Summary of Consolidated Financial Results for the Third 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 for non-Japanese investors and contains forward-looking statements that are based on management's 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 Third Quarter of the Fiscal Year Ending March 31, 2008 (April 1, 2007 – December 31, 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

	Nine months ended December 31, 2006		Nine months ended December 31, 2007		Year ended March 31, 2007
		Change (%)		Change (%)	
Net sales	510,781	17.5	557,790	9.2	723,866
Operating income	40,952	(4.3)	43,193	5.5	62,046
Income from continuing operations before income taxes	47,811	4.3	44,061	(7.8)	64,279
Net income	27,372	4.6	29,214	6.7	38,280
Net income per share (yen)	117.72		127.46		164.96
Net income per share, diluted (yen)	117.65		127.40		164.85

Note: Pursuant to Financial Accounting Standards Board (FASB) Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures for the nine months ended December 31, 2006 and the fiscal year ended March 31, 2007 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 December 31, 2006	As of December 31, 2007	As of March 31, 2007
Total assets	624,118	634,638	630,337
Net assets	373,810	399,748	382,822
Net worth ratio (percentage)	59.9	63.0	60.7
Net assets per share (yen)	1,621.75	1,755.73	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		
	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Year ended March 31, 2007
Net cash provided by operating activities	10,219	40,727	40,539
Net cash used in investing activities	(34,069)	(27,147)	(47,075)
Net cash (used in) provided by financing activities	21,896	(19,142)	(4,697)
Cash and cash equivalents at end of period	51,011	38,440	42,995

2. Dividends

		Year ended March 31, 2007	Year ending March 31, 2008 (actual)	Year ending March 31, 2008 (projected)
Dividends per share	Interim dividend (yen)	15.00	17.00	—
	Year-end dividend (yen)	19.00	—	25.00
	Total dividend for the year (yen)	34.00	42.00	

Note: Breakdown of year-end dividend for the year ending March 31, 2008 (projected):
JPY 20.00 regular dividend; JPY 5.00 commemorative dividend.

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

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

Millions of yen - except per share data and percentages

	Year ending March 31, 2008	
		Change (%)
Net sales	775,000	7.1
Operating income	65,000	4.8
Income from continuing operations before income taxes	66,500	3.5
Net income	42,000	9.7
Net income per share, basic (yen)	184.08	—

Note: See page 10 of the attached materials regarding assumptions of the results projected above.

4. Other

(1) Changes in Major Subsidiaries during the Period (Changes in Specified Subsidiaries due to Changes in the Scope of Consolidation: 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 on the consolidated income statement 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 10.

Explanation on Proper Use of the Forecast of Financial Results and Other Special Instructions

1. The forecast of financial results has been revised from the figures announced on October 30, 2007, as shown on page 10 of the attached materials. 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.
2. At a meeting held on January 30, 2008, the board of directors of the Company resolved to purchase shares of the Company's treasury stock pursuant to the provisions of the Corporate Law. (See "OMRON Announces Purchase of Treasury Stock," released on January 30, 2008). Net income per share, basic, in "3. Projected Results for the Fiscal Year Ending March 31, 2008" takes this purchase of treasury stock into account.

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)
Others: Business Development Group and others

(Attachment)

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

Consolidated Results (U.S. GAAP)

(Millions of yen, %)

	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Year-on-year change	Year ended March 31, 2007	Year ending March 31, 2008 (projected)	Year-on-year change
Net sales	510,781	557,790	9.2%	723,866	775,000	7.1%
Operating income [% of net sales]	40,952 [8.0%]	43,193 [7.7%]	5.5% [-0.3P]	62,046 [8.6%]	65,000 [8.4%]	4.8% [-0.2P]
Income from continuing operations before income taxes [% of net sales]	47,811 [9.4%]	44,061 [7.9%]	(7.8%) [-1.5P]	64,279 [8.9%]	66,500 [8.6%]	3.5% [-0.3P]
Net income	27,372	29,214	6.7%	38,280	42,000	9.7%
Net income per share (basic) (¥)	117.72	127.46	+9.74	164.96	184.08	+19.12
Net income per share (diluted) (¥)	117.65	127.40	+9.75	164.85		
Return on equity				10.3%	10.9%	[+0.6P]
Total assets	624,118	634,638	1.7%	630,337		
Net assets [Net worth ratio (%)]	373,810 [59.9%]	399,748 [63.0%]	6.9% [+3.1P]	382,822 [60.7%]		
Net assets per share (¥)	1,621.75	1,755.73	+133.98	1,660.68		
Net cash provided by operating activities	10,219	40,727	30,508	40,539		
Net cash used in investing activities	(34,069)	(27,147)	6,922	(47,075)		
Net cash (used in) provided by financing activities	21,896	(19,142)	(41,038)	(4,697)		
Cash and cash equivalents at end of period	51,011	38,440	(12,571)	42,995		

Notes:

1. In preparation for the implementation of a quarterly review system from the fiscal year ending March 31, 2009, the financial statements for this third-quarter period have been prepared with the cooperation of Deloitte Touche Tohmatsu. Because the system has not yet been implemented, Deloitte Touche Tohmatsu has not provided an independent auditor’s report.
2. The number of consolidated subsidiaries is 164, and the number of companies accounted for by the equity method is 19.
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. Figures for the nine months ended December 31, 2007 and the year ended March 31, 2007 include 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. Pursuant to FASB Statement No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” the figures for the nine months ended December 31, 2006 and the year ended March 31, 2007 have been reclassified in relation to operations (the entertainment business formerly included in the “Others” segment) discontinued during the three months ended June 30, 2007.

(Attachment)

2. Net Sales by Business Segment

(Billions of yen)

		Nine months ended December 31, 2006	Nine months ended December 31, 2007	Year-on-year change (%)
IAB	Domestic	103.1	104.9	1.7
	Overseas	119.2	138.1	15.9
	Total	222.3	243.0	9.3
ECB	Domestic	43.3	47.5	9.6
	Overseas	57.9	70.3	21.4
	Total	101.2	117.8	16.4
AEC	Domestic	20.8	20.5	(1.4)
	Overseas	46.5	60.0	29.1
	Total	67.3	80.5	19.7
SSB	Domestic	59.2	49.6	(16.2)
	Overseas	1.5	2.8	94.1
	Total	60.7	52.4	(13.6)
HCB	Domestic	24.9	26.0	4.5
	Overseas	23.4	26.5	13.1
	Total	48.3	52.5	8.7
Others	Domestic	10.9	11.5	5.3
	Overseas	0.1	0.1	(20.64)
	Total	11.1	11.6	4.9
Total	Domestic	262.2	260.0	(0.9)
	Overseas	248.6	297.8	19.8
	[% of total]	[48.7%]	[53.4%]	[+4.7P]
	Total	510.8	557.8	9.2

Note: Pursuant to FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures for the nine months ended December 31, 2006 have been reclassified in relation to operations discontinued during the three months ended June 30, 2007.

Average currency exchange rate

(One unit of currency, in yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Year-on-year change
USD	116.3	117.2	+0.9
EUR	148.2	162.9	+14.7

(Attachment)

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

		Year ended March 31, 2007	Year ending March 31, 2008 (Forecast)	Year-on-year change (%)
IAB	Domestic	140.8	146.0	3.7
	Overseas	164.8	186.0	12.9
	Total	305.6	332.0	8.7
ECB	Domestic	58.8	62.0	5.5
	Overseas	79.6	96.0	20.6
	Total	138.4	158.0	14.2
AEC	Domestic	26.1	29.5	13.1
	Overseas	67.2	78.5	16.7
	Total	93.3	108.0	15.7
SSB	Domestic	101.8	84.0	(17.5)
	Overseas	4.1	3.0	(27.2)
	Total	105.9	87.0	(17.9)
HCB	Domestic	32.8	37.5	14.2
	Overseas	32.9	36.0	9.4
	Total	65.7	73.5	11.8
Others	Domestic	14.9	16.0	7.8
	Overseas	0.1	0.5	354.5
	Total	15.0	16.5	10.3
Total	Domestic	375.2	375.0	0.0
	Overseas	348.7	400.0	14.7
	[% of total]	[48.2%]	[51.6%]	[+3.4P]
	Total	723.9	775.0	7.1

Note: Pursuant to FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures for the year ended March 31, 2007 have been reclassified in relation to operations discontinued during the three months ended June 30, 2007.

Average currency exchange rate (One unit of currency, in yen)

	Year ended March 31, 2007	Year ending March 31, 2008 (Forecast)	Year-on-year change
USD	117.0	115.6	-1.4
EUR	150.3	161.1	+10.8

(Attachment)

Qualitative Information and Financial Statements, etc.

1. Qualitative Information on Consolidated Results of Operations

General Overview

Reviewing economic conditions during the nine months ended December 31, 2007, the global economy remained solid overall despite increasing elements of uncertainty, including the effects of the U.S. subprime loan problem on financial markets in other countries, in addition to high crude oil and raw material prices. In the U.S. economy, consumer spending stalled, reflecting higher energy costs in addition to the decline in housing investment. Meanwhile, the general economic expansion continued in Europe and Southeast Asia despite indications of a slowdown. The Chinese economy remained on its expansion track. The Japanese economy expanded steadily despite weakness in public investment, with generally firm capital investment backed by strong corporate earnings, as well as solid consumer spending.

In markets related to the Omron Group, capital investment in the semiconductor and electronic components industries weakened in comparison with the same period of the previous year, but sales of factory automation control systems, the Omron Group's core business, were generally firm. 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, and is working diligently on structural reforms. In addition, the Group has set "Raising Business Value (*2) by an Annual Average of at Least 10%" as its midterm goal for the third stage of GD2010, which begins in fiscal 2008. Going forward, the Omron Group will focus on the areas of safety/security, healthcare and environmental preservation to create and expand new businesses driven by social needs.

The Omron Group's net sales for the nine-month period were JPY 557,790 million, an increase of 9.2 percent compared with the same period of the previous fiscal year, with the contribution of a weaker yen and business acquisitions.

Turning to profits for the period, operating income increased 5.5 percent compared with the same period of the previous fiscal year to JPY 43,193 million, mainly as a result of higher net sales. Income from continuing operations before income taxes (*3) was JPY 44,061 million, a decrease of 7.8 percent compared with the same period of the previous fiscal year due to gain on the sale of investment securities and other factors. In the same period of the previous fiscal year, 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. Net income for the nine-month period was JPY 29,214 million, an increase of 6.7 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). The management plan for the third stage (fiscal 2008 – 2010) was announced on January 10, 2008.

(*2) Business value is the total current value of future free cash flow generated by each business.

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

(Attachment)

Results by Business Segment

IAB

Operations in Japan were impacted by a slowdown in expansion of capital investment among some customers in the semiconductor and electronic components industries in comparison with the same period of the previous fiscal year, and a decrease in capital investment in the flat panel display (FPD) industry, although investment is gradually recovering among manufacturers in general. 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 the effects of this are becoming apparent. In addition, sales of Laserfront Technologies (now OMRON LASERFRONT INC.), in which Omron acquired a 95 percent stake at the end of June, contributed to domestic sales of this segment from July onward.

Overseas, demand in Europe increased, particularly for products such as programmable controllers, motion controllers and image sensors, reflecting solid economic expansion. Sales in North America expanded on the back of continued strong sales of control equipment to oil and gas-related companies. Sales expanded in China, with strong sales of products including programmable controllers and AOI as a result of the Omron Group's focus on strengthening its sales force and rolling out new products.

As a result, segment sales for the period totaled JPY 242,948 million, an increase of 9.3 percent compared with the same period of the previous fiscal year.

ECB

In Japan, consumer spending and capital investment remained firm, but industries such as semiconductor and automobile manufacturing have been slowing since the latter half of fiscal 2006, and the effects of inventory adjustments are emerging in the consumer and commerce industry, a key market for the ECB segment. Overseas, in China, where strong growth continued, electronics manufacturing service (EMS) providers began making production adjustments. In this business environment, overall performance in this segment was solid. Sales of PCB relays and other core products were flat, but sales of components for mobile and IT devices increased. Moreover, in addition to net growth in sales from the backlight business of OMRON PRECISION TECHNOLOGY Co., Ltd., which was included in the scope of consolidation in August 2006, OMRON SEMICONDUCTORS Co., Ltd. started operations in April 2007, and began contract manufacturing of semiconductors on an 8-inch CMOS production line.

As a result, segment sales for the period totaled JPY 117,764 million, an increase of 16.4 percent compared with the same period of the previous fiscal year.

AEC

Global automobile production volume was generally steady. Even with the slump in business among U.S. auto manufacturers, automobile production continued to expand in China, India, Eastern Europe and other regions. Against this backdrop, the need for car electronics that support automobile safety and environmental friendliness continued to increase and Omron Group products were adopted in new cars, resulting in a significant increase in sales in this segment over the same period of the previous fiscal year. By geographic region, sales of products including wireless control devices and power window switches increased in North America. In China, needs for Omron Group products increased as the shift of production to China by manufacturing customers accelerated, and sales increased substantially.

As a result, segment sales for the interim period were JPY 80,543 million, an increase of 19.7 percent compared with the same period of the previous fiscal year.

(Attachment)

SSB

In the public transportation systems business, despite increased demand for new machinery for airports, sales declined compared with the same period of the previous fiscal year, when there was large-scale demand for projects such as equipment conversions and renewals associated with the use of common IC cards among different railway companies. In the ID management solutions business, sales were affected by restrained investment in the credit industry due to the "gray-zone" interest rate issue. In the traffic and road management systems business, sales declined compared with the same period of the previous fiscal year due to a decrease in customer demand; however, Omron worked to expand solutions related to driving safety support systems and other applications with the aim of capturing new demand.

As a result, segment sales for the period were JPY 52,419 million, a decrease of 13.6 percent compared with the same period of the previous fiscal year.

HCB

In Japan, sales of medical devices were solid overall against the backdrop of increasing recognition of metabolic syndrome and awareness of health promotion. Sales of this segment's core products, including digital blood pressure monitors, digital thermometers and electric toothbrushes expanded steadily. Sales of medical devices were weak, reflecting a decrease in operating rooms at small and medium-sized hospitals and the effects of price competition for monitors for hospitals.

Overseas, sales continued to be strong overall in Europe, led by the digital blood pressure monitor business in Eastern Europe and the Middle East, although price competition is intensifying in Western Europe. Sales also remained solid in China and Southeast Asia. In China in particular, sales expanded sharply due to factors including sales promotion activities that focused on hypertension, hyperglycemia and hyperlipidemia. On the other hand, sales in North America were sluggish because of factors including weaker consumer spending and the impact of price competition.

As a result, segment sales for the period were JPY 52,488 million, an increase of 8.7 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 computer peripherals business posted a solid increase in sales. In new growth businesses, Omron focused on radio frequency identification (RFID) equipment in response to the move toward practical use of IC tags in Japan and overseas, and made steady progress with the launch of the remote monitoring and reporting systems business, which includes electricity usage monitoring and insulation monitoring.

As a result, segment sales were JPY 11,628 million, an increase of 4.9 percent compared with the same period of the previous fiscal year.

2. Qualitative Information on Consolidated Financial Condition

Total assets as of December 31, 2007 increased JPY 4,301 million compared with the end of the previous fiscal year to JPY 634,638 million. Shareholders' equity increased JPY 16,926 million compared with the end of the previous fiscal year to JPY 399,748 million. As a result, the net worth ratio increased to 63.0 percent from 60.7 percent at the end of the previous fiscal year.

Net cash provided by operating activities in the nine months ended December 31, 2007 was JPY 40,727 million (an increase of JPY 30,508 million compared with the same period of the previous fiscal year) mainly as a result of net income of JPY 29,214 million and decreases in accounts receivable and inventories. Net cash used in investing activities was JPY 27,147 million (a decrease in cash used of JPY 6,922 million compared with the same period of the previous fiscal year) as a result of ongoing investment in production facilities.. Net cash used in financing activities was JPY 19,142 million (an increase in cash used of JPY 41,038 million compared with the same period of the previous fiscal year), mainly for dividends paid by the Company and acquisition of treasury stock.

(Attachment)

As a result, the balance of cash and cash equivalents at December 31, 2007 decreased JPY 4,555 million from the end of the previous fiscal year to JPY 38,440 million.

3. Qualitative Information on Consolidated Performance Forecast

In the fourth quarter of the fiscal year ending March 31, 2008, factors such as high crude oil prices, a slowdown in the U.S. economy and the spread of the U.S. subprime loan problem to financial markets in other countries are expected to fuel an increasing sense of uncertainty regarding the economic outlook. The effect of this is likely to result in slower consumer spending, and the environment for corporate capital investment is also expected to become more difficult.

Markets related to the Omron Group are expected to be weak as a result of restrained capital investment, primarily among semiconductor and LCD manufacturers. The market for consumer and commerce components for IT and digital related products in Japan is expected to remain difficult to predict in the fourth quarter. Sales of automotive electronic components are projected to continue expanding, reflecting increasing needs for car electronics.

In this environment, the Omron Group's net sales, which increased over the same period of the previous fiscal year in the first three quarters, are expected to remain firm in the fourth quarter. However, net sales are likely to fall short of previous projections for the full year as a result of lower-than-expected capital investment demand. Reflecting this, operating income, income from continuing operations before income taxes and net income are also forecast to be lower than original projections.

As a result, Omron has made the following changes to figures in the performance forecast for the fiscal year announced on October 30, 2007.

The assumed exchange rates are US$1 = JPY 110 and 1 Euro = JPY 155.

Revision to Forecast for Consolidated Full-Year Financial Results (U.S. GAAP)

(Millions of yen)

	Net sales	Operating income	Income from continuing operations before income taxes	Net income
Previous forecast (A)	785,000	71,000	71,000	46,000
Revised forecast (B)	775,000	65,000	66,500	42,000
Difference (B-A)	(10,000)	(6,000)	(4,500)	(4,000)
Difference as percentage	(1.3%)	(8.5%)	(6.3%)	(8.7%)
(For reference) Figures for previous fiscal year (ended March 31, 2007)	723,866	62,046	64,279	38,280

4. Other

(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

(1) Third-Quarter Consolidated Statements of Operations

(Millions of yen, %)

	Nine months ended December 31, 2006		Nine months ended December 31, 2007		Change	Change (%)	Year ended March 31, 2007	
Net sales	510,781	100.0%	557,790	100.0%	47,009	9.2%	723,866	100.0%
Cost of sales	313,110	61.3	345,261	61.9	32,151	10.3	445,625	61.6
Gross profit	197,671	38.7	212,529	38.1	14,858	7.5	278,241	38.4
Selling, general and administrative expenses	119,790	23.5	131,990	23.7	12,200	10.2	164,167	22.6
Research and development expenses	36,929	7.2	37,346	6.7	417	1.1	52,028	7.2
Operating income	40,952	8.0	43,193	7.7	2,241	5.5	62,046	8.6
Foreign exchange loss, net	815	0.2	780	0.1	(35)	(4.3)	1,086	0.2
Other expenses, net	(7,674)	(1.6)	(1,648)	(0.3)	6,026	(78.5)	(3,319)	(0.5)
Income from continuing operations before income taxes	47,811	9.4	44,061	7.9	(3,750)	(7.8)	64,279	8.9
Income taxes	19,514	3.9	17,755	3.2	(1,759)	(9.0)	25,595	3.6
Minority interests	101	0.0	216	0.0	115	113.9	238	0.0
Equity in net losses of affiliates	1,691	0.3	(70)	0.0	(1,761)	—	1,352	0.2
Net income from continuing operations	26,505	5.2	26,160	4.7	(345)	(1.3)	37,094	5.1
Net income from discontinued operations	867	0.2	3,054	0.5	2,187	252.2	1,186	0.2
Net income	27,372	5.4	29,214	5.2	1,842	6.7	38,280	5.3

Notes:

1. Other expenses, net for the nine months ended December 31, 2006 and the year ended March 31, 2007 include 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. Pursuant to FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures for the nine months ended December 31, 2006 and the year ended March 31, 2007 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.
   Nine months ended December 31, 2006: ¥24,918 million
   Nine months ended December 31, 2007: ¥29,558 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 FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."

(Attachment)

(2) Third-Quarter Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2006		As of December 31, 2007		Change	Change (%)	As of March 31, 2007	
ASSETS								
Current Assets:	338,454	54.2%	335,950	52.9%	(2,504)	(0.7)%	342,059	54.3%
Cash and cash equivalents	51,011		38,440				42,995	
Notes and accounts receivable － trade	147,515		157,333				173,403	
Inventories	108,533		110,280				94,109	
Other current assets	31,395		29,897				31,552	
Property, plant and equipment	157,627	25.3	159,668	25.2	2,041	1.3	159,315	25.3
Investments and Other Assets	128,037	20.5	139,020	21.9	10,983	8.6	128,963	20.4
Investments in and advances to associates	15,846		17,365				16,677	
Investment securities	45,779		47,767				46,770	
Other	66,412		73,888				65,516	
Total Assets	624,118	100.0%	634,638	100.0%	10,520	1.7%	630,337	100.0%

	As of December 31, 2006		As of December 31, 2007		Change	Change (%)	As of March 31, 2007	
LIABILITIES								
Current Liabilities:	194,020	31.1%	171,126	27.0%	(22,894)	(11.8)%	188,860	30.0%
Bank loans and current portion of long-term debt	46,583		20,343				20,132	
Notes and accounts payable － trade	97,672		91,146				91,543	
Other current liabilities	49,765		59,637				77,185	
Long-Term Debt	471	0.1	1,819	0.3	1,348	286.2	1,681	0.3
Other Long-Term Liabilities	54,516	8.7	59,961	9.4	5,445	10.0	55,536	8.8
Minority Interests in Subsidiaries	1,301	0.2	1,984	0.3	683	52.5	1,438	0.2
Total Liabilities	250,308	40.1	234,890	37.0	(15,418)	(6.2)	247,515	39.3
SHAREHOLDERS’ EQUITY								
Common Stock	64,100	10.3	64,100	10.1	—	—	64,100	10.2
Additional Paid-in Capital	98,804	15.8	98,924	15.6	120	0.1	98,828	15.7
Legal Reserve	8,281	1.3	8,703	1.4	422	5.1	8,256	1.3
Retained Earnings	251,505	40.3	282,653	44.5	31,148	12.4	258,057	40.9
Accumulated Other Comprehensive Gain (Loss)	(5,425)	(0.8)	(2,669)	(0.4)	2,756	(50.8)	(3,013)	(0.5)
Treasury Stock	(43,455)	(7.0)	(51,963)	(8.2)	(8,508)	19.6	(43,406)	(6.9)
Total Shareholders’ Equity	373,810	59.9	399,748	63.0	25,938	6.9	382,822	60.7
Total Liabilities and Shareholders’ Equity	624,118	100.0%	634,638	100.0%	10,520	1.7%	630,337	100.0%

(Attachment)

(3) Third-Quarter Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Increase (Decrease)	Year ended March 31, 2007
I **Operating Activities:**				
1. Net income	27,372	29,214	1,842	38,280
2. Adjustments to reconcile net income to net cash provided by operating activities:				
(1) Depreciation and amortization	24,331	27,755		33,923
(2) Loss on impairment of property, plant and equipment	—	—		1,441
(3) Loss on impairment of investment securities and other assets	110	163		682
(4) Gain on establishment of retirement benefit trust	(10,141)	—		(10,141)
(5) Decrease (increase) in notes and accounts receivable — trade	5,989	19,142		(19,773)
(6) Increase in inventories	(28,584)	(13,018)		(13,955)
(7) Decrease in notes and accounts payable — trade	(472)	(518)		(5,674)
(8) Net gain on sales of business entities	—	(5,177)		—
(9) Other, net	(8,386)	(16,834)		15,756
Total adjustments	(17,153)	11,513	28,666	2,259
Net cash provided by operating activities	10,219	40,727	30,508	40,539
II **Investing Activities:**				
1. Capital expenditures	(29,087)	(29,326)	(239)	(44,689)
2. Proceeds from sale and payment for acquisition of business entities, net	(18,582)	(230)	18,352	(18,638)
3. Other, net	13,600	2,409	(11,191)	16,252
Net cash used in investing activities	(34,069)	(27,147)	6,922	(47,075)
III **Financing Activities:**				
1. Increase (decrease) in interest-bearing liabilities	40,239	(2,290)	(42,529)	13,599
2. Dividends paid by the company	(7,688)	(8,259)	(571)	(7,689)
3. Acquisition of treasury stock	(11,183)	(8,984)	2,199	(11,204)
4. Disposal of treasury stock	3	5	2	3
5. Exercise of stock options	525	386	(139)	594
Net cash provided by (used in) financing activities	21,896	(19,142)	(41,038)	(4,697)
IV **Effect of Exchange Rate Changes on Cash and Cash Equivalents**	680	1,007	327	1,943
Net Decrease in Cash and Cash Equivalents	(1,274)	(4,555)	(3,281)	(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	51,011	38,440	(12,571)	42,995

(Attachment)

(4) Segment Information

Business Segment Information

Nine months ended December 31, 2006 (April 1, 2006 – December 31, 2006) (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	222,259	101,213	67,288	60,641	48,293	11,087	510,781	—	510,781
(2) Intersegment sales and transfers	6,229	16,566	1,638	6,352	142	31,978	62,905	(62,905)	—
Total	228,488	117,779	68,926	66,993	48,435	43,065	573,686	(62,905)	510,781
Operating expenses	193,272	107,913	70,326	64,609	42,486	42,390	520,996	(51,167)	469,829
Operating income (loss)	35,216	9,866	(1,400)	2,384	5,949	675	52,690	(11,738)	40,952

Nine months ended December 31, 2007 (April 1, 2007 – December 31, 2007) (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	242,948	117,764	80,543	52,419	52,488	11,628	557,790	—	557,790
(2) Intersegment sales and transfers	6,717	17,358	2,068	6,104	257	28,835	61,339	(61,339)	—
Total	249,665	135,122	82,611	58,523	52,745	40,463	619,129	(61,339)	557,790
Operating expenses	211,988	125,370	81,608	58,280	46,518	40,414	564,178	(49,581)	514,597
Operating income	37,677	9,752	1,003	243	6,227	49	54,951	(11,758)	43,193

[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

Nine months ended December 31, 2006 (April 1, 2006 – December 31, 2006) (Millions of yen)

	Japan	North America	Europe	Greater China	Southeast Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	278,300	70,706	83,646	48,880	29,249	510,781	—	510,781
(2) Intersegment sales and transfers	88,748	869	918	28,392	7,508	126,435	(126,435)	—
Total	367,048	71,575	84,564	77,272	36,757	637,216	(126,435)	510,781
Operating expenses	324,248	71,604	77,356	77,038	33,802	584,048	(114,219)	469,829
Operating income (loss)	42,800	(29)	7,208	234	2,955	53,168	(12,216)	40,952

Nine months ended December 31, 2007 (April 1, 2007 – December 31, 2007) (Millions of yen)

	Japan	North America	Europe	Greater China	Southeast Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	277,689	78,551	98,005	68,522	35,023	557,790	—	557,790
(2) Intersegment sales and transfers	97,038	776	963	39,449	7,715	145,941	(145,941)	—
Total	374,727	79,327	98,968	107,971	42,738	703,731	(145,941)	557,790
Operating expenses	341,009	77,903	88,867	101,460	39,055	648,294	(133,697)	514,597
Operating income	33,718	1,424	10,101	6,511	3,683	55,437	(12,244)	43,193

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

	Japan	North America	Europe	Greater China	Southeast 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

Note: Pursuant to FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the figures for the nine months ended December 31, 2006 and the year ended March 31, 2007 have been reclassified in relation to operations discontinued during the three months ended June 30, 2007.