

Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2009

Millions of yen
(except for per share amounts)

	Six months ended		Change (%)	Three months ended		Change (%)
	September 30, 2008	September 30, 2007		September 30, 2008	September 30, 2007	
Net sales	Y 256,597	Y 278,339	-7.8	Y 130,493	Y 140,971	-7.4
Operating income	17,238	26,502	-35.0	8,031	14,489	-44.6
Current profits	16,092	21,534	-25.3	6,474	11,652	-44.4
Net income	11,731	14,337	-18.2	5,257	8,290	-36.6
Net income per share:						
Basic	Y 43.47	Y 52.07		Y 19.63		
Diluted	43.46	52.06		19.62		
Dividends per common share	14.00	11.00				
	As of September 30, 2008	As of March 31, 2008				
Total assets	Y 395,163	Y 392,259				
Net assets	217,205	219,223				
Owners' equity ratio	54.2 %	55.1 %				
Owners' equity per share	Y 799.62	Y 785.13				
(Ref.) Owners' equity	214,137	216,175				
Number of consolidated subsidiaries	53	52				
Number of affiliates using the applied equity method	8	8				

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2009

Millions of yen
(except for per share amounts)

	[Revised]		Change (%)
	Year ending March 31, 2009	Year ended March 31, 2008	
Net sales	Y 530,000	Y 566,378	-6.4
Operating income	30,000	53,503	-43.9
Current profits	33,500	46,535	-28.0
Net income	22,500	27,110	-17.0
Net income per share	Y 84.02	Y 98.46	
Dividends per common share	26.00	22.00	
	[Revised]		Change (%)
	Year ending March 31, 2009	[Previous] Year ending March 31, 2009	
Net sales	Y 530,000	Y 570,000	-7.0
Operating income	30,000	45,000	-33.3
Current profits	33,500	42,000	-20.2
Net income	22,500	27,500	-18.2
Net income per share	Y 84.02	Y 102.67	
Dividends per common share	26.00	26.00	

(Note 1) Forecasted operating results have been changed in this quarterly period.

(Note 2) No change has been made in forecasted dividends per common share in this quarterly period.

(Note 3) Interim dividend for the year ending March 31, 2009 includes a commemorative dividend of 2.00 yen.

Notes:

- The financial statements have been prepared in accordance with accounting principles generally accepted in Japan.
- Amounts less than 1 million yen have been rounded down.
- Yen amounts for the six months ended September 30, 2008 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=100.00 yen, in the accompanying consolidated financial statements.
- Operating results for the six months ended September 30, 2008 are based on the following currency exchange rates:
Actual average rates for the six months ended September 30, 2008: US\$=105.36 yen, EURO=161.56yen
Forecasts for the year ending March 31, 2009 are based on the following currency exchange rates:
Assumed average rates for the fiscal year: US\$=102.89 yen, EURO=149.30 yen
Assumed average rates for the third and fourth quarters: US\$=100.00 yen, EURO=135.00 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of September 30, 2008, 277,535 thousands as of March 31, 2008
Number of treasury stock outstanding: 9,736 thousands as of September 30, 2008, 2,197 thousands as of March 31, 2008
Number of weighted average shares (first half): 269,849 thousands during the period ended September 30, 2008, 275,366 thousands during the period ended September 30, 2007

The above-mentioned forecasts are the results of estimations based on outlook for economic environment and predictions at the time of this announcement. The actual results of business performance may sometimes differ from these forecasts due to various factors.

CONSOLIDATED BALANCE SHEETS

	Millions of yen		Thousands of U.S. dollars
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
ASSETS			
Current assets			
Cash and cash equivalents	Y 63,984	Y 83,545	\$ 639,844
Trade receivables	73,772	72,888	737,721
Inventories	84,614	74,613	846,150
Other current assets	33,715	24,661	337,150
Total current assets	<u>256,086</u>	<u>255,708</u>	<u>2,560,865</u>
Net property, plant and equipment	74,011	71,981	740,113
Intangible fixed assets	18,262	18,278	182,620
Other assets	46,803	46,290	468,034
Total assets	<u>Y 395,163</u>	<u>Y 392,259</u>	<u>\$ 3,951,632</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term debt	Y 13,393	Y 13,055	\$ 133,938
Trade payables	40,038	35,541	400,389
Other current liabilities	81,240	81,334	812,409
Total current liabilities	<u>134,673</u>	<u>129,931</u>	<u>1,346,735</u>
Long-term liabilities			
Long-term debt	20,500	20,544	205,000
Other long-term liabilities	22,784	22,560	227,841
Total liabilities	<u>177,957</u>	<u>173,035</u>	<u>1,779,576</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	192,099
Capital surplus	16,135	16,134	161,352
Retained earnings	197,813	188,294	1,978,131
Treasury stock	(11,598)	(1,573)	(115,986)
Total shareholders' equity	<u>221,559</u>	<u>222,065</u>	<u>2,215,596</u>
Valuation and translation adjustments			
Unrealized gain on available-for-sale securities	26	948	264
Deferred gain or loss under hedge accounting	2,895	910	28,953
Foreign currency translation adjustments	(10,343)	(7,749)	(103,437)
Total valuation and translation adjustments	<u>(7,422)</u>	<u>(5,889)</u>	<u>(74,220)</u>
Stock acquisition rights	121	121	1,218
Minority interests	2,946	2,925	29,463
Total net assets	<u>217,205</u>	<u>219,223</u>	<u>2,172,056</u>
Total liabilities and net assets	<u>Y 395,163</u>	<u>Y 392,259</u>	<u>\$ 3,951,632</u>

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2008	Six months ended September 30, 2007	Six months ended September 30, 2008
Net sales	Y 256,597	Y 278,339	\$ 2,565,977
Cost of sales	145,818	163,500	1,458,184
Gross profit	110,779	114,838	1,107,794
Selling, general and administrative expenses	93,541	88,335	935,412
Operating income	17,238	26,502	172,382
Non-operating income (expenses):			
Interest and dividend income	1,709	1,572	17,094
Interest expenses	(222)	(306)	(2,221)
Other, net	(2,632)	(6,233)	(26,325)
Current profits	16,092	21,534	160,930
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	(496)	900	(4,961)
Other, net	759	358	7,597
Income before income taxes & minority interests	16,356	22,793	163,565
Income taxes & minority interests	4,624	8,455	46,250
Net income	Y 11,731	Y 14,337	\$ 117,316
Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 43.47	Y 52.07	\$ 0.43
Diluted	43.46	52.06	0.43

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen	Thousands of U.S. dollars
	Three months ended September 30, 2008	Three months ended September 30, 2008
Net sales	Y 130,493	\$ 1,304,937
Cost of sales	73,908	739,080
Gross profit	56,585	565,857
Selling, general and administrative expenses	48,554	485,545
Operating income	8,031	80,312
Non-operating income (expenses):		
Interest and dividend income	680	6,804
Interest expenses	(108)	(1,089)
Other, net	(2,127)	(21,276)
Current profits	6,474	64,750
Extraordinary income (expenses):		
Gain (Loss) on sales and disposals of property, plant and equipment, net	(249)	(2,493)
Other, net	787	7,874
Income before income taxes & minority interests	7,013	70,131
Income taxes & minority interests	1,756	17,560
Net income	Y 5,257	\$ 52,570
Net income per share:	Yen	U.S. dollars
Basic	Y 19.63	\$ 0.20
Diluted	19.62	0.20

SEGMENT INFORMATION BY BUSINESS

	Millions of yen		Thousands of U.S. dollars	
	Six months ended September 30, 2008	Six months ended September 30, 2007	Six months ended September 30, 2008	
Printing and Solutions				
Net sales				
Unaffiliated customers	Y 194,322	Y 199,208	\$ 1,943,224	
Intersegment	-	-	-	
Total	194,322	199,208	1,943,224	
Operating cost and expenses	179,558	180,381	1,795,583	
Operating income	14,764	18,827	147,641	
Personal and Home				
Net sales				
Unaffiliated customers	Y 14,771	Y 15,764	\$ 147,716	
Intersegment	-	-	-	
Total	14,771	15,764	147,716	
Operating cost and expenses	14,647	14,353	146,472	
Operating income	124	1,410	1,244	
Machinery and Solution				
Net sales				
Unaffiliated customers	Y 29,219	Y 33,100	\$ 292,195	
Intersegment	-	-	-	
Total	29,219	33,100	292,195	
Operating cost and expenses	27,261	27,722	272,614	
Operating income	1,958	5,377	19,581	
Others				
Net sales				
Unaffiliated customers	Y 18,284	Y 30,266	\$ 182,842	
Intersegment	4,371	4,737	43,718	
Total	22,656	35,003	226,560	
Operating cost and expenses	22,264	34,116	222,644	
Operating income	391	887	3,916	
Corporate and Eliminations				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(4,371)	(4,737)	(43,718)	
Total	(4,371)	(4,737)	(43,718)	
Operating cost and expenses	(4,371)	(4,737)	(43,718)	
Operating income	-	-	-	
Consolidated				
Net sales				
Unaffiliated customers	Y 256,597	Y 278,339	\$ 2,565,977	
Intersegment	-	-	-	
Total	256,597	278,339	2,565,977	
Operating cost and expenses	239,359	251,836	2,393,596	
Operating income	17,238	26,502	172,382	

Note:

Main products in each business segment are as follows:

Printing and Solutions	Fax machines, Printers, Multi-function centers, Electronic stationeries, Typewriters
Personal and Home	Domestic sewing machines
Machinery and Solution	Industrial sewing machines, Machine tools
Others	Network karaoke, Information distribution services for cellular phones, Real estate, Leasing parts, Other areas of business

SEGMENT INFORMATION BY BUSINESS

	Millions of yen	Thousands of U.S. dollars
	Three months ended September 30, 2008	Three months ended September 30, 2008
Printing and Solutions		
Net sales		
Unaffiliated customers	Y 99,914	\$ 999,148
Intersegment	-	-
Total	99,914	999,148
Operating cost and expenses	93,260	932,609
Operating income	6,653	66,539
Personal and Home		
Net sales		
Unaffiliated customers	Y 7,476	\$ 74,762
Intersegment	-	-
Total	7,476	74,762
Operating cost and expenses	7,283	72,838
Operating income	192	1,924
Machinery and Solution		
Net sales		
Unaffiliated customers	Y 14,224	\$ 142,244
Intersegment	-	-
Total	14,224	142,244
Operating cost and expenses	13,247	132,473
Operating income	977	9,771
Others		
Net sales		
Unaffiliated customers	Y 8,878	\$ 88,783
Intersegment	2,915	29,152
Total	11,793	117,935
Operating cost and expenses	11,585	115,857
Operating income	207	2,078
Corporate and Eliminations		
Net sales		
Unaffiliated customers	Y -	\$ -
Intersegment	(2,915)	(29,152)
Total	(2,915)	(29,152)
Operating cost and expenses	(2,915)	(29,152)
Operating income	-	-
Consolidated		
Net sales		
Unaffiliated customers	Y 130,493	\$ 1,304,937
Intersegment	-	-
Total	130,493	1,304,937
Operating cost and expenses	122,462	1,224,625
Operating income	8,031	80,312

Note:

Main products in each business segment are as follows:

Printing and Solutions	Fax machines, Printers, Multi-function centers, Electronic stationeries, Typewriters
Personal and Home	Domestic sewing machines
Machinery and Solution	Industrial sewing machines, Machine tools
Others	Network karaoke, Information distribution services for cellular phones, Real estate, Leasing parts, Other areas of business

SEGMENT INFORMATION BY GEOGRAPHIC AREA

	Millions of yen		Thousands of
			U.S. dollars
	Six months ended September 30, 2008	Six months ended September 30, 2007	Six months ended September 30, 2008
Japan			
Net sales			
Unaffiliated customers	Y 56,797	Y 67,646	\$ 567,973
Intersegment	140,253	156,815	1,402,539
Total	197,051	224,461	1,970,511
Operating cost and expenses	186,030	206,356	1,860,304
Operating income	11,020	18,105	110,207
Americas			
Net sales			
Unaffiliated customers	Y 82,989	Y 86,933	\$ 829,893
Intersegment	761	1,019	7,612
Total	83,750	87,952	837,505
Operating cost and expenses	81,813	83,462	818,131
Operating income	1,937	4,490	19,374
Europe			
Net sales			
Unaffiliated customers	Y 86,959	Y 90,157	\$ 869,593
Intersegment	2,021	1,578	20,215
Total	88,980	91,735	889,808
Operating cost and expenses	85,613	86,044	856,138
Operating income	3,367	5,690	33,670
Asia and Others			
Net sales			
Unaffiliated customers	Y 29,851	Y 33,602	\$ 298,519
Intersegment	94,463	106,890	944,638
Total	124,315	140,492	1,243,157
Operating cost and expenses	124,080	136,747	1,240,808
Operating income	234	3,744	2,349
Corporate and Eliminations			
Net sales			
Unaffiliated customers	Y -	Y -	\$ -
Intersegment	(237,500)	(266,303)	(2,375,004)
Total	(237,500)	(266,303)	(2,375,004)
Operating cost and expenses	(238,178)	(260,775)	(2,381,785)
Operating income	678	(5,528)	6,781
Consolidated			
Net sales			
Unaffiliated customers	Y 256,597	Y 278,339	\$ 2,565,977
Intersegment	-	-	-
Total	256,597	278,339	2,565,977
Operating cost and expenses	239,359	251,836	2,393,596
Operating income	17,238	26,502	172,382

SEGMENT INFORMATION BY GEOGRAPHIC AREA

	Millions of yen	Thousands of U.S. dollars
	Three months ended September 30, 2008	Three months ended September 30, 2008
Japan		
Net sales		
Unaffiliated customers	Y 28,556	\$ 285,568
Intersegment	76,565	765,656
Total	<u>105,122</u>	<u>1,051,223</u>
Operating cost and expenses	<u>101,723</u>	<u>1,017,233</u>
Operating income	<u>3,399</u>	<u>33,990</u>
Americas		
Net sales		
Unaffiliated customers	Y 43,401	\$ 434,010
Intersegment	349	3,493
Total	<u>43,750</u>	<u>437,503</u>
Operating cost and expenses	<u>42,775</u>	<u>427,760</u>
Operating income	<u>974</u>	<u>9,743</u>
Europe		
Net sales		
Unaffiliated customers	Y 43,662	\$ 436,621
Intersegment	1,217	12,176
Total	<u>44,879</u>	<u>448,797</u>
Operating cost and expenses	<u>43,786</u>	<u>437,862</u>
Operating income	<u>1,093</u>	<u>10,936</u>
Asia and Others		
Net sales		
Unaffiliated customers	Y 14,873	\$ 148,738
Intersegment	53,633	536,332
Total	<u>68,507</u>	<u>685,070</u>
Operating cost and expenses	<u>68,032</u>	<u>680,330</u>
Operating income	<u>474</u>	<u>4,741</u>
Corporate and Eliminations		
Net sales		
Unaffiliated customers	Y -	\$ -
Intersegment	(131,765)	(1,317,657)
Total	<u>(131,765)</u>	<u>(1,317,657)</u>
Operating cost and expenses	<u>(133,855)</u>	<u>(1,338,559)</u>
Operating income	<u>2,090</u>	<u>20,902</u>
Consolidated		
Net sales		
Unaffiliated customers	Y 130,493	\$ 1,304,937
Intersegment	-	-
Total	<u>130,493</u>	<u>1,304,937</u>
Operating cost and expenses	<u>122,462</u>	<u>1,224,625</u>
Operating income	<u>8,031</u>	<u>80,312</u>

[Reference Data]

Forecast for Fiscal Year ending March 2009

1-1. Sales breakdown by business segment

Unit: Millions of yen

		Forecast ending March 31 2009 [Revised] (A)	Results ended March 31 2008 (B)	Change (A / B - 1)	Forecast ending March 31 2009 [Previous] (C)	Change (A / C - 1)
Printing and Solutions	Communications and Printing equipment	354,800	367,640	-3.5%	381,500	-7.0%
	Electronic stationery	43,600	44,973	-3.1%	45,000	-3.1%
	Total	398,400	412,614	-3.4%	426,500	-6.6%
Personal and Home		32,800	33,789	-2.9%	33,400	-1.8%
Machinery and Solution	Industrial sewing machines	26,000	35,238	-26.2%	29,900	-13.0%
	Machine tools	29,600	32,585	-9.2%	33,500	-11.6%
	Total	55,600	67,824	-18.0%	63,400	-12.3%
Others		43,200	52,149	-17.2%	46,700	-7.5%
Grand Total		530,000	566,378	-6.4%	570,000	-7.0%

1-2. Operating income breakdown by business segment

Unit: Millions of yen

		Forecast ending March 31 2009 [Revised] (A)	Results ended March 31 2008 (B)	Change (A / B - 1)	Forecast ending March 31 2009 [Previous] (C)	Change (A / C - 1)
Printing and Solutions		23,300	38,807	-40.0%	35,000	-33.4%
Personal and Home		1,800	3,397	-47.0%	2,000	-10.0%
Machinery and Solution		2,500	9,929	-74.8%	5,800	-56.9%
Others		2,400	1,368	75.3%	2,200	9.1%
Grand Total		30,000	53,503	-43.9%	45,000	-33.3%

1-3. Sales breakdown by geographic segment

Unit: Millions of yen

		Forecast ending March 31 2009 [Revised] (A)	Results ended March 31 2008 (B)	Change (A / B - 1)	Forecast ending March 31 2009 [Previous] (C)	Change (A / C - 1)
Japan		118,600	130,667	-9.2%	127,600	-7.1%
Americas		171,200	175,842	-2.6%	173,100	-1.1%
Europe		177,000	193,743	-8.6%	200,600	-11.8%
Asia and Others		63,200	66,125	-4.4%	68,700	-8.0%
Grand Total		530,000	566,378	-6.4%	570,000	-7.0%