

Consolidated Balance Sheets

TDK Corporation and Subsidiaries March 31, 2004 and 2003

ASSETS	Yen (Millions)		U.S. Dollars (Thousands) (Note 2)
	2004	2003	2004
Current assets:			
Cash and cash equivalents	¥227,155	170,551	\$2,142,972
Marketable securities (Note 4)	402	–	3,792
Trade receivables (Note 19):			
Notes	6,431	7,750	60,670
Accounts	133,900	135,123	1,263,208
Allowance for doubtful receivables	(2,000)	(2,850)	(18,868)
Net trade receivables	138,331	140,023	1,305,010
Inventories (Note 5)	77,301	73,917	729,255
Income tax receivables (Note 7)	763	2,765	7,198
Prepaid expenses and other current assets (Note 7)	31,821	33,706	300,198
Total current assets	475,773	420,962	4,488,425
Investments in securities (Note 4)	18,381	18,722	173,406
Property, plant and equipment, at cost:			
Land	20,464	21,284	193,057
Buildings	176,256	178,959	1,662,792
Machinery and equipment	471,247	489,131	4,445,726
Construction in progress	10,312	9,362	97,283
	678,279	698,736	6,398,858
Less accumulated depreciation	469,334	472,829	4,427,679
Net property, plant and equipment	208,945	225,907	1,971,179
Goodwill (Note 17)	10,029	14,131	94,613
Intangible assets (Note 17)	15,027	16,418	141,764
Deferred income taxes (Note 7)	34,140	43,948	322,075
Other assets (Note 12)	8,024	7,249	75,698
	¥770,319	747,337	\$7,267,160

See accompanying notes to consolidated financial statements.

LIABILITIES AND STOCKHOLDERS' EQUITY

	Yen (Millions)	2003	U.S. Dollars (Thousands) (Note 2)
	2004		2004
Current liabilities:			
Short-term debt (Note 6)	¥ 315	1,431	\$ 2,972
Current installments of long-term debt (Note 6)	101	488	953
Trade payables:			
Notes	635	824	5,990
Accounts	59,282	56,136	559,264
Accrued salaries and wages	12,085	11,483	114,009
Accrued expenses (Note 16)	33,449	28,088	315,557
Income taxes payables (Note 7)	4,689	1,057	44,236
Other current liabilities (Note 7)	4,662	5,507	43,981
Total current liabilities	115,218	105,014	1,086,962
Long-term debt, excluding current installments (Note 6)	27	94	255
Retirement and severance benefits (Note 8)	73,521	84,971	693,594
Deferred income taxes (Note 7)	215	13	2,028
Other noncurrent liabilities	1,843	–	17,387
Commitments and contingent liabilities (Note 13)	–	–	–
Total liabilities	190,824	190,092	1,800,226
Minority interests	3,276	3,360	30,906
Stockholders' equity:			
Common stock			
Authorized 480,000,000 shares; issued 133,189,659 shares in 2004 and 2003; outstanding 132,409,452 shares in 2004 and 132,625,184 shares in 2003	32,641	32,641	307,934
Additional paid-in capital	63,051	63,051	594,821
Legal reserve (Note 9)	16,497	15,953	155,632
Retained earnings (Note 9)	560,756	525,919	5,290,151
Accumulated other comprehensive income (loss) (Notes 7, 8 and 11)	(90,387)	(78,824)	(852,708)
Treasury stock at cost; 780,207 shares in 2004 and 564,475 shares in 2003 (Note 10)	(6,339)	(4,855)	(59,802)
Total stockholders' equity	576,219	553,885	5,436,028
	¥770,319	747,337	\$7,267,160