

(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 Energy Application Products, as well as Other, which includes products not included in these four reporting segments.

		1Q of FY2019 (April 1, 2018 - June 30, 2018)		1Q of FY2020 (April 1, 2019 - June 30, 2019)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	112,722	32.9	98,269	29.2	909,898	(14,453)	-12.8
	Intersegment	801		764		7,074	(37)	-4.6
	Total	113,523		99,033		916,972	(14,490)	-12.8
Sensor Application Products	External customers	18,869	5.5	18,142	5.4	167,982	(727)	-3.9
	Intersegment	33		15		139	(18)	-54.5
	Total	18,902		18,157		168,121	(745)	-3.9
Magnetic Application Products	External customers	70,476	20.5	55,529	16.5	514,157	(14,947)	-21.2
	Intersegment	23		2,782		25,759	2,759	-
	Total	70,499		58,311		539,916	(12,188)	-17.3
Energy Application Products	External customers	125,587	36.6	144,513	42.9	1,338,083	18,926	15.1
	Intersegment	7		-		-	(7)	-
	Total	125,594		144,513		1,338,083	18,919	15.1
Other	External customers	15,414	4.5	20,362	6.0	188,537	4,948	32.1
	Intersegment	6,811		6,638		61,463	(173)	-2.5
	Total	22,225		27,000		250,000	4,775	21.5
Intersegment eliminations		(7,675)		(10,199)		(94,435)	(2,524)	
Total		343,068	100.0	336,815	100.0	3,118,657	(6,253)	-1.8

Note:

U.S.\$1=Yen 108, for convenience only.

Segment profit (loss) by industry segment

		1Q of FY2019 (April 1, 2018 - June 30, 2018)		1Q of FY2020 (April 1, 2019 - June 30, 2019)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		14,022	12.4	10,339	10.5	95,731	(3,683)	-26.3
Sensor Application Products		(4,941)	-26.2	(7,021)	-38.7	(65,009)	(2,080)	-
Magnetic Application Products		3,468	4.9	3,298	5.9	30,537	(170)	-4.9
Energy Application Products		21,025	16.7	26,469	18.3	245,083	5,444	25.9
Other		(1,040)	-6.7	315	1.5	2,917	1,355	-
Sub total		32,534	9.5	33,400	9.9	309,259	866	2.7
Corporate and Eliminations		(7,114)		(8,420)		(77,963)	(1,306)	
Operating income		25,420	7.4	24,980	7.4	231,296	(440)	-1.7

Notes:

U.S.\$1=Yen 108, for convenience only.

(6) Subsequent Events

In the Board of Directors held on July 31, 2019, TDK has resolved to exercise the option to sell 49 percent of the common shares of RF360 Holdings Singapore PTE. Ltd., which is held by TDK Electronics AG, a wholly-owned subsidiary of TDK.

The date of option exercise is planned on August 30, 2019. This option was granted based on the business alliance agreement involving the establishment of the joint venture concluded with Qualcomm Incorporated on January 13, 2016. The sales price is U.S.\$1.15 billion as stated in the option and it does not have a material impact on the consolidated statements of income.

(7) Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.

(8) Consolidated Supplementary Information

1) Exchange rates used for conversion

Item	Term	As of June 30, 2018		As of June 30, 2019		As of March 31, 2019	
		US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period		110.54	127.91	107.79	122.49	110.99	124.56

2) Sales by region

Region	Term	1Q of FY2019 (April 1, 2018 - June 30, 2018)		1Q of FY2020 (April 1, 2019 - June 30, 2019)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		28,358	8.3	25,794	7.7	238,833	(2,564)	-9.0
Europe		43,726	12.7	37,143	11.0	343,917	(6,583)	-15.1
Asia and others		242,807	70.8	247,502	73.5	2,291,685	4,695	1.9
Overseas sales total		314,891	91.8	310,439	92.2	2,874,435	(4,452)	-1.4
Japan		28,177	8.2	26,376	7.8	244,222	(1,801)	-6.4
Net sales		343,068	100.0	336,815	100.0	3,118,657	(6,253)	-1.8

Notes:

1. U.S.\$1=Yen 108, for convenience only.
2. Overseas sales are based on the location of the customers.

3) Company group

As of June 30, 2019, TDK Corporation had 141 consolidated subsidiaries (13 in Japan and 128 overseas). TDK Corporation also had 6 affiliates (3 in Japan and 3 overseas), the financial statements for which are accounted for by the equity method.

4) Overview of sales by product

Term Product	1Q of FY2019 (April 1, 2018 - June 30, 2018)		2Q of FY2019 (July 1, 2018 - September 30, 2018)		3Q of FY2019 (October 1, 2018 - December 31, 2018)		4Q of FY2019 (January 1, 2019 - March 31, 2019)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	44,461	13.0	43,883	11.6	42,721	12.2	42,266	13.7
Inductive Devices	38,938	11.4	39,478	10.4	37,301	10.6	34,274	11.0
Other	29,323	8.5	28,739	7.6	26,680	7.6	25,342	8.2
Passive Components	112,722	32.9	112,100	29.6	106,702	30.4	101,882	32.9
Sensor Application Products	18,869	5.5	20,608	5.4	19,701	5.6	17,289	5.6
Magnetic Application Products	70,476	20.5	75,390	19.9	66,410	18.9	60,531	19.6
Energy Application Products	125,587	36.6	154,761	40.9	145,372	41.5	111,782	36.2
Other	15,414	4.5	16,013	4.2	12,618	3.6	17,579	5.7
Total	343,068	100.0	378,872	100.0	350,803	100.0	309,063	100.0

Term Product	1Q of FY2020 (April 1, 2019 - June 30, 2019)		
	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	39,279	11.7	363,695
Inductive Devices	34,149	10.1	316,194
Other	24,841	7.4	230,009
Passive Components	98,269	29.2	909,898
Sensor Application Products	18,142	5.4	167,982
Magnetic Application Products	55,529	16.5	514,157
Energy Application Products	144,513	42.9	1,338,083
Other	20,362	6.0	188,537
Total	336,815	100.0	3,118,657

Notes:

1. U.S.\$1=Yen 108, for convenience only.
2. In accordance with the reorganization in 1Q of FY2020, certain products of Inductive Devices were reclassified into Other Passive Components.
The prior year's sales are also reclassified to conform to the new segmentation.