

(2) Consolidated Statements of Income

[Millions of yen]

	Three months ended June 30, 2006		Three months ended June 30, 2007		Increase/Decrease		Fiscal year ended March 31, 2007	
	Amount	% of net sales	Amount	% of net sales	Amount	Y of Y %	Amount	% of net sales
Net sales	241,272	100.0	252,407	100.0	11,134	4.6	1,027,630	100.0
Cost of sales	123,146	51.0	126,380	50.1	3,233	2.6	532,714	51.8
Gross profit	118,126	49.0	126,026	49.9	7,900	6.7	494,916	48.2
Selling, general and administrative expenses	95,885	39.8	101,291	40.1	5,406	5.6	390,909	38.1
Operating income	22,240	9.2	24,735	9.8	2,494	11.2	104,006	10.1
Non-operating income	2,223	0.9	6,629	2.6	4,406	198.2	14,653	1.4
Interest and dividend income	579		794		215		2,316	
Investment income on equity method	—		71		71		—	
Exchange gain	—		4,084		4,084		3,432	
Other	1,643		1,678		35		8,904	
Non-operating expenses	2,995	1.2	3,657	1.4	662	22.1	20,559	2.0
Interest expense	1,338		1,278		(60)		5,088	
Disposal/valuation losses of inventories	620		1,037		417		7,054	
Equity method loss of affiliated companies	99		—		(99)		160	
Other	937		1,341		404		8,255	
Recurring profit	21,468	8.9	27,706	11.0	6,238	29.1	98,099	9.5
Extraordinary profit	1,095	0.4	81	0.0	(1,013)	(92.6)	11,848	1.2
Gain on sales of fixed assets	509		33		(476)		7,275	
Gain on sales of investment securities	585		—		(585)		2,788	
Gain on sales of investment in affiliated companies	—		47		47		1,200	
Gain on sale of investment	—		—		—		54	
Reversal of allowance for doubtful receivables	—		—		—		529	
Extraordinary losses	277	0.1	297	0.1	20	7.3	5,058	0.5
Loss on disposal and sale of fixed assets	277		296		19		2,791	
Loss on sale of investment in affiliates	—		—		—		619	
Loss on sale of investment securities	—		0		0		44	
Write-down on investment securities	—		—		—		26	
Loss on impairment of fixed assets	—		—		—		640	
Payment for dissolution of business	—		—		—		935	
Income before income taxes and minority interests	22,286	9.2	27,490	10.9	5,204	23.4	104,890	10.2
Tax expenses	11,662	4.8	11,321	4.5	(340)	(2.9)	32,135	3.1
Minority interests in earnings of consolidated subsidiaries	68	0.0	33	0.0	(34)	(50.5)	213	0.0
Net Income	10,555	4.4	16,135	6.4	5,579	52.9	72,542	7.1