

(2) Statements of Income and Statements of Comprehensive Income (Loss)
[9-month-period results]

Statements of Income

Term Item	The 9-month-period of FY2018 (April 1, 2017 - December 31, 2017)		The 9-month-period of FY2019 (April 1, 2018 - December 31, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
	Net sales	964,697	100.0	1,072,743	100.0	9,664,351	108,046
Cost of sales	698,552	72.4	756,145	70.5	6,812,117	57,593	8.2
Gross profit	266,145	27.6	316,598	29.5	2,852,234	50,453	19.0
Selling, general and administrative expenses	191,685	19.9	219,858	20.5	1,980,703	28,173	14.7
Other operating expense (income)	(3,211)	-0.4	1,802	0.1	16,234	5,013	-
Operating income	77,671	8.1	94,938	8.9	855,297	17,267	22.2
Other income (deductions):							
Interest and dividend income	4,585		5,397		48,622	812	
Interest expense	(3,339)		(3,206)		(28,883)	133	
Foreign exchange gain (loss)	(453)		(2,996)		(26,991)	(2,543)	
Other-net	(738)		(5,342)		(48,126)	(4,604)	
Total other income (deductions)	55	0.0	(6,147)	-0.6	(55,378)	(6,202)	-
Income before income taxes	77,726	8.1	88,791	8.3	799,919	11,065	14.2
Income taxes	24,908	2.6	25,122	2.4	226,324	214	0.9
Net income	52,818	5.5	63,669	5.9	573,595	10,851	20.5
Less: Net income attributable to noncontrolling interests	549	0.1	184	0.0	1,658	(365)	-66.5
Net income attributable to TDK	52,269	5.4	63,485	5.9	571,937	11,216	21.5

Notes:

1. U.S.\$1=Yen 111, 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 ¥1,438 million and ¥1,519 million, respectively. Please refer to page 12 for more detailed information.

Statements of Comprehensive Income

Term Item	The 9-month-period of FY2018 (April 1, 2017 - December 31, 2017)		The 9-month-period of FY2019 (April 1, 2018 - December 31, 2018)		Change
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)	
	Net income	52,818	63,669	573,595	10,851
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	36,047	(477)	(4,297)	(36,524)	
Pension liability adjustments	2,947	3,284	29,585	337	
Net unrealized gains (losses) on securities	246	(7)	(63)	(253)	
Total other comprehensive income (loss)	39,240	2,800	25,225	(36,440)	
Comprehensive income	92,058	66,469	598,820	(25,589)	
Comprehensive income attributable to noncontrolling interests	677	18	162	(659)	
Comprehensive income attributable to TDK	91,381	66,451	598,658	(24,930)	

Note:

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

[3rd quarter results]
Statements of Income

Term Item	3Q of FY2018 (October 1, 2017 - December 31, 2017)		3Q of FY2019 (October 1, 2018 - December 31, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	341,126	100.0	350,803	100.0	3,160,387	9,677	2.8
Cost of sales	243,053	71.3	244,028	69.6	2,198,450	975	0.4
Gross profit	98,073	28.7	106,775	30.4	961,937	8,702	8.9
Selling, general and administrative expenses	64,917	19.0	74,892	21.3	674,703	9,975	15.4
Other operating expense (income)	(301)	-0.1	(875)	-0.2	(7,883)	(574)	-
Operating income	33,457	9.8	32,758	9.3	295,117	(699)	-2.1
Other income (deductions):							
Interest and dividend income	1,583		1,841		16,586	258	
Interest expense	(1,163)		(1,022)		(9,207)	141	
Foreign exchange gain (loss)	(166)		(1,413)		(12,730)	(1,247)	
Other-net	(239)		(1,172)		(10,559)	(933)	
Total other income (deductions)	15	0.0	(1,766)	-0.5	(15,910)	(1,781)	-
Income before income taxes	33,472	9.8	30,992	8.8	279,207	(2,480)	-7.4
Income taxes	11,701	3.4	8,584	2.4	77,333	(3,117)	-26.6
Net income	21,771	6.4	22,408	6.4	201,874	637	2.9
Less: Net income (loss) attributable to noncontrolling interests	191	0.1	(1)	-0.0	(9)	(192)	-
Net income attributable to TDK	21,580	6.3	22,409	6.4	201,883	829	3.8

Notes:

1. U.S.\$1=Yen 111, 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 ¥491 million, ¥521 million, respectively. Please refer to page 12 for more detailed information.

Statements of Comprehensive Income (Loss)

Term Item	3Q of FY2018 (October 1, 2017 - December 31, 2017)		3Q of FY2019 (October 1, 2018 - December 31, 2018)		Change
	(Yen millions)	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	21,771	22,408	201,874		637
Other comprehensive income (loss), net of taxes:					
Foreign currencies translation adjustments	21,667	(24,814)	(223,549)		(46,481)
Pension liability adjustments	991	1,147	10,333		156
Net unrealized gains (losses) on securities	493	(6)	(54)		(499)
Total other comprehensive income (loss)	23,151	(23,673)	(213,270)		(46,824)
Comprehensive income (loss)	44,922	(1,265)	(11,396)		(46,187)
Comprehensive income (loss) attributable to noncontrolling interests	273	(40)	(360)		(313)
Comprehensive income (loss) attributable to TDK	44,649	(1,225)	(11,036)		(45,874)

Note:

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