

(4) Notes Concerning Going Concern Assumptions

Nothing to report.

(5) Segment Information

Since fiscal 2012, TDK has had three reporting segments—Passive Components, Magnetic Application Products and Film Application Products— as well as Other, which includes products not included in these three reporting segments.

Recording media, which previously belonged to the Magnetic Application Products Segment, has been renamed applied films due to the termination of some products and acquisition of a battery separators business, which resulted in the main products being functional films. This is now shown as the reporting segment Film Application Products, and includes energy devices which belonged to Other due to the similarity in core technologies and markets.

Figures related to the display business have been excluded as discontinued operations, in accordance with the provisions of ASC Subtopic 205-20, “Presentation of Financial Statements-Discontinued Operations,” issued by the U.S. Financial Accounting Standards Board (“FASB”).

In accordance with the above, figures for the first nine months of fiscal 2013 and the third quarter of fiscal 2013 have been restated based on the current segment classifications. For details, refer to page 18.

[9-month-period results]

Net sales by industry segment

| | | The 9-month-period of FY2012 | | The 9-month-period of FY2013 | | | Change | |
|-------------------------------|--------------------|-------------------------------------|-------|-------------------------------------|-------|--------------------|----------------|-----------|
| | | (April 1, 2011 - December 31, 2011) | | (April 1, 2012 - December 31, 2012) | | | | |
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| Passive Components | External customers | 291,089 | 47.9 | 275,231 | 43.6 | 3,163,575 | (15,858) | -5.4 |
| | Intersegment | 2,066 | | 2,483 | | 28,540 | 417 | 20.2 |
| | Total | 293,155 | | 277,714 | | 3,192,115 | (15,441) | -5.3 |
| Magnetic Application Products | External customers | 228,587 | 37.6 | 255,827 | 40.6 | 2,940,540 | 27,240 | 11.9 |
| | Intersegment | 297 | | 241 | | 2,770 | (56) | -18.9 |
| | Total | 228,884 | | 256,068 | | 2,943,310 | 27,184 | 11.9 |
| Film Application Products | External customers | 68,575 | 11.3 | 83,993 | 13.3 | 965,437 | 15,418 | 22.5 |
| | Intersegment | 3,194 | | 2,203 | | 25,322 | (991) | -31.0 |
| | Total | 71,769 | | 86,196 | | 990,759 | 14,427 | 20.1 |
| Other | External customers | 19,201 | 3.2 | 15,997 | 2.5 | 183,873 | (3,204) | -16.7 |
| | Intersegment | 16,623 | | 14,022 | | 161,173 | (2,601) | -15.6 |
| | Total | 35,824 | | 30,019 | | 345,046 | (5,805) | -16.2 |
| Intersegment eliminations | | (22,180) | | (18,949) | | (217,805) | 3,231 | |
| Consolidated total | | 607,452 | 100.0 | 631,048 | 100.0 | 7,253,425 | 23,596 | 3.9 |

Segment profit (loss) by industry segment

| | The 9-month-period of FY2012 (April 1, 2011 - December 31, 2011) | | The 9-month-period of FY2013 (April 1, 2012 - December 31, 2012) | | | Change | |
|-------------------------------|------------------------------------------------------------------------|-------|------------------------------------------------------------------------|---------|--------------------|----------------|-----------|
| | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| | Passive Components | 6,554 | 2.3 | (7,118) | -2.6 | (81,816) | (13,672) |
| Magnetic Application Products | 25,049 | 11.0 | 35,252 | 13.8 | 405,195 | 10,203 | 40.7 |
| Film Application Products | 6,765 | 9.9 | 10,762 | 12.8 | 123,701 | 3,997 | 59.1 |
| Other | (2,274) | -11.8 | (1,437) | -9.0 | (16,517) | 837 | - |
| Sub total | 36,094 | 5.9 | 37,459 | 5.9 | 430,563 | 1,365 | 3.8 |
| Corporate and Eliminations | (14,225) | | (11,994) | | (137,862) | 2,231 | |
| Operating income | 21,869 | 3.6 | 25,465 | 4.0 | 292,701 | 3,596 | 16.4 |

Note:

U.S.\$1=Yen 87, for convenience only.

[3rd quarter results]

Net sales by industry segment

| | | 3Q of FY2012 (October 1, 2011 - December 31, 2011) | | 3Q of FY2013 (October 1, 2012 - December 31, 2012) | | | Change | |
|-------------------------------|---------------------------|----------------------------------------------------------|--------------------|----------------------------------------------------------|-------|--------------------|----------------|-----------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| | | Passive Components | External customers | 89,488 | 46.8 | 93,135 | 43.2 | 1,070,517 |
| | Intersegment | 547 | | 976 | | 11,219 | 429 | 78.4 |
| | Total | 90,035 | | 94,111 | | 1,081,736 | 4,076 | 4.5 |
| Magnetic Application Products | External customers | 68,002 | 35.5 | 84,215 | 39.1 | 967,989 | 16,213 | 23.8 |
| | Intersegment | 37 | | 34 | | 390 | (3) | -8.1 |
| | Total | 68,039 | | 84,249 | | 968,379 | 16,210 | 23.8 |
| Film Application Products | External customers | 28,150 | 14.7 | 33,018 | 15.3 | 379,517 | 4,868 | 17.3 |
| | Intersegment | 1,046 | | 701 | | 8,058 | (345) | -33.0 |
| | Total | 29,196 | | 33,719 | | 387,575 | 4,523 | 15.5 |
| Other | External customers | 5,702 | 3.0 | 5,034 | 2.4 | 57,862 | (668) | -11.7 |
| | Intersegment | 4,494 | | 4,789 | | 55,046 | 295 | 6.6 |
| | Total | 10,196 | | 9,823 | | 112,908 | (373) | -3.7 |
| | Intersegment eliminations | (6,124) | | (6,500) | | (74,713) | (376) | |
| | Consolidated total | 191,342 | 100.0 | 215,402 | 100.0 | 2,475,885 | 24,060 | 12.6 |

Segment profit (loss) by industry segment

| | | 3Q of FY2012 (October 1, 2011 - December 31, 2011) | | 3Q of FY2013 (October 1, 2012 - December 31, 2012) | | | Change | |
|-------------------------------|--|----------------------------------------------------------|-------|----------------------------------------------------------|-------|--------------------|----------------|-----------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| | | Passive Components | | 1,513 | 1.7 | (1,752) | -1.9 | (20,138) |
| Magnetic Application Products | | 6,999 | 10.3 | 7,524 | 8.9 | 86,483 | 525 | 7.5 |
| Film Application Products | | 2,917 | 10.4 | 3,612 | 10.9 | 41,517 | 695 | 23.8 |
| Other | | (650) | -11.4 | (551) | -10.9 | (6,333) | 99 | - |
| Sub total | | 10,779 | 5.6 | 8,833 | 4.1 | 101,529 | (1,946) | -18.1 |
| Corporate and Eliminations | | (3,373) | | (3,745) | | (43,046) | (372) | |
| Operating income | | 7,406 | 3.9 | 5,088 | 2.4 | 58,483 | (2,318) | -31.3 |

Note:

U.S.\$1=Yen 87, for convenience only.