

2) Fiscal 2008 Consolidated Projections

TDK's projections for consolidated operating results, capital expenditures, depreciation and amortization, and research and development expenses for fiscal 2008, the year ending March 31, 2008, are as follows.

[Consolidated Projections for Fiscal 2008]

Item \ Term	January 2008 Announcement FY2008 (Forecasts) (¥ millions)	FY2007 (Actual) (¥ millions)	Change from FY2007 (¥ millions)	% change from FY2007	October 2007 Announcement FY2008 (Forecasts) (¥ millions)
Net sales	865,000	862,025	2,975	0.3	865,000
Operating income	90,000	79,590	10,410	13.1	90,000
Income before income taxes	96,000	88,665	7,335	8.3	96,000
Net income	72,000	70,125	1,875	2.7	72,000

[Projections for Capital Expenditures, Depreciation and Amortization, and Research and Development Expenses]

(¥ millions)

Item \ Term	FY2008 (Forecasts)		FY2007 (Actual)	
	Amount	% of sales	Amount	% of sales
Capital expenditures	75,000	-	70,440	-
Depreciation and amortization	70,000	8.1	65,337	7.6
Research and development expenses	55,000	6.4	50,058	5.8

(Notes)

(Projections for main products are as follows:)

Electronic Materials and Electronic Devices

Demand is forecast to rise year on year for digital home appliances, a major application for TDK's electronic materials and devices. Backed by this higher demand for end products, sales of electronic materials and electronic devices are also expected to rise year on year.

Recording Devices

Overall demand (volume) continues to grow for HDD heads, which is the major product in the recording devices sector. With demand increasing for HDDs employing perpendicular magnetic recording technology, in particular, TDK is increasing shipments of heads compatible with this technology. The fiscal 2008 forecast is premised on this trend continuing.

Recording Media

As mentioned earlier, TDK transferred its TDK brand recording media sales business to Imation Corp. in August 2007, a move that has dramatically changed the makeup of recording media operations at TDK. TDK expects sales to fall substantially in the recording media segment in fiscal 2008 as a result.

(Exchange Rate Forecast)

An average yen-U.S. dollar exchange rate of ¥110 is assumed for the fourth quarter of fiscal 2008.

Cautionary Statements with Respect to Forward-Looking Statements

This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings and evaluations, about TDK and its group companies (TDK Group). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs and evaluations of TDK Group in light of information currently available to it, and contain known and unknown risks, uncertainties and other factors. TDK Group therefore wishes to caution readers that, being subject to risks, uncertainties and other factors, TDK Group's actual results, performance, achievements or financial position could be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements, and TDK Group undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material except as provided for in laws and ordinances.

The electronics markets in which TDK Group operates are highly susceptible to rapid changes. Risks, uncertainties and other factors that can have significant effects on TDK Group include, but are not limited to, shifts in technology, fluctuations in demand, prices, interest and foreign exchange rates, and changes in economic environments, conditions of competition, laws and regulations.