

2. Consolidated Statements of Income

	FY 2007 (January to December 2007)		FY 2008 (January to December 2008)		Increase/ decrease
	Millions of yen	% of net sales	Millions of yen	% of net sales	Millions of yen
Net sales	341,717	100.0	338,236	100.0	(3,480)
Cost of sales	159,200	46.6	157,523	46.6	(1,676)
Gross profit	182,517	53.4	180,712	53.4	(1,804)
Selling, general and administrative expenses	173,611	50.8	172,435	51.0	(1,175)
Operating income	8,905	2.6	8,277	2.4	(628)
Nonoperating income	2,492	0.7	1,379	0.4	(1,112)
Interest and dividend income	431		496		65
Equity in earnings of non-consolidated subsidiaries and affiliates	1,045		193		(851)
Other	1,016		689		(326)
Nonoperating expenses	1,293	0.4	2,053	0.6	760
Interest expenses	744		1,134		389
Other	548		919		370
Ordinary income	10,104	2.9	7,603	2.2	(2,501)
Extraordinary income	2,228	0.7	859	0.3	(1,368)
Gain on disposal of property, plant and equipment	1,082		—		(1,082)
Reversal of allowance for doubtful accounts	904		859		(45)
Gain on sales of subsidiary shares	231		—		(231)
Gain on sales of investment securities	8		—		(8)
Extraordinary loss	2,768	0.8	2,373	0.7	(394)
Loss on disposal of property, plant and equipment	273		263		(10)
Loss on devaluation of investment securities	372		2,032		1,659
Impairment loss	74		78		4
Voluntary product recall expenses	1,950		—		(1,950)
Loss on sales of investment securities	65		—		(65)
Other	32		—		(32)
Net income before income taxes	9,564	2.8	6,088	1.8	(3,476)
Income taxes	2,074	0.6	1,475	0.4	(599)
Adjustment of income taxes	1,960	0.6	1,349	0.4	(610)
Minority interest in earnings of consolidated subsidiaries	105	0.0	222	0.1	117
Net income	5,423	1.6	3,040	0.9	(2,383)