

(4) Notes Concerning Going Concern Assumptions

Nothing to report.

(5) Segment Information

TDK has 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.

In accordance with the reorganization in 1Q of FY2016, certain products of Passive Components and Magnetic Application Products were reclassified into Other. The prior year's figures are also reclassified to conform to the new segmentation.

[1st half results]

Sales by industry segment

		1H of FY2015 (April 1, 2014 - September 30, 2014)		1H of FY2016 (April 1, 2015 - September 30, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	251,844	50.1	297,967	50.7	2,483,058	46,123	18.3
	Intersegment	1,466		1,511		12,592	45	3.1
	Total	253,310		299,478		2,495,650	46,168	18.2
Magnetic Application Products	External customers	174,444	34.7	164,624	28.0	1,371,867	(9,820)	-5.6
	Intersegment	86		110		917	24	27.9
	Total	174,530		164,734		1,372,784	(9,796)	-5.6
Film Application Products	External customers	59,719	11.9	107,297	18.3	894,142	47,578	79.7
	Intersegment	1,468		1,502		12,516	34	2.3
	Total	61,187		108,799		906,658	47,612	77.8
Other	External customers	16,268	3.3	17,726	3.0	147,716	1,458	9.0
	Intersegment	4,953		7,244		60,367	2,291	46.3
	Total	21,221		24,970		208,083	3,749	17.7
Intersegment eliminations		(7,973)		(10,367)		(86,392)	(2,394)	
Total		502,275	100.0	587,614	100.0	4,896,783	85,339	17.0

Note:

U.S.\$1=Yen 120, for convenience only.

Segment profit (loss) by industry segment

		1H of FY2015 (April 1, 2014 - September 30, 2014)		1H of FY2016 (April 1, 2015 - September 30, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		17,172	6.8	32,412	10.9	270,100	15,240	88.7
Magnetic Application Products		15,714	9.0	8,245	5.0	68,708	(7,469)	-47.5
Film Application Products		5,512	9.2	16,375	15.3	136,458	10,863	197.1
Other		(285)	-1.8	584	3.3	4,867	869	-
Sub total		38,113	7.6	57,616	9.8	480,133	19,503	51.2
Corporate and Eliminations		(10,191)		(12,041)		(100,341)	(1,850)	
Operating income		27,922	5.6	45,575	7.8	379,792	17,653	63.2

Notes:

1. U.S.\$1=Yen 120, for convenience only.
2. % to sales of each corresponding segment

[2nd quarter results]

Sales by industry segment

		2Q of FY2015 (July 1, 2014 - September 30, 2014)		2Q of FY2016 (July 1, 2015 - September 30, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	129,922	49.0	150,151	48.7	1,251,258	20,229	15.6
	Intersegment	651		746		6,217	95	14.6
	Total	130,573		150,897		1,257,475	20,324	15.6
Magnetic Application Products	External customers	89,195	33.7	85,266	27.7	710,550	(3,929)	-4.4
	Intersegment	65		47		392	(18)	-27.7
	Total	89,260		85,313		710,942	(3,947)	-4.4
Film Application Products	External customers	37,235	14.1	64,065	20.8	533,875	26,830	72.1
	Intersegment	755		766		6,383	11	1.5
	Total	37,990		64,831		540,258	26,841	70.7
Other	External customers	8,461	3.2	8,576	2.8	71,467	115	1.4
	Intersegment	3,005		4,162		34,683	1,157	38.5
	Total	11,466		12,738		106,150	1,272	11.1
Intersegment eliminations		(4,476)		(5,721)		(47,675)	(1,245)	
Total		264,813	100.0	308,058	100.0	2,567,150	43,245	16.3

Note:

U.S.\$1=Yen 120, for convenience only.

Segment profit (loss) by industry segment

		2Q of FY2015 (July 1, 2014 - September 30, 2014)		2Q of FY2016 (July 1, 2015 - September 30, 2015)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		9,415	7.2	17,382	11.6	144,850	7,967	84.6
Magnetic Application Products		8,453	9.5	4,458	5.2	37,150	(3,995)	-47.3
Film Application Products		5,226	14.0	11,643	18.2	97,025	6,417	122.8
Other		209	2.5	211	2.5	1,758	2	1.0
Sub total		23,303	8.8	33,694	10.9	280,783	10,391	44.6
Corporate and Eliminations		(4,976)		(6,259)		(52,158)	(1,283)	
Operating income		18,327	6.9	27,435	8.9	228,625	9,108	49.7

Notes:

1. U.S.\$1=Yen 120, for convenience only.
2. % to sales of each corresponding segment

(6) Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.