



Product Announcement

Change of Manufacturing Process - Soft Ferrite
Announcement date October 23, 2007

TDK has announced a change to the manufacturing process of its Soft Ferrite manufacturing Operations located in Narita, Japan. The finishing operations, grinding, gapping and inspection Operations for the soft ferrite are being moved from a subcontractor in Akita, Japan to the TDK manufacturing facility in Xiamen, China. The intent of this change of manufacturing process is to lower manufacturing costs and off-set the ever increasing cost of raw materials. This process change will start from November, 2007 and is expected to be fully implemented by the 2Q, 2008. The part of the process that determine the characteristics of the ferrite cores is not changing and remains in the Narita factories in Japan.

This process change only effects the soft ferrite cores that are manufactured in Japan.

Break down of the manufacturing Process

	Current	future
Material Mixing	Japan	Japan
Pressing	Japan	Japan
Sintering	Japan	Japan
Grinding/Gapping	Japan	China
Visual Inspection	Japan	China
Outgoing Inspection	Japan	China
Packaging	Japan	China

Lot number sequence will change to the standard sequence of the Xiamen, China factory. Ferrite cores manufactured with this process remain a product of Japan, assembled in China. Country of Origin Remains Japan.

Specifications of the ferrite cores remain the same such that re-qualifications are not necessary.