

2. Consolidated Interim Statements of Income

	Interim 2006 (January to June 2006)		Interim 2007 (January to June 2007)		Fiscal 2006 (January to December 2006)	
	Millions of yen	% of net sales	Millions of yen	% of net sales	Millions of yen	% of net sales
Net sales	163,295	100.0	159,617	100.0	330,380	100.0
Cost of sales	81,979	50.2	76,173	47.7	165,570	50.1
Gross profit	81,315	49.8	83,443	52.3	164,810	49.9
Selling, general and administrative expenses	79,972	49.0	81,012	50.8	164,467	49.8
Operating income	1,343	0.8	2,431	1.5	343	0.1
Nonoperating income	1,596	1.0	1,732	1.1	2,983	0.9
Interest and dividend income	375		269		524	
Equity in earnings of non-consolidated subsidiaries and affiliates	814		936		1,555	
Other	405		525		903	
Nonoperating expenses	430	0.3	418	0.3	899	0.3
Interest expenses	153		227		344	
Other	277		191		555	
Ordinary income	2,508	1.5	3,744	2.3	2,427	0.7
Extraordinary income	5,941	3.7	265	0.2	15,114	4.6
Gain on disposal of property, plant and equipment	5,811		12		5,887	
Gain on sales of subsidiary shares	—		229		706	
Reversal of allowance for doubtful accounts	—		23		—	
Gain on sales of investment securities	0		—		8,387	
Other	128		—		132	
Extraordinary loss	3,313	2.0	<u>1,319</u>	<u>0.8</u>	4,521	1.4
Loss on disposal of property, plant and equipment	329		196		1,027	
<u>Voluntary product recall expenses</u>	—		<u>1,023</u>		—	
Impairment loss	197		67		481	
Loss on shutdown of a plant	1,530		—		1,644	
Early retirement payments	947		—		958	
Other	309		31		409	
Net income before income taxes	5,136	3.2	<u>2,690</u>	<u>1.7</u>	13,020	3.9
Income taxes	1,622	1.0	913	0.5	2,532	0.8
Adjustment of income taxes	1,763	1.1	(68)	(0.0)	4,660	1.4
Minority interest in earnings of consolidated subsidiaries	—	—	—	—	287	0.0
Minority interest in loss of consolidated subsidiaries	19	0.0	17	0.0	—	
Net income	1,770	1.1	<u>1,862</u>	<u>1.2</u>	5,540	1.7