

10. Nine-Month Consolidated Statements of Operations (For nine months ended December 31)

	Yen			(For reference)
	(Millions)		Change (%)	FY 2006
	FY2007 (4/1/07~12/31/07)	FY2006 (4/1/06~12/31/06)		(4/1/06~3/31/07)
Net sales	Y 3,808,017	3,559,940	+7.0	5,100,163
Cost of sales	2,841,735	2,651,516	+7.2	3,781,647
Gross profit	966,282	908,424	+6.4	1,318,516
Selling, general and administrative expenses	875,687	850,666	+2.9	1,136,428
Operating income	90,595	57,758	+56.9	182,088
Other income:				
Interest income	7,694	4,205		7,894
Dividend income	6,859	5,711		6,291
Equity in earnings of affiliates, net	5,112	1,661		6,996
Gain on foreign exchange, net	-	1,976		2,132
Gain on sales of investment securities*	14,101	7,612		77,337
Gain on change in interest**	2,074	2,136		2,136
Others	12,545	13,985		21,840
Total other income	48,385	37,286		124,626
Other expenses:				
Interest expense	16,105	13,422		18,429
Loss on foreign exchange, net	1,077	-		-
Loss on disposal of property, plant, and equipment and intangible assets	7,942	5,530		19,763
Amortization of unrecognized obligation for retirement benefits	-	2,419		3,146
Loss on revaluation of inventories***	25,045	-		-
Loss on revaluation of investment securities****	19,888	-		-
Impairment loss*****	289	-		9,991
Loss on sales of investment securities	-	2,275		2,275
Others	23,947	22,045		38,615
Total other expenses	94,293	45,691		92,219
Income before income taxes and minority interests	44,687	49,353	-9.5	214,495
Income taxes	37,634	21,854		96,243
Minority interests	10,861	11,490		15,837
Net income (loss)	Y (3,808)	16,009	-	102,415

Notes:

- * Gain on sales of investment securities refers principally to gain on sale of shares in affiliate Japan Cablenet Holdings Limited.
- ** Gain on change in interest refers to listing of a Chinese affiliate (Nantong Fujitsu Microelectronics Co., Ltd.).
- *** Loss on revaluation of inventories refers to write-downs on book value of inventories at the beginning of the period in conjunction with early adoption of new accounting standard for the valuation of inventories this fiscal year.
- **** Loss on revaluation of investment securities refers principally to a significant decline in the market share price of Spansion Inc. of the U.S.
- ***** Impairment loss refers to the electronic components business.