

(4) Notes Concerning Going Concern Assumptions

Nothing to report.

(5) Segment Information

TDK classifies its businesses into two (2) segments: (1) "Passive Components"; and (2) "Magnetic Application Products". Businesses that do not fall under either of these two (2) segments are considered to be "Other".

【1st half results】

Net sales by industry segment

		1H of FY2011 (April 1, 2010 - September 30, 2010)		1H of FY2012 (April 1, 2011 - September 30, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	213,450	48.3	201,601	48.3	2,618,195	(11,849)	-5.6
	Intersegment	1,141		1,519		19,727	378	33.1
	Total	214,591		203,120		2,637,922	(11,471)	-5.3
Magnetic Application Products	External customers	192,506	43.5	167,176	40.1	2,171,117	(25,330)	-13.2
	Intersegment	3,045		2,373		30,818	(672)	-22.1
	Total	195,551		169,549		2,201,935	(26,002)	-13.3
Other	External customers	36,278	8.2	48,380	11.6	628,311	12,102	33.4
	Intersegment	6,432		12,128		157,506	5,696	88.6
	Total	42,710		60,508		785,817	17,798	41.7
Intersegment eliminations		(10,618)		(16,020)		(208,051)	(5,402)	
Consolidated total		442,234	100.0	417,157	100.0	5,417,623	(25,077)	-5.7

Segment profit by industry segment

		1H of FY2011 (April 1, 2010 - September 30, 2010)		1H of FY2012 (April 1, 2011 - September 30, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		13,507	6.3	5,041	2.5	65,467	(8,466)	-62.7
Magnetic Application Products		28,613	14.9	16,356	9.8	212,416	(12,257)	-42.8
Other		2,678	7.4	3,247	6.7	42,169	569	21.2
Sub total		44,798	10.1	24,644	5.9	320,052	(20,154)	-45.0
Corporate and Eliminations		(7,610)		(10,852)		(140,935)	(3,242)	
Operating income		37,188	8.4	13,792	3.3	179,117	(23,396)	-62.9

Note:

1. U.S.\$1=Yen 77, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (i.e., other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.

【2nd quarter results】

Net sales by industry segment

		2Q of FY2011 (July 1, 2010 - September 30, 2010)		2Q of FY2012 (July 1, 2011 - September 30, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	108,748	49.3	99,891	47.5	1,297,286	(8,857)	-8.1
	Intersegment	595		693		9,000	98	16.5
	Total	109,343		100,584		1,306,286	(8,759)	-8.0
Magnetic Application Products	External customers	92,244	41.9	84,508	40.2	1,097,506	(7,736)	-8.4
	Intersegment	1,555		1,273		16,533	(282)	-18.1
	Total	93,799		85,781		1,114,039	(8,018)	-8.5
Other	External customers	19,317	8.8	25,987	12.3	337,494	6,670	34.5
	Intersegment	3,615		6,281		81,571	2,666	73.7
	Total	22,932		32,268		419,065	9,336	40.7
Intersegment eliminations		(5,765)		(8,247)		(107,104)	(2,482)	
Consolidated total		220,309	100.0	210,386	100.0	2,732,286	(9,923)	-4.5

Segment profit by industry segment

		2Q of FY2011 (July 1, 2010 - September 30, 2010)		2Q of FY2012 (July 1, 2011 - September 30, 2011)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		7,252	6.7	1,266	1.3	16,442	(5,986)	-82.5
Magnetic Application Products		12,536	13.6	8,801	10.4	114,299	(3,735)	-29.8
Other		1,699	8.8	1,748	6.7	22,701	49	2.9
Sub total		21,487	9.8	11,815	5.6	153,442	(9,672)	-45.0
Corporate and Eliminations		(4,508)		(3,666)		(47,611)	842	
Operating income		16,979	7.7	8,149	3.9	105,831	(8,830)	-52.0

Notes:

1. U.S.\$1=Yen 77, for convenience only.
2. Certain products are reclassified from "Inductive devices" to "Other (*i.e.*, other than 2 reportable segments)" due to the reorganization in the first quarter of fiscal 2012. The prior year's sales are also reclassified to conform to the new segmentation.

(6) Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.