

Outlook for the Fiscal Year Ending March 31, 2001

TDK's revised estimates for consolidated and non-consolidated results in the current fiscal year are shown below. These figures are based on the following assumptions:

- The estimates assume average yen-U.S. dollar exchange rates of ¥107 in the first half of the fiscal year and ¥105 in the second half compared with the original second-half projection of ¥100.
- TDK has lowered estimated consolidated net sales. Although sales of electronic materials and devices are expected to continue to grow as the demand in the communications, office equipment, and audio and visual products markets expands, an interruption in production due to heavy rain and low yields will impact sales of recording devices.
- There is no change in projected operating profit. TDK expects that the benefits of rising output of electronic materials and devices will exceed initial projections and offset the decline in earnings in the recording devices sector.
- Income before income taxes is expected to exceed the prior estimate due to the recognition of a ¥12.5 billion gain from the establishment of a trust to fund pension liabilities.

Consolidated (yen in millions)

	Revised Projection	% Change From FY00	As of August 2000
Net sales	¥720,000	+6.8%	¥730,000
Operating profit	75,000	+0.5%	75,000
Income before income taxes	86,000	+17.1%	77,000
Net income	59,000	+16.3%	54,000

Non-Consolidated (yen in millions)

	Revised Projection	% Change From FY00	As of May 2000
Net sales	¥466,000	+7.2%	¥450,000
Operating profit	20,000	+4.8%	18,000
Current income	45,000	+3.0%	42,000
Net income	7,500	-69.2%	3,000

Projections for the fiscal year ending March 31, 2001 are based on assumptions and beliefs of TDK and its group companies in accordance with data currently available. Consequently, these projections should not be relied upon as the sole basis for evaluating TDK. Actual results may differ substantially from the projections depending on a number of factors.

The electronics markets in which TDK operates is highly susceptible to rapid changes. Furthermore, TDK operates 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.