

(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.

[1st half results]

		1H of FY2020 (April 1, 2019 - September 30, 2019)		1H of FY2021 (April 1, 2020 - September 30, 2020)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	200,140	28.3	183,796	26.6	1,733,924	(16,344)	-8.2
	Intersegment	1,456		1,828		17,244	372	25.5
	Total	201,596		185,624		1,751,168	(15,972)	-7.9
Sensor Application Products	External customers	38,919	5.5	34,491	5.0	325,387	(4,428)	-11.4
	Intersegment	58		154		1,453	96	165.5
	Total	38,977		34,645		326,840	(4,332)	-11.1
Magnetic Application Products	External customers	109,994	15.6	88,701	12.8	836,802	(21,293)	-19.4
	Intersegment	3,358		405		3,821	(2,953)	-87.9
	Total	113,352		89,106		840,623	(24,246)	-21.4
Energy Application Products	External customers	318,177	45.0	357,517	51.7	3,372,802	39,340	12.4
	Intersegment	-		-		-	-	-
	Total	318,177		357,517		3,372,802	39,340	12.4
Other	External customers	39,799	5.6	26,606	3.9	251,000	(13,193)	-33.1
	Intersegment	13,853		10,689		100,840	(3,164)	-22.8
	Total	53,652		37,295		351,840	(16,357)	-30.5
Intersegment eliminations		(18,725)		(13,076)		(123,358)	5,649	
Total		707,029	100.0	691,111	100.0	6,519,915	(15,918)	-2.3

Note:

U.S.\$1=Yen 106, for convenience only.

Segment profit (loss) by industry segment

		1H of FY2020 (April 1, 2019 - September 30, 2019)		1H of FY2021 (April 1, 2020 - September 30, 2020)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		21,759	10.9	17,386	9.5	164,019	(4,373)	-20.1
Sensor Application Products		(12,549)	-32.2	(12,320)	-35.7	(116,226)	229	-
Magnetic Application Products		6,748	6.1	(2,486)	-2.8	(23,453)	(9,234)	-
Energy Application Products		68,950	21.7	79,570	22.3	750,660	10,620	15.4
Other		(319)	-0.8	(4,711)	-17.7	(44,443)	(4,392)	-
Sub total		84,589	12.0	77,439	11.2	730,557	(7,150)	-8.5
Corporate and Eliminations		(15,746)		(15,033)		(141,821)	713	
Operating income		68,843	9.7	62,406	9.0	588,736	(6,437)	-9.4

Note:

U.S.\$1=Yen 106, for convenience only.

[2nd quarter results]

		2Q of FY2020 (July 1, 2019 - September 30, 2019)		2Q of FY2021 (July 1, 2020 - September 30, 2020)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components	External customers	101,871	27.5	99,439	26.0	938,103	(2,432)	-2.4
	Intersegment	692		911		8,595	219	31.6
	Total	102,563		100,350		946,698	(2,213)	-2.2
Sensor Application Products	External customers	20,777	5.6	19,788	5.2	186,679	(989)	-4.8
	Intersegment	43		64		604	21	48.8
	Total	20,820		19,852		187,283	(968)	-4.6
Magnetic Application Products	External customers	54,465	14.7	50,423	13.2	475,689	(4,042)	-7.4
	Intersegment	576		97		915	(479)	-83.2
	Total	55,041		50,520		476,604	(4,521)	-8.2
Energy Application Products	External customers	173,664	46.9	200,662	52.6	1,893,038	26,998	15.5
	Intersegment	-		-		-	-	-
	Total	173,664		200,662		1,893,038	26,998	15.5
Other	External customers	19,437	5.3	11,406	3.0	107,604	(8,031)	-41.3
	Intersegment	7,215		4,960		46,792	(2,255)	-31.3
	Total	26,652		16,366		154,396	(10,286)	-38.6
Intersegment eliminations		(8,526)		(6,032)		(56,906)	2,494	
Total		370,214	100.0	381,718	100.0	3,601,113	11,504	3.1

Note:

U.S.\$1=Yen 106, for convenience only.

Segment profit (loss) by industry segment

		2Q of FY2020 (July 1, 2019 - September 30, 2019)		2Q of FY2021 (July 1, 2020 - September 30, 2020)			Change	
		(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Passive Components		11,420	11.2	9,652	9.7	91,057	(1,768)	-15.5
Sensor Application Products		(5,528)	-26.6	(5,055)	-25.5	(47,689)	473	-
Magnetic Application Products		3,450	6.3	1,358	2.7	12,811	(2,092)	-60.6
Energy Application Products		42,481	24.5	48,311	24.1	455,765	5,830	13.7
Other		(634)	-3.3	(2,834)	-24.8	(26,736)	(2,200)	-
Sub total		51,189	13.8	51,432	13.5	485,208	243	0.5
Corporate and Eliminations		(7,326)		(7,466)		(70,434)	(140)	
Operating income		43,863	11.8	43,966	11.5	414,774	103	0.2

Note:

U.S.\$1=Yen 106, for convenience only.

(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 September 30, 2019		As of September 30, 2020		As of March 31, 2020	
	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen	US\$=Yen	Euro=Yen
The end of the period	107.92	118.02	105.80	124.17	108.83	119.55

2) Sales by region

[1st half results]

Region \ Term	1H of FY2020 (April 1, 2019 - September 30, 2019)		1H of FY2021 (April 1, 2020 - September 30, 2020)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	49,874	7.1	42,690	6.2	402,736	(7,184)	-14.4
Europe	73,714	10.4	64,569	9.3	609,142	(9,145)	-12.4
China	394,194	55.7	406,101	58.8	3,831,141	11,907	3.0
Asia and others	135,582	19.2	125,244	18.1	1,181,547	(10,338)	-7.6
Overseas sales total	653,364	92.4	638,604	92.4	6,024,566	(14,760)	-2.3
Japan	53,665	7.6	52,507	7.6	495,349	(1,158)	-2.2
Net sales	707,029	100.0	691,111	100.0	6,519,915	(15,918)	-2.3

[2nd quarter results]

Region \ Term	2Q of FY2020 (July 1, 2019 - September 30, 2019)		2Q of FY2021 (July 1, 2020 - September 30, 2020)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Americas	24,080	6.5	24,839	6.5	234,330	759	3.2
Europe	36,571	9.9	37,056	9.7	349,585	485	1.3
China	216,194	58.4	216,143	56.6	2,039,085	(51)	-0.0
Asia and others	66,080	17.8	76,659	20.1	723,198	10,579	16.0
Overseas sales total	342,925	92.6	354,697	92.9	3,346,198	11,772	3.4
Japan	27,289	7.4	27,021	7.1	254,915	(268)	-1.0
Net sales	370,214	100.0	381,718	100.0	3,601,113	11,504	3.1

Notes:

1. U.S.\$1=Yen 106, for convenience only.
2. Overseas sales are based on the location of the customers.

3) Company group

As of September 30, 2020, TDK Corporation had 140 consolidated subsidiaries (12 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)		2Q of FY2021 (July 1, 2020 - September 30, 2020)		
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)
Capacitors	33,334	10.8	38,585	10.1	364,009
Inductive Devices	27,377	8.9	34,620	9.0	326,604
Other	23,646	7.6	26,234	6.9	247,490
Passive Components	84,357	27.3	99,439	26.0	938,103
Sensor Application Products	14,703	4.7	19,788	5.2	186,679
Magnetic Application Products	38,278	12.4	50,423	13.2	475,689
Energy Application Products	156,855	50.7	200,662	52.6	1,893,038
Other	15,200	4.9	11,406	3.0	107,604
Total	309,393	100.0	381,718	100.0	3,601,113

Note:

U.S.\$1=Yen 106, for convenience only.