

I-8) Segment Information

The following industry and geographic segment information are required by the Japanese Financial Instruments Exchange Law.

1. Industry segment information

| Product | Term | 1H of FY2007 (April 1, 2006 - Sep. 30, 2006) | | 1H of FY2008 (April 1, 2007 - September 30, 2007) | | | Change | | FY2007 (April 1, 2006 - March 31, 2007) | |
|--|------|---|-------|--|-------|--------------------|----------------|-----------|--|-------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) | (Yen millions) | % |
| Electronic materials and components | | | | | | | | | | |
| Net sales | | 376,707 | 100.0 | 398,421 | 100.0 | 3,464,531 | 21,714 | 5.8 | 758,821 | 100.0 |
| External sales | | 376,707 | | 398,421 | | 3,464,531 | 21,714 | 5.8 | 758,821 | |
| Intersegment | | - | | - | | - | - | - | - | |
| Operating expenses | | 336,140 | 89.2 | 362,381 | 91.0 | 3,151,139 | 26,241 | 7.8 | 677,046 | 89.2 |
| Operating income | | 40,567 | 10.8 | 36,040 | 9.0 | 313,392 | (4,527) | -11.2 | 81,775 | 10.8 |
| Recording media | | | | | | | | | | |
| Net sales | | 48,131 | 100.0 | 34,667 | 100.0 | 301,452 | (13,464) | -28.0 | 103,204 | 100.0 |
| External sales | | 48,131 | | 34,667 | | 301,452 | (13,464) | -28.0 | 103,204 | |
| Intersegment | | - | | - | | - | - | - | - | |
| Operating expenses | | 50,434 | 104.8 | 23,562 | 68.0 | 204,887 | (26,872) | -53.3 | 105,389 | 102.1 |
| Operating income (loss) | | (2,303) | -4.8 | 11,105 | 32.0 | 96,565 | 13,408 | - | (2,185) | -2.1 |
| TOTAL | | | | | | | | | | |
| Net sales | | 424,838 | 100.0 | 433,088 | 100.0 | 3,765,983 | 8,250 | 1.9 | 862,025 | 100.0 |
| External sales | | 424,838 | | 433,088 | | 3,765,983 | 8,250 | 1.9 | 862,025 | |
| Intersegment | | - | | - | | - | - | - | - | |
| Operating expenses | | 386,574 | 91.0 | 385,943 | 89.1 | 3,356,026 | (631) | -0.2 | 782,435 | 90.8 |
| Operating income | | 38,264 | 9.0 | 47,145 | 10.9 | 409,957 | 8,881 | 23.2 | 79,590 | 9.2 |

Notes:

1. U.S.\$1=Yen 115, for convenience only.
2. Electronic materials and components products:
Multilayer ceramic chip capacitors, Rare-earth magnets, Inductors, Switching power supplies, HDD heads, Organic EL displays
Recording media products:
Audio tapes, Video tapes, CD-Rs, MDs, DVDs, Tape-based data storage media for computers

2nd quarter Consolidated results

| Product | Term | 2Q of FY2007 (July 1, 2006 - Sep. 30, 2006) | | 2Q of FY2008 (July 1, 2007 - September 30, 2007) | | | Change | |
|--|------|--|-------|---|-------|--------------------|----------------|-----------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| Electronic materials and components | | | | | | | | |
| Net sales | | 196,576 | 100.0 | 212,975 | 100.0 | 1,851,957 | 16,399 | 8.3 |
| External sales | | 196,576 | | 212,975 | | 1,851,957 | 16,399 | 8.3 |
| Intersegment | | - | | - | | - | - | - |
| Operating expenses | | 175,662 | 89.4 | 194,547 | 91.3 | 1,691,714 | 18,885 | 10.8 |
| Operating income | | 20,914 | 10.6 | 18,428 | 8.7 | 160,243 | (2,486) | -11.9 |
| Recording media | | | | | | | | |
| Net sales | | 24,622 | 100.0 | 13,414 | 100.0 | 116,643 | (11,208) | -45.5 |
| External sales | | 24,622 | | 13,414 | | 116,643 | (11,208) | -45.5 |
| Intersegment | | - | | - | | - | - | - |
| Operating expenses | | 25,287 | 102.7 | 826 | 6.2 | 7,182 | (24,461) | -96.7 |
| Operating income (loss) | | (665) | -2.7 | 12,588 | 93.8 | 109,461 | 13,253 | - |
| TOTAL | | | | | | | | |
| Net sales | | 221,198 | 100.0 | 226,389 | 100.0 | 1,968,600 | 5,191 | 2.3 |
| External sales | | 221,198 | | 226,389 | | 1,968,600 | 5,191 | 2.3 |
| Intersegment | | - | | - | | - | - | - |
| Operating expenses | | 200,949 | 90.8 | 195,373 | 86.3 | 1,698,896 | (5,576) | -2.8 |
| Operating income | | 20,249 | 9.2 | 31,016 | 13.7 | 269,704 | 10,767 | 53.2 |

2. Geographic segment information

| Term | | 1H of FY2007 (April 1, 2006 - Sep. 30, 2006) | | 1H of FY2008 (April 1, 2007 - September 30, 2007) | | | Change | | FY2007 (April 1, 2006 - March 31, 2007) | |
|---------------------------|-------------------------|--|-------|---|-------|--------------------|----------------|-----------|---|-------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) | (Yen millions) | % |
| Japan | Net sales | 193,808 | 100.0 | 201,260 | 100.0 | 1,750,087 | 7,452 | 3.8 | 397,147 | 100.0 |
| | Operating income | 15,129 | 7.8 | 30,257 | 15.0 | 263,104 | 15,128 | 100.0 | 31,277 | 7.9 |
| Americas | Net sales | 57,155 | 100.0 | 56,062 | 100.0 | 487,496 | (1,093) | -1.9 | 111,689 | 100.0 |
| | Operating income | 4,781 | 8.4 | 5,284 | 9.4 | 45,948 | 503 | 10.5 | 7,869 | 7.0 |
| Europe | Net sales | 39,074 | 100.0 | 31,967 | 100.0 | 277,974 | (7,107) | -18.2 | 84,329 | 100.0 |
| | Operating income (loss) | (924) | -2.4 | (3,666) | -11.5 | (31,878) | (2,742) | -296.8 | (3) | -0.0 |
| Asia and others | Net sales | 287,385 | 100.0 | 312,723 | 100.0 | 2,719,330 | 25,338 | 8.8 | 572,979 | 100.0 |
| | Operating income | 19,168 | 6.7 | 16,243 | 5.2 | 141,244 | (2,925) | -15.3 | 41,515 | 7.2 |
| Intersegment eliminations | Net sales | 152,584 | | 168,924 | | 1,468,904 | 16,340 | | 304,119 | |
| | Operating income (loss) | (110) | | 973 | | 8,461 | 1,083 | | 1,068 | |
| Total | Net sales | 424,838 | 100.0 | 433,088 | 100.0 | 3,765,983 | 8,250 | 1.9 | 862,025 | 100.0 |
| | Operating income | 38,264 | 9.0 | 47,145 | 10.9 | 409,957 | 8,881 | 23.2 | 79,590 | 9.2 |

Notes:

- Net sales in each geographic area are based on the location of TDK entities where the sales are generated.
- U.S.\$1=Yen 115, for convenience only.

2nd quarter Consolidated results

| Term | | 2Q of FY2007 (July 1, 2006 - Sep. 30, 2006) | | 2Q of FY2008 (July 1, 2007 - September 30, 2007) | | | Change | |
|---------------------------|-------------------------|---|-------|--|-------|--------------------|----------------|-----------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| Japan | Net sales | 100,400 | 100.0 | 101,475 | 100.0 | 882,391 | 1,075 | 1.1 |
| | Operating income | 8,767 | 8.7 | 20,803 | 20.5 | 180,896 | 12,036 | 137.3 |
| Americas | Net sales | 29,691 | 100.0 | 28,850 | 100.0 | 250,870 | (841) | -2.8 |
| | Operating income | 2,728 | 9.2 | 4,663 | 16.2 | 40,548 | 1,935 | 70.9 |
| Europe | Net sales | 19,986 | 100.0 | 13,649 | 100.0 | 118,687 | (6,337) | -31.7 |
| | Operating income (loss) | 161 | 0.8 | (3,168) | -23.2 | (27,548) | (3,329) | - |
| Asia and others | Net sales | 150,837 | 100.0 | 169,863 | 100.0 | 1,477,069 | 19,026 | 12.6 |
| | Operating income | 9,239 | 6.1 | 9,643 | 5.7 | 83,852 | 404 | 4.4 |
| Intersegment eliminations | Net sales | 79,716 | | 87,448 | | 760,417 | 7,732 | |
| | Operating income | 646 | | 925 | | 8,044 | 279 | |
| Total | Net sales | 221,198 | 100.0 | 226,389 | 100.0 | 1,968,600 | 5,191 | 2.3 |
| | Operating income | 20,249 | 9.2 | 31,016 | 13.7 | 269,704 | 10,767 | 53.2 |

3. Sales by region

| Term | | 1H of FY2007 (April 1, 2006 - September 30, 2006) | | 1H of FY2008 (April 1, 2007 - September 30, 2007) | | | Change | | FY2007 (April 1, 2006 - March 31, 2007) | |
|----------------------|--|---|-------|---|-------|--------------------|----------------|-----------|---|-------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) | (Yen millions) | % |
| Americas | | 51,325 | 12.1 | 50,947 | 11.8 | 443,017 | (378) | -0.7 | 103,124 | 11.9 |
| Europe | | 38,870 | 9.2 | 32,879 | 7.6 | 285,904 | (5,991) | -15.4 | 83,545 | 9.7 |
| Asia and others | | 251,706 | 59.2 | 272,995 | 63.0 | 2,373,870 | 21,289 | 8.5 | 504,004 | 58.5 |
| Overseas sales total | | 341,901 | 80.5 | 356,821 | 82.4 | 3,102,791 | 14,920 | 4.4 | 690,673 | 80.1 |
| Japan | | 82,937 | 19.5 | 76,267 | 17.6 | 663,192 | (6,670) | -8.0 | 171,352 | 19.9 |
| Net sales | | 424,838 | 100.0 | 433,088 | 100.0 | 3,765,983 | 8,250 | 1.9 | 862,025 | 100.0 |

Notes:

- Overseas sales are based on the location of the customers.
- U.S.\$1=Yen 115, for convenience only.

2nd quarter Consolidated results

| Term | | 2Q of FY2007 (July 1, 2006 - September 30, 2006) | | 2Q of FY2008 (July 1, 2007 - September 30, 2007) | | | Change | |
|----------------------|--|--|-------|--|-------|--------------------|----------------|-----------|
| | | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| Americas | | 26,806 | 12.1 | 26,212 | 11.6 | 227,930 | (594) | -2.2 |
| Europe | | 19,849 | 9.0 | 14,869 | 6.6 | 129,296 | (4,980) | -25.1 |
| Asia and others | | 132,587 | 59.9 | 147,984 | 65.3 | 1,286,817 | 15,397 | 11.6 |
| Overseas sales total | | 179,242 | 81.0 | 189,065 | 83.5 | 1,644,043 | 9,823 | 5.5 |
| Japan | | 41,956 | 19.0 | 37,324 | 16.5 | 324,557 | (4,632) | -11.0 |
| Net sales | | 221,198 | 100.0 | 226,389 | 100.0 | 1,968,600 | 5,191 | 2.3 |