

Consolidated Statements of Operations (Six months ended September 30)

	Yen (millions)		Change (%)	U.S. Dollars (millions)
	1st Half 2003	1st Half 2002		1st Half 2003
Net sales	Y 2,141,934	Y 2,150,386	-0.4	\$19,297
Operating costs and expenses:				
Cost of goods sold	1,576,454	1,571,934	+0.3	14,202
Selling, general and administrative expenses	583,470	601,730	-3.0	5,257
	<u>2,159,924</u>	<u>2,173,664</u>		<u>19,459</u>
Operating income (loss)	(17,990)	(23,278)	-	(162)
Other income (expenses):				
Net interest*	(7,755)	(11,327)		(70)
Equity in earnings of affiliated companies, net	418	(2,090)		4
Amortization of unrecognized obligation for retirement benefits	(28,938)	(21,938)		(261)
Casualty loss**	(4,700)	-		(42)
Restructuring charges	(4,674)	(150,000)		(42)
Cost of corrective measures for products***	-	(25,000)		-
Valuation loss on marketable securities	-	(7,637)		-
Gain on sales of marketable securities****	34,470	27,980		311
Other, net	(21,913)	(6,811)		(198)
	<u>(33,092)</u>	<u>(196,823)</u>	-	<u>(298)</u>
Income (Loss) before income taxes and minority interests	(51,082)	(220,101)	-	(460)
Income taxes	3,787	(70,141)		34
Minority interests	(3,693)	2,522		(34)
Net income (loss)	<u>Y (58,562)</u>	<u>Y (147,438)</u>	-	<u>\$ (528)</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.

**Casualty loss refers to repair expenses incurred to cover damages to property as a result of the earthquake that occurred off the coast of Miyagi prefecture, Japan, on May 26th, 2003.

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

****Gain on sales of marketable securities in first half of FY2003 refers to 27,632 million yen of gain on sales of affiliates' stock and 6,838 million yen on sales of available-for-sale securities.