

1-13-1, Nihonbashi
Chuo-ku, Tokyo
103-8272 Japan

Contacts;

TDK Corporation (Tokyo)	Corporate Communications Department	
	Michinori Katayama	+81 (3) 5201-7102
TDK U.S.A. Corporation	Francis. J. Sweeney	+1 (516) 535-2600
TDK UK Limited	Ron Matier	+44 (1737) 773773

FOR IMMEDIATE RELEASE

TOKYO-February 8, 2001 TDK Corporation today announced its consolidated business results for the third quarter of fiscal 2001, the three-month period ended December 31, 2000, and for the nine-month period from April 1, 2000 through December 31, 2000.

1) - 1. The third quarter results

Consolidated results for the third quarter of fiscal 2001, the three-month period from October 1, 2000 through December 31, 2000, are as follows:

	<u>Yen millions</u>		<u>U.S.\$ thousands</u>	<u>% change</u>
Net sales	180,174		1,566,730	(4.3 %)
Operating profit (%)	18,083 (10.0 %)		157,243	(-4.5 %)
Income before income taxes (%)	15,552 (8.6 %)		135,235	(-13.3 %)
Net income (%)	10,392 (5.8 %)		90,365	(-14.5 %)

1) - 2. The nine-month period results

Consolidated results for the nine-month period from April 1, 2000 through December 31, 2000, are as follows:

	<u>Yen millions</u>		<u>U.S.\$ thousands</u>	<u>% change</u>
Net sales	532,200		4,627,826	(6.0 %)
Operating profit (%)	54,532 (10.2 %)		474,191	(-1.3 %)
Income before income taxes (%)	63,383 (11.9 %)		551,157	(22.0 %)
Net income (%)	42,997 (8.1 %)		373,887	(21.1 %)

Notes:

The amounts shown in U.S. Dollars are converted at the rate of U.S.\$1=Yen 115, the opening rate on the Tokyo Foreign Exchange Market on Dec. 29, 2000.

2) Summary

Consolidated results for the third quarter of fiscal 2001, the three-month period from October 1, 2000 through December 31, 2000, are as follows:

TDK Corporation today announced its consolidated business results for the third quarter of fiscal 2001, the three-month period ended December 31, 2000. Net sales increased 4.3% to ¥180,174 million (US\$1,566,730 thousand), while operating profit decreased 4.5% to ¥18,083 million (US\$157,243 thousand). Income before income taxes fell 13.3% to ¥15,552 million (US\$135,235 thousand) and net income declined 14.5% to ¥10,392 million (US\$90,365 thousand). Net income per common share was ¥78.08 (US\$0.68).

Third quarter average yen exchange rates for the U.S. dollar and euro were respectively ¥110 and ¥96 compared with the same period a year ago, as the yen weakened 5% against the dollar and strengthened 12% against the euro. Since sales in U.S. dollars account for a greater proportion of total net sales than those in euro, the conversion into yen had the net effect of raising net sales by approximately ¥2.2 billion and operating profit by approximately ¥1.3 billion.

Effective from the current fiscal year, TDK has revised its presentation for sector information and renamed some product categories.

In the electronic materials and components segment, net sales increased 8.0% to ¥141,922 million (US\$1,234,104 thousand).

Within this segment, sales in the electronic materials sector soared 30.1% to ¥56,062 million (US\$487,495 thousand). Sales of multilayer chip capacitors increased sharply due to expansion of the mobile phone market coupled with strong demand for use in PCs and peripherals, and digital devices. Orders for ferrite cores also rose on the back of brisk sales for use in data-communications devices, notably ADSL (Asymmetric Digital Subscriber Lines) devices. Growth in the overall marketplace for multilayer chip capacitors during the third quarter, though enjoying sharp year-on-year sales growth, slowed down markedly compared with the second quarter, with sales almost flat.

In the electronic devices sector, sales increased 19.3% to ¥39,304 million (US\$341,774 thousand). High-frequency components saw strong growth in sales. This reflected the contribution of high-frequency modules, voltage controlled oscillators and coils, where production capacity was ramped up in response to the expanding mobile phone market. Rising demand for inductive devices in the audio and visual products, office equipment and communications markets led to higher orders for coils. Moreover, EMC (Electromagnetic Compatibility) components enjoyed top-line growth, buoyed by expansion in output of office and communications equipment. Similar to multilayer chip capacitors, however, there

was an evident slowdown in the overall market for inductive devices. Reflecting this, sales of inductive devices declined marginally, compared with the second quarter.

Recording devices sales decreased 21.5% to ¥39,537 million (US\$343,800 thousand). Shipments of new high-area-recording-density GMR heads, which began in the latter half of the second quarter, were held back by two factors: a deterioration in production yields resulting from the advanced technology required by these heads; and the lingering effects of a six-day suspension in production due to torrential rains in mid-September 2000. Production yields improved in the latter half of the third quarter as originally planned. Some customers nevertheless scaled down their production as a result of a slowdown in the market for PCs and peripherals, which became evident from the latter half of November 2000.

Sales in the semiconductors & others sector surged 39.8% to ¥7,019 million (US\$61,035 thousand). This primarily reflected the inclusion of anechoic chamber sales in the third quarter, in addition to brisk sales of semiconductors for LAN products and set-top box modems.

In the recording media & systems segment, sales declined 7.6% to ¥38,252 million (US\$332,626 thousand). Sales of CD-Rs decreased despite increased sales volume generated by greater demand. This reflected falling prices brought about by an oversupply of these disks. Audiotapes and videotapes both posted sales declines. In respect of the former, this was due to lower sales volumes in line with decreasing demand. Videotapes, meanwhile, saw a sales decrease due to softening prices, although sales volumes were largely on a par with year-ago levels.

By region, sales in Japan decreased 0.8% to ¥61,026 million (US\$530,661 thousand). This was attributable to lower sales in recording media & systems and recording devices which outweighed gains in electronic materials, particularly multilayer chip capacitors, and electronic devices. In Europe, sales climbed 24.3% to ¥30,218 million (US\$262,765 thousand) due to strong demand for multilayer chip capacitors and high-frequency components for GSM and other mobile phone formats. In Asia (excluding Japan) and Others, sales decreased 9.2% to ¥55,254 million (US\$480,469 thousand). Here, as with Japan, strong sales in the electronic materials and electronic devices sectors could not fully offset lower sales in recording devices. In the Americas, sales increased 29.1% to ¥33,676 million (US\$292,835 thousand). This figure reflected the effects of the acquisition of Headway Technologies, Inc. at the end of March 2000 in the recording devices sector, as well as strong performances from electronic materials and electronic devices. The overall result was a 7.1% year-on-year increase in overseas sales to ¥119,148 million (US\$1,036,069 thousand). Overseas sales accounted for 66.1% of consolidated net sales, up 1.7 percentage points from 64.4%.

Outlook for the Fiscal Year Ending March 31, 2001

TDK's revised projections for 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 ¥113 in the second half compared with the previous second-half projection of ¥105.
- In the electronic materials and devices sectors TDK has revised sales projections downward, particularly for mainstay products such as multilayer chip capacitors and high-frequency components. This is in response to inventory reductions by mobile phone and PC-related manufacturers. In the recording devices sector, TDK foresees declining sales as companies begin to trim their HDD inventories following a rapid downturn in the PC marketplace from around December 2000. Overall, TDK expects consolidated net sales to fall below the previous forecast made in November 2000.
- TDK has lowered its forecast for operating profit in line with the downward revision of sales of mainstay products.

Consolidated

(yen in millions)

	Revised Projection	% Change From FY00	As of November 2000
Net sales	¥700,000	3.8%	¥720,000
Operating profit	66,000	-11.5%	75,000
Income before income taxes	72,000	-1.9%	86,000
Net income	49,000	-3.4%	59,000

Cautionary Statement About Projections

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 are 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.

3) Consolidated results for the third quarter of fiscal 2001

(1) Financial highlights

	The third quarter of FY2001 (Oct. 1, 2000 - Dec. 31, 2000)			The third quarter of FY2000 (Oct. 1, 1999 - Dec. 31, 1999)		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Net sales	180,174	100.0	1,566,730	172,804	100.0	4.3
Operating profit	18,083	10.0	157,243	18,943	11.0	-4.5
Income before income taxes	15,552	8.6	135,235	17,936	10.4	-13.3
Net income	10,392	5.8	90,365	12,149	7.0	-14.5
Net income per common share and per ADS	Yen 78.08		U.S.\$ 0.68	Yen 91.22		

Notes:

1. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.
2. 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).
3. During this consolidated accounting period, the company had 77 subsidiaries (27 in Japan and 50 overseas). The company also had 10 affiliates whose financial statements are accounted for by the equity method.
4. In millions of Yen and thousands of U.S. Dollars, except for per share figures.
5. U.S.\$1=Yen 115

(2) Sales breakdown

	The third quarter of FY2001 (Oct. 1, 2000 - Dec. 31, 2000)			The third quarter of FY2000 (Oct. 1, 1999 - Dec. 31, 1999)		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Electronic materials and components	141,922	78.8	1,234,104	131,401	76.0	8.0
Electronic materials	56,062	31.1	487,495	43,079	24.9	30.1
Electronic devices	39,304	21.8	341,774	32,932	19.1	19.3
Recording devices	39,537	22.0	343,800	50,371	29.1	-21.5
Semiconductors & Others	7,019	3.9	61,035	5,019	2.9	39.8
Recording media & systems	38,252	21.2	332,626	41,403	24.0	-7.6
Total sales	180,174	100.0	1,566,730	172,804	100.0	4.3
Overseas sales	119,148	66.1	1,036,069	111,258	64.4	7.1

Notes:

1. Effective from the fiscal year ending March 31, 2001, certain products that had been included in the Semiconductors & Others sector are now included in the Recording media & systems segment. Sales in the third quarter of the previous fiscal year have been restated accordingly.
2. In millions of Yen and thousands of U.S. Dollars.
3. U.S.\$1=Yen 115

4) Consolidated results for the nine-month period from April 1, 2000 through December 31, 2000.

(1) Financial highlights

	The nine-month period of FY2001 (April 1, 2000 - Dec. 31, 2000)			The nine-month period of FY2000 (April 1, 1999 - Dec. 31, 1999)		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Net sales	532,200	100.0	4,627,826	502,291	100.0	6.0
Operating profit	54,532	10.2	474,191	55,251	11.0	-1.3
Income before income taxes	63,383	11.9	551,157	51,967	10.3	22.0
Net income	42,997	8.1	373,887	35,505	7.1	21.1
Net income per common share and per ADS	Yen 323.04		U.S.\$ 2.81	Yen 266.58		

Notes:

1. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.
2. 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).
3. During this consolidated accounting period, the company had 77 subsidiaries (27 in Japan and 50 overseas). The company also had 10 affiliates whose financial statements are accounted for by the equity method.
4. In millions of Yen and thousands of U.S. Dollars, except for per share figures.
5. U.S.\$1=Yen 115

(2) Sales breakdown

	The nine-month period of FY2001 (April 1, 2000 - Dec. 31, 2000)			The nine-month period of FY2000 (April 1, 1999 - Dec. 31, 1999)		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Electronic materials and components	431,161	81.0	3,749,226	390,357	77.7	10.5
Electronic materials	165,385	31.1	1,438,130	127,331	25.3	29.9
Electronic devices	114,372	21.5	994,539	95,565	19.0	19.7
Recording devices	131,294	24.6	1,141,687	151,586	30.2	-13.4
Semiconductors & Others	20,110	3.8	174,870	15,875	3.2	26.7
Recording media & systems	101,039	19.0	878,600	111,934	22.3	-9.7
Total sales	532,200	100.0	4,627,826	502,291	100.0	6.0
Overseas sales	357,694	67.2	3,110,383	325,952	64.9	9.7

Notes:

1. Effective from the fiscal year ending March 31, 2001, certain products that had been included in the Semiconductors & others sector are now included in the Recording media & systems segment. Sales in the nine-month period of the previous fiscal year have been restated accordingly.
2. Overseas sales for the first half of FY2001, included in the FY2001 nine-month period sales results, have been revised (see P 9 " 7) Sales by Region " for details).
3. In millions of Yen and thousands of U.S. Dollars.
4. U.S.\$1=Yen 115

5) Statements of income

The third quarter

	The third quarter of FY2001 (Oct.1,2000 - Dec. 31,2000)		The third quarter of FY2000 (Oct.1,1999 - Dec.31,1999)		change	
	(Yen millions)	% (U.S.\$ thousands)	(Yen millions)	%		
Net sales	180,174	100.0	1,566,730	172,804	100.0	4.3
Cost of sales	127,894	71.0	1,112,122	122,115	70.6	4.7
Gross profit	52,280	29.0	454,608	50,689	29.4	3.1
Selling, general and administrative expenses	34,197	19.0	297,365	31,746	18.4	7.7
Operating profit	18,083	10.0	157,243	18,943	11.0	-4.5
Other income (deductions):						
Interest and dividend income	1,167		10,148	1,072		
Interest expense	(447)		(3,887)	(117)		
Gain on sale of investment securities	-			68		
Loss on impairment of investment securities	(3,257)		(28,322)	-		
Foreign exchange gain (loss)	198		1,722	(1,549)		
Other, net	(192)		(1,669)	(481)		
Other income (deductions) total	(2,531)	-1.4	(22,008)	(1,007)	-0.6	
Income before income taxes	15,552	8.6	135,235	17,936	10.4	-13.3
Income taxes	4,960	2.7	43,131	5,714	3.3	-13.2
Income before minority interests	10,592	5.9	92,104	12,222	7.1	-13.3
Minority interests	(200)	-0.1	(1,739)	(73)	-0.1	
Net income	10,392	5.8	90,365	12,149	7.0	-14.5
Net income per common share	Yen 78.08		US\$ 0.68	Yen 91.22		
Average common shares outstanding	133,103	thousands		133,190	thousands	

Notes:

- 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).
- In millions of Yen and thousands of U.S. Dollars, except for per share figures.
- U.S.\$1=Yen 115
- Statements of income for the third quarter of fiscal 2000 and 2001 are unaudited by independent auditors.

The nine-month period

	The nine-month period of FY2001 (April 1,2000 - Dec. 31,2000)		The nine-month period of FY2000 (April 1,1999 - Dec.31,1999)		change	
	(Yen millions)	% (U.S.\$ thousands)	(Yen millions)	%		
Net sales	532,200	100.0	4,627,826	502,291	100.0	6.0
Cost of sales	377,462	70.9	3,282,278	354,006	70.5	6.6
Gross profit	154,738	29.1	1,345,548	148,285	29.5	4.4
Selling, general and administrative expenses	100,206	18.9	871,357	93,034	18.5	7.7
Operating profit	54,532	10.2	474,191	55,251	11.0	-1.3
Other income (deductions):						
Interest and dividend income	3,753		32,635	3,722		
Interest expense	(797)		(6,930)	(501)		
Gain on sale of investment securities	917		7,974	1,320		
Gain on exchange of investment securities	3,351		29,139	-		
Loss on impairment of investment securities	(3,257)		(28,322)	-		
Gain on contribution of investment securities to pension trust	12,518		108,852	-		
Write-off of intangible assets	(4,394)		(38,209)	-		
Foreign exchange gain (loss)	(1,343)		(11,678)	(6,220)		
Other, net	(1,897)		(16,495)	(1,605)		
Other income (deductions) total	8,851	1.7	76,966	(3,284)	-0.7	
Income before income taxes	63,383	11.9	551,157	51,967	10.3	22.0
Income taxes	19,807	3.7	172,235	16,243	3.2	21.9
Income before minority interests	43,576	8.2	378,922	35,724	7.1	22.0
Minority interests	(579)	-0.1	(5,035)	(219)		
Net income	42,997	8.1	373,887	35,505	7.1	21.1
Net income per common share	Yen 323.04		US\$ 2.81	Yen 266.58		
Average common shares outstanding	133,103	thousands		133,190	thousands	

Notes:

- 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).
- In millions of Yen and thousands of U.S. Dollars, except for per share figures.
- U.S.\$1=Yen 115
- Statements of income for the nine-month period of fiscal 2000 and 2001 are unaudited by independent auditors.

6) Balance sheets

ASSETS						
	As of Dec. 31, 2000			As of Sep. 30, 2000		Change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Current assets	455,861	56.9	3,964,009	456,449	58.1	-0.1
Cash and cash equivalents	139,382		1,212,017	155,008		
Marketable securities	2,035		17,696	4,817		
Net trade receivables	176,746		1,536,922	164,613		
Inventories	107,765		937,087	97,505		
Prepaid expenses and other current assets	29,933		260,287	34,506		
Investments and advances	23,558	2.9	204,852	21,664	2.8	8.7
Net property, plant, and equipment	266,202	33.2	2,314,800	253,018	32.2	5.2
Other assets	55,707	7.0	484,409	54,318	6.9	2.6
TOTAL	801,328	100.0	6,968,070	785,449	100.0	2.0

LIABILITIES AND STOCKHOLDERS' EQUITY						
	As of Dec. 31, 2000			As of Sep. 30, 2000		Change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Current liabilities	152,529	19.0	1,326,339	155,244	19.7	-1.7
Short-term debt	2,538		22,069	2,393		
Trade payables	73,166		636,226	75,453		
Accrued expenses and other current liabilities	53,358		463,983	52,356		
Income taxes	23,467		204,061	25,042		
Long-term debt, excluding current installments	1,092	0.2	9,496	1,172	0.2	-6.8
Retirement and severance benefits and others	17,033	2.1	148,113	17,632	2.2	-3.4
Total liabilities	170,654	21.3	1,483,948	174,048	22.1	-2.0
Minority interests	3,119	0.4	27,122	2,893	0.4	7.8
Common stock	32,641		283,835	32,641		
Additional paid-in capital	63,051		548,269	63,051		
Legal reserve	13,407		116,583	13,407		
Retained earnings	555,181		4,827,661	548,780		
Accumulated other comprehensive income (loss)	(34,059)		(296,165)	(46,703)		
Treasury stock	(2,666)		(23,183)	(2,668)		
Total stockholders' equity	627,555	78.3	5,457,000	608,508	77.5	3.1
TOTAL	801,328	100.0	6,968,070	785,449	100.0	2.0

Notes:

1. In millions of Yen and thousands of U.S. Dollars.
2. U.S.\$1=Yen 115
3. Balance sheets as of Dec. 31, 2000 are unaudited by independent auditors.

7) Sales by Region

The Third Quarter

	The third quarter of FY2001			The third quarter of FY2000		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Americas	33,676	18.7	292,835	26,080	15.1	29.1
Europe	30,218	16.8	262,765	24,301	14.1	24.3
Asia and others	55,254	30.6	480,469	60,877	35.2	-9.2
Overseas sales total	119,148	66.1	1,036,069	111,258	64.4	7.1
Japan	61,026	33.9	530,661	61,546	35.6	-0.8
Net sales	180,174	100.0	1,566,730	172,804	100.0	4.3

Notes:

1. Sales by region are classified by geographic areas of the buyer.
2. In millions of Yen and thousands of U.S. Dollars.
3. U.S.\$1 = Yen 115

The nine-month period

	The nine-month period of FY2001			The nine-month period of FY2000		change
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	%
Americas	96,565	18.1	839,696	79,860	15.9	20.9
Europe	75,950	14.3	660,435	63,979	12.7	18.7
Asia and others	185,179	34.8	1,610,252	182,113	36.3	1.7
Overseas sales total	357,694	67.2	3,110,383	325,952	64.9	9.7
Japan	174,506	32.8	1,517,443	176,339	35.1	-1.0
Net sales	532,200	100.0	4,627,826	502,291	100.0	6.0

Notes:

1. Sales by region are classified by geographic areas of the buyer.
2. Sales to the Americas and Japan for the first half of FY2001, included in the above shown FY2001 nine-month period sales results, have been revised (7,102 million yen previously included in Japan has been reclassified to the Americas).
3. In millions of Yen and thousands of U.S. Dollars.
4. U.S.\$1 = Yen 115