

□ CONSOLIDATED BALANCE SHEETS

TDK Corporation and Subsidiaries March 31, 2005 and 2004

	Yen (Millions)	2004	U.S. Dollars (Thousands) (Note 2)
ASSETS	2005		2005
Current assets:			
Cash and cash equivalents	¥ 251,508	227,155	\$ 2,350,542
Marketable securities (Note 4)	1,609	402	15,037
Trade receivables (Note 19):			
Notes	6,133	6,431	57,317
Accounts	144,426	133,900	1,349,776
Allowance for doubtful receivables	(2,560)	(2,000)	(23,925)
Net trade receivables	147,999	138,331	1,383,168
Inventories (Note 5)	74,924	77,301	700,224
Income tax receivables (Note 7)	204	763	1,907
Assets held for sale (Note 20)	993	–	9,280
Prepaid expenses and other current assets (Note 7)	33,366	31,821	311,832
Total current assets	510,603	475,773	4,771,990
Investments in securities (Note 4)	22,698	18,381	212,131
Property, plant and equipment, at cost:			
Land	20,097	20,464	187,822
Buildings	181,581	176,256	1,697,019
Machinery and equipment	445,636	471,247	4,164,823
Construction in progress	15,206	10,312	142,112
	662,520	678,279	6,191,776
Less accumulated depreciation	(445,551)	(469,334)	(4,164,028)
Net property, plant and equipment	216,969	208,945	2,027,748
Goodwill (Note 17)	9,210	10,029	86,075
Intangible assets (Note 17)	13,247	15,027	123,804
Deferred income taxes (Note 7)	8,633	34,140	80,682
Other assets (Notes 8 and 12)	26,641	8,024	248,981
	¥ 808,001	770,319	\$ 7,551,411

See accompanying notes to consolidated financial statements.

LIABILITIES AND STOCKHOLDERS' EQUITY	Yen (Millions)		U.S. Dollars (Thousands) (Note 2)
	2005	2004	2005
Current liabilities:			
Short-term debt (Note 6)	¥ —	315	\$ —
Current installments of long-term debt (Note 6)	103	101	963
Trade payables:			
Notes	638	635	5,963
Accounts	61,454	59,282	574,336
Accrued salaries and wages	12,915	12,085	120,701
Accrued expenses	31,065	33,449	290,327
Income taxes payables (Note 7)	19,283	4,689	180,215
Liabilities held for sale (Note 20)	92	—	860
Other current liabilities (Note 7)	5,307	4,662	49,598
Total current liabilities	130,857	115,218	1,222,963
Long-term debt, excluding current installments (Note 6)	81	27	757
Retirement and severance benefits (Note 8)	28,839	73,521	269,523
Deferred income taxes (Note 7)	751	215	7,019
Other noncurrent liabilities	3,244	1,843	30,318
Commitments and contingent liabilities (Notes 12 and 13)	—	—	—
Total liabilities	163,772	190,824	1,530,580
Minority interests	5,162	3,276	48,242
Stockholders' equity:			
Common stock			
Authorized 480,000,000 shares; issued 133,189,659 shares in 2005 and 2004; outstanding 132,244,587 shares in 2005 and 132,409,452 shares in 2004	32,641	32,641	305,056
Additional paid-in capital	63,051	63,051	589,262
Legal reserve (Note 9)	16,918	16,497	158,112
Retained earnings (Note 9)	585,557	560,756	5,472,495
Accumulated other comprehensive income (loss) (Notes 7, 8 and 11)	(51,657)	(90,387)	(482,776)
Treasury stock at cost; 945,072 shares in 2005 and 780,207 shares in 2004 (Note 10)	(7,443)	(6,339)	(69,560)
Total stockholders' equity	639,067	576,219	5,972,589
	¥808,001	770,319	\$7,551,411