

3. First-Quarter Consolidated Statements of Operations

	Yen (millions)		Change (%)
	1Q FY 2005 (4/1/05~6/30/05)	1Q FY 2004 (4/1/04~6/30/04)	
Net sales	Y1,026,339	1,008,148	+1.8
Operating costs and expenses:			
Cost of sales	751,171	745,848	+0.7
Selling, general and administrative expenses	<u>260,357</u>	<u>266,681</u>	-2.4
	<u>1,011,528</u>	<u>1,012,529</u>	
Operating income (loss)	14,811	(4,381)	-
Other income (expenses):			
Net interest*	(254)	(911)	
Equity in earnings of affiliated companies, net	(4,214)	2,559	
Amortization of unrecognized obligation for retirement benefits	(9,815)	(9,863)	
Settlement gain**	15,957	-	
Other, net	(50)	(3,207)	
	<u>1,624</u>	<u>(11,422)</u>	-
Income (loss) before income taxes and minority interests	16,435	(15,803)	-
Income taxes	12,712	(5,630)	
Minority interests	(1,225)	(1,668)	
Net income (loss)	<u>Y2,498</u>	<u>(11,841)</u>	-

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

**Settlement gain is related to reconciliation of HDD litigation.