Second Quarter Kessan Report for the March 2009 Term (Consolidated)

November 14, 2008

SATO CORPORATION

Company code number:	6287 (URL http://www.sato.co.jp)
Shares traded:	TSE
Executive position of legal representative:	Koichi Nishida, President and CEO, Representative Corporate Executive Officer
Please address all communications to:	Tatsuo Narumi, Director, Vice President, General Manager, Corporate Planning & Administration Division Phone: (03) 5789-2500
Scheduled submission date for quarterly report:	November 14, 2008
Scheduled date to commence dividend payments:	December 10, 2008

1. Consolidated operating results for the first six months of the year ending March 31, 2009 (from April 1, 2008 to September 30, 2008)

(1) Consolidated financial results (cumulative)

(In millions of yen, with fractional amounts discarded)
(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income	
Six months ended	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
September 30, 2008	42,768	-	1,784	-	1,754	-
September 30, 2007	43,561	7.5	2,389	9.7	2,312	5.6

	Net income		Net income per share	Net income per share, fully diluted
Six months ended	(Millions of yen)	%	(Yen)	(Yen)
September 30, 2008	514	-	16.82	-
September 30, 2007	950	79.0	30.53	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
As of September 30, 2008	64,871	36,411	56.0	1,186.70
As of March 31, 2008	66,103	36,671	55.4	1,195.69

(N.B.) Total equity:

As of September 30, 2008: ¥36,328 million　　As of March 31, 2008: ¥36,604 million

2. Dividends

(Record date)	Annual dividend per share				
	First quarter	Second quarter	Third quarter	End of term	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
March 31, 2008	-	16.00	-	17.00	33.00
March 31, 2009	-	16.00	-	-	-
March 31, 2009 (Forecast)	-	-	-	17.00	33.00

(Note) Revisions of projected dividends during the six months under review: None

3. Consolidated forecasts for March 2009 term (from April 1, 2008 to March 31, 2009)

(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Annual	85,000	(3.2)	4,300	(20.4)	4,200	(11.6)	1,600	(22.4)	52.27

(Note) Revisions of consolidated forecasts during the six months under review: None

4. Others

(1) Changes in significant subsidiaries during the term (changes in specified subsidiaries resulting in the change in scope of consolidation): None

New: — Elimination: —

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements: Yes

(Note) Please refer to page 7 ("4. Others (2)") for further details.

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements")

1) Changes due to revisions to accounting standards: Yes

2) Changes due to other reasons: Yes

(Note) Please refer to page 8 ("4. Others (3)") for further details.

(4) Number of issued shares (common stock)

1) Number of issued shares at the end of the term (including treasury stock):

As of September 30, 2008: 32,001,169 shares

As of March 31, 2008: 32,001,169 shares

2) Number of treasury stock at the end of the term:

As of September 30, 2008: 1,388,300 shares

As of March 31, 2008: 1,387,727 shares

3) Average number of shares during the term (cumulative from the beginning of the fiscal year to the end of the first six months):

Six months ended September 30, 2008: 30,613,130 shares

Six months ended September 30, 2007: 31,114,301 shares

**** Proper use of consolidated forecasts, and other special directions***

1. *The above-noted forecasts were prepared on the basis of information obtainable as of the day of the announcement of this report; a variety of factors could cause actual results to differ from these forecasts.*
2. *Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the "Accounting Standard for Quarterly Financial Reporting" (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."*

Qualitative Information and Financial Statements, etc.

1. Qualitative information on consolidated financial results (percentage changes, year-on-year)

During the first six months ended September 30, 2008, the global economy witnessed a further deceleration, due in part to the spreading turmoil in financial markets originated in the U.S. as well as soaring crude oil and raw material prices, with effects on the real economy coming to light.

Under these conditions, the SATO Group continued to offer proactive proposals in Japan to meet customer demands for streamlining, safety assurance and traceability using auto-identification technology in a number of sectors, notably healthcare, food processing, manufacturing and transportation. The Group was successful in its endeavor to meet these demands. Although faced with a stringent business climate, net sales in Japan increased by ¥733 million from the same period of the previous year. Overseas, net sales declined by ¥1,527 million from the same period in the previous year, a figure that includes a foreign exchange effect of ¥904 million, as a result of the impact of stalled demand in the Americas, Europe, Asia and Oceania.

In terms of profits, the Group worked towards the further reduction of costs and passing costs to sales prices as a consequence of the increasing costs of paper materials in Japan mostly from the latter half of the previous year. Ordinary income and net income were achieved due to our company-wide efforts to streamline selling, general and administrative expenses, even though ordinary income and net income figures were minimal. With respect to Europe, one of the Group's prior key issues, although efforts are being made at a fundamental level to infuse its domestic operational methods with respect to sales, manufacturing and managing, a revision of some subsidiaries' provisions and a reversal of deferred tax assets were effectuated in hopes of restoring the soundness of their accounting system as part of efforts to improve their corporate constitution. In addition, a focus on rationalizing inventories prior to the release of new products did not prevent a temporary decrease in the volume of electronic printers manufactured in this process that led to a deficit recorded by manufacturing subsidiaries and overseas business headquarters companies.

As a result of the foregoing, consolidated net sales in the first six months declined by 1.8% to ¥42,768 million; consolidated operating income declined by 25.3% to ¥1,784 million; consolidated ordinary income declined by 24.2% to ¥1,754 million; and consolidated net income declined by 45.8% to ¥514 million.

By segment, the Company reported the following:

By business segment

a. Mechatronic products business

   Net sales declined by 3.9% to ¥17,525 million; operating income declined by 45.5% to ¥723 million.

b. Supply products business

   Net sales declined by 0.3% to ¥25,242 million; operating income declined by 0.2% to ¥1,061million.

By geographical segment

a. Japan

   Net sales increased by 2.5% to ¥30,394 million; operating income declined by 6.4% to ¥2,074 million.

b. North America

   Net sales declined by 15.2% to ¥4,283 million; operating income declined by 1.5% to ¥259 million.

c. Europe

   Net sales declined by 7.1% to ¥5,052 million; an operating loss of ¥174 million was recorded compared to an operating loss of ¥365 million in the same period of the previous fiscal year.

d. Asia and Oceania

   Net sales declined by 11.0% to ¥3,037 million; an operating loss of ¥168 million was recorded compared to an operating income of ¥309 million in the same period of the previous fiscal year.

2. Qualitative information on consolidated financial position

Total assets at the end of the first six months were ¥64,871 million, a decrease of ¥1,231 million compared to the end of the previous fiscal year. This was primarily the result of decreases in finished goods.

Net assets were ¥36,411 million, resulting in an equity ratio of 56.0%. These levels were roughly equivalent to levels at the end of the previous fiscal year.

Cash flows

At the end of the first six months, cash and cash equivalents (hereinafter, “cash”) stood at ¥12,119 million, an increase of ¥1,084 million compared to the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥3,648 million.

The increase in cash reflected principally income before income taxes and minority interests of ¥1,700 million and depreciation and amortization of ¥1,246 million. In addition, accounts payable–other increased by ¥1,012 million while inventories decreased by ¥1,226 million. Contributing to a decrease in cash were a ¥1,302 million decrease in notes and accounts payable–trade, and ¥831 million in income taxes paid.

Cash flows from investment activities

Net cash used in investment activities amounted to ¥1,092 million.

This resulted primarily from an expenditure of ¥970 million to purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥1,450 million.

This primarily reflected cash dividends paid of ¥519 million and a net decrease in short-term loans payable of ¥1,424 million.

3. Qualitative information on consolidated forecasts

The turmoil in the global financial markets is expected to greatly affect the real economy for some time to come in the form of constricting capital investments and other factors and, particularly in the overseas market, it has become increasingly difficult to predict the extent of the effect on the economies of each country.

Although weighted down by these circumstances, the SATO Group will focus all its energies on meeting strong customer demands appearing in every market for “precision, labor saving and resource saving,” provided by the Group. From the third quarter and beyond, the Group plans to introduce new products one after another which had been developed wholeheartedly in the past stimulating demand on a per-market and per-application basis and, as a consequence of these introductions, the Group expects effects on sales to appear from the latter part of the second half of the year. In Japan, although affected by higher raw material prices mainly from the second half of the previous year, the Group is continuing to counter these effects by cost cutting and passing costs to sales prices with an improved gross profit margin as testament to the positive results obtained from these efforts.

In addition, the Group is aiming to further improve profits by doubling up efforts in expanding its service and maintenance agreements, which enjoy a high gross profit margin, and in its proposal sales for service charges such as fees for equipment installation work. Concrete results are also materializing from the promotion of effective and efficient cost spending through the implementation of companywide campaigns.

Even for overseas subsidiaries now experiencing deficits, the Group is making efforts to increase its combined strengths from sales, manufacturing, management and other aspects with a keen eye on moving into the black.

The SATO Group is working towards enhancing its corporate value by executing all the measures for achieving its mid to long term business plan extending up to 2015 without effectuating any revisions to this plan at the present time.

In its consolidated forecasts for the March 2009 term, the SATO Group is revising its forecasts announced on August 14, 2008 as follows. This is due to a more conservative estimate compared to the initial plan made in consideration for the current market environment in addition to the discrepancies with original forecasts arising over the course of the first six months. Meanwhile, in its forecasts, the Group is assuming the following foreign exchange rates for the latter half of the year beyond October:

US$ = ¥100

Euro = ¥125

(Full-year average foreign exchange rates: US$ = ¥103 and Euro = ¥144)

Revision of consolidated forecasts for March 2009 term (from April 31, 2008 to March 31, 2009)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	90,000	5,700	5,400	2,600	84.93
Revised forecasts (B)	85,000	4,300	4,200	1,600	52.27
(B-A)	(5,000)	(1,400)	(1,200)	(1,000)	–
Change (%)	(5.6)	(24.6)	(22.2)	(38.5)	–
(Reference) Actual results of the fiscal year ended March 31, 2008	87,790	5,404	4,750	2,062	66.70

* Revision of consolidated forecasts for March 2009 term shown above was announced in a release “Revision of Forecasts” dated November 13, 2008.

4. Others

(1) Changes in significant subsidiaries during the term (changes in specified subsidiaries resulting in the change in scope of consolidation):

Not applicable

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements:

Simplified accounting methods

1) Inventory valuation method

Concerning the write-down of the book value of inventories, only for those items whose drop in profitability was apparent, an estimate of net sale value was made and book values were written down.

2) Calculation method of depreciation of noncurrent assets

Depreciation expense for noncurrent assets that are depreciated using the declining-balance method is calculated by dividing the annual depreciation expense on a pro-rata basis.

3) Calculation method of deferred tax assets and deferred tax liabilities

The method for determining the recoverability of deferred tax assets uses the forecasts and tax planning used at the settlement of accounts of the previous consolidated fiscal year because it has been recognized that no material changes have occurred in the business and other environments, or in temporary differences or other events.

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

1. Application of accounting standards related to quarterly financial statements

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). They are also prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

2. Valuation criteria and method of important assets

Inventories

Before the change, inventories held for sale in the ordinary course of business were stated mainly using the gross average cost method. However, because the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) has been applied from the first quarter, we now employ mainly the gross average cost method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability).

The impact of this change on gains and losses is immaterial.

3. Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

From the first quarter, the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF Practical Solution No. 18) has been applied, and necessary amendments for consolidated financial statements are made.

The impact of this change on gains and losses is immaterial.

5. Consolidated financial statements

(1) Consolidated balance sheets

Millions of yen	September 30, 2008	March 31, 2008 (Summary)
Assets		
Current assets		
Cash and deposits	11,980	10,926
Notes and accounts receivable-trade	19,825	20,334
Short-term investment securities	139	108
Merchandise	130	169
Finished goods	7,262	8,377
Semi-finished goods	457	442
Raw materials	1,816	2,036
Work in process	132	99
Other	2,000	2,059
Allowance for doubtful accounts	(204)	(226)
Total current assets	43,540	44,329
Noncurrent assets		
Property, plant and equipment	16,027	15,846
Intangible assets		
Goodwill	770	997
Other	1,898	2,118
Total intangible assets	2,668	3,115
Investments and other assets	2,634	2,811
Total noncurrent assets	21,330	21,773
Total assets	64,871	66,103

Millions of yen	September 30, 2008	March 31, 2008 (Summary)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,515	5,845
Short-term loans payable	5,165	6,558
Accounts payable-other	11,346	10,394
Income taxes payable	1,084	734
Provision	201	430
Other	3,259	3,059
Total current liabilities	25,572	27,023
Noncurrent liabilities		
Long-term loans payable	502	8
Provision for retirement benefits	1,700	1,811
Other	684	589
Total noncurrent liabilities	2,887	2,408
Total liabilities	28,460	29,431
Net assets		
Shareholders' equity		
Capital stock	6,331	6,331
Capital surplus	5,799	5,799
Retained earnings	27,494	27,481
Treasury stock	(2,953)	(2,953)
Total shareholders' equity	36,670	36,658
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11	5
Foreign currency translation adjustment	(353)	(59)
Total valuation and translation adjustments	(341)	(53)
Subscription rights to shares	76	58
Minority interests	6	8
Total net assets	36,411	36,671
Total liabilities and net assets	64,871	66,103

(2) Consolidated statement of income

Millions of yen	Six months ended September 30, 2008
Net sales	42,768
Cost of sales	24,737
Gross profit	18,030
Selling, general and administrative expenses	16,246
Operating income	1,784
Non-operating income	
Interest income	37
Dividends income	3
Valuation gain from swap transaction	25
Other	94
Total non-operating income	160
Non-operating expenses	
Interest expenses	78
Foreign exchange losses	18
Other	93
Total non-operating expenses	191
Ordinary income	1,754
Extraordinary income	
Gain on sales of noncurrent assets	3
Other	1
Total extraordinary income	4
Extraordinary loss	
Restructuring loss	20
Loss on prior period adjustment	26
Loss on retirement of noncurrent assets	6
Loss on sales of noncurrent assets	2
Impairment loss	2
Total extraordinary losses	58
Income before income taxes and minority interests	1,700
Income taxes-current	1,211
Income taxes-deferred	(27)
Total income taxes	1,184
Minority interests in income	1
Net income	514

(3) Consolidated statement of cash flows

Millions of yen	Six months ended September 30, 2008
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	1,700
Depreciation and amortization	1,246
Amortization of goodwill	120
Loss (gain) on sales of noncurrent assets	(0)
Loss on retirement of noncurrent assets	6
Increase (decrease) in provision	9
Increase (decrease) in allowance for doubtful accounts	6
Increase (decrease) in provision for retirement benefits	(69)
Interest and dividends income	(41)
Interest expenses	78
Foreign exchange losses (gains)	15
Decrease (increase) in notes and accounts receivable-trade	319
Decrease (increase) in inventories	1,226
Increase (decrease) in notes and accounts payable-trade	(1,302)
Increase (decrease) in accounts payable-other	1,012
Other, net	187
Subtotal	4,517
Interest and dividends income received	41
Interest expenses paid	(78)
Income taxes paid	(831)
Net cash provided by (used in) operating activities	3,648

Millions of yen	Six months ended September 30, 2008
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(970)
Proceeds from sales of property, plant and equipment	33
Purchase of intangible assets	(144)
Other, net	(10)
Net cash provided by (used in) investment activities	(1,092)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	(1,424)
Proceeds from long-term loans payable	500
Repayment of long-term loans payable	(5)
Purchase of treasury stock	(0)
Cash dividends paid	(519)
Net cash provided by (used in) financing activities	(1,450)
Effect of exchange rate change on cash and cash equivalents	(21)
Net increase (decrease) in cash and cash equivalents	1,084
Cash and cash equivalents at beginning of period	11,035
Cash and cash equivalents at end of period	12,119

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). They are also prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

(4) Note related to assumption of going-concern

Not applicable

(5) Segment information

a. Business segment information

Millions of yen	Mechatronic products business	Supply products business	Total	Eliminations and corporate	Consolidated
Six months ended September 30, 2008					
Sales					
External customer sales	17,525	25,242	42,768	(-)	42,768
Intersegment sales and transfer	-	-	-	(-)	-
Total	17,525	25,242	42,768	(-)	42,768
Operating income	723	1,061	1,784	(-)	1,784

(Note)

1. Business segments are classified into Mechatronic products business and Supply products business according to the category of products. The main products of each business segment are as follows:
   a. Mechatronic products business: electronic printers, labeling robots, hand labelers, maintenance services
   b. Supply products business: labels/tags for electronic printers, labels for hand labelers, IC tags/labels, tickets, ribbons, MC-cards

b. Geographical segment information

Millions of yen	Japan	North America	Europe	Asia and Oceania	Total	Eliminations and corporate	Consolidated
Six months ended September 30, 2008							
Sales							
External customer sales	30,394	4,283	5,052	3,037	42,768	-	42,768
Intersegment sales	915	20	155	3,850	4,940	(4,940)	-
Total	31,309	4,303	5,207	6,887	47,709	(4,940)	42,768
Operating income (loss)	2,074	259	(174)	(168)	1,991	(206)	1,784

(Notes)

1. Countries and regions are categorized on the basis of geographical proximity.
2. Outside Japan, the countries belonging to the various regions are as follows:
   (1) North America: U.S.A.
   (2) Europe: Germany, U.K., Poland, Belgium, France, Spain and Sweden
   (3) Asia and Oceania: Malaysia, Singapore, Thailand, China, Vietnam, Australia and New Zealand

c. Overseas sales

	Six months ended September 30, 2008	
Millions of yen	**Overseas sales**	**As % of net sales**
North America	4,283	10.0
Europe	5,052	11.8
Asia, others	3,037	7.1
Total	12,374	28.9
Consolidated sales	42,768	

(Notes)

1. Countries and regions are categorized on the basis of geographical proximity.
2. Outside Japan, the countries belonging to the various regions are as follows:
   (1) North America: U.S.A. and Canada
   (2) Europe: Germany, U.K., France, Italy, etc.
   (3) Asia, others: Malaysia, Singapore, Thailand, China, Australia, etc.
3. Overseas sales are composed of sales made in countries and regions other than Japan by the Company and its consolidated subsidiaries.

(6) Note in the event of material changes in amount of shareholders' equity

Since there were no material changes in the amount of shareholders' equity, this section has been left blank.

(Reference)

Financial statements for the six months ended September 30, 2007

(1) Consolidated statement of income (Summary)

Millions of yen	Interim period ended September 30, 2007
Net sales	43,561
Cost of sales	24,545
Gross profit on sales	19,016
Selling, general and administrative expenses	16,626
Operating income	2,389
Non operating income	137
Non operating expenses	214
Ordinary profit	2,312
Extraordinary gains	25
Extraordinary losses	330
Income before adjustments for income taxes	2,007
Taxes	1,056
Minority interest in income of consolidated subsidiaries	1
Net income	950

(2) Consolidated statement of cash flows (Summary)

Millions of yen	Interim period ended September 30, 2007
Net cash provided by operating activities	
Income before adjustments for income taxes	2,007
Depreciation expenses	1,261
Amortization of goodwill	122
Loss on disposal of fixed assets	26
Loss on business restructuring	289
Increase (decrease) in allowance for doubtful accounts	37
Increase (decrease) in reserve for bonuses	62
Increase (decrease) in reserve for directors' and corporate auditors' bonuses	(50)
Increase (decrease) in reserve for employees' retirement benefits	137
Interest and dividends received	(34)
Interest expenses	88
Foreign exchange loss (gain)	(27)
Gain on sales of tangible fixed assets	(16)
Decrease (increase) in notes and accounts receivable	(773)
Decrease (increase) in inventories	(949)
Decrease (increase) in prepaid expenses	(1)
Decrease (increase) in accounts receivable - other	(207)
Increase (decrease) in notes and accounts payable	171
Increase (decrease) in accounts payable - other	177
Others	221
Subtotal	2,542
Interest and dividends received	34
Interest paid	(88)
Payments related to losses on business restructuring	(289)
Income taxes paid	(1,324)
Net cash provided by operating activities	874

Millions of yen	Interim period ended September 30, 2007
Net cash used in investing activities	
Increase in time deposits	(119)
Purchase of tangible fixed assets	(687)
Proceeds from sales of tangible fixed assets	79
Purchase of intangible fixed assets	(387)
Proceeds from sales of marketable securities	4
Others	(1)
Net cash used in investing activities	(1,112)
Net cash provided by financing activities	
Increase (decrease) in short-term borrowings	809
Repayment of long-term debt	(5)
Purchase of treasury stock	(1)
Cash dividends paid	(528)
Net cash provided by financing activities	274
Effect of exchange rate changes on cash and cash equivalents	11
Net increase (decrease) in cash and cash equivalents	47
Cash and cash equivalents at beginning of term	10,344
Cash and cash equivalents at end of term	10,392

(3) Segment information

a. Business segment information

Millions of yen	Mechatronic products business	Supply products business	Total	Eliminations and corporate	Consolidated
Six months ended September 30, 2007					
Sales					
External customer sales	18,245	25,316	43,561	(-)	43,561
Intersegment sales and transfer	-	-	-	(-)	-
Total	18,245	25,316	43,561	(-)	43,561
Operating income	1,326	1,063	2,389	(-)	2,389

(Note)

1. Business segments are classified into Mechatronic products business and Supply products business according to the category of products. The main products of each business segment are as follows:
    a. Mechatronic products business: electronic printers, hand labelers
    b. Supply products business: labels/tags for electronic printers, labels for hand labelers, IC tags/labels, tickets, ribbons, MC-cards

b. Geographical segment information

Millions of yen	Japan	North America	Europe	Asia and Oceania	Total	Eliminations and corporate	Consolidated
Six months ended September 30, 2007							
Sales							
External customer sales	29,660	5,051	5,437	3,411	43,561	-	43,561
Intersegment sales	1,696	46	150	4,708	6,602	(6,602)	-
Total	31,356	5,098	5,588	8,120	50,164	(6,602)	43,561
Operating income (loss)	2,216	263	(365)	309	2,424	(34)	2,389

(Notes)

1. Countries and regions are categorized on the basis of geographical proximity.
2. Outside Japan, the countries belonging to the various regions are as follows:
    (1) North America: U.S.A.
    (2) Europe: Germany, U.K., Poland, Belgium, France, Spain and Sweden
    (3) Asia and Oceania: Malaysia, Singapore, Thailand, China, Vietnam, Australia and New Zealand

c. Overseas sales

	Six months ended September 30, 2007	
Millions of yen	**Overseas sales**	**As % of net sales**
North America	5,051	11.6
Europe	5,437	12.5
Asia, others	3,411	7.8
Total	13,901	31.9
Consolidated sales	43,561	

(Notes)

1. Countries and regions are categorized on the basis of geographical proximity.
2. Outside Japan, the countries belonging to the various regions are as follows:
   (1) North America: U.S.A. and Canada
   (2) Europe: Germany, U.K., France, Italy, etc.
   (3) Asia, others: Malaysia, Singapore, Thailand, China, Australia, etc.
3. Overseas sales are composed of sales made in countries and regions other than Japan by the Company and its consolidated subsidiaries.