

### 3) Statements of income

**[ 3rd Qtr. results ]**

Term  Items	The 3rd Qtr. of FY2003 (October 1, 2002 - December 31, 2002)			The 3rd Qtr. of FY2002 (Oct. 1,2001 - Dec. 31,2001)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
	Net sales	161,678	100.0	1,347,317	148,036	100.0	13,642
Cost of sales	123,018	76.1	1,025,150	123,721	83.6	(703)	-0.6
Gross profit	38,660	23.9	322,167	24,315	16.4	14,345	59.0
Selling, general and administrative expenses	29,912	18.5	249,267	31,204	21.1	(1,292)	-4.1
Restructuring cost	2,576	1.6	21,467	7,282	4.9	(4,706)	-64.6
Operating income (loss)	6,172	3.8	51,433	(14,171)	-9.6	20,343	-
Other income (deductions):							
Interest and dividend income	312		2,600	379		(67)	
Interest expense	(158)		(1,316)	(309)		151	
Foreign exchange gain (loss)	(128)		(1,067)	977		(1,105)	
Other-net	(143)		(1,192)	(681)		538	
Total other income (deductions)	(117)	-0.1	(975)	366	0.3	(483)	-
Income (loss) before income taxes	6,055	3.7	50,458	(13,805)	-9.3	19,860	-
Income taxes	1,233	0.7	10,275	(4,173)	-2.8	5,406	-
Income (loss) before minority interests	4,822	3.0	40,183	(9,632)	-6.5	14,454	-
Minority interests	(247)	-0.2	(2,058)	(127)	-0.1	(120)	-94.5
Net income (loss)	4,575	2.8	38,125	(9,759)	-6.6	14,334	-
Net income (loss) per common share	Yen 34.49		U.S.\$ 0.29	Yen (73.45)			
Average common shares outstanding	132,632		thousands	132,861		thousands	

**[ 9 months period results ]**

Term  Items	The nine-month-period of FY2003 (April 1, 2002 - December 31, 2002)			The nine-month-period of FY2002 (Apr. 1,2001 - Dec. 31,2001)		Change	
	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	%	(Yen millions)	%
	Net sales	458,058	100.0	3,817,150	418,822	100.0	39,236
Cost of sales	346,756	75.7	2,889,633	337,030	80.5	9,726	2.9
Gross profit	111,302	24.3	927,517	81,792	19.5	29,510	36.1
Selling, general and administrative expenses	89,108	19.5	742,567	90,378	21.6	(1,270)	-1.4
Restructuring cost	6,003	1.3	50,025	8,396	2.0	(2,393)	-28.5
Operating income (loss)	16,191	3.5	134,925	(16,982)	-4.1	33,173	-
Other income (deductions):							
Interest and dividend income	1,020		8,500	1,667		(647)	
Interest expense	(356)		(2,967)	(981)		625	
Foreign exchange gain (loss)	(1,827)		(15,225)	463		(2,290)	
Other-net	(1,337)		(11,141)	(1,054)		(283)	
Total other income (deductions)	(2,500)	-0.5	(20,833)	95	0.1	(2,595)	-
Income (loss) before income taxes	13,691	3.0	114,092	(16,887)	-4.0	30,578	-
Income taxes	3,989	0.9	33,242	(7,750)	-1.8	11,739	-
Income (loss) before minority interests	9,702	2.1	80,850	(9,137)	-2.2	18,839	-
Minority interests	(482)	-0.1	(4,017)	1,210	0.3	(1,692)	-
Net income (loss)	9,220	2.0	76,833	(7,927)	-1.9	17,147	-
Net income (loss) per common share	Yen 69.47		U.S.\$ 0.58	Yen (59.67)			

**Notes:**

- The figures for net income (loss) per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
- TDK adopted the Emerging Issues Task Force Issue 01-9 ("EITF 01-9"), "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" from the fiscal year beginning April 1, 2002 and the prior year's consolidated financial statements have been restated for the change, accordingly.
- Above statements of income for FY 2003 and FY 2002 are unaudited by independent auditors.
- U.S.\$1=Yen 120