

#### (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 FY2017, certain products of Other were reclassified into Passive Components and certain products of Film 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 FY2016 (April 1, 2015 - September 30, 2015)		1H of FY2017 (April 1, 2016 - September 30, 2016)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	302,489	51.5	281,659	48.6	2,788,703	(20,830)	-6.9
	Intersegment	1,511		1,500		14,851	(11)	-0.7
	Total	304,000		283,159		2,803,554	(20,841)	-6.9
Magnetic Application Products	External customers	164,624	28.0	166,324	28.7	1,646,772	1,700	1.0
	Intersegment	110		78		773	(32)	-29.1
	Total	164,734		166,402		1,647,545	1,668	1.0
Film Application Products	External customers	106,218	18.1	116,978	20.2	1,158,198	10,760	10.1
	Intersegment	-		-		-	-	-
	Total	106,218		116,978		1,158,198	10,760	10.1
Other	External customers	14,283	2.4	14,220	2.5	140,792	(63)	-0.4
	Intersegment	11,948		11,860		117,426	(88)	-0.7
	Total	26,231		26,080		258,218	(151)	-0.6
Intersegment eliminations		(13,569)		(13,438)		(133,050)	131	
Total		587,614	100.0	579,181	100.0	5,734,465	(8,433)	-1.4

**Note:**

U.S.\$1=Yen 101, for convenience only.

##### Segment profit (loss) by industry segment

		1H of FY2016 (April 1, 2015 - September 30, 2015)		1H of FY2017 (April 1, 2016 - September 30, 2016)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		32,412	10.7	36,689	13.0	363,257	4,277	13.2
Magnetic Application Products		8,245	5.0	4,119	2.5	40,782	(4,126)	-50.0
Film Application Products		16,864	15.9	20,083	17.2	198,842	3,219	19.1
Other		95	0.7	(3,313)	-23.3	(32,802)	(3,408)	-
Sub total		57,616	9.8	57,578	9.9	570,079	(38)	-0.1
Corporate and Eliminations		(12,041)		(13,265)		(131,336)	(1,224)	
Operating income		45,575	7.8	44,313	7.7	438,743	(1,262)	-2.8

**Notes:**

1. U.S.\$1=Yen 101, for convenience only.
2. % to sales of each corresponding segment

**[2nd quarter results]**

**Sales by industry segment**

		2Q of FY2016 (July 1, 2015 - September 30, 2015)		2Q of FY2017 (July 1, 2016 - September 30, 2016)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	152,209	49.4	143,998	47.9	1,425,723	(8,211)	-5.4
	Intersegment	746		735		7,277	(11)	-1.5
	Total	152,955		144,733		1,433,000	(8,222)	-5.4
Magnetic Application Products	External customers	85,266	27.7	83,924	27.9	830,930	(1,342)	-1.6
	Intersegment	47		43		426	(4)	-8.5
	Total	85,313		83,967		831,356	(1,346)	-1.6
Film Application Products	External customers	63,287	20.5	65,166	21.7	645,208	1,879	3.0
	Intersegment	-		-		-	-	-
	Total	63,287		65,166		645,208	1,879	3.0
Other	External customers	7,296	2.4	7,324	2.5	72,515	28	0.4
	Intersegment	6,379		6,050		59,901	(329)	-5.2
	Total	13,675		13,374		132,416	(301)	-2.2
Intersegment eliminations		(7,172)		(6,828)		(67,604)	344	
Total		308,058	100.0	300,412	100.0	2,974,376	(7,646)	-2.5

**Note:**

U.S.\$1=Yen 101, for convenience only.

**Segment profit (loss) by industry segment**

		2Q of FY2016 (July 1, 2015 - September 30, 2015)		2Q of FY2017 (July 1, 2016 - September 30, 2016)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		17,382	11.4	20,701	14.4	204,960	3,319	19.1
Magnetic Application Products		4,458	5.2	2,377	2.8	23,535	(2,081)	-46.7
Film Application Products		11,787	18.6	13,021	20.0	128,921	1,234	10.5
Other		67	0.9	(1,961)	-26.8	(19,416)	(2,028)	-
Sub total		33,694	10.9	34,138	11.4	338,000	444	1.3
Corporate and Eliminations		(6,259)		(6,327)		(62,644)	(68)	
Operating income		27,435	8.9	27,811	9.3	275,356	376	1.4

**Notes:**

1. U.S.\$1=Yen 101, for convenience only.
2. % to sales of each corresponding segment

**(6) Notes Concerning Significant Changes in Stockholders' Equity**

Nothing to report.