

12. Fourth-Quarter Consolidated Statements of Operations

	Yen		Change (%)
	(Millions)		
	4Q FY 2007 (1/1/08~3/31/08)	4Q FY 2006 (1/1/07~3/31/07)	
Net sales	Y 1,522,848	1,540,223	-1.1
Cost of sales	1,117,826	1,130,131	-1.1
Gross profit	405,022	410,092	-1.2
Selling, general and administrative expenses	290,628	285,762	+1.7
Operating income	114,394	124,330	-8.0
Other income:			
Interest income	2,396	3,689	
Dividend income	810	580	
Equity in earnings of affiliates, net	4,080	5,335	
Gain on foreign exchange, net	-	156	
Gain on sales of investment securities	3,207	69,725	
Others	4,814	7,855	
Total other income	15,307	87,340	
Other expenses:			
Interest expense	5,172	5,007	
Loss on foreign exchange, net	13,480	-	
Loss on disposal of property, plant and equipment and intangible assets	3,824	14,233	
Amortization of unrecognized obligation for retirement benefits	-	727	
Restructuring charges*	22,126	-	
Loss on revaluation of investment securities **	5,244	-	
Impairment loss	170	9,991	
Others	14,928	16,570	
Total other expenses	64,944	46,528	
Income before income taxes and minority interests	64,757	165,142	-60.8
Income taxes	9,636	74,389	
Minority interests	3,206	4,347	
Net income	Y 51,915	86,406	-39.9

Notes:

* Restructuring charges refers to the reorganization of the LSI business, and specifically impairment losses along with relocation and disposal costs related to the relocation of the Akiruno Technology Center's development and mass-production prototyping functions to the Mie Plant. The impairment loss totals 18,297 million yen, comprised of a loss of 8,936 million yen relating to the disposal of machinery and other equipment in fiscal 2008, and a loss of 9,361 million yen for property, plants and other assets for which there is currently no plan for use.

** Loss on revaluation of investment securities refers principally to a significant decline in the market share price of Spansion Inc. of the U.S.