

(2) Statements of Income and Statements of Comprehensive Income

[1st half results]

Statements of Income

Term Item	1H of FY2018 (April 1, 2017 - September 30, 2017)		1H of FY2019 (April 1, 2018 - September 30, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
	Net sales	623,571	100.0	721,940	100.0	6,332,807	98,369
Cost of sales	455,499	73.0	512,117	70.9	4,492,254	56,618	12.4
Gross profit	168,072	27.0	209,823	29.1	1,840,553	41,751	24.8
Selling, general and administrative expenses	126,768	20.4	144,966	20.1	1,271,632	18,198	14.4
Other operating expense (income)	(2,910)	-0.5	2,677	0.4	23,482	5,587	-
Operating income	44,214	7.1	62,180	8.6	545,439	17,966	40.6
Other income (deductions):							
Interest and dividend income	3,002		3,556		31,193	554	
Interest expense	(2,176)		(2,184)		(19,158)	(8)	
Foreign exchange gain (loss)	(287)		(1,583)		(13,886)	(1,296)	
Other-net	(499)		(4,170)		(36,579)	(3,671)	
Total other income (deductions)	40	0.0	(4,381)	-0.6	(38,430)	(4,421)	-
Income before income taxes	44,254	7.1	57,799	8.0	507,009	13,545	30.6
Income taxes	13,207	2.1	16,538	2.3	145,070	3,331	25.2
Net income	31,047	5.0	41,261	5.7	361,939	10,214	32.9
Less: Net income attributable to noncontrolling interests	358	0.1	185	0.0	1,623	(173)	-48.3
Net income attributable to TDK	30,689	4.9	41,076	5.7	360,316	10,387	33.8

Notes:

1. U.S.\$1=Yen 114, for convenience only.
2. The prior year's results are reclassified due to adaption of Accounting Standards Update("ASU") 2017-07 "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost". As a result, cost of sales, selling, general and administrative expenses were reclassified to other income. The reclassified amount were ¥947 million, ¥998 million, respectively. Please refer to page 12 for more detailed information.

Statements of Comprehensive Income

Term Item	1H of FY2018 (April 1, 2017 - September 30, 2017)		1H of FY2019 (April 1, 2018 - September 30, 2018)		Change
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)	
	Net income	31,047	41,261	361,939	10,214
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	14,380	24,337	213,482	9,957	
Pension liability adjustments	1,956	2,137	18,746	181	
Net unrealized gains (losses) on securities	(247)	(1)	(9)	246	
Total other comprehensive income (loss)	16,089	26,473	232,219	10,384	
Comprehensive income	47,136	67,734	594,158	20,598	
Comprehensive income attributable to noncontrolling interests	404	58	509	(346)	
Comprehensive income attributable to TDK	46,732	67,676	593,649	20,944	

Note:

U.S.\$1=Yen 114, for convenience only.

[2nd quarter results]
Statements of Income

Term Item	2Q of FY2018 (July 1, 2017 - September 30, 2017)		2Q of FY2019 (July 1, 2018 - September 30, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	334,045	100.0	378,872	100.0	3,323,439	44,827	13.4
Cost of sales	242,679	72.6	263,847	69.6	2,314,448	21,168	8.7
Gross profit	91,366	27.4	115,025	30.4	1,008,991	23,659	25.9
Selling, general and administrative expenses	64,942	19.5	74,625	19.7	654,605	9,683	14.9
Other operating expense (income)	(1,188)	-0.4	3,640	1.0	31,930	4,828	-
Operating income	27,612	8.3	36,760	9.7	322,456	9,148	33.1
Other income (deductions):							
Interest and dividend income	1,635		1,646		14,439	11	
Interest expense	(1,230)		(1,066)		(9,351)	164	
Foreign exchange gain (loss)	120		(630)		(5,526)	(750)	
Other-net	(819)		(2,646)		(23,211)	(1,827)	
Total other income (deductions)	(294)	-0.1	(2,696)	-0.7	(23,649)	(2,402)	-
Income before income taxes	27,318	8.2	34,064	9.0	298,807	6,746	24.7
Income taxes	7,445	2.3	9,101	2.4	79,833	1,656	22.2
Net income	19,873	5.9	24,963	6.6	218,974	5,090	25.6
Less: Net income attributable to noncontrolling interests	139	0.0	84	0.0	737	(55)	-39.6
Net income attributable to TDK	19,734	5.9	24,879	6.6	218,237	5,145	26.1

Notes:

1. U.S.\$1=Yen 114, for convenience only.
2. The prior year's results are reclassified due to adaption of Accounting Standards Update("ASU") 2017-07 "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost". As a result, cost of sales, selling, general and administrative expenses were reclassified to other income. The reclassified amount were ¥481 million, ¥500 million, respectively. Please refer to page 12 for more detailed information.

Statements of Comprehensive Income

Term Item	2Q of FY2018 (July 1, 2017 - September 30, 2017)		2Q of FY2019 (July 1, 2018 - September 30, 2018)		Change
	(Yen millions)	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	19,873	24,963	218,974	5,090	
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	10,944	16,286	142,860	5,342	
Pension liability adjustments	966	1,147	10,061	181	
Net unrealized gains (losses) on securities	57	2	17	(55)	
Total other comprehensive income (loss)	11,967	17,435	152,938	5,468	
Comprehensive income	31,840	42,398	371,912	10,558	
Comprehensive income attributable to noncontrolling interests	174	0	0	(174)	
Comprehensive income attributable to TDK	31,666	42,398	371,912	10,732	

Note:

U.S.\$1=Yen 114, for convenience only.