

(2) Statements of Income and Statements of Comprehensive Income

[9-month-period results]

Statements of Income

| Term Item | The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015) | | The 9-month-period of FY2017 (April 1, 2016 - December 31, 2016) | | | Change | |
|--|---|---------|--|---------|--------------------|-------------------|-----------|
| | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| | Net sales | 889,342 | 100.0 | 903,953 | 100.0 | 7,792,698 | 14,611 |
| Cost of sales | 640,800 | 72.1 | 649,461 | 71.8 | 5,598,801 | 8,661 | 1.4 |
| Gross profit | 248,542 | 27.9 | 254,492 | 28.2 | 2,193,897 | 5,950 | 2.4 |
| Selling, general and administrative expenses | 172,670 | 19.4 | 177,665 | 19.7 | 1,531,595 | 4,995 | 2.9 |
| Operating income | 75,872 | 8.5 | 76,827 | 8.5 | 662,302 | 955 | 1.3 |
| Other income (deductions): | | | | | | | |
| Interest and dividend income | 3,373 | | 2,842 | | 24,500 | (531) | |
| Interest expense | (2,288) | | (2,551) | | (21,991) | (263) | |
| Foreign exchange gain (loss) | (1,783) | | (1,422) | | (12,259) | 361 | |
| Other-net | (1,238) | | 733 | | 6,319 | 1,971 | |
| Total other income (deductions) | (1,936) | -0.2 | (398) | -0.0 | (3,431) | 1,538 | - |
| Income before income taxes | 73,936 | 8.3 | 76,429 | 8.5 | 658,871 | 2,493 | 3.4 |
| Income taxes | 15,784 | 1.8 | 18,602 | 2.1 | 160,362 | 2,818 | 17.9 |
| Net income | 58,152 | 6.5 | 57,827 | 6.4 | 498,509 | (325) | -0.6 |
| Less: Net income attributable to noncontrolling interests | 1,738 | 0.2 | 738 | 0.1 | 6,362 | (1,000) | -57.5 |
| Net income attributable to TDK | 56,414 | 6.3 | 57,089 | 6.3 | 492,147 | 675 | 1.2 |

Note:

U.S.\$1=Yen 116, for convenience only.

Statements of Comprehensive Income

| Term Item | The 9-month-period of FY2016 (April 1, 2015 - December 31, 2015) | | The 9-month-period of FY2017 (April 1, 2016 - December 31, 2016) | | Change |
|--|---|----------------|--|----------------|--------|
| | (Yen millions) | (Yen millions) | (U.S.\$ thousands) | (Yen millions) | |
| | Net income | 58,152 | 57,827 | 498,509 | (325) |
| Other comprehensive income (loss), net of taxes: | | | | | |
| Foreign currencies translation adjustments | (12,729) | 5,873 | 50,629 | 18,602 | |
| Pension liability adjustments | 1,744 | 3,098 | 26,707 | 1,354 | |
| Net unrealized gains (losses) on securities | (4,882) | (199) | (1,716) | 4,683 | |
| Total other comprehensive income (loss) | (15,867) | 8,772 | 75,620 | 24,639 | |
| Comprehensive income | 42,285 | 66,599 | 574,129 | 24,314 | |
| Comprehensive income attributable to noncontrolling interests | 1,723 | 1,344 | 11,586 | (379) | |
| Comprehensive income attributable to TDK | 40,562 | 65,255 | 562,543 | 24,693 | |

Note:

U.S.\$1=Yen 116, for convenience only.

[3rd quarter results]

Statements of Income

| Term Item | 3Q of FY2016 (October 1, 2015 - December 31, 2015) | | 3Q of FY2017 (October 1, 2016 - December 31, 2016) | | | Change | |
|--|--|-------|--|-------|--------------------|-------------------|-----------|
| | (Yen millions) | % | (Yen millions) | % | (U.S.\$ thousands) | (Yen millions) | Change(%) |
| Net sales | 301,728 | 100.0 | 324,772 | 100.0 | 2,799,759 | 23,044 | 7.6 |
| Cost of sales | 211,416 | 70.1 | 229,217 | 70.6 | 1,976,009 | 17,801 | 8.4 |
| Gross profit | 90,312 | 29.9 | 95,555 | 29.4 | 823,750 | 5,243 | 5.8 |
| Selling, general and administrative expenses | 60,015 | 19.9 | 63,041 | 19.4 | 543,457 | 3,026 | 5.0 |
| Operating income | 30,297 | 10.0 | 32,514 | 10.0 | 280,293 | 2,217 | 7.3 |
| Other income (deductions): | | | | | | | |
| Interest and dividend income | 1,256 | | 956 | | 8,242 | (300) | |
| Interest expense | (777) | | (968) | | (8,345) | (191) | |
| Foreign exchange gain (loss) | (841) | | (41) | | (354) | 800 | |
| Other-net | (81) | | (358) | | (3,086) | (277) | |
| Total other income (deductions) | (443) | -0.1 | (411) | -0.1 | (3,543) | 32 | - |
| Income before income taxes | 29,854 | 9.9 | 32,103 | 9.9 | 276,750 | 2,249 | 7.5 |
| Income taxes | 4,416 | 1.5 | 7,325 | 2.3 | 63,147 | 2,909 | 65.9 |
| Net income | 25,438 | 8.4 | 24,778 | 7.6 | 213,603 | (660) | -2.6 |
| Less: Net income attributable to noncontrolling interests | 493 | 0.1 | 363 | 0.1 | 3,129 | (130) | -26.4 |
| Net income attributable to TDK | 24,945 | 8.3 | 24,415 | 7.5 | 210,474 | (530) | -2.1 |

Note:

U.S.\$1=Yen 116, for convenience only.

Statements of Comprehensive Income

| Term Item | 3Q of FY2016 (October 1, 2015 - December 31, 2015) | | 3Q of FY2017 (October 1, 2016 - December 31, 2016) | | Change |
|--|--|----------------|--|--------------------|----------------|
| | (Yen millions) | (Yen millions) | (Yen millions) | (U.S.\$ thousands) | (Yen millions) |
| Net income | 25,438 | 24,778 | 213,603 | | (660) |
| Other comprehensive income (loss), net of taxes: | | | | | |
| Foreign currencies translation adjustments | (3,498) | 101,133 | 871,836 | | 104,631 |
| Pension liability adjustments | 546 | 1,082 | 9,328 | | 536 |
| Net unrealized gains (losses) on securities | (121) | 627 | 5,405 | | 748 |
| Total other comprehensive income (loss) | (3,073) | 102,842 | 886,569 | | 105,915 |
| Comprehensive income | 22,365 | 127,620 | 1,100,172 | | 105,255 |
| Comprehensive income attributable to noncontrolling interests | 416 | 1,901 | 16,388 | | 1,485 |
| Comprehensive income attributable to TDK | 21,949 | 125,719 | 1,083,784 | | 103,770 |

Note:

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