

6. Full-Year Consolidated Statements of Operations

	Yen (millions)		Change (%)
	FY 2006 (4/1/06-3/31/07)	FY 2005 (4/1/05-3/31/06)	
Net sales	Y 5,100,163	4,791,416	+6.4
Operating costs and expenses:			
Cost of sales	3,781,647	3,523,421	+7.3
Selling, general and administrative expenses	1,136,428	1,086,507	+4.6
	4,918,075	4,609,928	+6.7
Operating income	182,088	181,488	+0.3
Other income (expenses):			
Net interest*	(4,244)	(8,589)	
Equity in earnings of affiliated companies, net	6,996	(1,478)	
Amortization of unrecognized obligation for retirement benefits	(3,146)	(28,214)	
Gain on sales of marketable securities**	75,062	-	
Gain (Loss) on change in interest***	2,136	(8,413)	
Settlement gain	-	15,957	
Gain on business transfer	-	3,455	
Devaluation loss****	(9,991)	-	
Restructuring charges	-	(11,559)	
Provision for prior product warranties	-	(7,413)	
Other, net	(34,406)	(17,150)	
	32,407	(63,404)	
Income before income taxes and minority interests	214,495	118,084	+81.6
Income taxes	96,243	37,027	
Minority interests	15,837	12,512	
Net income	Y 102,415	68,545	+49.4

Notes:

- * Net interest consists of interest income, dividend income and interest charges.
- ** Gain (net of loss) on sales of marketable securities refers principally to gain on sales of shares in Fanuc Ltd. in connection with with the issuer's own stock repurchase. It also includes loss of Y2,275 million on sales of shares in equity method affiliates such as Spansion Inc
- *** Gain on change in interest refers to gain relating to allocation of new shares of subsidiary company (NIFTY Corporation) to third parties
- **** Devaluation loss refers principally to devaluation loss on plant and equipment assets in the company's optical transmission systems business, primarily as a result of delays in business performance recovery due to rapid changes in the business environment in North America and Japan.