

6. Full-Year Consolidated Statements of Operations

		Yen (millions)		Change (%)
		FY 2005 (4/1/05-3/31/06)	FY 2004 (4/1/04-3/31/05)	
Net sales	Y	4,791,416	4,762,759	+0.6
Operating costs and expenses:				
Cost of sales		3,523,421	3,512,552	+0.3
Selling, general and administrative expenses		1,086,507	1,090,016	-0.3
		4,609,928	4,602,568	
Operating income		181,488	160,191	+13.3
Other income (expenses):				
Net interest* ¹		(8,589)	(9,604)	
Equity in earnings of affiliated companies, net		(1,478)	3,691	
Amortization of unrecognized obligation for retirement benefits		(28,214)	(39,295)	
Settlement gain* ²		15,957	-	
Gain on business transfer* ³		3,455	36,534	
Gain on sales of marketable securities		-	133,299	
Restructuring charges* ⁴		(11,559)	(20,085)	
Loss on change in interest* ⁵		(8,413)	-	
Provision for prior product warranties* ⁶		(7,413)	-	
Real estate valuation losses		-	(15,274)	
Other, net		(17,150)	(25,931)	
		(63,404)	63,335	-
Income before income taxes and minority interests		118,084	223,526	-47.2
Income taxes		37,027	185,553	
Minority interests		(12,512)	(6,066)	
Net income	Y	68,545	31,907	+114.8

Notes:

*1 Net interest consists of interest income, dividend income and interest charges.

*2 Settlement gain is related to reconciliation of HDD litigation.

*3 Gain on business transfer for FY 2005 refers to the transfer of LCD panel operations.

*4 Restructuring charges for FY 2005 are related to expenses for restructuring to improve business profitability and asset efficiency, realignment of business locations, etc.

*5 Loss on change in interest refers to loss relating to allocation of new shares of affiliate (Spansion Inc.) to third parties.

*6 Provision for prior product warranties is related to provision to cover warranty-related costs for products sold in prior fiscal years.