

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

Second quarter of the fiscal year ending March 31, 2009 (July 1, 2008, to September 30, 2008)

This item does not apply to the Group.

(5) Segment Information

[1] Business Segment

Six-month period ended September 30, 2008 (from April 1, 2008 to September 30, 2008)

[Millions of yen]

	Business Technologies	Optics	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales								
Outside customers	343,782	109,440	66,234	4,926	8,588	532,971	--	532,971
Intersegment sales/transfers	2,267	539	1,052	323	31,144	35,327	(35,327)	--
Total	346,050	109,979	67,286	5,249	39,732	568,298	(35,327)	532,971
Operating expenses	313,730	91,017	64,429	4,734	38,088	512,000	(27,699)	484,300
Operating income	32,319	18,962	2,856	514	1,643	56,298	(7,627)	48,670

Notes:

- 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.
- 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

- Operating expenses not allocated but included in Elimination/corporate under review amounted to ¥15,889 million are principally R&D expenses incurred by the Company and expenses associated with head office functions.

[2] Geographical Area

Six-month Period ended September 30, 2008 (from April 1, 2008 to September 30, 2008)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	248,410	116,049	138,248	30,262	532,971	--	532,971
Intersegment sales/transfers	158,389	1,465	1,267	106,259	267,382	(267,382)	--
Total	406,800	117,514	139,516	136,522	800,353	(267,382)	532,971
Operating expenses	350,251	119,462	139,473	133,283	742,470	(258,170)	484,300
Operating income (loss)	56,548	(1,947)	43	3,238	57,883	(9,212)	48,670

Notes:

- Countries and territories are classified based on geographical proximity.
- Principal country markets in the above areas, excluding Japan, are as follows:
 - North America: United States, Canada
 - Europe: Germany, France, and United Kingdom
 - Asia excluding Japan, Others: Australia, China, and Singapore
- Operating expenses not allocated but included in Elimination/corporate amounted under review to ¥15,889 million are principally R&D expenses incurred by the Company and expenses associated with head office functions.

[3] Overseas Sales

Six-month Period ended September 30, 2008 (from April 1, 2008 to September 30, 2008)

[Millions of yen]

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	119,636	152,120	119,786	391,542
Consolidated sales	—	—	—	532,971
Overseas sales as a percentage of consolidated sales	22.5%	28.5%	22.5%	73.5%

Notes:

- Countries and territories are classified based on geographical proximity.
- Principal country markets in the above areas, excluding Japan, are as follows:
 - North America: United States and Canada
 - Europe: Germany, France, and United Kingdom
 - Asia excluding Japan, Others: Australia, China, and Singapore
- 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

[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 period					
Cash dividends			(3,979)		(3,979)
Net income			29,279		29,279
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				(471)	(471)
Disposal treasury stock			(1)	93	93
Total changes during the period	--	--	30,606	(377)	30,228
Balance at September 30, 2008	37,519	204,140	207,290	(1,718)	447,231

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 ¥210 million.

(7) Other Information

(Consolidated Balance Sheets)

As of September 30, 2008		As of March 31, 2008	
	[Millions of yen]		[Millions of yen]
Accumulated depreciation directly deducted from tangible fixed assets	415,666	Accumulated depreciation directly deducted from tangible fixed assets	413,324
<u>Inventories:</u>		<u>Inventories:</u>	
Merchandise and finished goods	86,676	Merchandise and finished goods	84,286
Work in process	23,088	Work in process	23,120
Raw materials and supplies	26,461	Raw materials and supplies	25,530

(Consolidated Statements of Income)

Six-Month Period Under Review (April 1, 2008, to September 30, 2008)	
<u>Principal SG&A expense items and values</u>	[Millions of yen]
Selling expenses	6,750
Transport and warehousing expenses	11,092
Advertising and promotion expenses	10,256
Wages and salaries	42,666
Provision for allowance for bonus	5,734
R&D expenses	41,908
Depreciation expenses	7,969
Retirement benefit expenses	2,793
Provision for allowance for doubtful accounts	498