4,472,698</b>
Gross profit . . . . .	<b>184,756</b>	149,264	105,891	<b>1,742,981</b>
<b>Selling, general and administrative expenses</b> . . . . .	<b>130,434</b>	121,839	123,741	<b>1,230,509</b>
<b>Restructuring cost</b> (Note 16) . . . . .	<b>—</b>	5,345	25,872	<b>—</b>
Operating income (loss) . . . . .	<b>54,322</b>	22,080	(43,722)	<b>512,472</b>
<b>Other income (deductions):</b>				
Interest and dividend income . . . . .	<b>1,189</b>	1,379	2,033	<b>11,217</b>
Interest expense . . . . .	<b>(323)</b>	(577)	(1,264)	<b>(3,047)</b>
Patent infringement settlement . . . . .	<b>1,933</b>	—	—	<b>18,236</b>
Equity in earnings (loss) of affiliates . . . . .	<b>1,639</b>	361	(957)	<b>15,462</b>
Loss on securities, net (Note 4) . . . . .	<b>(1,093)</b>	(3,298)	(207)	<b>(10,311)</b>
Foreign exchange gain (loss) . . . . .	<b>(3,065)</b>	(1,482)	618	<b>(28,915)</b>
Other, net . . . . .	<b>1,001</b>	(382)	(198)	<b>9,443</b>
	<b>1,281</b>	(3,999)	25	<b>12,085</b>
Income (loss) before income taxes . . . . .	<b>55,603</b>	18,081	(43,697)	<b>524,557</b>
<b>Income taxes</b> (Note 7) . . . . .	<b>13,143</b>	5,296	(16,994)	<b>123,991</b>
Income (loss) before minority interests . . . . .	<b>42,460</b>	12,785	(26,703)	<b>400,566</b>
<b>Minority interests</b> . . . . .	<b>359</b>	766	(932)	<b>3,387</b>
Net income (loss) . . . . .	<b>¥ 42,101</b>	12,019	(25,771)	<b>\$ 397,179</b>

	Yen (except number of common shares outstanding)			U.S. Dollars
<b>Amounts per share:</b>				
Basic net income (loss) per share (Note 18) . . . . .	<b>¥ 317.80</b>	90.56	(193.91)	<b>\$ 3.00</b>
Diluted net income (loss) per share (Note 18) . . . . .	<b>317.69</b>	90.56	(193.91)	<b>3.00</b>
Weighted average basic common shares outstanding (in thousands) (Note 18) . . . . .	<b>132,475</b>	132,716	132,900	
Weighted average diluted common shares outstanding (in thousands) (Note 18) . . . . .	<b>132,523</b>	132,716	132,900	
Cash dividends paid during the year (Note 9) . . . . .	<b>¥ 50.00</b>	45.00	60.00	<b>\$ 0.47</b>

See accompanying notes to consolidated financial statements.