Summary of Consolidated Financial Results for the Second Quarter Ended September 30, 2008 (U.S. GAAP)

October 30, 2008

OMRON Corporation (6645)

Exchanges listed:	Tokyo, Osaka, Nagoya (First Sections)
Homepage:	http://www.omron.com
Representative:	Hisao Sakuta, President and CEO
Contact:	Masaki Haruta, General Manager, Corporate Resources Innovation Headquarters, Accounting and Finance Center
Telephone:	+81-75-344-7070
U.S. GAAP:	Adopted
Filing of Quarterly Securities Report (*Shihanki hokokusho*) (scheduled):	November 11, 2008
Start of distribution of dividends (scheduled):	December 4, 2008

Note: This document has been translated from the Japanese original as a guide for non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of writing. 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 Second Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008 – September 30, 2008)

(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

	Six months ended September 30, 2008		Six months ended September 30, 2007	
		Change (%)		Change (%)
Net sales	354,670	(3.1)	366,110	13.0
Operating income	18,603	(30.0)	26,590	14.2
Income before income taxes	19,291	(29.4)	27,328	(6.1)
Net income	12,421	(33.9)	18,797	27.1
Net income per share (yen)	56.14		81.78	
Net income per share, diluted (yen)	56.14		81.73	

Note: Pursuant to U.S. Financial Accounting Standards Board (FASB) Statement No. 144, net income from continuing operations before income taxes is presented in "Income before income taxes" for the six months ended September 30, 2007 due to the presentation of income from operations discontinued in the previous fiscal year as "Net income from discontinued operations."

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of September 30, 2008	As of March 31, 2008
Total assets	619,469	617,367
Net assets	366,086	368,502
Net worth ratio (%)	59.1	59.7
Net assets per share (yen)	1,662.74	1,662.32

Note: Net assets are stated as total shareholders' equity based on U.S. GAAP. Net worth ratio and net assets per share are calculated using total shareholders' equity based on U.S. GAAP.

2. Dividends

	Dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year
Year ended March 31, 2008	—	17.00	—	25.00	42.00
Year ending March 31, 2009	—	18.00			—
Year ending March 31, 2009 (projected)			—	—	

Notes:
1. Revisions to projected dividends during the three months ended September 30, 2008: No
2. The year-end dividend for the year ended March 31, 2008 consisted of a regular dividend of JPY 20.00 and a commemorative dividend of JPY 5.00.
3. Dividends for the third quarter of the year ending March 31, 2009 and thereafter are undetermined. For more details, see "Notes Regarding the Use of Projected Results and Other Matters" on page 3.

3. Projected Results for the Fiscal Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(Percentages represent changes compared to the previous fiscal year.)

	Millions of yen	
	Full year ending March 31, 2009	Change
Net sales	725,000	(5.0)
Operating income	36,000	(44.8)
Income before income taxes	33,000	(48.6)
Net income	20,500	(51.6)
Net income per share, basic (yen)	92.87	—

Note: Revisions to projected results during the three months ended September 30, 2008: Yes
See "3. Qualitative Information on Consolidated Performance Forecast" in "Qualitative Information and Financial Statements, etc." on page 6 for items regarding the above projected results.

4. Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No

(2) Use of simplified accounting methods and accounting methods specific to preparation of the quarterly consolidated financial statements: None applicable

(3) Changes in accounting rules, procedures, presentation method, etc. for the Consolidated Financial Statements
(a) Changes in consolidated accounting methods: Yes
(b) Changes other than (a) above: No
Note: For more details, see "4. Other" in "Qualitative Information and Financial Statements, etc." on page 7.

(4) Number of shares issued and outstanding (common stock)
(a) Number of shares at end of period (including treasury stock): September 30, 2008: 239,121,372 shares, March 31, 2008: 239,121,372 shares

(b) Treasury stock at end of period: September 30, 2008: 18,951,388 shares, March 31, 2008: 17,441,564 shares
(c) Average number of shares during the period: Six months ended September 30, 2008: 221,246,713 shares, Six months ended September 30, 2007: 229,854,995 shares

Notes Regarding the Use of Projected Results and Other Matters

1. These materials contain revisions to the full-year projected results for the fiscal year ending March 31, 2009 that were announced on April 28, 2008.
2. Projections of results and future developments are based on information available to the Company at the current 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 Omron Group's businesses in Japan and overseas, (ii) demand trends for the Omron Group'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.

   For the assumptions that form the basis of the projected results, see 3. Qualitative Information on Consolidated Performance Forecast in "Qualitative Information and Financial Statements, etc." on page 6.
3. The Company's quarterly financial statements are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) under Article 4 of the supplementary provision of "Terminology, Style and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No. 64, issued August 10, 2007.
4. The Company applies the single step method for presentation of its Consolidated Financial Statements based on U.S. GAAP. However, to facilitate comparison with other companies, operating income on the Consolidated Income Statement is presented by subtracting selling, general and administrative expenses and research and development expenses from gross profit.
5. The year-end dividend for the year ending March 31, 2009 will be set and disclosed in accordance with the Company's Basic Policy for Distribution of Profits at a point when there is a high level of certainty of achieving the Company's performance forecast. The Company plans to announce the year-end dividend in April 2009 at the latest. The Company's Basic Policy for Distribution of Profits (dividends for each year) depends partly on the necessary level of retained earnings, but is set from the standpoint of enhancing stable and continuing shareholder returns, taking into account factors such as return on equity (ROE) and dividends on equity (DOE) multiplied by the payout ratio. Specifically, the Company has the near-term objective of maintaining the payout ratio at a minimum of 20 percent and DOE at around 2 percent.

Note: Business segment names are abbreviated as follows 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

Qualitative Information and Financial Statements, etc.

1. Qualitative Information on Consolidated Results of Operations

General Overview

Reviewing economic conditions during the six months ended September 30, 2008, the global economy continued to slow due to the impact of the financial instability caused by the U.S. sub-prime loan problem on countries around the world, and high energy prices. In the Japanese economy, in addition to slumping corporate earnings due to high raw material prices and weakening export growth, rising prices began to have a negative impact on consumer spending, resulting in a rapid slowdown in the second half of the period.

In markets related to the Omron Group, restrained capital investment continued among manufacturers, including the semiconductor and automotive industries, and a trend toward production adjustments became notable in the second half of the period.

In this environment, net sales for the second quarter decreased 3.1 percent compared with the same period of the previous fiscal year to JPY 354,670 million, reflecting weak sales in Japan as well as the effect of the stronger yen on foreign currency translation adjustments. Although the Omron Group worked diligently to reduce expenses, the impact of rising raw material prices, in addition to the decrease in net sales, led to a 30.0 percent decrease in operating income to JPY 18,603 million compared with the same period of the previous fiscal year. Income before income taxes decreased 29.4 percent to JPY 19,291 million, and net income for the second quarter was JPY 12,421 million, a 33.9 percent decrease compared with the same period of the previous fiscal year. The average exchange rates for the six months ended September 30, 2008 were USD 1 = JPY 105.5 and EUR 1 = JPY 161.8 (13.5 yen and 0.3 yen less than the same period of the previous fiscal year, respectively).

Results by Business Segment

IAB

In Japan, capital investment was weak among manufacturers, and this segment was particularly affected by the drop in capital investment in the semiconductor and electronic components industries. As a result, segment sales were weak. However, sales of safety components, application sensors and other products were firm as the Omron Group captured increased demand in the applications business, which focuses on quality, safety and the environment.

Overseas, sales in Europe were firm, with growth in demand for motion controllers, safety components and other products. In the United States, demand for control equipment for oil and gas-related companies rebounded, and sales to South America were strong, but total sales decreased compared with the same period of the previous fiscal year due to the impact of the strong yen on currency translation. In China, sales of programmable controllers and photoelectric sensors were strong due to the Omron Group’s ongoing efforts to strengthen its sales operations.

Overall, segment sales for the second quarter totaled JPY 158,442 million, a decrease of 1.6 percent compared with the same period of the previous fiscal year.

ECB

In Japan, conditions remained weak in the consumer and commercial components industry and in the production machinery industry, which suffered from prolonged restraint in capital investment. However, sales of certain products for mobile and IT devices were solid.

Overseas, sales of optical devices in North America were strong in spite of the worsening economic environment, but total sales decreased compared with the same period of the previous fiscal year due to the impact of the strong yen on currency translation. Sales in Europe slowed due to sharply worsening economic conditions. In China, sales of miniature backlights and HMI devices for mobile and IT devices remained strong because of the timely introduction of new products that met customer needs, but here too the impact of the strong yen on currency translation resulted in a decrease in total sales compared with the same period of the previous fiscal year.

Overall, segment sales for the second quarter totaled JPY 71,786 million, a decrease of 9.5 percent compared with the same period of the previous fiscal year.

AEC

Worldwide automobile sales were solid in the first half of the period, but demand in Japan, North America and Europe fell sharply in the second half in the midst of soaring gasoline prices and the economic slowdown. In addition, growth weakened in newly industrialized countries, which had been a driving force, resulting in weak sales.

In this environment, sales in North America declined sharply due to the effect of decreased production volume among major auto manufacturers and the impact of the strong yen on currency translation. On the other hand, sales in Japan were firm due to increased sales of electric power steering controllers to the European market through trading companies. In China, sales were strong as production expanded with the receipt of new orders from customers.

Overall, segment sales for the second quarter totaled JPY 50,328 million, a decrease of 5.2 percent compared with the same period of the previous fiscal year.

SSB

In the public transportation systems business, sales increased substantially compared with the same period of the previous fiscal year due to demand for passenger gates, system monitoring panels, data aggregation systems and other equipment in connection with the opening of new train lines. In the ID management solutions business, sales decreased substantially compared with the same period of the previous fiscal year as demand related to the shift to electronic money dropped further. In the maintenance business, sales were impacted by the consolidation of consumer finance companies, but the above-mentioned opening of new train lines and industrial demand in connection with the adoption of IC cards resulted in solid sales growth. In the software business, sales declined sharply compared with the same period of the previous fiscal year due to a further drop in investment in electronic money settlement systems in the distribution industry, and realignment and development cost cutbacks among mobile phone manufacturers.

Overall, segment sales for the second quarter increased 3.4 percent compared with the same period of the previous fiscal year to JPY 34,087 million.

HCB

In Japan, large orders contributed to an increase in sales to medical institutions compared to the same period of the previous fiscal year. However, sales of digital blood pressure monitors and body composition analyzers for home use were weak in a sluggish medical equipment market. Sales to union health insurance programs and for corporate sales promotions also decreased. As a result, sales in Japan declined compared with the same period of the previous fiscal year.

Overseas sales remained strong overall, led by sales to major distributors in North America and the digital blood pressure monitor business in Russia and Eastern Europe. Sales were also strong in China and Southeast Asia. In China in particular, sales increased substantially, reflecting strong sales of high-end digital blood pressure monitors and other products.

Overall, segment sales for the second quarter increased 1.6 percent compared with the same period of the previous fiscal year to JPY 32,670 million.

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.

In existing businesses, broadband routers and other communication equipment underpinned sales growth in the computer peripherals business. In exploration and development of new businesses, intensifying competition in the market for radio frequency identification (RFID) equipment led to a slowdown, but sales of electricity usage monitoring services increased strongly.

Overall, segment sales for the second quarter decreased 3.7 percent compared with the same period of the previous fiscal year to JPY 7,357 million.

2. Qualitative Information on Consolidated Financial Condition

Total assets as of September 30, 2008 increased JPY 2,102 million compared with the end of the previous fiscal year to JPY 619,469 million due to an increase in inventories and other factors. Net assets decreased JPY 2,416 million compared with the end of the previous fiscal year to JPY 366,086 million due to factors including the effect of the stronger yen on foreign currency translations and a decrease in net unrealized gains on securities. As a result, the net worth ratio decreased to 59.1 percent from 59.7 percent at the end of the previous fiscal year.

Net cash provided by operating activities in the second quarter was JPY 28,040 million (a decrease of JPY 4,069 million compared with the same period of the previous fiscal year) due to a decrease in net income for the period and in trade notes and accounts receivable. Net cash used in investing activities was JPY 20,762 million (an increase in cash used of JPY 1,475 million compared with the same period of the previous fiscal year) as a result of the continuation of investments from the first quarter to expand production facilities in order to ensure sustained growth. Net cash used in financing activities was JPY 3,829 million (a decrease in cash used of JPY 14,083 million compared with the same period of the previous fiscal year) because although the Company obtained bank loans, it also repurchased its own shares and paid dividends.

As a result, the balance of cash and cash equivalents at September 30, 2008 increased JPY 833 million from the end of the previous fiscal year to JPY 41,457 million.

3. Qualitative Information on Consolidated Performance Forecast

The economic outlook appears increasingly uncertain, with sharp exchange rate fluctuations and the strength of the yen contributing to a challenging business environment. In markets related to the Omron Group, conditions are expected to become more difficult with the impact of factors including reduced capital investment by domestic manufacturers, weaker demand for electronic components for consumer and commercial equipment, and production cutbacks in the automobile industry, particularly in the United States. Given these conditions, Omron has revised its consolidated performance forecast from the figures announced on April 28, 2008, as shown in the chart below.

The assumed exchange rates for the third quarter and beyond, which have been used in the performance forecast for the full fiscal year, are USD 1 = JPY 95 and EUR 1 = JPY 120.

It should be noted that the performance forecast and other forward-looking statements are based on information available to the Company at the current time, and on certain assumptions judged by the Company to be reasonable. Due to a variety of factors, actual results may be materially different from the forecast.

Adjustment to Consolidated Performance Forecast

	Net sales	Operating income	Net income before income taxes	Net income
Previous forecast (A) (Announced on April 28, 2008)	780,000	60,000	59,000	36,500
Revised forecast (B)	725,000	36,000	33,000	20,500
Difference (B)-(A)	(55,000)	(24,000)	(26,000)	(16,000)
Difference (%)	(7.1%)	(40.0%)	(44.1%)	(43.8%)
Result for the previous period	762,985	65,253	64,166	42,383

4. Other

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No

(2) Use of simplified accounting methods and accounting methods specific to preparation of the quarterly consolidated financial statements: No

(3) Changes in accounting rules, procedures, presentation method, etc. for the Consolidated Financial Statements: In September 2006, the Financial Accounting Standards Board (FASB) issued Statement No. 157, "Fair Value Measurements." Omron and its consolidated subsidiaries adopted this statement as of April 1, 2008. The adoption of this statement had no material effect on the Omron Group's consolidated operating results or financial condition.

(Attachment)

5. Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2008		As of March 31, 2008	
ASSETS				
Current assets:	330,321	53.3%	330,054	53.5 %
Cash and cash equivalents	41,457		40,624	
Notes and accounts receivable － trade	152,700		166,878	
Allowance for doubtful receivables	(2,730)		(2,211)	
Inventories	106,509		95,125	
Deferred income taxes	19,353		19,690	
Other current assets	13,032		9,948	
Property, plant and equipment:	157,100	25.4	152,676	24.7
Land	27,497		27,126	
Buildings	129,781		128,183	
Machinery and equipment	173,230		167,036	
Construction in progress	10,588		6,277	
Accumulated depreciation	(183,996)		(175,946)	
Investments and other assets:	132,048	21.3	134,637	21.8
Investments in and advances to affiliates	16,813		16,645	
Investment securities	33,958		39,139	
Leasehold deposits	8,080		8,087	
Deferred income taxes	31,065		28,151	
Other	42,132		42,615	
Total Assets	619,469	100.0%	617,367	100.0%

(Millions of yen)

	As of September 30, 2008		As of March 31, 2008	
LIABILITIES				
Current liabilities:	179,374	29.0%	177,069	28.7%
Short-term debt	23,414		17,795	
Notes and accounts payable －trade	91,856		94,654	
Accrued expenses	31,262		30,622	
Income taxes payable	5,349		8,959	
Deferred income taxes	140		133	
Other current liabilities	26,799		24,384	
Current portion of long-term debt	554		522	
Long-term debt	1,172	0.2	1,492	0.2
Deferred income taxes	2,835	0.4	3,887	0.6
Termination and retirement benefits	66,909	10.8	63,536	10.3
Other long-term liabilities	1,072	0.2	863	0.2
Total Liabilities	251,362	40.6	246,847	40.0
Minority interests in subsidiaries	2,021	0.3	2,018	0.3
SHAREHOLDERS' EQUITY				
Common stock	64,100	10.3	64,100	10.4
Capital surplus	99,019	16.0	98,961	16.0
Legal reserve	9,082	1.5	8,673	1.4
Retained earnings	274,500	44.3	266,451	43.2
Accumulated other comprehensive income (loss)	(36,170)	(5.8)	(28,217)	(4.6)
Foreign currency translation adjustments	(7,692)		(5,782)	
Minimum pension liability adjustments	(32,032)		(29,245)	
Net unrealized gains on securities	2,738		6,501	
Net gains on derivative instruments	816		309	
Treasury stock	(44,445)	(7.2)	(41,466)	(6.7)
Total Shareholders' Equity	366,086	59.1	368,502	59.7
Total Liabilities and Shareholders' Equity	619,469	100.0%	617,367	100.0%

(Attachment)

(2) Quarterly Consolidated Statement of Operations

(Millions of yen, %)

	Six months ended September 30, 2008	
Net sales	354,670	100.0%
Cost of sales	224,208	63.2
Gross profit	130,462	36.8
Selling, general and administrative expenses	86,770	24.5
Research and development expenses	25,089	7.1
Operating income	18,603	5.2
Other expenses (income), net	(688)	(0.2)
Income before income taxes	19,291	5.4
Income taxes	7,157	2.0
Current	6,525	
Deferred	632	
Minority interests	51	0.0
Equity in net losses (gains) of affiliates	(338)	(0.1)
Net income	12,421	3.5

Note: Comprehensive income plus other comprehensive income in net income is JPY 4,468 million. Other comprehensive income includes foreign currency translation adjustments, minimum pension liability adjustments, unrealized gains (losses) on available-for-sale securities and net gains (losses) on derivative instruments.

(Attachment)

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2008
Operating activities:	
Net income	12,421
Adjustments to reconcile net income to net cash provided by operating activities:	
1. Depreciation and amortization	17,902
2. Net loss on sales and disposals of property, plant and equipment	546
3. Gain on sales of short-term investments and investment securities	(21)
4. Loss on impairment of investment securities and other assets	273
5. Termination and retirement benefits	(1,211)
6. Deferred income taxes	632
7. Minority interests	51
8. Equity in loss (gain) of affiliates	(338)
9. Changes in assets and liabilities:	
(1) Decrease in notes and accounts receivable — trade, net	14,327
(2) Increase in inventories	(11,530)
(3) Increase in other assets	(2,477)
(4) Decrease in notes and accounts payable — trade	(4,679)
(5) Decrease in income taxes payable	(3,496)
(6) Increase in accrued expenses and other current liabilities	5,143
10. Other, net	497
Total adjustments	15,619
Net cash provided by operating activities	28,040
Investing activities:	
1. Proceeds from sales or maturities of short-term investments and investment securities	1,628
2. Purchase of short-term investments and investment securities	(3,046)
3. Capital expenditures	(19,783)
4. Net decrease in leasehold deposits	11
5. Proceeds from sales of property, plant and equipment	402
6. Decrease in investment in and loans to affiliates	26
Net cash used in investing activities	(20,762)
Financing activities:	
1. Net borrowings of short-term debt	5,553
2. Repayments of long-term debt	(846)
3. Dividends paid by the Company	(5,543)
4. Dividends paid to minority interests	(13)
5. Acquisition of treasury stock	(2,982)
6. Sale of treasury stock	2
Net cash used in financing activities	(3,829)
Effect of exchange rate changes on cash and cash equivalents	(2,616)
Net increase (decrease) in cash and cash equivalents	833
Cash and cash equivalents at beginning of period	40,624
Cash and cash equivalents at end of period	41,457
Notes to cash flows from operating activities:	
1. Interest paid	844
2. Taxes paid	10,135
Notes to investing and financing activities not involving cash flow:	
Debt related to capital expenditures	3,867

The quarterly consolidated financial statements of OMRON Corporation have been prepared based on U.S. GAAP in accordance with Article 4 of the supplementary provisions to “Regulations Regarding Terminology, Style and Method of Preparation of Quarterly Consolidated Financial Statements” (Cabinet Office Ordinance No. 64, August 10, 2007).

(4) Notes Regarding Assumptions of Continuing Operations
None applicable

(5) Segment Information
Business Segment Information
Six months ended September 30, 2008 (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	158,442	71,786	50,328	34,087	32,670	7,357	354,670	—	354,670
(2) Intersegment sales and transfers	4,085	10,419	2,555	3,965	1	18,838	39,863	(39,863)	—
Total	162,527	82,205	52,883	38,052	32,671	26,195	394,533	(39,863)	354,670
Operating expenses	140,219	79,933	54,409	38,112	29,601	26,126	368,400	(32,333)	336,067
Operating income	22,308	2,272	(1,526)	(60)	3,070	69	26,133	(7,530)	18,603

Geographical Segment Information
Six months ended September 30, 2008 (Millions of yen)

	Japan	North America	Europe	Greater China	Southeast Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	170,563	46,439	65,406	47,816	24,446	354,670	—	354,670
(2) Intersegment sales and transfers	69,902	545	870	31,387	4,897	107,601	(107,601)	—
Total	240,465	46,984	66,276	79,203	29,343	462,271	(107,601)	354,670
Operating expenses	229,048	46,218	59,640	74,794	27,427	437,127	(101,060)	336,067
Operating income	11,417	766	6,636	4,409	1,916	25,144	(6,541)	18,603

Overseas Sales
Six months ended September 30, 2008 (Millions of yen)

	North America	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	46,760	66,917	50,434	27,351	191,462
Consolidated net sales					354,670
Overseas sales as a percentage of consolidated net sales (%)	13.2	18.9	14.2	7.7	54.0

(6) Notes in the Event of Significant Changes in Shareholders’ Equity
None applicable

(Attachment)

Financial Statements for Same Period of Previous Fiscal Year

(1) Interim Consolidated Statement of Operations

(Millions of yen, %)

	Six months ended September 30, 2007	
Net sales	366,110	100.0%
Cost of sales	227,208	62.1
Gross profit	138,902	37.9
Selling, general and administrative expenses	87,544	23.8
Research and development expenses	24,768	6.8
Operating income	26,590	7.3
Interest expense (income), net	(434)	(0.1)
Foreign exchange loss, net	914	0.3
Other expenses (income), net	(1,218)	(0.4)
Income before income taxes	27,328	7.5
Income taxes	11,227	3.1
Current	12,919	
Deferred	(1,692)	
Minority interests	147	0.0
Equity in net losses of affiliates	211	0.1
Net income from continuing operations	15,743	4.3
Net income from discontinued operations	3,054	0.8
Net income	18,797	5.1

Notes:
1. In accordance with FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," net income from discontinued operations is presented as "Net income from discontinued operations."
2. Comprehensive income plus other comprehensive income in net income is JPY 18,734 million. Other comprehensive income includes foreign currency translation adjustments, minimum pension liability adjustments, unrealized gains (losses) on securities and net gains (losses) on derivative instruments.

(Attachment)

(2) Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2007
Operating activities:	
Net income	18,797
Adjustments to reconcile net income to net cash provided by operating activities:	
1. Depreciation and amortization	19,032
2. Net loss on sales and disposals of property, plant and equipment	282
3. Net gain on sales of short-term investments and investment securities	(1,228)
4. Loss on impairment of investment securities and other assets	55
5. Termination and retirement benefits	(1,001)
6. Deferred income taxes	(1,692)
7. Minority interests	147
8. Equity in earnings of affiliates	211
9. Net gain on sales of business entities	(5,177)
10. Changes in assets and liabilities:	
(1) Decrease in notes and accounts receivable — trade, net	24,898
(2) Increase in inventories	(6,805)
(3) Increase in other assets	(421)
(4) Decrease in notes and accounts payable — trade	(6,235)
(5) Decrease in income taxes payable	(351)
(6) Decrease in accrued expenses and other current liabilities	(8,838)
11. Other, net	435
Total adjustments	13,312
Net cash provided by operating activities	32,109
Investing activities:	
1. Proceeds from sales or maturities of short-term investments and investment securities	2,697
2. Purchase of short-term investments and investment securities	(2,710)
3. Capital expenditures	(19,934)
4. Net increase in leasehold deposits	(105)
5. Proceeds from sales of property, plant and equipment	2,031
6. Increase in investment in and loans to affiliates	(1,036)
7. Proceeds from sale of business entities, net	7,796
8. Payment for acquisition of business entities, net	(8,026)
Net cash used in investing activities	(19,287)
Financing activities:	
1. Net repayments of short-term bank loans	(4,497)
2. Proceeds from issuance of long-term debt	15
3. Repayments of long-term debt	(434)
4. Dividends paid by the Company	(4,381)
5. Dividends paid to minority interests	(7)
6. Acquisition of treasury stock	(8,971)
7. Sale of treasury stock	3
8. Exercise of stock options	360
Net cash used in financing activities	(17,912)
Effect of exchange rate changes on cash and cash equivalents	1,146
Net increase (decrease) in cash and cash equivalents	(3,944)
Cash and cash equivalents at beginning of period	42,995
Cash and cash equivalents at end of period	39,051
Notes to cash flows from operating activities:	
1. Interest paid	795
2. Taxes paid	13,194
Notes to investing and financing activities not involving cash flow:	
Debt related to capital expenditures	1,831

(Attachment)

(3) Segment Information

Business Segment Information

Six months ended September 30, 2007 (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	160,947	79,318	53,097	32,953	32,159	7,636	366,110	—	366,110
(2) Intersegment sales and transfers	4,428	10,781	1,238	3,923	190	19,112	39,672	(39,672)	—
Total	165,375	90,099	54,335	36,876	32,349	26,748	405,782	(39,672)	366,110
Operating expenses	140,749	84,050	53,813	36,835	29,095	26,566	371,108	(31,588)	339,520
Operating income	24,626	6,049	522	41	3,254	182	34,674	(8,084)	26,590

Geographical Segment Information

Six months ended September 30, 2007 (Millions of yen)

	Japan	North America	Europe	Greater China	Southeast Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	177,912	52,797	63,979	48,251	23,171	366,110	—	366,110
(2) Intersegment sales and transfers	63,518	541	678	25,049	5,449	95,235	(95,235)	—
Total	241,430	53,338	64,657	73,300	28,620	461,345	(95,235)	366,110
Operating expenses	220,861	52,458	58,524	69,185	26,169	427,197	(87,677)	339,520
Operating income	20,569	880	6,133	4,115	2,451	34,148	(7,558)	26,590

Overseas Sales

Six months ended September 30, 2007 (Millions of yen)

	North America	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	53,744	64,004	51,935	30,225	199,908
Consolidated net sales					366,110
Overseas sales as a percentage of consolidated net sales (%)	14.7	17.5	14.2	8.2	54.6

(Attachment)

Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2009

(Millions of yen, %)

	Six months ended September 30, 2007	Six months ended September 30, 2008	Year-on-year change	Year ended March 31, 2008	Year ending March 31, 2009 (projected)	Year-on-year change
Net sales	366,110	354,670	(3.1%)	762,985	725,000	(5.0%)
Operating income [% of net sales]	26,590 [7.3%]	18,603 [5.2%]	(30.0%) [-2.1P]	65,253 [8.6%]	36,000 [5.0%]	(44.8%) [-3.6P]
Income before income taxes [% of net sales]	27,328 [7.5%]	19,291 [5.4%]	(29.4%) [-2.1P]	64,166 [8.4%]	33,000 [4.6%]	(48.6%) [-3.8P]
Net income	18,797	12,421	(33.9%)	42,383	20,500	(51.6%)
Net income per share (basic) (yen)	81.78	56.14	-25.64	185.89	92.87	-93.02
Net income per share (diluted) (yen)	81.73	56.14	-25.59	185.84		
Return on equity				11.3%	5.6%	[-5.7P]
Total assets	620,493	619,469	(0.2%)	617,367		
Net assets [Net worth ratio (%)]	388,873 [62.7%]	366,086 [59.1%]	(5.9%) [-3.6P]	368,502 [59.7%]		
Net assets per share (yen)	1,708.01	1,662.74	-45.27	1,662.32		
Net cash provided by operating activities	32,109	28,040	(4,069)	68,996		
Net cash used in investing activities	(19,287)	(20,762)	(1,475)	(36,681)		
Net cash used in financing activities	(17,912)	(3,829)	14,083	(34,481)		
Cash and cash equivalents at end of period	39,051	41,457	2,406	40,624		

Notes:
1. The number of consolidated subsidiaries is 165, and the number of companies accounted for by the equity method is 20.
2. Net assets are stated as total shareholders' equity based on U.S. GAAP. Net worth ratio and net assets per share are calculated using total shareholders' equity based on U.S. GAAP.
3. Pursuant to FASB Statement No. 144, net income from continuing operations before income taxes is presented in "Income before income taxes" for the six months ended September 30, 2007 due to the presentation of income from operations discontinued in the previous fiscal year as "Net income from discontinued operations."

(Attachment)

Net Sales by Business Segment

(Billions of yen)

		Six months ended September 30, 2007	Six months ended September 30, 2008	Year-on-year change (%)
IAB	Domestic	68.5	66.2	(3.3)
	Overseas	92.4	92.2	(0.2)
	Total	160.9	158.4	(1.6)
ECB	Domestic	29.7	30.1	1.1
	Overseas	49.6	41.7	(15.9)
	Total	79.3	71.8	(9.5)
AEC	Domestic	12.9	13.8	6.6
	Overseas	40.2	36.5	(9.0)
	Total	53.1	50.3	(5.2)
SSB	Domestic	31.4	31.5	0.3
	Overseas	1.6	2.6	65.6
	Total	33.0	34.1	3.4
HCB	Domestic	16.1	14.5	(10.4)
	Overseas	16.1	18.2	13.6
	Total	32.2	32.7	1.6
Others	Domestic	7.6	7.1	(6.4)
	Overseas	0.0	0.3	420.8
	Total	7.6	7.4	(3.7)
Total	Domestic	166.2	163.2	(1.8)
	Overseas	199.9	191.5	(4.2)
	[% of total]	[54.6%]	[54.0%]	[-0.6P]
	Total	366.1	354.7	(3.1)

Average Currency Exchange Rate

(One unit of currency, in yen)

	Six months ended September 30, 2007	Six months ended September 30, 2008	Year-on-year change
USD	119.0	105.5	(13.5)
EUR	162.1	161.8	(0.3)

(Attachment)

Net Sales by Business Segment (Forecast) (Billions of yen)

		Year ended March 31, 2008	Year ending March 31, 2009 (projected)	Year-on-year change (%)
IAB	Domestic	144.1	135.0	(6.3)
	Overseas	184.7	173.0	(6.3)
	Total	328.8	308.0	(6.3)
ECB	Domestic	62.4	58.5	(6.3)
	Overseas	91.8	85.5	(6.9)
	Total	154.2	144.0	(6.6)
AEC	Domestic	28.0	30.0	7.1
	Overseas	79.5	69.0	(13.2)
	Total	107.5	99.0	(7.9)
SSB	Domestic	81.0	86.0	6.1
	Overseas	4.2	4.0	(4.5)
	Total	85.2	90.0	5.6
HCB	Domestic	35.0	31.0	(11.4)
	Overseas	36.6	38.0	3.9
	Total	71.6	69.0	(3.6)
Others	Domestic	15.4	14.8	(3.7)
	Overseas	0.3	0.2	(23.8)
	Total	15.7	15.0	(4.1)
Total	Domestic	365.9	355.3	(2.9)
	Overseas	397.1	369.7	(6.9)
	[% of total]	[52.0%]	[51.0%]	[-1.0P]
	Total	763.0	725.0	(5.0)

Note:

Average Currency Exchange Rate (One unit of currency, in yen)

	Year ended March 31, 2008	Year ending March 31, 2009 (projected)	Year-on-year change
USD	114.1	100.6	(13.5)
EUR	161.9	141.5	(19.4)