

Beginning with the current fiscal year, the "Accounting Standards for Quarterly Financial Reporting" (ASBJ, ASBJ Statement No. 12) and the "Implementation Guidance for the Accounting Standards for Quarterly Financial Statements" (ASBJ, ASBJ Guidance No. 14) have been applied. In addition, the quarterly consolidated financial statements are prepared following the "Rules for Quarterly Consolidated Financial Statements."

(4) Notes Regarding Assumptions Related to Continuing Companies

First quarter of the fiscal year ending March 31, 2009 (April 1, 2008, to June 30, 2008)

This item does not apply to the Company or its consolidated subsidiaries.

Segment Information

[1] Business Segment

Three months ended June 30, 2007 (from April 1, 2007 to June 30, 2007)

[Millions of yen]

	Business Technologies	Optics	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales								
Outside customers	172,805	37,490	35,760	2,253	4,096	252,407	—	252,407
Intersegment sales/transfers	1,147	231	1,032	196	12,889	15,497	(15,497)	—
Total	173,953	37,722	36,793	2,450	16,985	267,904	(15,497)	252,407
Operating expenses	152,529	32,988	35,496	2,175	16,015	239,206	(11,534)	227,671
Operating income	21,423	4,733	1,296	274	969	28,698	(3,963)	24,735

Notes:

1. Business classification is based on similarity of product type and market. The Group's operations are classified into the five segments of Business Technologies, Optics, Medical and Graphic Imaging, Sensing, and other businesses.
2. In the quarter under review, operating expenses not allocated but included in Elimination/corporate amounted to ¥6,833 million and are principally R&D expenses incurred by the Company and expenses associated with head office functions.
3. Change to business segment classification: Because of the business discontinuation following the decision to exit Photo Imaging Business announced on January 19, 2006, the Photo Imaging Business has decreased in importance. Accordingly, listing of the "Photo Imaging Business" has been discontinued since the first quarter of the previous fiscal year.

Three months ended June 30, 2008 (from April 1, 2008 to June 30, 2008)

[Millions of yen]

	Business Technologies	Optics	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales								
Outside customers	166,714	51,056	31,288	2,360	3,719	255,139	—	255,139
Intersegment sales/transfers	1,063	245	502	189	14,487	16,488	(16,488)	—
Total	167,777	51,302	31,790	2,549	18,207	271,627	(16,488)	255,139
Operating expenses	150,630	42,453	30,372	2,352	17,746	243,556	(12,894)	230,661
Operating income	17,146	8,848	1,418	197	460	28,071	(3,593)	24,478

Notes:

1. Business classification is based on similarity of product type and market. The Group's operations are classified into the five segments of Business Technologies, Optics, Medical and Graphic Imaging, Sensing, and other businesses.
2. Principal Products in Each Business Segment

Business Segment	Principal Products
Business Technologies	MFPs, printers, etc.
Optics	Optical devices, electronics materials, etc.
Medical and Graphic Imaging	Medical products, graphic imaging products, etc.
Sensing	Industrial-use and medical-use measuring instruments, etc.
Other businesses	Products other than the above

3. In the quarter under review, operating expenses not allocated but included in Elimination/corporate amounted to ¥7,602 million and are principally R&D expenses incurred by the Company and expenses associated with head office functions.

[2] Geographical Area

Three months ended June 30, 2007 (from April 1, 2007 to June 30, 2007)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
[Millions of yen]							
Sales							
Outside customers	103,075	62,942	69,226	17,163	252,407	—	252,407
Intersegment sales/transfers	89,076	194	142	51,411	140,824	(140,824)	—
Total	192,152	63,136	69,368	68,574	393,231	(140,824)	252,407
Operating expenses	162,645	61,642	66,727	67,228	358,244	(130,572)	227,671
Operating income	29,506	1,494	2,640	1,345	34,987	(10,251)	24,735

Notes:

1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
 - (1) North America: United States, Canada
 - (2) Europe: Germany, France, and United Kingdom
 - (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. In the quarter under review, operating expenses not allocated but included in Elimination/corporate amounted to ¥6,833 million and are principally R&D expenses incurred by the Company and expenses associated with head office functions.

Three months ended June 30, 2008 (from April 1, 2008 to June 30, 2008)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
[Millions of yen]							
Sales							
Outside customers	115,721	52,058	72,633	14,725	255,139	—	255,139
Intersegment sales/transfers	82,072	682	672	51,661	135,090	(135,090)	—
Total	197,794	52,741	73,306	66,387	390,230	(135,090)	255,139
Operating expenses	170,278	53,526	72,787	64,338	360,930	(130,269)	230,661
Operating income (loss)	27,516	(785)	519	2,048	29,299	(4,821)	24,478

Notes:

1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
 - (1) North America: United States, Canada
 - (2) Europe: Germany, France, and United Kingdom
 - (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. In the quarter under review, operating expenses not allocated but included in Elimination/corporate amounted to ¥7,602 million and are principally R&D expenses incurred by the Company and expenses associated with head office functions.

[3] Overseas Sales

Three months ended June 30, 2007 (from April 1, 2007 to June 30, 2007)

	[Millions of yen]			
	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	65,930	71,949	51,372	189,252
Consolidated sales	—	—	—	252,407
Overseas sales as a percentage of Consolidated sales	26.1%	28.5%	20.4%	75.0%

Three months ended June 30, 2008 (from April 1, 2008 to June 30, 2008)

	[Millions of yen]			
	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	54,112	78,342	54,510	186,964
Consolidated sales	—	—	—	255,139
Overseas sales as a percentage of consolidated sales	21.2%	30.7%	21.4%	73.3%

Notes:

1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
 - (1) North America: United States and Canada
 - (2) Europe: Germany, France, and United Kingdom
 - (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Overseas sales are the Company and consolidated subsidiary sales in countries or regions outside of Japan.

(6) Notes Regarding Any Major Change in the Amount of Consolidated Shareholders' Equity

First quarter of the fiscal year ending March 31, 2009 (April 1, 2008, to June 30, 2008)

[Millions of yen]

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2008	37,519	204,140	176,684	(1,340)	417,003
Changes during the quarter					
Cash dividends			(3,979)		(3,979)
Net income			17,628		17,628
Changes in the scope of consolidation* ¹			96		96
Effect of application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" * ²			5,210		5,210
Purchase of treasury stock				(66)	(66)
Disposal treasury stock			(6)	9	3
Total changes during the quarter			18,949	(56)	18,892
Balance at June 30, 2008	37,519	204,140	195,633	(1,397)	435,896

Notes:

1. The inclusion of additional subsidiaries within the scope of consolidation increased retained earnings by ¥96 million.

2. Beginning with the first quarter of the current fiscal year, the Company has applied "Practical Solution for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No. 18, issued by The Accounting Standards Board of Japan (ASBJ) on May 17, 2006), and the necessary revisions have been made in the consolidated financial statements. This change had the effect of increasing retained earnings by ¥5,210 million.

(7) Other Information

(Consolidated Balance Sheets)

[Millions of yen]

As of June 30, 2008		As of March 31, 2008	
1. Accumulated depreciation directly deducted from tangible fixed assets	414,803	1. Accumulated depreciation directly deducted from tangible fixed assets	413,324
2. Merchandise and finished goods* ²	97,135	2. Merchandise and finished goods* ²	84,286
Work in process	25,424	Work in process	23,120
Raw materials and supplies	26,908	Raw materials and supplies	25,530

(Consolidated Statements of Income)

Quarterly Period Under Review (April 1, 2008, to June 30, 2008)	
<i>Principal SG&A expense items and values</i>	[Millions of yen]
Selling expenses	2,932
Transport and warehousing expenses	5,366
Advertising and promotion expenses	4,616
Wages and salaries	21,085
Provision for allowance for bonus	3,140
R&D expenses	20,870
Depreciation expenses	3,688
Retirement benefit expenses	1,285
Provision for allowance for doubtful accounts	251