

## Consolidated Statements of Operations

Years ended March 31, 2009 and 2008

	Millions of yen	
	Year ended March 31, 2009	Year ended March 31, 2008
Net sales	¥ 64,203	¥ 71,746
Cost of sales (Note 10)	48,513	52,559
Gross profit	15,689	19,187
Selling, general and administrative expenses (Note 11)	15,905	16,498
Operating (loss) income	(215)	2,688
Other income (Note 12):		
Interest and dividend income	129	178
Equity in earnings of affiliates	44	71
Amortization of negative goodwill	184	184
Reversal of allowance for claims management	64	–
Gain on sale of noncurrent assets	3	2
Compensation fees received	–	38
Gain on sales of investment securities	6	2
Reversal of allowance for doubtful accounts	–	21
Other	145	217
	579	716
Other expenses (Note 13):		
Interest expenses	209	218
Loss on disposal of inventories	196	437
Foreign exchange losses	352	291
Loss on sales and retirement of noncurrent assets	115	100
Loss on valuation of investment securities	168	183
Amortization of net retirement benefit obligation at transition	313	312
Loss on litigation	452	58
Compensation for damages	292	–
Expenses for business reorganization of subsidiaries	–	40
Claims management expenses	–	145
Provision of allowance for claims management	–	110
Provision of allowance for doubtful accounts	2	0
Other	179	136
	2,284	2,037
(Loss) income before income taxes and minority interests	(1,920)	1,368
Income taxes (Note 5)		
Income taxes - current	285	703
Income taxes - deferred	198	(405)
	484	297
(Loss) income before minority interests	(2,403)	1,070
Minority interests in income	(7)	(35)
Net (loss) income	¥ (2,397)	¥ 1,035

See accompanying notes to consolidated financial statements.