

16. First-Half Unconsolidated Statements of Operations

	Yen (Millions)		Change (%)	(For reference)
	1H FY 2007	1H FY 2006		FY 2006
	(4/1/07~9/30/07)	(4/1/06~9/30/06)		(4/1/06~3/31/07)
Net sales	Y 1,400,103	1,329,452	+5.3	2,869,204
Cost of sales	1,101,745	1,025,248	+7.5	2,220,540
Gross profit	298,357	304,204	-1.9	648,664
Selling, general and administrative expenses	317,129	322,939	-1.8	639,815
Operating income	(18,771)	(18,734)	-	8,848
Other income:				
Interest and dividend income	75,968	38,370		76,018
Amortization of unrecognized obligation for retirement benefits	-	2,255		4,490
Gain on sales of investment securities*	7,052	-		75,070
Gain on reversal of provision for loss on guarantees**	2,204	-		-
Others	8,372	8,565		17,760
Total other income	93,597	49,190		173,339
Other expenses:				
Interest expense	5,597	5,724		10,984
Revaluation loss on inventories***	24,236	-		-
Loss on devaluation of subsidiaries' and affiliates' stock****	5,689	9,307		317,240
Increase in provision for loss on obligations*****	351	-		27,276
Impairment loss	-	-		6,626
Others	18,136	9,787		33,500
Total other expenses	54,011	24,819		395,628
Income (Loss) before income taxes	20,814	5,636	+269.3	(213,439)
Income taxes:				
Current	(6,007)	(5,197)		(14,653)
Deferred	(3,000)	(2,000)		50,500
Net income (loss)	Y 29,822	12,834	+132.4	(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 provision for loss on guarantees.
- *** Refers to a valuation loss on inventories at the beginning of the first-half period in conjunction with introduction of a new accounting standard for the valuation of inventories adopted from this fiscal year.
- **** Refers to valuation loss on stock of affiliates and subsidiaries.
- ***** Refers to subsidiary whose liabilities exceed assets.