

**(4) Notes Concerning Going Concern Assumptions**

Nothing to report.

**(5) Segment Information**

TDK has four reporting segments: Passive Components, Sensor Application Products, Magnetic Application Products and Film Application Products, as well as Other, which includes products not included in these four reporting segments.

In addition, TDK newly established Sensor Systems Business Company on April 1, 2017, and established Sensor Application Products segment from the quarter ended June 30, 2017 in accordance with the change of control segment of certain businesses. Sensors of Passive Components, Magnetic Sensors of Magnetic Application Products and certain products of Other were reclassified into newly established reporting segment of Sensor Application Products from the quarter ended June 30, 2017.

Furthermore, in accordance with the reorganization in 1Q of FY2018, certain products of Other were reclassified into Passive Components and certain products of Magnetic Application Products were reclassified into Other.

In accordance with the above, the prior year's figures are also reclassified to conform to the new segmentation.

New Classification	Constituent Main Business
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils/Ferrite Cores/Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components
Sensor Application Products	Temperature and Pressure Sensors, Magnetic Sensors, MEMS Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Power Supplies, Magnets
Film Application Products	Energy Devices (Rechargeable Batteries)
Other	Mechatronics (Production Equipment), Others

Previous Classification	Constituent Main Business
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils / Ferrite Cores / Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components, Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Magnetic Sensors, Power Supplies, Magnets
Film Application Products	Energy Devices (Rechargeable Batteries)
Other	Mechatronics (Production Equipment), Others

**Sales by industry segment**

		1Q of FY2017 (April 1, 2016 - June 30, 2016)		1Q of FY2018 (April 1, 2017 - June 30, 2017)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	132,661	47.6	103,512	35.8	924,214	(29,149)	-22.0
	Intersegment	807		855		7,634	48	5.9
	Total	133,468		104,367		931,848	(29,101)	-21.8
Sensor Application Products	External customers	10,445	3.7	16,393	5.7	146,366	5,948	56.9
	Intersegment	12		48		429	36	300.0
	Total	10,457		16,441		146,795	5,984	57.2
Magnetic Application Products	External customers	77,300	27.7	80,043	27.6	714,670	2,743	3.5
	Intersegment	23		71		634	48	208.7
	Total	77,323		80,114		715,304	2,791	3.6
Film Application Products	External customers	51,812	18.6	79,699	27.5	711,598	27,887	53.8
	Intersegment	-		-		-	-	-
	Total	51,812		79,699		711,598	27,887	53.8
Other	External customers	6,551	2.4	9,879	3.4	88,206	3,328	50.8
	Intersegment	6,820		7,498		66,946	678	9.9
	Total	13,371		17,377		155,152	4,006	30.0
Intersegment eliminations		(7,662)		(8,472)		(75,643)	(810)	
Total		278,769	100.0	289,526	100.0	2,585,054	10,757	3.9

**Note:**

U.S.\$1=Yen 112, for convenience only.

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

		1Q of FY2017 (April 1, 2016 - June 30, 2016)		1Q of FY2018 (April 1, 2017 - June 30, 2017)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		14,781	11.1	10,238	9.9	91,411	(4,543)	-30.7
Sensor Application Products		(961)	-9.2	(4,574)	-27.9	(40,839)	(3,613)	-
Magnetic Application Products		4,090	5.3	4,838	6.0	43,196	748	18.3
Film Application Products		7,062	13.6	12,693	15.9	113,330	5,631	79.7
Other		(1,532)	-23.4	328	3.3	2,929	1,860	-
Sub total		23,440	8.4	23,523	8.1	210,027	83	0.4
Corporate and Eliminations		(6,938)		(7,885)		(70,402)	(947)	
Operating income		16,502	5.9	15,638	5.4	139,625	(864)	-5.2

**Notes:**

1. U.S.\$1=Yen 112, for convenience only.
2. % to sales of each corresponding segment

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

Nothing to report.

**(7) Consolidated Supplementary Information**

1) Exchange rates used for conversion

Term	As of June 30, 2016		As of June 30, 2017		As of March 31, 2017	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	102.91	114.39	112.00	127.97	112.19	119.79