OMRON

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2008 (U.S. GAAP)

July 31, 2008

OMRON Corporation (6645)

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Filing of Securities Report (*Yuka shoken hokokusho*) (Scheduled):	August 8, 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 First Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008 – June 30, 2008)

(1) Sales and Income (Cumulative)

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

	Net sales		Operating income		Income before income taxes	
	(millions of yen)	Change (%)	(millions of yen)	Change (%)	(millions of yen)	Change (%)
Three months ended June 30, 2008	169,934	(3.5)	4,806	(50.3)	5,561	(53.6)
Three months ended June 30, 2007	176,127	15.1	9,669	4.1	11,992	(10.3)

	Net income		Net income per share	Net income per share, diluted
	(millions of yen)	Change (%)	(yen)	(yen)
Three months ended June 30, 2008	3,503	(63.9)	15.80	15.80
Three months ended June 30, 2007	9,716	41.7	42.14	42.11

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 three months ended June 30, 2007 due to the presentation of income from operations discontinued in the previous fiscal year as "Net income from discontinued operations."

(2) Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Net worth ratio (%)	Net assets per share (yen)
As of June 30, 2008	622,889	383,719	61.6	1,730.98
As of March 31, 2008	617,367	368,502	59.7	1,662.32

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

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	—				—
Year ending March 31, 2009 (projected)		18.00	—	—	—

Notes: 1. Revisions to projected dividends during the three months ended June 30, 2008: No
2. The year-end dividend for the year ended March 31, 2008 consists 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 "Note Regarding the Use of Projections of 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 with the previous fiscal year for the full year and compared with the same period of the previous fiscal year for the cumulative second quarter.)

	Net sales		Operating income		Income from continuing operations before income taxes		Net income		Net income per share, basic
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Cumulative second quarter ending Sept. 30, 2008	368,000	0.5	20,000	(24.8)	19,500	(28.6)	12,000	(36.2)	54.24
Year ending March 31, 2009	780,000	2.2	60,000	(8.1)	59,000	(8.1)	36,500	(13.9)	165.34

Note: Revisions to projected results during the three months ended June 30, 2008: No

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
(a) Changes in consolidated accounting methods: Yes
(b) Changes other than (a) above: No

Note: For more information, see “4. Other” in “Qualitative Information and Financial Statements, etc.” on page 6.

(4) Number of shares issued and outstanding (common stock)
(a) Number of shares at end of period (including treasury stock): June 30, 2008: 239,121,372 shares, March 31, 2008: 239,121,372 shares
(b) Treasury stock at end of period: June 30, 2008: 17,444,986 shares, March 31, 2008: 17,441,564 shares
(c) Average number of shares during the period (cumulative quarterly period): Three months ended June 30, 2008: 221,678,112 shares, Three months ended June 30, 2007: 230,579,118 shares

Note Regarding the Use of Projections of Results and Other Matters

1. 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.
2. 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).
3. 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.
4. 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 sometime between January and March 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.
5. At the Board of Directors meeting held today, the Company resolved to repurchase shares of its own stock pursuant to the Corporate Law of Japan. (Please see the news release issued today entitled “Notice Regarding Repurchase of OMRON Stock.”)
Note that net income per share, basic, in “3. Projected Results for the Fiscal Year Ending March 31, 2009” takes into account the effect of this share repurchase.

Note: Business segment names are abbreviated as follows.
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)

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 2008 (April – June 2008), the U.S. economy was flat due to factors including weak corporate earnings, the continuing slump in the housing market and a decline in consumer spending. In the European economy, the slowdown that began in the second half of the previous fiscal year continued. In China and Southeast Asia, economic growth remained solid, but inflation rates increased due to rising crude oil and raw material prices worldwide. In Japan, while consumer spending was firm, rising energy and raw material prices impacted corporate earnings, and overall economic growth slowed.

In markets related to the Omron Group, capital investment in manufacturing was generally weak. A trend toward restrained capital investment arose particularly in the semiconductor and automotive industries.

In this environment, the Omron Group set “securing a foothold for sustainable growth” as its policy for fiscal 2008. Our basic stance is to make the necessary investments to realize a mechanism for sustained growth in fiscal 2008, the start of the third stage of GD2010,* and to ensure the achievement of profit targets, which take into account the effects of exchange rate changes and high crude oil prices. We have been carefully scrutinizing expenses throughout the Company and implementing cost reductions.

Net sales for the first quarter decreased 3.5 percent compared with the same period of the previous fiscal year to JPY 169,934 million, reflecting the effect of the stagnant U.S. economy and a worsening capital investment environment in the manufacturing sector in Japan. Although the OMRON Group worked diligently to reduce expenses, an increase in depreciation expenses associated with production facility expansions that are essential to sustainable growth, along with the decrease in net sales, led to a 50.3 percent decrease in operating income compared with the same period of the previous fiscal year to JPY 4,806 million. Income from continuing operations before income taxes decreased 53.6 percent to JPY 5,561 million and net income for the first quarter was JPY 3,503 million, a decrease of 63.9 percent compared with the same period of the previous fiscal year.

The average exchange rates for the first quarter ended June 30, 2008 were USD 1 = JPY 104.3 and EUR 1 = JPY 163.5 (16.4 yen less and 1.2 yen more than the same period of the previous fiscal year, respectively).

*1 GD2010 (Grand Design 2010) is a vision that establishes the basic policies for management of the Omron Group for the ten years from fiscal 2001 to fiscal 2010. Through 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, with fiscal 2008 being the first year of the third stage (fiscal 2008–2010). Management plans for the third stage were announced on January 10, 2008.

Results by Business Segment

IAB

In Japan, capital investment was generally weak among manufacturers, and this segment was particularly affected by the drop in capital investment in the semiconductor and electronic components industries. Investment was also restrained in the automotive industry. As a result, segment sales were weak in the first quarter. However, the Omron Group increased sales of safety components and related products over the same period of the previous fiscal year by capturing increased demand in the applications business, which focuses on quality, safety and the environment.

Overseas, demand for motion controllers, safety components and other products expanded in Europe. In the United States, demand for control equipment for oil and gas-related companies rebounded, but overall sales were affected by slowing capital investment by automotive and other manufacturers. In China, there were concerns about the effects of a tighter fiscal policy on investment among manufacturers, but sales of programmable controllers and photoelectric sensors increased steadily due to the Omron Group’s ongoing efforts to strengthen its sales operations.

Overall, segment sales for the first quarter totaled JPY 76,919 million, a decrease of 1.2 percent compared with the same period of the previous fiscal year.

ECB

In Japan, this segment was affected by restrained capital investment in the semiconductor and automotive industries, which began in the second half of the previous fiscal year, along with general weakness in the consumer and commercial components industry.

Overseas, while sales were generally slow in North America from the second half of the previous fiscal year, business expansion of energy-efficient products such as air conditioners increased opportunities in China, where sales were solid. Sales were also firm in Europe.

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.

Overall, segment sales for the first quarter totaled JPY 34,465 million, a decrease of 9.7 percent compared with the same period of the previous fiscal year.

AEC

While the growth of worldwide automobile production volume slowed due to rising gasoline prices and the global economic downturn, needs for car electronics that support automobile safety and environmental friendliness increased.

In this business environment, sales in North America declined sharply due to the effect of decreased production volume among major North American auto manufacturers. On the other hand, in China, where automobile manufacturers are shifting production and expanding global procurement, production expanded with the launch of new themes, and sales to the Chinese market were strong.

Overall, segment sales for the first quarter totaled JPY 25,903 million, a decrease of 5.3 percent compared with the same period of the previous fiscal year.

SSB

In the public transportation systems business, sales increased substantially compared with the first quarter of the previous fiscal year due to demand for installation of 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 solid even amid slumping capital investment in Japan. In the software business, sales declined sharply compared with the same period of the previous fiscal year due to a further drop in demand in the distribution industry and a decrease in consigned development due to the saturation of the mobile phone market in Japan.

Overall, segment sales for the first quarter totaled JPY 14,186 million, an increase of 2.6 percent compared with the same period of the previous fiscal year.

HCB

In Japan, sales of pedometers and electric toothbrushes continued to expand strongly, but sales of digital blood pressure monitors, body composition analyzers and devices for medical institutions were sluggish.

Overseas, sales were strong overall, led by sales to major distributors in North America and the digital blood pressure monitor business in Russia and Central and Eastern Europe. In China and the Southeast Asia region, Mothers Day and Fathers Day products sold well.

Overall, segment sales for the first quarter totaled JPY 14,662 million, a decrease of 1.2 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.

In existing businesses, sales of uninterruptible power supplies and broadband routers in the computer peripherals business were weak. In new businesses, sales in the radio frequency identification (RFID) market were slow because of intensified competition and other factors, and sales were also sluggish in the electricity usage monitoring business.

As a result, segment sales for the first quarter totaled JPY 3,799 million, a decrease of 7.2 percent compared with the same period of the previous fiscal year.

2. Qualitative Information on Consolidated Financial Condition

Total assets as of June 30, 2008 increased JPY 5,522 million compared with the end of the previous fiscal year to JPY 622,889 million due to an increase in inventories and other factors. Shareholders' equity increased JPY 15,217 million compared with the end of the previous fiscal year to JPY 383,719 million due to factors including the effect of the weaker yen on foreign currency translation adjustments. As a result, the net worth ratio increased to 61.6 percent from 59.7 percent at the end of the previous fiscal year.

Net cash provided by operating activities in the first quarter was JPY 12,775 million (a decrease of JPY 1,312 million compared with the same period of the previous fiscal year) due to a decrease in trade notes and accounts receivable. Net cash used in investing activities was JPY 10,642 million (an increase in cash used of JPY 3,135 million compared with the same period of the previous fiscal year) as a result of investments to expand production facilities to ensure sustained growth. Net cash provided by financing activities was JPY 165 million (compared with net cash used of JPY 6,506 million in the same period of the previous fiscal year) because although the Company paid dividends, it also obtained bank loans.

As a result, the balance of cash and cash equivalents at June 30, 2008 increased JPY 2,260 million from the end of the previous fiscal year to JPY 42,884 million.

3. Qualitative Information on Consolidated Performance Forecast

The Omron Group has positioned fiscal 2008, the first year of the third stage of GD2010, as a year for "securing a foothold for sustainable growth." First-quarter performance was weak in a challenging economic environment, but there is no change to the consolidated performance forecast announced on April 28, 2008 for the first half and the full fiscal year.

The assumed exchange rates for the second quarter and beyond, which have been used in the performance forecast for the first half and the full fiscal year, are USD 1 = JPY 100 and EUR 1 = JPY 155.

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.

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.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of June 30, 2008		As of March 31, 2008	
ASSETS				
Current assets:	329,486	52.9%	330,054	53.5%
Cash and cash equivalents	42,884		40,624	
Notes and accounts receivable — trade	149,724		166,878	
Allowance for doubtful receivables	(2,829)		(2,211)	
Inventories	105,899		95,125	
Deferred income taxes	20,941		19,690	
Other current assets	12,867		9,948	
Property, plant and equipment:	156,344	25.1	152,676	24.7
Land	27,433		27,126	
Buildings	130,497		128,183	
Machinery and equipment	176,084		167,036	
Construction in progress	8,043		6,277	
Accumulated depreciation	(185,713)		(175,946)	
Investments and other assets:	137,059	22.0	134,637	21.8
Investments in and advances to associates	16,888		16,645	
Investment securities	41,606		39,139	
Leasehold deposits	8,147		8,087	
Deferred income taxes	26,639		28,151	
Other	43,779		42,615	
Total assets	622,889	100.0%	617,367	100.0%

(Millions of yen)

	As of June 30, 2008		As of March 31, 2008	
LIABILITIES				
Current liabilities:	169,056	27.2%	177,069	28.7%
Bank loans	24,116		17,795	
Notes and accounts payable －trade	90,061		94,654	
Accrued expenses	24,454		30,622	
Income taxes payable	5,003		8,959	
Deferred income taxes	143		133	
Other current liabilities	24,614		24,384	
Current portion of long-term debt	665		522	
Long-term debt	1,709	0.3	1,492	0.2
Deferred income taxes	3,935	0.6	3,887	0.6
Termination and retirement benefits	61,195	9.8	63,536	10.3
Other long-term liabilities	1,164	0.2	863	0.2
Total liabilities	237,059	38.1	246,847	40.0
Minority interests in subsidiaries	2,111	0.3	2,018	0.3
SHAREHOLDERS' EQUITY				
Common stock	64,100	10.3	64,100	10.4
Additional paid-in capital	98,998	15.9	98,961	16.0
Legal reserve	8,966	1.4	8,673	1.4
Retained earnings	269,661	43.3	266,451	43.2
Accumulated other comprehensive income (loss)	(16,532)	(2.6)	(28,217)	(4.6)
Foreign currency translation adjustments	4,355		(5,782)	
Minimum pension liability adjustments	(28,368)		(29,245)	
Net unrealized gains on available-for-sale securities	7,540		6,501	
Net gains (losses) on derivative instruments	(59)		309	
Treasury stock	(41,474)	(6.7)	(41,466)	(6.7)
Total shareholders' equity	383,719	61.6	368,502	59.7
Total liabilities and shareholders' equity	622,889	100.0%	617,367	100.0%

(2) Consolidated Statement of Operations

(Millions of yen)

	Three months ended June 30, 2008	
Net sales	169,934	100.0%
Cost of sales	108,951	64.1
Gross profit	60,983	35.9
Selling, general and administrative expenses	43,988	25.9
Research and development expenses	12,189	7.2
Operating income	4,806	2.8
Interest expense, net	32	0.0
Foreign exchange loss (gain), net	(728)	(0.5)
Other expenses (income), net	(59)	(0.0)
Income before income taxes	5,561	3.3
Income taxes	2,261	1.3
Current	2,645	
Deferred	(384)	
Minority interests	35	0.0
Equity in net losses (gains) of affiliates	(238)	(0.1)
Net income	3,503	2.1

Note: Comprehensive income plus other comprehensive income in net income is JPY 15,188 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.

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2008
I. Operating activities:	
Net income	3,503
Adjustments to reconcile net income to net cash provided by operating activities:	
1. Depreciation and amortization	9,306
2. Net loss (gain) on sales and disposals of property, plant and equipment	119
3. Termination and retirement benefits	(899)
4. Deferred income taxes	(384)
5. Minority interests	35
6. Equity in loss of affiliates	(238)
7. Changes in assets and liabilities:	
(1) Decrease in notes and accounts receivable — trade, net	22,787
(2) Increase in inventories	(7,264)
(3) Decrease in other assets	(3,101)
(4) Decrease in notes and accounts payable — trade	(5,205)
(5) Decrease in income taxes payable	(4,196)
(6) Decrease in accrued expenses and other current liabilities	(1,503)
8. Other, net	(185)
Total adjustments	9,272
Net cash provided by operating activities	12,775
II. Investing activities:	
1. Proceeds from sales or maturities of short-term investments and investment securities	1,573
2. Purchase of short-term investments and investment securities	(2,568)
3. Capital expenditures	(9,881)
4. Net increase in leasehold deposits	(17)
5. Proceeds from sales of property, plant and equipment	251
Net cash used in investing activities	(10,642)
III. Financing activities:	
1. Net proceeds of short-term bank loans	6,166
2. Repayments of long-term debt	(437)
3. Dividends paid by the Company	(5,543)
4. Dividends paid to minority interests	(13)
5. Acquisition of treasury stock	(8)
Net cash provided by financing activities	165
IV. Effect of exchange rate changes on cash and cash equivalents	(38)
Net increase (decrease) in cash and cash equivalents	2,260
Cash and cash equivalents at beginning of period	40,624
Cash and cash equivalents at end of period	42,884
Notes to cash flows from operating activities:	
1. Interest paid	391
2. Taxes paid	6,601
Notes to investing and financing activities not involving cash flow:	
Debt related to capital expenditures	1,072

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

Three months ended June 30, 2008 (April 1, 2008 – June 30, 2008) (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	76,919	34,465	25,903	14,186	14,662	3,799	169,934	—	169,934
(2) Intersegment sales and transfers	1,813	5,012	1,196	1,605	0	8,576	18,202	(18,202)	—
Total	78,732	39,477	27,099	15,791	14,662	12,375	188,136	(18,202)	169,934
Operating expenses	68,651	38,803	27,882	17,390	14,377	12,376	179,479	(14,351)	165,128
Operating income (loss)	10,081	674	(783)	(1,599)	285	(1)	8,657	(3,851)	4,806

Geographical Segment Information

Three months ended June 30, 2008 (April 1, 2008 – June 30, 2008) (Millions of yen)

	Japan	North America	Europe	Greater China	South-east Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	76,752	22,715	34,957	23,159	12,351	169,934	—	169,934
(2) Intersegment sales and transfers	34,111	208	521	14,660	2,388	51,888	(51,888)	—
Total	110,863	22,923	35,478	37,819	14,739	221,822	(51,888)	169,934
Operating expenses	109,132	22,857	31,536	35,656	13,687	212,868	(47,740)	165,128
Operating income	1,731	66	3,942	2,163	1,052	8,954	(4,148)	4,806

Overseas Sales

Three months ended June 30, 2008 (April 1, 2008 – June 30, 2008) (Millions of yen)

	North America	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	22,877	35,621	24,463	14,011	96,972
Consolidated net sales					169,934
Overseas sales as a percentage of consolidated net sales (%)	13.5	21.0	14.4	8.2	57.1

(6) Notes in the Event of Significant Changes in Shareholders' Equity

None applicable

(Reference Materials)

Quarterly Financial Statements

(1) (Summary) Quarterly Consolidated Statements of Operations

First Quarter (April 1, 2007 – June 30, 2007) (Millions of yen)

	Three months ended June 30, 2007	
Net sales	176,127	100.0%
Cost of sales	111,903	63.5
Gross profit	64,224	36.5
Selling, general and administrative expenses	42,248	24.0
Research and development expenses	12,307	7.0
Operating income	9,669	5.5
Foreign exchange loss, net	(203)	(0.1)
Other expenses (income), net	(2,120)	(1.2)
Net income from continuing operations before income taxes	11,992	6.8
Income taxes	5,057	2.9
Minority interests	81	0.0
Equity in net losses of affiliates	192	0.1
Net income from continuing operations	6,662	3.8
Net income from discontinued operations	3,054	1.7
Net income	9,716	5.5

Notes:

1. In accordance with FASB Statement No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” income from discontinued operations is presented as “Net income from discontinued operations.”
2. Comprehensive income plus other comprehensive income in net income is JPY 21,443 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.

(2) (Summary) Quarterly Consolidated Statements of Cash Flows

First Quarter (April 1, 2007 – June 30, 2007) (Millions of yen)

	Three months ended June 30, 2007
I. Operating activities:	
1. Net income	9,716
2. Adjustments to reconcile net income to net cash provided by operating activities:	
(1) Depreciation and amortization	8,387
(2) Decrease in notes and accounts receivable — trade, net	22,007
(3) Increase in inventories	(1,831)
(4) Decrease in notes and accounts payable — trade	(4,855)
(5) Gain on sale of business	(5,177)
(6) Other, net	(14,160)
Total adjustments	4,371
Net cash provided by operating activities	14,087
II. Investing activities:	
1. Capital expenditures	(6,488)
2. Net proceeds from sales and acquisition of business entities	(881)
3. Other, net	(138)
Net cash used in investing activities	(7,507)
III. Financing activities:	
1. Decrease in interest-bearing liabilities	(2,376)
2. Dividends paid by the Company	(4,388)
3. Acquisition of treasury stock	(14)
4. Disposal of treasury stock	0
5. Exercise of stock options	272
Net cash used in financing activities	(6,506)
IV. Effect of exchange rate changes on cash and cash equivalents	1,564
Net increase (decrease) in cash and cash equivalents	1,638
Cash and cash equivalents at beginning of period	42,995
Cash and cash equivalents at end of period	44,633

(3) Segment Information

Business Segment Information

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

Geographical Segment Information

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

	Japan	North America	Europe	Greater China	South-east Asia and Others	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	6,515	213	3,173	1,569	1,415	12,885	(3,216)	9,669

(Attachment)

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

(Millions of yen, %)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Year-on-year change	Year ended March 31, 2008	Year ending March 31, 2009 (projected)	Year-on-year change
Net sales	176,127	169,934	(3.5%)	762,985	780,000	2.2%
Operating income [% of net sales]	9,669 [5.5%]	4,806 [2.8%]	(50.3%) [-2.7P]	65,253 [8.6%]	60,000 [7.7%]	(8.1%) [-0.9P]
Income from continuing operations before income taxes [% of net sales]	11,992 [6.8%]	5,561 [3.3%]	(53.6%) [-3.5P]	64,166 [8.4%]	59,000 [7.6%]	(8.1%) [-0.8P]
Net income	9,716	3,503	(63.9%)	42,383	36,500	(13.9%)
Net income per share (basic) (¥)	42.14	15.80	-26.34	185.89	165.34	-20.55
Net income per share (diluted) (¥)	42.11	15.80	-26.31	185.84		
Return on equity				11.3%	10.0%	(-1.3P)
Total assets	631,764	622,889	(1.4%)	617,367		
Net assets [Net worth ratio (%)]	404,549 [64.0%]	383,719 [61.6%]	(5.1%) [-2.4P]	368,502 [59.7%]		
Net assets per share (¥)	1,753.96	1,730.98	-22.98	1,662.32		
Net cash provided by (used in) operating activities	14,087	12,775	(1,312)	68,996		
Net cash used in investing activities	(7,507)	(10,642)	(3,135)	(36,681)		
Net cash provided by (used in) financing activities	(6,506)	165	6,671	(34,481)		
Cash and cash equivalents at end of period	44,633	42,884	(1,749)	40,624		

Notes:
1. The number of consolidated subsidiaries is 164, and the number of companies accounted for by the equity method is 22.
2. 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.
3. Pursuant to FASB Statement No. 144, net income from continuing operations before income taxes is presented in "Income before income taxes" for the three months ended June 30, 2007 due to the presentation of income from operations discontinued in the previous fiscal year as "Net income from discontinued operations."