

14. Full-Year Unconsolidated Statements of Operations

	Yen		Change (%)
	(Millions)		
	FY 2007 (4/1/07~3/31/08)	FY 2006 (4/1/06~3/31/07)	
Net sales	Y 2,979,069	2,869,204	+3.8
Cost of sales	2,298,655	2,220,540	+3.5
Gross profit	680,413	648,664	+4.9
Selling, general and administrative expenses	621,389	639,815	-2.9
Operating income	59,023	8,848	+567.0
Other income:			
Interest income	3,153	1,136	
Dividend income	101,750	74,882	
Amortization of unrecognized obligation for retirement benefits	-	4,490	
Gain on foreign exchange, net	-	1,771	
Gain on sales of investment securities*	11,457	75,070	
Gain on reversal of provision for loss on guarantees**	8,901	-	
Others	15,248	15,989	
Total other income	140,510	173,339	
Other expenses:			
Interest expense	2,761	2,080	
Interest on bonds	9,725	8,903	
Loss on disposal of property, plant and equipment and intangible assets	8,347	14,741	
Loss on foreign exchange, net	5,291	-	
Loss on devaluation of subsidiaries' and affiliates' stock***	27,407	317,240	
Loss on revaluation of investment securities ****	24,910	-	
Revaluation loss on inventories*****	24,236	-	
Restructuring charges*****	22,126	-	
Provision for loss on guarantees**	273	27,276	
Impairment loss	-	6,626	
Others	25,810	18,758	
Total other expenses	150,891	395,627	
Income (loss) before income taxes and minority interests	48,643	(213,439)	-
Income taxes:			
Current	(10,672)	(14,653)	
Deferred	(2,100)	50,500	
Net income (loss)	Y 61,415	(249,286)	-

Notes:

- * Gain on sales of investment securities refers principally to gain on sale of shares in affiliate Japan Cablenet Holdings Limited.
- ** Refers to subsidiary whose liabilities exceed assets.
- *** Refers to significant decline in the market prices of listed subsidiaries and affiliates.
- **** Loss on revaluation of investment securities refers principally to a significant decline in the market share price of Spansion Inc. of the U.S.
- ***** Revaluation loss on inventories refers to write-downs on book value of inventories at the beginning of period in conjunction with early adoption of new accounting standard for the valuation of inventories this fiscal year.
- ***** 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.