

(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 FY2020 (April 1, 2019 - June 30, 2019)		1Q of FY2021 (April 1, 2020 - June 30, 2020)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	98,269	29.2	84,357	27.3	781,083	(13,912)	-14.2
	Intersegment	764		917		8,491	153	20.0
	Total	99,033		85,274		789,574	(13,759)	-13.9
Sensor Application Products	External customers	18,142	5.4	14,703	4.7	136,139	(3,439)	-19.0
	Intersegment	15		90		833	75	500.0
	Total	18,157		14,793		136,972	(3,364)	-18.5
Magnetic Application Products	External customers	55,529	16.5	38,278	12.4	354,426	(17,251)	-31.1
	Intersegment	2,782		308		2,852	(2,474)	-88.9
	Total	58,311		38,586		357,278	(19,725)	-33.8
Energy Application Products	External customers	144,513	42.9	156,855	50.7	1,452,361	12,342	8.5
	Intersegment	-		-		-	-	-
	Total	144,513		156,855		1,452,361	12,342	8.5
Other	External customers	20,362	6.0	15,200	4.9	140,741	(5,162)	-25.4
	Intersegment	6,638		5,729		53,046	(909)	-13.7
	Total	27,000		20,929		193,787	(6,071)	-22.5
Intersegment eliminations		(10,199)		(7,044)		(65,222)	3,155	
Total		336,815	100.0	309,393	100.0	2,864,750	(27,422)	-8.1

Note:

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

Segment profit (loss) by industry segment

		1Q of FY2020 (April 1, 2019 - June 30, 2019)		1Q of FY2021 (April 1, 2020 - June 30, 2020)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		10,339	10.5	7,734	9.2	71,611	(2,605)	-25.2
Sensor Application Products		(7,021)	-38.7	(7,265)	-49.4	(67,268)	(244)	-
Magnetic Application Products		3,298	5.9	(3,844)	-10.0	(35,592)	(7,142)	-
Energy Application Products		26,469	18.3	31,259	19.9	289,435	4,790	18.1
Other		315	1.5	(1,877)	-12.3	(17,380)	(2,192)	-
Sub total		33,400	9.9	26,007	8.4	240,806	(7,393)	-22.1
Corporate and Eliminations		(8,420)		(7,567)		(70,065)	853	
Operating income		24,980	7.4	18,440	6.0	170,741	(6,540)	-26.2

Note:

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(6) Subsequent Events

TDK has issued unsecured straight bonds (with special inter-bond pari passu clause) under the following conditions.

	5 th Series Unsecured Straight Bonds	6 th Series Unsecured Straight Bonds	7 th Series Unsecured Straight Bonds
Date of issuance	July 28, 2020		
Total amount of bond issuance	30 billion yen	30 billion yen	40 billion yen
Issue price	100% of the principle amount		
Coupon rate (per annum)	0.180% per year	0.310% per year	0.430% per year
Term of Redemption	July 28, 2025	July 28, 2027	July 26, 2030
Purpose of bond issuance	Repayment of debt		

(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, 2019		As of June 30, 2020		As of March 31, 2020	
		US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period		107.79	122.49	107.74	121.08	108.83	119.55

2) Sales by region

Region	Term	1Q of FY2020 (April 1, 2019 - June 30, 2019)		1Q of FY2021 (April 1, 2020 - June 30, 2020)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas		25,794	7.7	17,851	5.8	165,287	(7,943)	-30.8
Europe		37,143	11.0	27,513	8.9	254,750	(9,630)	-25.9
China		178,000	52.9	189,958	61.4	1,758,871	11,958	6.7
Asia and others		69,502	20.6	48,585	15.7	449,861	(20,917)	-30.1
Overseas sales total		310,439	92.2	283,907	91.8	2,628,769	(26,532)	-8.5
Japan		26,376	7.8	25,486	8.2	235,981	(890)	-3.4
Net sales		336,815	100.0	309,393	100.0	2,864,750	(27,422)	-8.1

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, 2020, TDK Corporation had 141 consolidated subsidiaries (13 in Japan and 128 overseas). TDK Corporation also had 4 affiliates (3 in Japan and 1 overseas), the financial statements for which are accounted for by the equity method.

4) Overview of sales by product

Term Product	1Q of FY2020 (April 1, 2019 - June 30, 2019)		2Q of FY2020 (July 1, 2019 - September 30, 2019)		3Q of FY2020 (October 1, 2019 - December 31, 2019)		4Q of FY2020 (January 1, 2020 - March 31, 2020)	
	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%	(Yen millions)	%
Capacitors	39,279	11.7	39,643	10.7	37,286	10.5	37,674	12.5
Inductive Devices	34,149	10.1	35,662	9.6	34,803	9.8	32,958	11.0
Other	24,841	7.4	26,566	7.2	26,260	7.4	26,335	8.8
Passive Components	98,269	29.2	101,871	27.5	98,349	27.7	96,967	32.3
Sensor Application Products	18,142	5.4	20,777	5.6	20,308	5.7	18,711	6.2
Magnetic Application Products	55,529	16.5	54,465	14.7	57,859	16.3	51,815	17.3
Energy Application Products	144,513	42.9	173,664	46.9	161,177	45.3	118,344	39.4
Other	20,362	6.0	19,437	5.3	17,941	5.0	14,537	4.8
Total	336,815	100.0	370,214	100.0	355,634	100.0	300,374	100.0

Term Product	1Q of FY2021 (April 1, 2020 - June 30, 2020)		
	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	33,334	10.8	308,648
Inductive Devices	27,377	8.9	253,491
Other	23,646	7.6	218,944
Passive Components	84,357	27.3	781,083
Sensor Application Products	14,703	4.7	136,139
Magnetic Application Products	38,278	12.4	354,426
Energy Application Products	156,855	50.7	1,452,361
Other	15,200	4.9	140,741
Total	309,393	100.0	2,864,750

Note:

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