

Consolidated Statements of Operations (Three months ended September 30)

	Yen (millions)		Change (%)	U.S. Dollars (millions)
	<u>2nd Quarter 2003</u>	2nd Quarter 2002		<u>2nd Quarter 2003</u>
Net sales	Y 1,203,196	Y 1,167,392	+3.1	\$10,840
Operating costs and expenses:				
Cost of goods sold	886,893	852,117	+4.1	7,990
Selling, general and administrative expenses	296,407	309,483	-4.2	2,671
	<u>1,183,300</u>	<u>1,161,600</u>		<u>10,661</u>
Operating income (loss)	19,896	5,792	+243.5	179
Other income (expenses):				
Net interest*	(4,636)	(6,465)		(42)
Equity in earnings of affiliated companies, net	(1,442)	1,432		(13)
Amortization of unrecognized obligation for retirement benefits	(14,492)	(10,924)		(131)
Restructuring charges	(4,674)	(124,101)		(42)
Cost of corrective measures for products**	-	(25,000)		-
Valuation loss on marketable securities	-	(7,637)		-
Gain on sales of marketable securities***	7,496	27,980		68
Other, net	(20,377)	(4,071)		(183)
	<u>(38,125)</u>	<u>(148,786)</u>		<u>(343)</u>
Income (Loss) before income taxes and minority interests	(18,229)	(142,994)	-	(164)
Income taxes	(3,374)	(53,522)		(30)
Minority interests	(3,899)	(1,538)		(35)
Net income (loss)	<u>Y (18,754)</u>	<u>Y (91,010)</u>	-	<u>(\$169)</u>

Note: All yen figures throughout these statements have been converted to U.S. dollars for convenience only at a uniform rate of \$1=111 yen.

*Net interest consists of interest income, dividend income and interest charges.

**Cost of corrective measures for products refers to certain small form factor hard disk drives.

***Gain on sales of marketable securities in second quarter of FY2003 refers to 1,319 million yen of gain on sales of affiliates' stock and 6,177 million yen on sales of available-for-sale securities.