

(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 provisions of ASC No.205-20, "Presentation of Financial Statements – Discontinued Operations", the figures relating to the data tape business are excluded from FY2014. The prior year's figures are also excluded to conform to the presentation used for FY2014.

Film Application Products included the data tape business in past financial statements.

For details of net sales, refer to page 19.

[1st half results]

Net sales by industry segment

		1H of FY2013 (April 1, 2012 - September 30, 2012)		1H of FY2014 (April 1, 2013 - September 30, 2013)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	182,096	44.2	236,431	48.8	2,412,561	54,335	29.8
	Intersegment	1,507		1,534		15,653	27	1.8
	Total	183,603		237,965		2,428,214	54,362	29.6
Magnetic Application Products	External customers	171,612	41.6	179,050	36.9	1,827,041	7,438	4.3
	Intersegment	207		321		3,275	114	55.1
	Total	171,819		179,371		1,830,316	7,552	4.4
Film Application Products	External customers	47,367	11.5	60,126	12.4	613,531	12,759	26.9
	Intersegment	1,502		1,454		14,837	(48)	-3.2
	Total	48,869		61,580		628,368	12,711	26.0
Other	External customers	10,963	2.7	9,121	1.9	93,071	(1,842)	-16.8
	Intersegment	9,233		4,433		45,235	(4,800)	-52.0
	Total	20,196		13,554		138,306	(6,642)	-32.9
Intersegment eliminations		(12,449)		(7,742)		(79,000)	4,707	
Total		412,038	100.0	484,728	100.0	4,946,204	72,690	17.6

Segment profit (loss) by industry segment

		1H of FY2013 (April 1, 2012 - September 30, 2012)		1H of FY2014 (April 1, 2013 - September 30, 2013)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		(5,366)	-2.9	9,033	3.8	92,173	14,399	-
Magnetic Application Products		27,728	16.2	12,436	6.9	126,898	(15,292)	-55.2
Film Application Products		7,069	14.9	5,135	8.5	52,398	(1,934)	-27.4
Other		(886)	-8.1	(1,638)	-18.0	(16,714)	(752)	-
Sub total		28,545	6.9	24,966	5.2	254,755	(3,579)	-12.5
Corporate and Eliminations		(8,249)		(8,196)		(83,633)	53	
Operating income		20,296	4.9	16,770	3.5	171,122	(3,526)	-17.4

Note:

U.S.\$1=Yen 98, for convenience only.

[2nd quarter results]

Net sales by industry segment

		2Q of FY2013 (July 1, 2012 - September 30, 2012)		2Q of FY2014 (July 1, 2013 - September 30, 2013)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	90,616	44.2	119,404	47.8	1,218,408	28,788	31.8
	Intersegment	769		675		6,888	(94)	-12.2
	Total	91,385		120,079		1,225,296	28,694	31.4
Magnetic Application Products	External customers	83,432	40.7	92,855	37.2	947,500	9,423	11.3
	Intersegment	46		29		296	(17)	-37.0
	Total	83,478		92,884		947,796	9,406	11.3
Film Application Products	External customers	25,776	12.6	33,130	13.2	338,061	7,354	28.5
	Intersegment	682		720		7,347	38	5.6
	Total	26,458		33,850		345,408	7,392	27.9
Other	External customers	5,202	2.5	4,411	1.8	45,011	(791)	-15.2
	Intersegment	4,258		2,219		22,642	(2,039)	-47.9
	Total	9,460		6,630		67,653	(2,830)	-29.9
Intersegment eliminations		(5,755)		(3,643)		(37,173)	2,112	
Total		205,026	100.0	249,800	100.0	2,548,980	44,774	21.8

Segment profit (loss) by industry segment

		2Q of FY2013 (July 1, 2012 - September 30, 2012)		2Q of FY2014 (July 1, 2013 - September 30, 2013)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		(2,499)	-2.8	6,211	5.2	63,378	8,710	-
Magnetic Application Products		13,158	15.8	7,813	8.4	79,725	(5,345)	-40.6
Film Application Products		5,014	19.5	3,171	9.6	32,357	(1,843)	-36.8
Other		(459)	-8.8	(816)	-18.5	(8,327)	(357)	-
Sub total		15,214	7.4	16,379	6.6	167,133	1,165	7.7
Corporate and Eliminations		(4,086)		(3,989)		(40,704)	97	
Operating income		11,128	5.4	12,390	5.0	126,429	1,262	11.3

Note:

U.S.\$1=Yen 98, for convenience only.

(6) Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.