

(2) Statements of Income and Statements of Comprehensive Income

Statements of Income

Term Item	1Q of FY2018 (April 1, 2017 - June 30, 2017)		1Q of FY2019 (April 1, 2018 - June 30, 2018)			Change	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)
Net sales	289,526	100.0	343,068	100.0	3,090,703	53,542	18.5
Cost of sales	212,820	73.5	248,270	72.4	2,236,667	35,450	16.7
Gross profit	76,706	26.5	94,798	27.6	854,036	18,092	23.6
Selling, general and administrative expenses	61,826	21.4	70,341	20.5	633,703	8,515	13.8
Other operating expense (income)	(1,722)	-0.6	(963)	-0.3	(8,676)	759	-
Operating income	16,602	5.7	25,420	7.4	229,009	8,818	53.1
Other income (deductions):							
Interest and dividend income	1,367		1,910		17,207	543	
Interest expense	(946)		(1,118)		(10,072)	(172)	
Foreign exchange gain (loss)	(407)		(953)		(8,585)	(546)	
Other-net	320		(1,524)		(13,730)	(1,844)	
Total other income (deductions)	334	0.1	(1,685)	-0.5	(15,180)	(2,019)	-
Income before income taxes	16,936	5.8	23,735	6.9	213,829	6,799	40.1
Income taxes	5,762	1.9	7,437	2.2	67,000	1,675	29.1
Net income	11,174	3.9	16,298	4.7	146,829	5,124	45.9
Less: Net income attributable to noncontrolling interests	219	0.1	101	0.0	910	(118)	-53.9
Net income attributable to TDK	10,955	3.8	16,197	4.7	145,919	5,242	47.9

Notes:

1. U.S.\$1=Yen 111, for convenience only.
2. The prior year's results are reclassified due to adoption of Accounting Standards Update("ASU") 2017-07 "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postrequirement Benefit Cost". As a result, cost of sales, selling, general and administrative expenses were reclassified to other income (deductions). The reclassified amount were ¥466 million, ¥498 million, respectively. Please refer to page 11 for more detailed information.

Statements of Comprehensive Income

Term Item	1Q of FY2018 (April 1, 2017 - June 30, 2017)	1Q of FY2019 (April 1, 2018 - June 30, 2018)		Change
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	11,174	16,298	146,829	5,124
Other comprehensive income (loss), net of taxes:				
Foreign currencies translation adjustments	3,436	8,051	72,531	4,615
Pension liability adjustments	990	990	8,919	0
Net unrealized gains (losses) on securities	(304)	(3)	(27)	301
Total other comprehensive income (loss)	4,122	9,038	81,423	4,916
Comprehensive income	15,296	25,336	228,252	10,040
Comprehensive income attributable to noncontrolling interests	230	58	522	(172)
Comprehensive income attributable to TDK	15,066	25,278	227,730	10,212

Note:

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