

#### (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.

In addition, TDK newly established Energy Solutions Business Company on April 1, 2018, and established Energy Application Products segment from the quarter ended June 30, 2018 in accordance with the change of control segment of certain businesses. Energy Devices (Rechargeable Batteries) of Film Application Products, Power Supplies of Magnetic Application Products and certain products of Other were reclassified into newly established reporting segment of Energy Application Products from the quarter ended June 30, 2018.

Furthermore, in accordance with the reorganization in 1Q of FY2018, certain products of Passive Components were reclassified into Other, certain products of Other were reclassified into Passive Components and certain products of Sensor Application Products were reclassified into Other.

In accordance with the above, the prior year's figures are also reclassified to conform to the new segmentation.

New Classification	Constituent Main Business
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils/Ferrite Cores/Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components
Sensor Application Products	Temperature and Pressure Sensors, Magnetic Sensors, MEMS Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Magnets
Energy Application Products	Energy Devices (Rechargeable Batteries) , Power Supplies
Other	Mechatronics (Production Equipment), Others

Previous Classification	Constituent Main Business
Passive Components	Ceramic Capacitors, Aluminum Electrolytic Capacitors, Film Capacitors, Inductive Devices (Coils/Ferrite Cores/Transformers), High-Frequency Devices, Piezoelectric Material Products, Circuit Protection Components
Sensor Application Products	Temperature and Pressure Sensors, Magnetic Sensors, MEMS Sensors
Magnetic Application Products	HDD Heads, HDD Suspension Assemblies, Power Supplies, Magnets
Film Application Products	Energy Devices (Rechargeable Batteries)
Other	Mechatronics (Production Equipment), Others

**Sales by industry segment**

		1Q of FY2018 (April 1, 2017 - June 30, 2017)		1Q of FY2019 (April 1, 2018 - June 30, 2018)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	96,720	33.4	112,722	32.9	1,015,514	16,002	16.5
	Intersegment	871		801		7,216	(70)	-8.0
	Total	97,591		113,523		1,022,730	15,932	16.3
Sensor Application Products	External customers	16,317	5.7	18,869	5.5	169,991	2,552	15.6
	Intersegment	48		33		297	(15)	-31.3
	Total	16,365		18,902		170,288	2,537	15.5
Magnetic Application Products	External customers	66,381	22.9	70,476	20.5	634,919	4,095	6.2
	Intersegment	69		23		207	(46)	-66.7
	Total	66,450		70,499		635,126	4,049	6.1
Energy Application Products	External customers	95,316	32.9	125,587	36.6	1,131,414	30,271	31.8
	Intersegment	2		7		64	5	250.0
	Total	95,318		125,594		1,131,478	30,276	31.8
Other	External customers	14,792	5.1	15,414	4.5	138,865	622	4.2
	Intersegment	7,324		6,811		61,360	(513)	-7.0
	Total	22,116		22,225		200,225	109	0.5
Intersegment eliminations		(8,314)		(7,675)		(69,144)	639	
Total		289,526	100.0	343,068	100.0	3,090,703	53,542	18.5

**Note:**

U.S.\$1=Yen 111, for convenience only.

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

		1Q of FY2018 (April 1, 2017 - June 30, 2017)		1Q of FY2019 (April 1, 2018 - June 30, 2018)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		10,283	10.6	14,022	12.4	126,324	3,739	36.4
Sensor Application Products		(4,474)	-27.4	(4,941)	-26.2	(44,513)	(467)	-
Magnetic Application Products		3,692	5.6	3,468	4.9	31,243	(224)	-6.1
Energy Application Products		13,452	14.1	21,025	16.7	189,414	7,573	56.3
Other		1,432	9.7	(1,040)	-6.7	(9,369)	(2,472)	-
Sub total		24,385	8.4	32,534	9.5	293,099	8,149	33.4
Corporate and Eliminations		(7,783)		(7,114)		(64,090)	669	
Operating income		16,602	5.7	25,420	7.4	229,009	8,818	53.1

**Notes:**

1. U.S.\$1=Yen 111, for convenience only.
2. % to sales of each corresponding segment
3. The prior year's results are reclassified due to adoption of Accounting Standards Update("ASU") 2017-07 "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postrequirement Benefit Cost". As a result of this reclassification, operating income increased by ¥964 million. Please refer to page 11 for more detailed information.

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

Nothing to report.

**(7) Consolidated Supplementary Information**

1) Exchange rates used for conversion

Item	Term	As of June 30, 2017		As of June 30, 2018		As of March 31, 2018	
		US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period		112.00	127.97	110.54	127.91	106.24	130.52