

4. Third-Quarter Consolidated Statements of Operations

	Yen		Change (%)
	(Millions)		
	3Q FY 2007 (10/1/07~12/31/07)	3Q FY 2006 (10/1/06~12/31/06)	
Net sales	Y 1,294,904	1,197,607	+8.1
Cost of sales	962,330	906,594	+6.1
Gross profit	332,574	291,013	+14.3
Selling, general and administrative expenses	285,911	283,896	+0.7
Operating income	46,663	7,117	+555.7
Other income:			
Interest income	2,695	1,259	
Dividend income	2,153	2,182	
Equity in earnings of affiliates, net	2,749	3,299	
Gain on foreign exchange, net	-	1,130	
Gain on sales of investment securities*	2,495	7,612	
Gain on change in interest**	72	2,136	
Others	3,853	2,885	
Total other income	14,017	20,503	
Other expenses:			
Interest expense	5,974	4,479	
Loss on foreign exchange, net	710	-	
Loss on disposal of property, plant and equipment and intangible assets	1,469	1,875	
Amortization of unrecognized obligation for retirement benefits	-	809	
Loss on revaluation of investment securities ***	19,888	-	
Loss on sales of investment securities	-	2,275	
Others	6,161	6,506	
Total other expenses	34,202	15,944	
Income before income taxes and minority interests	26,478	11,676	+126.8
Income taxes	16,435	5,983	
Minority interests	4,513	4,531	
Net income	Y 5,530	1,162	+375.9

Notes:

- * Gain on sales of investment securities refers to sales of shares in affiliates.
- ** Gain on change in interest refers to the conversion of convertible bonds issued by an affiliate (Fujitsu General Limited).
- *** Loss on revaluation of investment securities refers principally to a significant decline in the market share price of Spansion Inc. of the U.S.