

4. Third-Quarter Consolidated Statements of Operations

	Y	Yen (millions)		Change (%)
		3Q FY 2006 (10/1/06~12/31/06)	3Q FY 2005 (10/1/05~12/31/05)	
Net sales	Y	1,197,607	1,121,442	+6.8
Cost of sales		906,594	840,963	+7.8
Gross profit		291,013	280,479	+3.8
Selling, general and administrative expenses		283,896	267,888	+6.0
Operating income		7,117	12,591	-43.5
Other income (expenses):				
Net interest*		(1,038)	(2,467)	
Equity in earnings of affiliated companies, net		3,299	552	
Amortization of unrecognized obligation for retirement benefits		(809)	(5,260)	
Gain on sales of marketable securities**		7,612	-	
Gain on change in interest***		2,136	-	
Loss on sales of marketable securities****		(2,275)	-	
Loss on change in interest		-	(8,413)	
Other, net		(4,366)	(2,016)	
		4,559	(17,604)	-
Income (loss) before income taxes and minority interests		11,676	(5,013)	-
Income taxes		5,983	(10,952)	
Minority interests		4,531	2,572	
Net income	Y	1,162	3,367	-65.5

Notes:

- * Net interest consists of interest income, dividend income and interest charges.
- ** Gain on sales of marketable securities refers principally to gain on sales of subsidiary company shares in connection with the IPO of said subsidiary company (NIFTY Corporation).
- *** Gain on change in interest refers to gain relating to allocation of new shares of subsidiary company (NIFTY Corporation) to third parties.
- **** Loss on sales of marketable securities refers principally to loss on sales of affiliated company (Spansion Inc.) shares.