

## 2. Consolidated Statements of Income

[ Millions of yen ]

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Fiscal year ended March 31, 2005	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
Net sales	793,016	100.0	798,507	100.0	1,067,447	100.0
Cost of sales	424,499	53.5	444,262	55.6	597,800	56.0
Gross profit	368,516	46.5	354,245	44.4	469,647	44.0
Selling, general and administrative expenses	302,471	38.2	303,197	38.0	402,069	37.7
Operating income	66,045	8.3	51,047	6.4	67,577	6.3
Non-operating income	[12,712]	1.6	[7,023]	0.9	[ 8,971 ]	0.8
Interest income	928		651		968	
Dividends earned	416		334		384	
Gains on sales of securities	-		-		3	
Equity method profits	-		71		108	
Loss (gain) on foreign exchange	5,847		479		684	
Other	5,519		5,486		6,821	
Non-operating expenses	[14,429]		[14,109]	1.8	[ 22,931 ]	2.1
Interest expense	4,166	1.8	4,211		5,549	
Equity in net losses of affiliated companies	662		-		-	
Disposal/valuation losses of inventories	3,870		2,660		8,698	
Other	5,729		7,237		8,683	
Recurring profit	64,328	8.1	43,961	5.5	53,617	5.0
Extraordinary profit	[1,513]	0.2	[507]	0.1	[ 3,177 ]	0.3
Gain on sales of fixed assets	576		347		559	
Gain on sales of investment securities	936		-		2,458	
Return of the proxy portion of the national employees' pension fund			160		160	
Extraordinary losses	[29,501]	3.7	[5,712]	0.7	[ 21,364 ]	2.0
Loss on disposal and sale of fixed assets	2,044		2,510		4,569	
Loss on sale of investment in affiliates	9		-		-	
Loss on sale of investment securities	-		-		3	
Write-down on investment securities	-		67		325	
Loss on revaluation of investment	-		-		47	
Transition obligations due to adoption of new accounting standards for retirement benefits	-		385		521	
Loss on tangible fixed assets due to impairment	23,299		-		-	
Management integration rationalization expenses	-		2,748		4,020	
Restructuring expenses	1,776		-		4,851	
Transfers to allowance for doubtful accounts	-		-		1,627	
Amortization of consolidation goodwill	-		-		5,397	
Other	2,372		-		-	
Income before income taxes and minority interests	36,339	4.6	38,756	4.9	35,430	3.3
Tax expenses	21,811	2.8	21,963	2.8	27,352	2.6
Minority interests in earnings of consolidated subsidiaries	579	0.0	318	0.0	553	0.0
Net income	13,948	1.8	16,473	2.1	7,524	0.7