OMRON

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2008 (U.S. GAAP)

OMRON Corporation (6645)

Exchanges Listed:	Tokyo, Osaka, Nagoya Stock Exchanges, First Section
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U.S. GAAP accounting standards:	Adopted, except for segment information

Note: This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Note: All amounts are rounded to the nearest million yen.

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2008 (April 1, 2007 – June 30, 2007)

(1) Sales and Income

(Percentages represent changes compared with the same period of the previous fiscal year.)

Millions of yen - except per share data and percentages

	Three months ended June 30, 2006		Three months ended June 30, 2007		Year ended March 31, 2007
		Change (%)		Change (%)	
Net sales	152,963	12.3	176,127	15.1	723,866
Operating income	9,288	6.8	9,669	4.1	62,046
Income from continuing operations before income taxes	13,376	63.8	11,992	(10.3)	64,279
Net income	6,858	33.2	9,716	41.7	38,280
Net income per share (yen)	29.24		42.14		164.96
Net income per share, diluted (yen)	29.22		42.11		164.85

(Reference) Pursuant to Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures for the fiscal year ended March 31, 2007 and the three months ended June 30, 2006 have been reclassified in relation to operations discontinued during the three months ended June 30, 2007.

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages		
	As of June 30, 2006	As of June 30, 2007	As of March 31, 2007
Total assets	556,851	631,764	630,337
Net assets	360,580	404,549	382,822
Net worth ratio (percentage)	64.8	64.0	60.7
Net assets per share (yen)	1,536.68	1,753.96	1,660.68

Note: In accordance with U.S. GAAP, net assets, net worth ratio and net assets per share are calculated using total shareholders' equity.

(3) Consolidated Cash Flows

	Millions of yen		
	Three months ended June 30, 2006	Three months ended June 30, 2007	Year ended March 31, 2007
Net cash provided by operating activities	6,691	14,087	40,539
Net cash (provided by) used in investing activities	2,324	(7,507)	(47,075)
Net cash used in financing activities	(3,630)	(6,506)	(4,697)
Cash and cash equivalents at end of period	58,909	44,633	42,995

2. Dividends

		Year ended March 31, 2007	Year ending March 31, 2008 (projected)
Dividends per share	Interim dividend (JPY)	15.00	17.00
	Year-end dividend (JPY)	19.00	—
	Total dividend for the year (JPY)	34.00	—

Note: Year-end dividend for the year ending March 31, 2008 is not presented because forecasts have not been made.

3. Projected Results for the Fiscal Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

(Percentages represent changes compared to the previous fiscal year for the full year and compared with the previous interim period for the interim year.)

	Millions of yen			
	Interim period ending September 30, 2007	Change	Full year ending March 31, 2008	Change
Net sales	375,000	15.7	800,000	10.5
Operating income	30,000	28.9	75,000	20.9
Income from continuing operations before income taxes	29,000	(0.4)	72,000	12.0
Net income	20,000	35.2	46,000	20.2
Net income per share, basic (yen)	86.73	—	199.46	—

Note: Unchanged from figures for Net sales, Operating income, Income from continuing operations before income taxes, and Net income announced on April 26, 2007. Please see page 8 of the attached materials regarding assumptions of the results projected above and cautionary statements concerning the use of these projections.

4. Other

(1) Changes in Scope of Consolidation and Application of Equity Method: No
(2) Simplification of accounting methods: Yes
(3) Changes in consolidated accounting methods from the most recent fiscal year: No
(4) Presentation of Operating Income

Operating income in the consolidated statements of operations is presented by subtracting selling, general and administrative expenses and research and development expenses from gross profit.

Note: For more details, see 4. Other in "Qualitative Information and Financial Statements, etc." on page 8.

Note Regarding Use of Projections of Results
Projections of results and future developments are based on information available to the Company at the present time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. Major factors influencing Omron's actual results include, but are not limited to, (i) the economic conditions affecting the Company's businesses in Japan and overseas, (ii) demand trends for the Company's products and services, (iii) the ability of the Omron Group to develop new technologies and new products, (iv) major changes in the fund-raising environment, (v) tie-ups or cooperative relationships with other companies, and (vi) movements in currency exchange rates and stock markets.

Note: The following abbreviations of business segment names are used in the attached materials.
IAB: Industrial Automation Business
ECB: Electronic Components Business
AEC: Automotive Electronic Components Business
SSB: Social Systems Business (includes Social Systems, Solutions and Service Business Company and others)
HCB: Healthcare Business (includes Omron Healthcare Co., Ltd. and others)
Other: Business Development Group and others

(Attachment)

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2008

1. Consolidated Results (U.S. GAAP)

(Millions of yen, %)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Year-on-year change	Year ended March 31, 2007	Year ending March 31, 2008 (projected)	Year-on-year change
Net sales	152,963	176,127	15.1%	723,866	800,000	10.5%
Operating income [% of net sales]	9,288 [6.1%]	9,669 [5.5%]	4.1% [-0.6P]	62,046 [8.6%]	75,000 [9.4%]	20.9% [+0.8P]
Income from continuing operations before income taxes [% of net sales]	13,376 [8.7%]	11,992 [6.8%]	(10.3%) [-1.9P]	64,279 [8.9%]	72,000 [9.0%]	12.0% [+0.1P]
Net income	6,858	9,716	41.7%	38,280	46,000	20.2%
Net income per share (basic) (¥)	29.24	42.14	+12.90	164.96	199.46	+34.50
Net income per share (diluted) (¥)	29.22	42.11	+12.89	164.85		
Return on equity				10.3%	11.5%	(+1.2P)
Total assets	556,851	631,764	13.5%	630,337		
Net assets [Net worth ratio (%)]	360,580 [64.8%]	404,549 [64.0%]	12.2% [-0.8P]	382,822 [60.7%]		
Net assets per share (¥)	1,536.68	1,753.96	+217.28	1,660.68		
Net cash provided by operating activities	6,691	14,087	7,396	40,539		
Net cash (provided by) used in investing activities	2,324	(7,507)	(9,831)	(47,075)		
Net cash used in financing activities	(3,630)	(6,506)	(2,876)	(4,697)		
Cash and cash equivalents at end of period	58,909	44,633	(14,276)	42,995		

Notes:
1. The numerical figures in the quarterly financial results have not been reviewed by auditors.
2. The number of consolidated subsidiaries is 163, and the number of companies accounted for by the equity method is 23.
3. In accordance with U.S. GAAP, return on equity, net assets, net worth ratio and net assets per share are calculated using total shareholders' equity.
4. Other expenses (income), net for the year ended March 31, 2007 and the three months ended June 30, 2006 includes a gain of ¥10,141 million on the establishment of an employee retirement benefit trust and a loss of ¥5,915 million on the sale of land and buildings at the Tokyo Head Office.
5. In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures of the year ended March 31, 2007 and the three months ended June 30, 2006 have been reclassified in relation to operations discontinued during the three months ended June 30, 2007.

(Attachment)

Qualitative Information and Financial Statements, etc.

1. Qualitative Information on Consolidated Results of Operations

General Overview

Reviewing economic conditions during the first quarter of fiscal 2007 (April – June 2007), the global economy remained solid overall despite elements of uncertainty such as continuing high prices of crude oil and raw materials. In the U.S. economy, consumer spending remained firm despite a decrease in housing investment. Economic expansion also continued in Europe, China and Southeast Asia. The Japanese economy expanded steadily with continued expansion of capital investment backed by strong corporate earnings, as well as solid consumer spending.

In markets related to the Omron Group, sales of factory automation control systems, a core product, remained generally firm, although capital investment in the automotive and semiconductor industries was slower compared with the same period of the previous fiscal year. Sales of consumer and commerce components for IT and digital products maintained strength, while sales of automotive electronic components continued to expand as needs for car electronics increased.

In this environment, the Omron Group set "Prioritizing Profits to Achieve GD2010(*1) 2nd Stage Goals" as its fiscal year policy. While working diligently on structural reforms, we will lay the foundation on for a growth structure that supports increased profits, in preparation for the third stage.

Net sales for the first quarter increased 15.1 percent compared with the same period of the previous fiscal year to JPY 176,127 million. This increase was due in part to the effects of the weaker yen on currency translation and business acquisitions made in the previous fiscal year. As for income for the period, the Omron Group made vigorous investments for future growth while efficiently managing selling, general and administrative (SG&A) expenses. As a result, operating income was JPY 9,669 million, an increase of 4.1 percent compared with the same period of the previous fiscal year. Income from continuing operations before income taxes (*2) totaled JPY 11,992 million, a decrease of 10.3 percent compared with the same period of the previous fiscal year due to gain on sale of investment securities and other factors. Moreover, the Omron Group recorded a gain on the establishment of a retirement benefit trust and a loss on the sale of the land and buildings of its Tokyo Head Office in the same period of the previous fiscal year. Net income for the first quarter was JPY 9,716 million, an increase of 41.7 percent compared with the same period of the previous fiscal year due to factors including a gain on the transfer of a business.

(*1) GD2010 (Grand Design 2010) is a vision that sets the basic policies for management of the Omron Group for the 10 years from fiscal 2001 to fiscal 2010. In GD2010, Omron aims to become a "21st century company" by maximizing its corporate value over the long term, based on its fundamental philosophy of "working for the benefit of society." Omron has divided these ten years into three stages, and the current fiscal year is the final year of the second stage (fiscal 2004 –2007).
(*2) Pursuant to Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," figures for income from operations discontinued in the first quarter ended June 30, 2007 have been reclassified for the fiscal year ended March 31, 2007 and the first quarter ended June 30, 2006.

Results by Business Segment

IAB

Operations in Japan were impacted by a slowdown in expansion of capital investment among some customers in the automotive and semiconductor industries in comparison with the first quarter of the previous fiscal year, and a decrease in capital investment in the flat panel display (FPD) industry. In addition, a reaction from the increase in demand in the fourth quarter of the previous fiscal year had a negative impact on first-quarter sales. On the other hand, the Omron Group is reinforcing its sales infrastructure starting from the current fiscal year to expand the applications business, which focuses on quality and safety, and this is resulting in an increase in the number of business negotiations. Overseas, sales in North America expanded on the back of continued strong sales of control equipment to oil and gas-related companies. In Europe, demand increased for products such as programmable controllers and motion controllers, reflecting solid economic expansion. In China, the Omron Group focused on strengthening its sales force, boosting productivity and introducing new products, resulting in strong sales of products including programmable controllers and programmable displays.

In addition, OMRON Scientific Technologies Incorporated, a North American safety equipment manufacturer that became a consolidated subsidiary in September 2006, contributed to sales. As a result, segment sales for the first quarter totaled JPY 77,855 million, an increase of 8.4 percent compared with the same period of the previous fiscal year.

ECB

In Japan, segment sales increased compared with the same period of the previous fiscal year, reflecting steady conditions in the electronic components industry. Overseas, in China, sales of relays, a core product, for large household appliances and sales of jog switches and flexible printed circuit (FPC) connectors for mobile devices, a target industry, continued to expand steadily. In Southeast Asia, robust demand for air-conditioning equipment for the European market fueled strong sales centered on relays.

In addition, the small backlight business of OMRON PRECISION TECHNOLOGY Co., Ltd., which became a consolidated subsidiary in August 2006, contributed to sales. Segment sales for the first quarter totaled JPY 38,175 million, an increase of 41.7 percent compared with the same period of the previous fiscal year.

AEC

Global automobile production volume was generally stable, and the need is increasing for car electronics for automobile safety and environmental friendliness. Against this backdrop, sales in this segment were strong. By area, sales in Japan were firm overall. In North America, while segment sales were affected by slumping business among the top three U.S. auto makers, which are major customers, and strengthening of the Canadian dollar, sales of new products such as wireless control devices and power window switches increased. In Europe and Asia, including China, sales of both new and existing products showed solid growth.

As a result, segment sales for the first quarter were JPY 27,344 million, an increase of 27.3 percent compared with the same period of the previous fiscal year.

SSB

In the public transportation systems business, sales declined sharply because large-scale investments related to common IC cards among different railway companies, in the Tokyo metropolitan area and Kyoto-Osaka-Kobe area, were completed in the previous fiscal year. In the traffic and road management systems business and the ID management solutions business, which is centered on security and electronic money related devices, sales increased steadily. In related maintenance businesses, sales decreased due to a decline in on-site service requests in the IT service business. Sales in the software business increased substantially due to brisk expansion of investment in electronic money in the retail industry.

As a result, segment sales for the first quarter were JPY 13,824 million, a decrease of 0.8 percent compared with the same period of the previous fiscal year.

HCB

In Japan, sales of digital thermometers, body composition analyzers and pedometers were solid, but sales of mainstay digital blood pressure monitors and devices for medical institutions slowed following an increase in demand in the fourth quarter of the preceding fiscal year. Overseas, weak sales in North America, mainly of digital blood pressure monitors, reflected market stagnation, but sales in Europe were generally firm, led by the digital blood pressure monitor business in

Eastern Europe, although demand varied from country to country. In Asia, sales increased strongly in China and Taiwan, where consumption was brisk.

As a result, segment sales for the first quarter were JPY 14,837 million, a decrease of 1.5 percent compared with the same period of the previous fiscal year.

Others

The "Others" segment consists mainly of new businesses being explored and developed by the Business Development Group and development and expansion of other businesses that are not covered by internal companies.

The Business Development Group is focusing on three themes: computer peripherals; radio frequency identification (RFID) equipment; and energy management. Sales of computer peripherals and RFID equipment were at the level of the same period in the previous fiscal year. However, in energy management, the electricity usage monitor business, which employs wireless sensing technology as part of Omron's environmental business, achieved a substantial increase in sales.

As a result, segment sales were JPY 4,092 million, an increase of 9.5 percent compared with the same period of the previous fiscal year.

2. Qualitative Information on Consolidated Financial Condition

Total assets as of June 30, 2007 increased JPY 1,427 million compared with the end of the previous fiscal year to JPY 631,764 million. Shareholders' equity increased JPY 21,727 million compared with the end of the previous fiscal year to JPY 404,549 million. As a result, the net worth ratio increased to 64.0 percent from 60.7 percent at the end of the previous fiscal year.

Net cash provided by operating activities in the first quarter was JPY 14,087 million (an increase of JPY 7,396 million compared with the same period of the previous fiscal year) mainly as a result of net income of JPY 9,716 million and a decrease in trade notes and accounts receivable. Net cash used in investing activities was JPY 7,507 million (an increase in cash used of JPY 9,831 million compared with the same period of the previous fiscal year). While the transfer of businesses generated cash, Omron used cash to purchase businesses. Net cash used in financing activities was JPY 6,506 million (an increase in cash used of JPY 2,876 million compared with the same period of the previous fiscal year), mainly for dividends paid by the Company.

As a result, the balance of cash and cash equivalents at June 30, 2007 increased JPY 1,638 million from the end of the previous fiscal year to JPY 44,633 million.

3. Qualitative Information on Consolidated Performance Forecast

The outlook for the economic environment in the second quarter of fiscal 2007 (ending March 31, 2008) and thereafter is for continued moderate growth. Elements of uncertainty regarding the outlook remain, including high crude oil prices, concerns about a slowdown in the U.S. economy, and trends in exchange rates, but solid consumer spending and a high level of corporate capital investment are expected.

In markets related to the Omron Group, we expect that the market for factory automation control systems will remain firm despite lingering concerns about a slowdown in capital investment in the automotive and FPD industries. Sales of consumer and commerce components for IT and digital related products are also expected to maintain upward momentum.

For the interim period and the full fiscal year ending March 31, 2008, Omron will implement measures to reinforce its sales infrastructure along with further sales expansion in the second quarter and beyond, while working even harder on efficient management of SG&A expenses, based on its fiscal year policy "Prioritizing Profits to Achieve GD2010 2nd Stage Goals." As a result, the performance forecast released on April 26, 2007 is unchanged. The assumed exchange rates in the interim and full fiscal year performance outlook from the second quarter are US$1 = JPY 115 and 1 Euro = JPY 155.

4. Other Items

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries involving changes in the scope of consolidation):
None applicable

(2) Use of simplified accounting methods:
Some simplified methods are applied in accounting standards for reserves and allowances.

(3) Changes in consolidated accounting methods from the most recent fiscal year:
None applicable

(Attachment)

5. Consolidated Financial Statements

Consolidated Statements of Operations

(Millions of yen, %)

	Three months ended June 30, 2006		Three months ended June 30, 2007		Change		(Reference) Year ended March 31, 2007	
Net sales	152,963	100.0%	176,127	100.0%	23,164	15.1%	723,866	100.0%
Cost of sales	93,086	60.9	111,903	63.5	18,817	20.2	445,625	61.6
Gross profit	59,877	39.1	64,224	36.5	4,347	7.3	278,241	38.4
Selling, general and administrative expenses	39,072	25.5	42,248	24.0	3,176	8.1	164,167	22.6
Research and development expenses	11,517	7.5	12,307	7.0	790	6.9	52,028	7.2
Operating income	9,288	6.1	9,669	5.5	381	4.1	62,046	8.6
Foreign exchange loss, net	447	0.3	(203)	(0.1)	(650)	(145.4)	1,086	0.2
Other expenses (income), net	(4,535)	(2.9)	(2,120)	(1.2)	2,415	(53.3)	(3,319)	(0.5)
Income from continuing operations before income taxes	13,376	8.7	11,992	6.8	(1,384)	(10.3)	64,279	8.9
Income taxes	6,348	4.1	5,057	2.9	(1,291)	(20.3)	25,595	3.6
Minority interests	133	0.1	81	0.0	(52)	(39.1)	238	0.0
Equity in net losses of affiliates	176	0.1	192	0.1	16	9.1	1,352	0.2
Net income from continuing operations	6,719	4.4	6,662	3.8	(57)	(0.8)	37,094	5.1
Net income from discontinued operations	139	0.1	3,054	1.7	2,915	2,097.1	1,186	0.2
Net income	6,858	4.5	9,716	5.5	2,858	41.7	38,280	5.3

Notes:

1. Other expenses (income), net for the year ended March 31, 2007 and the three months ended June 30, 2006 includes a gain of ¥10,141 million on the establishment of an employee retirement benefit trust and a loss of ¥5,915 million on the sale of land and buildings at the Tokyo Head Office.
2. In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures of the year ended March 31, 2007 and the three months ended June 30, 2006 have been reclassified in relation to operations discontinued during the three months ended June 30, 2007.
3. Comprehensive income (loss) plus other comprehensive income in net income is as follows.
   Three months ended June 30, 2006: (¥2,836 million)
   Three months ended June 30, 2007: ¥21,443 million
   Year ended March 31, 2007: ¥40,882 million
   Other comprehensive income includes foreign currency translation adjustments, minimum pension liability adjustments, pension liability adjustments, unrealized gains on available-for-sale securities and net gains (losses) on derivative instruments. (However, for the year ended March 31, 2007, adjustments are excluded due to the application of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans.")

(Attachment)

Consolidated Balance Sheets

(Millions of yen, %)

	As of June 30, 2006		As of June 30, 2007		Change		(Reference) As of March 31, 2007	
ASSETS								
Current Assets:	292,715	52.6%	335,610	53.1%	42,895	14.7%	342,059	54.3%
Cash and cash equivalents	58,909		44,633				42,995	
Notes and accounts receivable - trade	117,017		157,704				173,403	
Inventories	87,433		101,621				94,109	
Other current assets	29,356		31,652				31,552	
Property, plant and equipment:	150,827	27.1	160,579	25.4	9,752	6.5	159,315	25.3
Investments and Other Assets:	113,309	20.3	135,575	21.5	22,266	19.7	128,963	20.4
Investments in and advances to associates	16,769		17,543				16,677	
Investment securities	42,706		49,472				46,770	
Other	53,834		68,560				65,516	
Total Assets	556,851	100.0%	631,764	100.0%	74,913	13.5%	630,337	100.0%

	As of June 30, 2006		As of June 30, 2007		Change		(Reference) As of March 31, 2007	
LIABILITIES								
Current Liabilities:	138,269	24.8%	170,750	27.0%	32,481	23.5%	188,860	30.0%
Bank loans and current portion of long-term debt	2,864		19,169				20,132	
Notes and accounts payable - trade	82,738		89,249				91,543	
Other current liabilities	52,667		62,332				77,185	
Long-Term Debt	1,182	0.2	1,420	0.2	238	20.1	1,681	0.3
Other Long-Term Liabilities	55,664	10.0	53,153	8.5	(2,511)	(4.5)	55,536	8.8
Minority Interests	1,156	0.2	1,892	0.3	736	63.7	1,438	0.2
Total Liabilities	196,271	35.2	227,215	36.0	30,944	15.8	247,515	39.3
SHAREHOLDERS' EQUITY								
Common stock	64,100	11.5	64,100	10.1	—	—	64,100	10.2
Additional paid-in capital	98,752	17.7	98,842	15.7	90	0.1	98,828	15.7
Legal reserve	8,094	1.5	8,368	1.3	274	3.4	8,256	1.3
Retained earnings	234,636	42.1	267,628	42.3	32,992	14.1	258,057	40.9
Accumulated other comprehensive income (loss)	(12,665)	(2.2)	8,713	1.4	21,378	—	(3,013)	(0.5)
Treasury stock	(32,337)	(5.8)	(43,102)	(6.8)	(10,765)	33.3	(43,406)	(6.9)
Total Shareholders' Equity	360,580	64.8	404,549	64.0	43,969	12.2	382,822	60.7
Total Liabilities and Shareholders' Equity	556,851	100.0%	631,764	100.0%	74,913	13.5%	630,337	100.0%

(Attachment)

Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Increase (Decrease)	(Reference) Year ended March 31, 2007
I Operating Activities:				
1. Net income	6,858	9,716	2,858	38,280
2. Adjustments to reconcile net income to net cash provided by operating activities:				
(1) Depreciation and amortization	7,928	8,387		33,923
(2) Loss on impairment of property, plant and equipment	—	—		1,441
(3) Loss on impairment of investment securities and other assets	—	—		682
(4) Gain on establishment of employee retirement benefit trust	(10,141)	—		(10,141)
(5) Decrease (increase) in notes and accounts receivable — trade	20,177	22,007		(19,773)
(6) Increase in inventories	(12,499)	(1,831)		(13,955)
(7) Decrease in notes and accounts payable — trade	(3,070)	(4,855)		(5,674)
(8) Gain on sale of business	—	(5,177)		—
(9) Other, net	(2,562)	(14,160)		15,756
Total adjustments	(167)	4,371	4,538	2,259
Net cash provided by operating activities	6,691	14,087	7,396	40,539
II Investing Activities:				
1. Capital expenditures	(8,739)	(6,488)	2,251	(44,689)
2. Net proceeds from sales and acquisition of business entities	3	(881)	(884)	(18,638)
3. Other, net	11,060	(138)	(11,198)	16,252
Net cash provided by (used in) investing activities	2,324	(7,507)	(9,831)	(47,075)
III Financing Activities:				
1. Increase (decrease) in interest-bearing liabilities	137	(2,376)	(2,513)	13,599
2. Dividends paid by the company	(4,230)	(4,388)	(158)	(7,689)
3. Acquisition of treasury stock	(14)	(14)	0	(11,204)
4. Disposal of treasury stock	2	0	(2)	3
5. Exercise of stock options	475	272	(203)	594
Net cash used in financing activities	(3,630)	(6,506)	(2,876)	(4,697)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,239	1,564	325	1,943
Net Increase (Decrease) in Cash and Cash Equivalents	6,624	1,638	(4,986)	(9,290)
Cash and Cash Equivalents at Beginning of the Period	52,285	42,995	(9,290)	52,285
Cash and Cash Equivalents at End of the Period	58,909	44,633	(14,276)	42,995

(Attachment)

4. Segment Information

Business Segment Information

Three months ended June 30, 2006 (April 1, 2006 – June 30, 2006) (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	71,813	26,941	21,482	13,932	15,057	3,738	152,963	—	152,963
(2) Intersegment sales and transfers	1,760	5,338	425	2,780	118	8,633	19,054	(19,054)	—
Total	73,573	32,279	21,907	16,712	15,175	12,371	172,017	(19,054)	152,963
Operating expenses	62,270	29,636	22,686	18,462	13,382	12,294	158,730	(15,055)	143,675
Operating income (loss)	11,303	2,643	(779)	(1,750)	1,793	77	13,287	(3,999)	9,288

Three months ended June 30, 2007 (April 1, 2007 – June 30, 2007) (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	77,855	38,175	27,344	13,824	14,837	4,092	176,127	—	176,127
(2) Intersegment sales and transfers	2,072	5,332	607	2,103	79	9,323	19,516	(19,516)	—
Total	79,927	43,507	27,951	15,927	14,916	13,415	195,643	(19,516)	176,127
Operating expenses	69,277	41,012	27,445	17,383	13,536	13,319	181,972	(15,514)	166,458
Operating income (loss)	10,650	2,495	506	(1,456)	1,380	96	13,671	(4,002)	9,669

(Reference) Fiscal year ended March 31, 2007 (April 1, 2006 – March 31, 2007) (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	305,568	138,352	93,321	105,944	65,726	14,955	723,866	—	723,866
(2) Intersegment sales and transfers	9,208	21,932	2,351	9,688	232	44,544	87,955	(87,955)	—
Total	314,776	160,284	95,672	115,632	65,958	59,499	811,821	(87,955)	723,866
Operating expenses	266,274	147,201	96,901	107,562	57,268	59,068	734,274	(72,454)	661,820
Operating income (loss)	48,502	13,083	(1,229)	8,070	8,690	431	77,547	(15,501)	62,046

(Attachment)

Geographical Segment Information

Three months ended June 30, 2006 (April 1, 2006 – June 30, 2006) (Millions of yen)

	Japan	North America	Europe	Greater China	South-east Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	82,737	21,984	27,696	11,318	9,228	152,963	—	152,963
(2) Intersegment sales and transfers	27,677	97	277	8,129	2,341	38,521	(38,521)	—
Total	110,414	22,081	27,973	19,447	11,569	191,484	(38,521)	152,963
Operating expenses	99,998	22,213	25,433	19,640	10,831	178,115	(34,440)	143,675
Operating income (loss)	10,416	(132)	2,540	(193)	738	13,369	(4,081)	9,288

Three months ended June 30, 2007 (April 1, 2007 – June 30, 2007) (Millions of yen)

	Japan	North America	Europe	Greater China	South-east Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	82,805	26,807	32,706	22,087	11,722	176,127	—	176,127
(2) Intersegment sales and transfers	29,616	298	551	11,933	3,094	45,492	(45,492)	—
Total	112,421	27,105	33,257	34,020	14,816	221,619	(45,492)	176,127
Operating expenses	105,906	26,892	30,084	32,451	13,401	208,734	(42,276)	166,458
Operating income (loss)	6,515	213	3,173	1,569	1,415	12,885	(3,216)	9,669

(Reference) Fiscal year ended March 31, 2007 (April 1, 2006 – March 31, 2007) (Millions of yen)

	Japan	North America	Europe	Greater China	South-east Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	399,357	97,989	116,352	69,435	40,733	723,866	—	723,866
(2) Intersegment sales and transfers	125,174	1,191	1,255	39,535	9,888	177,043	(177,043)	—
Total	524,531	99,180	117,607	108,970	50,621	900,909	(177,043)	723,866
Operating expenses	464,245	98,851	107,291	107,480	46,623	824,490	(162,670)	661,820
Operating income	60,286	329	10,316	1,490	3,998	76,419	(14,373)	62,046

(Reference) In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures for the fiscal year ended March 31, 2007 and the first quarter of the fiscal year ended March 31, 2007 have been reclassified in relation to operations discontinued during the first quarter of the fiscal year ending March 31, 2008.