

I-4) Statements of income

Term Item	1H of FY2007 (April 1, 2006 - Sep. 30, 2006)		1H of FY2008 (April 1, 2007 - September 30, 2007)			Change		FY2007 (April 1, 2006 - March 31, 2007)	
	(Yen millions)	%	(Yen millions)	%	(U.S.\$ thousands)	(Yen millions)	Change(%)	(Yen millions)	%
Net sales	424,838	100.0	433,088	100.0	3,765,983	8,250	1.9	862,025	100.0
Cost of sales	307,092	72.3	318,318	73.5	2,767,983	11,226	3.7	622,819	72.3
Gross profit	117,746	27.7	114,770	26.5	998,000	(2,976)	-2.5	239,206	27.7
Selling, general and administrative expenses	79,401	18.7	82,547	19.1	717,800	3,146	4.0	159,106	18.4
Gain on business transfer to Imation Corp.	-	-	(14,922)	-3.5	(129,757)	(14,922)	-	-	-
Restructuring cost	81	0.0	-	-	-	(81)	-	510	0.1
Operating income	38,264	9.0	47,145	10.9	409,957	8,881	23.2	79,590	9.2
Other income (deductions):									
Interest and dividend income	3,028		4,744		41,252	1,716		7,025	
Interest expense	(109)		(71)		(617)	38		(200)	
Foreign exchange gain (loss)	(250)		(1,996)		(17,357)	(1,746)		973	
Other-net	396		(1,460)		(12,696)	(1,856)		1,277	
Total other income (deductions)	3,065	0.7	1,217	0.3	10,582	(1,848)	-60.3	9,075	1.1
Income before income taxes	41,329	9.7	48,362	11.2	420,539	7,033	17.0	88,665	10.3
Income taxes	11,258	2.6	13,373	3.1	116,287	2,115	18.8	16,985	2.0
Income before minority interests	30,071	7.1	34,989	8.1	304,252	4,918	16.4	71,680	8.3
Minority interests	449	0.1	363	0.1	3,156	(86)	-19.2	1,555	0.2
Net income	29,622	7.0	34,626	8.0	301,096	5,004	16.9	70,125	8.1

Note:

U.S.\$1=Yen 115, for convenience only.