

#### (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 reorganization in 1Q of FY2017, certain products of Other were reclassified into Passive Components and certain products of Film Application Products were reclassified into Other. The prior year's figures are also reclassified to conform to the new segmentation.

##### Sales by industry segment

		1Q of FY2016 (April 1, 2015 - June 30, 2015)		1Q of FY2017 (April 1, 2016 - June 30, 2016)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	150,280	53.7	137,661	49.4	1,336,515	(12,619)	-8.4
	Intersegment	765		765		7,427	(0)	-0.0
	Total	151,045		138,426		1,343,942	(12,619)	-8.4
Magnetic Application Products	External customers	79,358	28.4	82,400	29.5	800,000	3,042	3.8
	Intersegment	63		35		340	(28)	-44.4
	Total	79,421		82,435		800,340	3,014	3.8
Film Application Products	External customers	42,931	15.4	51,812	18.6	503,029	8,881	20.7
	Intersegment	-		-		-	-	-
	Total	42,931		51,812		503,029	8,881	20.7
Other	External customers	6,987	2.5	6,896	2.5	66,951	(91)	-1.3
	Intersegment	5,569		5,810		56,408	241	4.3
	Total	12,556		12,706		123,359	150	1.2
Intersegment eliminations		(6,397)		(6,610)		(64,175)	(213)	
Total		279,556	100.0	278,769	100.0	2,706,495	(787)	-0.3

**Note:**

U.S.\$1=Yen 103, for convenience only.

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

		1Q of FY2016 (April 1, 2015 - June 30, 2015)		1Q of FY2017 (April 1, 2016 - June 30, 2016)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		15,030	10.0	15,988	11.6	155,223	958	6.4
Magnetic Application Products		3,787	4.8	1,742	2.1	16,913	(2,045)	-54.0
Film Application Products		5,077	11.8	7,062	13.6	68,563	1,985	39.1
Other		28	0.4	(1,352)	-19.6	(13,126)	(1,380)	-
Sub total		23,922	8.6	23,440	8.4	227,573	(482)	-2.0
Corporate and Eliminations		(5,782)		(6,938)		(67,359)	(1,156)	
Operating income		18,140	6.5	16,502	5.9	160,214	(1,638)	-9.0

**Notes:**

1. U.S.\$1=Yen 103, for convenience only.
2. % to sales of each corresponding segment

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

Nothing to report.