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**FOR IMMEDIATE RELEASE**

**TOKYO - August 1, 2002** TDK Corporation today announced its consolidated business results prepared in conformity with accounting principles generally accepted in the United States of America for the 1st quarter (Qtr.) of fiscal year (FY) 2003 and 2002, the three months ended June 30, 2002 and 2001 are as follows;

**1) Summary**

Consolidated results (April 1, 2002 - June 30, 2002)

Term Items	The 1st Qtr. of FY2003 (April 1, 2002 - June 30, 2002)			The 1st Qtr. of FY2002 (April 1, 2001 - June 30, 2001)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
Net sales	148,708	100.0	1,239,233	140,244	100.0	8,464	6.0
Operating income	5,986	4.0	49,883	2,589	1.8	3,397	131.2
Income before income taxes	3,303	2.2	27,525	2,564	1.8	739	28.8
Net income	2,161	1.5	18,008	1,207	0.9	954	79.0
Net income per common share	Yen 16.27		U.S.\$ 0.14	Yen 9.07			

(Sales breakdown)

Term Products	The 1st Qtr. of FY2003 (April 1, 2002 - June 30, 2002)			The 1st Qtr. of FY2002 (April 1, 2001 - June 30, 2001)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
Electronic materials and components	118,170	79.5	984,750	110,321	78.7	7,849	7.1
Electronic materials	45,860	30.8	382,167	43,900	31.3	1,960	4.5
Electronic devices	29,844	20.1	248,700	28,550	20.4	1,294	4.5
Recording devices	38,341	25.8	319,508	32,834	23.4	5,507	16.8
Semiconductors & others	4,125	2.8	34,375	5,037	3.6	(912)	(18.1)
Recording media & systems	30,538	20.5	254,483	29,923	21.3	615	2.1
Total sales	148,708	100.0	1,239,233	140,244	100.0	8,464	6.0
Overseas sales	106,191	71.4	884,925	96,745	69.0	9,446	9.8

Notes:

1. The figures for net income per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
2. TDK adopted the Emerging Issues Task Force Issue 01-9 ("EITF 01-9"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" from the fiscal year beginning April 1, 2002 and has applied EITF 01-9 retroactively.
3. Consolidated results for the 1st quarter of FY2003 and FY2002 are unaudited by independent auditors.
4. U.S.\$1=Yen 120

## 2) Business Results and Financial Position

### 1. Summary

Consolidated results for the 1st quarter of fiscal 2003, the three months period from April 1, 2002 through June 30, 2002 are as follows;

Net sales increased 6.0% to ¥148,708 million (US\$1,239,233 thousand), operating income soared 131.2% to ¥5,986 million (US\$49,883 thousand) and income before income taxes rose 28.8% to ¥3,303 million (US\$27,525 thousand). Net income climbed 79.0% to ¥2,161 million (US\$18,008 thousand) and net income per common share was ¥16.27 (US\$0.14).

Average 1st quarter yen exchange rates for the U.S. dollar and the euro were ¥127 and ¥117, respectively, as the yen depreciated 4% versus the dollar and 9% versus the euro, compared with the previous year's 1st quarter. This had the effect of increasing net sales by approximately ¥4.2 billion and operating income by approximately ¥0.8 billion.

#### **(Sales by Segment)**

The following is an explanation of results by segment.

#### **Electronic materials and components segment**

In the electronic materials and components segment, net sales rose 7.1% to ¥118,170 million (US\$984,750 thousand) as orders began to rebound early in 2002, ending a prolonged period of inventory reductions at customers that lasted throughout 2001.

#### **Electronic materials**

Within this segment, sales in the electronic materials sector increased 4.5% to ¥45,860 million (US\$382,167 thousand).

**(Capacitors)** Sales of capacitors rose on the back of continuing strong demand for use in audio and visual products, such as DVD players and video game consoles, and in automobiles and PCs and peripherals.

**(Ferrite cores and magnets)** In ferrite cores and magnets, overall sales of ferrite cores dropped year on year. Demand failed to recover for cores used in information and communications applications, and for deflection yoke cores, a key component of TVs and computer monitors. This negated firm demand for cores used in LCD backlights and power supplies for audio and visual products. Magnet sales, meanwhile, were largely the same year on year thanks to a continuation of solid demand from the previous fiscal year from the automobile and parts fields.

#### **Electronic devices**

In the electronic devices sector, sales rose 4.5% to ¥29,844 million (US\$248,700 thousand).

**(Inductive devices)** Inductive devices saw sales remain stable as a whole because sales to the communications market fell short of those in the corresponding quarter of the previous year. This result came despite a slight increase in demand for devices used in PCs and peripherals and in automotive applications due to the increasing use of electronics in automobiles.

**(High-Frequency components)** Sales of high-frequency components also dropped due to stronger calls than last year for discounts from customers. The effect of these discounts outweighed a quarter-on-quarter recovery in demand for use in communications applications, particularly mobile phones. A high proportion of TDK's high-frequency components are used in this market.

**(Other products)** In other products, sales rose, buoyed by strong demand for DC-DC converters for video game systems.

### **Recording devices**

Recording devices sales rose 16.8% to ¥38,341 million (US\$319,508 thousand) as TDK increased sales of HDD heads, regaining market share. Behind this growth were TDK's well-received 40 gigabyte/disk HDD heads, which have become the company's mainstay product in this sector. Sales of other heads fell due to inventory cutbacks by customers and other factors.

### **Semiconductors & others**

Sales in the semiconductors and others sector dropped 18.1% to ¥4,125 million (US\$34,375 thousand), reflecting a sharp drop in sales of semiconductors for WAN/LAN and set-top box modems due to the continuing low levels of investment in communications infrastructure equipment.

### **Recording media & systems segment**

In the recording media & systems segment, sales edged up 2.1% to ¥30,538 million (US\$254,483 thousand). Audiotape sales fell as overall demand softened, but videotapes sales rose slightly, boosted by demand stemming from the 2002 FIFA World Cup™. Optical disc sales increased on rising volumes of mainstay CD-Rs, which offset falling sales prices, and increasing sales of DVDs. Tape-based data storage media sales rose, contributing to the overall sales growth.

### **(Sales by Region)**

By region, sales in Japan declined 2.3% to ¥42,517 million (US\$354,308 thousand), reflecting weakness in many product categories compared with other regions. One bright note was higher demand for DC-DC converters for video game systems. In the Americas, sales rose 8.3% to ¥29,197 million (US\$243,308 thousand), despite lower demand in electronic materials and electronic devices. This increase reflected two factors: higher sales in recording devices, as TDK regained market share, and higher sales in the recording media & systems segment. In Europe, sales dropped 15.8% to ¥16,634 million (US\$138,617 million) due to waning demand for electronic materials for mobile phones, particularly GSM-format phones, and electronic devices. In Asia (excluding Japan) and Others, sales climbed 20.7% to ¥60,360 million (US\$503,000 thousand) on higher sales in recording devices, as TDK regained market share, and an upturn in orders for electronic materials and electronic devices.

The overall result was a 9.8% rise in overseas sales year on year to ¥106,191 million (US\$884,925 thousand). Overseas sales accounted for 71.4% of consolidated net sales, a 2.4 percentage point increase from 69.0% in the previous year's 1st quarter.

## **2. Cash Flows**

### **Cash Flows From Operating Activities**

Operating activities provided net cash of ¥9,755 million, ¥1,037 million higher year on year. This reflected level depreciation and amortization, decreases in trade receivables and inventories, and increases in trade payables. On the other hand, accrued salaries and wages, retirement pay decreased substantially due to the payment of early retirement expenses accompanying structural reforms implemented in the previous fiscal year.

### **Cash Flows From Investing Activities**

Investing activities used net cash of ¥6,168 million, ¥17,209 million less than in the previous year's 1st quarter. This was attributable to a ¥16,282 million fall to ¥6,342 million in capital expenditures.

## **Cash Flows From Financing Activities**

Financing activities used net cash of ¥2,967 million, ¥3,220 million less than in the previous year's 1st quarter. Repayments of short-term debt were lower and only ¥2,657 million was used for the payment of dividends as TDK reduced its dividend beginning with the payment applicable to the second half of the previous fiscal year.

## **3. Fiscal 2003 Projections**

TDK's consolidated projections for fiscal 2003, the year ending March 31, 2003, which were announced in May this year, have been revised as follows. The consolidated projections are based principally on the following assumptions:

- # The average yen-U.S. dollar exchange rate for the fiscal year was initially estimated at ¥120. TDK is also assuming a rate of ¥120 for the second quarter onward.
- # As explained in May, TDK expects any economic recovery, particularly in the U.S., to be tenuous and any upturn in demand to be mild at best. Consequently, TDK is predicting a continuation of difficult market conditions for the electronic components industry.
- # Regarding earnings' forecasts for the second quarter onward, TDK does not expect any significant change from the projections announced in May. TDK thus projects the following results for the full year.

## **Consolidated Projections for Fiscal 2003**

	Revised Projection ¥ millions	Change (¥ millions or %) from FY02	As of May 2002 ¥ millions
Net sales	¥580,000	1.7%	¥580,000
Operating income (loss)	20,000	-43,722	20,000
Income (loss) before income taxes	17,000	-43,697	17,000
Net income (loss)	13,000	-25,771	13,000

### Note:

TDK adopted the Emerging Issues Task Force Issue 01-9 ("EITF 01-9"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" from the fiscal year beginning April 1, 2002 and has applied EITF 01-9 retroactively, restating net sales for fiscal 2002.

### Cautionary Statement About Projections

This earnings release 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 available to management on the date of this earnings release.

In preparing forecasts and estimates, TDK and its group companies have used as their basis, 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 contained in this earnings release 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.

The premises and assumptions used in computing the projections in this earnings release include, but are not limited to, those explained above.

### 3) Statements of income

Term  Items	The 1st Qtr. of FY2003 (April 1, 2002 - June 30, 2002)			The 1st Qtr. of FY2002 (April 1, 2001 - June 30, 2001)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
Net sales	148,708	100.0	1,239,233	140,244	100.0	8,464	6.0
Cost of sales	112,197	75.4	934,975	106,202	75.7	5,995	5.6
Gross profit	36,511	24.6	304,258	34,042	24.3	2,469	7.3
Selling, general and administrative expenses	29,713	20.0	247,608	31,453	22.5	(1,740)	(5.5)
Restructuring cost	812	0.6	6,767	-	-	812	-
Operating income	5,986	4.0	49,883	2,589	1.8	3,397	131.2
Other income (deductions):							
Interest and dividend income	325		2,708	713		(388)	
Interest expense	(118)		(983)	(360)		242	
Foreign exchange gain (loss)	(2,890)		(24,083)	(92)		(2,798)	
Other-net	0		0	(286)		286	
Total other income (deductions)	(2,683)	(1.8)	(22,358)	(25)	-	(2,658)	-
Income before income taxes	3,303	2.2	27,525	2,564	1.8	739	28.8
Income taxes	1,103	0.7	9,192	1,257	0.9	(154)	(12.3)
Income before minority interests	2,200	1.5	18,333	1,307	0.9	893	68.3
Minority interests	39	-	325	100	-	61	61.0
Net income	2,161	1.5	18,008	1,207	0.9	954	79.0
Net income per common share	Yen 16.27		U.S.\$ 0.14	Yen 9.07			
Average common shares outstanding	132,859	thousands		133,019	thousands		

Notes:

1. The figures for net income per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
2. TDK adopted the Emerging Issues Task Force Issue 01-9 ("EITF 01-9"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" from the fiscal year beginning April 1, 2002 and has applied EITF 01-9 retroactively.
3. Statements of income for the 1st quarter of FY2003 and FY2002 are unaudited by independent auditors.
4. U.S.\$1=Yen 120

**4) Balance sheets**

<b>ASSETS</b>								
Term  Items	As of June 30, 2002			As of Mar. 31, 2002		Change	As of June 30, 2001	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	(Yen millions)	%
Current assets	383,470	53.2	3,195,583	399,206	53.2	(15,736)	416,314	52.6
Cash and cash equivalents	120,289		1,002,408	125,761		(5,472)	129,849	
Net trade receivables	134,155		1,117,959	142,827		(8,672)	132,123	
Inventories	83,734		697,783	91,149		(7,415)	123,531	
Other current assets	45,292		377,433	39,469		5,823	30,811	
Noncurrent assets	336,906	46.8	2,807,550	350,704	46.8	(13,798)	374,632	47.4
Investments and advances	21,573		179,775	24,265		(2,692)	22,979	
Net property, plant and equipment	249,884		2,082,367	265,590		(15,706)	283,377	
Prepaid pension cost	-		-	-		-	40,039	
Other assets	65,449		545,408	60,849		4,600	28,237	
<b>TOTAL</b>	<b>720,376</b>	<b>100.0</b>	<b>6,003,133</b>	<b>749,910</b>	<b>100.0</b>	<b>(29,534)</b>	<b>790,946</b>	<b>100.0</b>

<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>								
Term  Items	As of June 30, 2002			As of Mar. 31, 2002		Change	As of June 30, 2001	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	(Yen millions)	%
Current liabilities	95,230	13.2	793,583	110,341	14.7	(15,111)	119,232	15.1
Short-term debt	1,854		15,450	2,312		(458)	3,795	
Trade payables	53,898		449,150	52,609		1,289	53,161	
Accrued expenses	22,848		190,400	23,757		(909)	31,166	
Income taxes	2,765		23,042	2,546		219	6,116	
Other current liabilities	13,865		115,541	29,117		(15,252)	24,994	
Noncurrent liabilities	64,025	8.9	533,542	51,049	6.8	12,976	33,121	4.2
Long-term debt, excluding current installments	352		2,933	459		(107)	832	
Retirement and severance benefits	61,995		516,625	49,992		12,003	31,872	
Deferred income taxes	1,678		13,984	598		1,080	417	
<b>Total liabilities</b>	<b>159,255</b>	<b>22.1</b>	<b>1,327,125</b>	<b>161,390</b>	<b>21.5</b>	<b>(2,135)</b>	<b>152,353</b>	<b>19.3</b>
Minority interests	4,541	0.6	37,842	4,593	0.6	(52)	3,455	0.4
Common stock	32,641		272,008	32,641		-	32,641	
Additional paid-in capital	63,051		525,425	63,051		-	63,051	
Legal reserve	15,844		132,033	15,683		161	15,374	
Retained earnings	519,486		4,329,050	520,143		(657)	551,416	
Accumulated other comprehensive income (loss)	(70,847)		(590,392)	(43,999)		(26,848)	(24,677)	
Treasury stock	(3,595)		(29,958)	(3,592)		(3)	(2,667)	
<b>Total stockholders' equity</b>	<b>556,580</b>	<b>77.3</b>	<b>4,638,166</b>	<b>583,927</b>	<b>77.9</b>	<b>(27,347)</b>	<b>635,138</b>	<b>80.3</b>
<b>TOTAL</b>	<b>720,376</b>	<b>100.0</b>	<b>6,003,133</b>	<b>749,910</b>	<b>100.0</b>	<b>(29,534)</b>	<b>790,946</b>	<b>100.0</b>
<b>Total common shares outstanding</b>	<b>132,859 thousands</b>			<b>132,860 thousands</b>			<b>133,019 thousands</b>	

**Notes:**

1. Balance sheets as of June 30, 2002 and 2001 are unaudited by independent auditors.
2. U.S.\$1=Yen 120

## 5) Statements of cash flows

Term  Items	The 1st Qtr. of FY2003 (April 1, 2002 - June 30, 2002)		The 1st Qtr. of FY2002 (April 1, 2001 - June 30, 2001)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
<b>Cash flows from operating activities:</b>			
Net income	2,161	18,008	1,207
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	14,469	120,575	14,766
Loss on disposal of property and equipment	1,083	9,025	39
Deferred income taxes	(169)	(1,408)	(3,073)
Changes in assets and liabilities:			
Decrease in trade receivables	1,579	13,158	22,856
Decrease (increase) in inventories	3,639	30,325	(7,582)
Increase (decrease) in trade payables	4,370	36,417	(10,660)
Increase (decrease) in accrued salaries and wages, retirement pay	(17,707)	(147,558)	345
Increase (decrease) in income taxes	352	2,933	(13,494)
Other-net	(22)	(183)	4,314
<b>Net cash provided by operating activities</b>	<b>9,755</b>	<b>81,292</b>	<b>8,718</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(6,342)	(52,850)	(22,624)
Payment for purchase of investments	(30)	(250)	(1,023)
Other-net	204	1,700	270
<b>Net cash used in investing activities</b>	<b>(6,168)</b>	<b>(51,400)</b>	<b>(23,377)</b>
<b>Cash flows from financing activities:</b>			
Repayment of long-term debt	(251)	(2,092)	(189)
Decrease in short-term debt	(56)	(466)	(2,006)
Payment to acquire treasury stock	(3)	(25)	(1)
Dividends paid	(2,657)	(22,142)	(3,991)
<b>Net cash used in financing activities</b>	<b>(2,967)</b>	<b>(24,725)</b>	<b>(6,187)</b>
Effect of exchange rate changes on cash and cash equivalents	(6,092)	(50,767)	(222)
<b>Net decrease in cash and cash equivalents</b>	<b>(5,472)</b>	<b>(45,600)</b>	<b>(21,068)</b>
Cash and cash equivalents at beginning of period	125,761	1,048,008	150,917
Cash and cash equivalents at end of period	120,289	1,002,408	129,849

Notes:

1. Statements of cash flows for the 1st quarter of FY2003 and FY2002 are unaudited by independent auditors.
2. U.S.\$1=Yen 120

## 6) Segment information

The following industry and geographic segment information are required by the Japanese Securities Exchange Law. Segment information is unaudited.

TDK adopted the Emerging Issues Task Force Issue 01-9 ("EITF 01-9"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" from the fiscal year beginning April 1, 2002 and has applied EITF 01-9 retroactively.

### 1. Industry segment information

Term Items	The 1st Qtr. of FY2003 (April 1, 2002 - June 30, 2002)			The 1st Qtr. of FY2002 (April 1, 2001 - June 30, 2001)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
	<b>Electronic materials and components</b>						
Net sales	118,170	100.0	984,750	110,321	100.0	7,849	7.1
Unaffiliated customers	118,170		984,750	110,321		7,849	7.1
Intersegment	-		-	-		-	-
Operating expenses	112,654	95.3	938,783	106,096	96.2	6,558	6.2
Operating income	5,516	4.7	45,967	4,225	3.8	1,291	30.6
<b>Recording media &amp; systems</b>							
Net sales	30,538	100.0	254,483	29,923	100.0	615	2.1
Unaffiliated customers	30,538		254,483	29,923		615	2.1
Intersegment	-		-	-		-	-
Operating expenses	30,068	98.5	250,567	31,559	105.5	(1,491)	(4.7)
Operating income (loss)	470	1.5	3,916	(1,636)	(5.5)	2,106	-
<b>TOTAL</b>							
Net sales	148,708	100.0	1,239,233	140,244	100.0	8,464	6.0
Unaffiliated customers	148,708		1,239,233	140,244		8,464	6.0
Intersegment	-		-	-		-	-
Operating expenses	142,722	96.0	1,189,350	137,655	98.2	5,067	3.7
Operating income	5,986	4.0	49,883	2,589	1.8	3,397	131.2

Note: U.S.\$1=Yen 120

### 2. Geographic segment information

Term Region	The 1st Qtr. of FY2003 (April 1, 2002 - June 30, 2002)			The 1st Qtr. of FY2002 (April 1, 2001 - June 30, 2001)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
	<b>Japan</b>						
Net sales	86,610	100.0	721,750	87,342	100.0	(732)	(0.8)
Operating income	1,157	1.3	9,642	3,884	4.4	(2,727)	(70.2)
<b>Americas</b>							
Net sales	25,239	100.0	210,325	25,612	100.0	(373)	(1.5)
Operating income (loss)	(65)	(0.3)	(542)	(2,637)	(10.3)	2,572	97.5
<b>Europe</b>							
Net sales	16,627	100.0	138,558	19,276	100.0	(2,649)	(13.7)
Operating income (loss)	(611)	(3.7)	(5,092)	203	1.1	(814)	-
<b>Asia and others</b>							
Net sales	74,469	100.0	620,575	63,137	100.0	11,332	17.9
Operating income	5,258	7.1	43,817	740	1.2	4,518	610.5
<b>Intersegment eliminations</b>							
Net sales	54,237		451,975	55,123		(886)	
Operating income (loss)	(247)		(2,058)	(399)		152	
<b>Total</b>							
Net sales	148,708	100.0	1,239,233	140,244	100.0	8,464	6.0
Operating income	5,986	4.0	49,883	2,589	1.8	3,397	131.2

Notes:

- The sales are classified by geographic areas of the seller and include transfers between geographic areas.
- U.S.\$1=Yen 120

### 3. Sales by region

Term Region	The 1st Qtr. of FY2003 (April 1, 2002 - June 30, 2002)			The 1st Qtr. of FY2002 (April 1, 2001 - June 30, 2001)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
	Americas	29,197	19.6	243,308	26,970	19.2	2,227
Europe	16,634	11.2	138,617	19,765	14.1	(3,131)	(15.8)
Asia and others	60,360	40.6	503,000	50,010	35.7	10,350	20.7
Overseas sales total	106,191	71.4	884,925	96,745	69.0	9,446	9.8
Japan	42,517	28.6	354,308	43,499	31.0	(982)	(2.3)
Net sales	148,708	100.0	1,239,233	140,244	100.0	8,464	6.0

Notes:

- Sales by region are classified by geographic areas of the buyer.
- U.S.\$1=Yen 120



**(Notes)**

1. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.
2. During this consolidated accounting period, TDK had 72 subsidiaries (21 in Japan and 51 in overseas). TDK also had 7 affiliates (4 in Japan and 3 in overseas) whose financial statements are accounted for by the equity method.
3. Comprehensive income comprises net income and other comprehensive income. Other comprehensive income includes changes in foreign currency translation adjustments, minimum pension liability adjustments and net unrealized gains (losses) on securities. The net income, other comprehensive income (loss) and total comprehensive income (loss) for the three months ended June 30, 2002 and 2001 were as follows;

Items	Term		The 1st Qtr. of FY2002
			(April 1, 2002 - June 30, 2002)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	2,161	18,008	1,207
Other comprehensive income (loss):			
Foreign currency translation adjustments	(19,665)	(163,875)	(379)
Minimum pension liability adjustments	(5,862)	(48,850)	-
Net unrealized gains (losses) on securities	(1,321)	(11,008)	553
Total comprehensive income (loss)	(24,687)	(205,725)	1,381

Note: U.S.\$1=Yen 120

4. Adoption of new accounting standards

1) Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)

In May 2000, the Emerging Issues Task Force reached a final consensus on Issue 00-14 ("EITF 00-14"), "Accounting for Certain Sales Incentives". EITF 00-14 addresses accounting and reporting standards for sales incentives such as coupons or rebates that are provided by vendors or manufacturers and are exercisable by customers at the point of sale.

In April 2001, the Emerging Issues Task Force also reached a final consensus on a portion of Issue 00-25 ("EITF 00-25"), "Vendor Income Statement Characterization of Consideration to a Purchaser of the Vendor's Products or Services". EITF 00-25 addresses the income statement characterization of consideration, other than that directly addressed in EITF 00-14, from a vendor (typically a manufacturer or distributor) to a customer (typically a retailer or wholesaler) in connection with the sale to the customer of the vendor's products or promotion of sales of the vendor's products by the customer.

In November 2001, EITF 00-14 and EITF 00-25 were subsequently codified in and superseded by Issue 01-9 ("EITF 01-9"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" on which the Emerging Issues Task Force reached a final consensus. TDK adopted EITF 01-9 on April 1, 2002. The adoption of EITF 01-9 did not have a material effect on TDK's consolidated financial position or results of operations.

2) Accounting for the Impairment or Disposal of Long-Lived Assets

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets" which supersedes both Statement of Financial Accounting Standards No. 121 ("SFAS 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and the accounting and reporting provisions of APB Opinion No. 30 ("Opinion 30"), "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", for the disposal of a segment of a business (as previously defined in that Opinion).

SFAS 144 retains the fundamental provisions in SFAS 121 for recognizing and measuring impairment losses on long-lived assets held for use and long-lived assets to be disposed of by sale, while also resolving significant implementation issues associated with SFAS 121. TDK adopted SFAS 144 on April 1, 2002. The adoption of SFAS 144 did not have a material effect on TDK's consolidated financial position or results of operations.

5. U.S. dollar amounts are translated from Yen, for convenience only, at the rate of Yen 120 = U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on June 28, 2002.