

Consolidated Statements of Income

Years Ended March 31, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
OPERATING REVENUES	¥972,135	¥932,120	\$8,087,649
OPERATING COSTS AND EXPENSES:			
Operating costs	896,023	861,775	7,454,436
Selling, general and administrative	19,294	17,156	160,516
Total operating costs and expenses	915,317	878,931	7,614,952
Operating income	56,818	53,189	472,697
OTHER (INCOME) EXPENSES:			
Interest and dividend income	(548)	(650)	(4,557)
Interest expense	1,564	2,154	13,012
(Gain) loss on sales of marketable and investment securities	(1)	74	(7)
Loss on disposal of property, plant and equipment	1,650	858	13,728
Bond issuance costs	8	3	71
Equity in earnings of affiliated companies	(722)	(800)	(6,009)
Gain on exemption from future pension obligation of the governmental program (Note 2.h)	(45,703)		(380,226)
Loss on devaluation of land	8,697		72,351
Other—net	810	1,645	6,737
Other (income) expenses—net	(34,245)	3,284	(284,900)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	91,063	49,905	757,597
INCOME TAXES (Note 7):			
Current	36,904	27,582	307,022
Deferred	5,634	(5,365)	46,872
Total	42,538	22,217	353,894
MINORITY INTERESTS IN EARNINGS OF CONSOLIDATED SUBSIDIARIES	23	176	196
NET INCOME	¥ 48,502	¥ 27,512	\$ 403,507
PER SHARE OF COMMON STOCK (Notes 2.n and 10):			
Basic net income	¥ 104.51	¥ 59.36	\$ 0.87
Diluted net income	101.63	57.38	0.85
Cash dividends applicable to the year	15.00	14.00	0.12

See notes to consolidated financial statements.