

Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2010

Millions of yen
(except for per share amounts)

	Six months ended		Change (%)	Three months ended		Change (%)
	September 30, 2009	September 30, 2008		September 30, 2009	September 30, 2008	
Net sales	Y 199,421	Y 256,597	-22.3	Y 101,605	Y 130,493	-22.1
Operating income	9,956	17,238	-42.2	3,593	8,031	-55.3
Current profits	13,384	16,092	-16.8	5,266	6,474	-18.7
Net income	4,920	11,731	-58.1	1,521	5,257	-71.1
Net income per share:						
Basic	Y 18.38	Y 43.47		Y 5.68	19.63	
Diluted	18.37	43.46		5.68	19.62	
Dividends per common share	8.00	14.00				
	As of September 30, 2009	As of March 31, 2009				
Total assets	Y 322,075	Y 337,667				
Net assets	198,003	199,371				
Owners' equity ratio	60.7 %	58.3 %				
Owners' equity per share	Y 730.79	Y 735.26				
(Ref.) Owners' equity	195,604	196,790				
Number of consolidated subsidiaries	54	53				
Number of affiliates using the applied equity method	8	8				

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2010

Millions of yen
(except for per share amounts)

	[Revised]		Change (%)
	Year ending March 31, 2010	Year ended March 31, 2009	
Net sales	Y 430,000	Y 482,204	-10.8
Operating income	18,000	19,901	-9.6
Current profits	21,000	25,562	-17.8
Net income	12,500	15,262	-18.1
Net income per share	Y 46.70	Y 56.79	
Dividends per common share	16.00	26.00	
	[Revised]		Change (%)
	Year ending March 31, 2010	[Previous] Year ending March 31, 2010	
Net sales	Y 430,000	Y 425,000	1.2
Operating income	18,000	13,000	38.5
Current profits	21,000	20,000	5.0
Net income	12,500	12,500	-
Net income per share	Y 46.70	Y 46.70	
Dividends per common share	16.00	16.00	

(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 ended 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, 2009 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=98.00 yen, in the accompanying consolidated financial statements.
- Operating results for the six months ended September 30, 2009 are based on the following currency exchange rates:
Actual average rates for the six months ended September 30, 2009: US\$=95.27 yen, EURO=132.73 yen
Forecasts for the year ending March 31, 2010 are based on the following currency exchange rates:
Assumed average rates for the fiscal year: US\$=93.00 yen, EURO=132.00 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of September 30, 2009, 277,535 thousands as of March 31, 2009
Number of treasury stock outstanding: 9,874 thousands as of September 30, 2009, 9,886 thousands as of March 31, 2009
Number of weighted average shares (first half): 267,651 thousands during the period ended September 30, 2009, 269,849 thousands during the period ended September 30, 2008

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, 2009	As of March 31, 2009	As of September 30, 2009
ASSETS			
Current assets			
Cash and cash equivalents	Y 50,304	Y 45,970	\$ 513,316
Trade receivables	58,220	66,248	594,087
Inventories	65,988	71,990	673,348
Other current assets	16,841	22,928	171,847
Total current assets	<u>191,354</u>	<u>207,138</u>	<u>1,952,599</u>
Net property, plant and equipment	65,755	70,702	670,973
Intangible fixed assets	14,801	15,607	151,033
Other assets	50,164	44,218	511,879
Total assets	<u>Y 322,075</u>	<u>Y 337,667</u>	<u>\$ 3,286,485</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term debt	Y 6,348	Y 9,901	\$ 64,786
Trade payables	27,365	24,067	279,238
Other current liabilities	50,952	66,100	519,919
Total current liabilities	<u>84,666</u>	<u>100,069</u>	<u>863,943</u>
Long-term liabilities			
Long-term debt	20,500	20,500	209,184
Other long-term liabilities	18,906	17,726	192,919
Total liabilities	<u>124,072</u>	<u>138,295</u>	<u>1,266,045</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	196,019
Capital surplus	16,145	16,134	164,749
Retained earnings	199,135	197,082	2,031,994
Treasury stock	(11,670)	(11,671)	(119,088)
Total shareholders' equity	<u>222,820</u>	<u>220,754</u>	<u>2,273,675</u>
Valuation and translation adjustments			
Unrealized gain (loss) on available-for-sale securities	1,631	(30)	16,643
Deferred gain (loss) under hedge accounting	583	3,114	5,957
Foreign currency translation adjustments	(29,430)	(27,048)	(300,315)
Total valuation and translation adjustments	<u>(27,216)</u>	<u>(23,964)</u>	<u>(277,715)</u>
Stock acquisition rights	195	195	1,994
Minority interests	2,203	2,385	22,486
Total net assets	<u>198,003</u>	<u>199,371</u>	<u>2,020,440</u>
Total liabilities and net assets	<u>Y 322,075</u>	<u>Y 337,667</u>	<u>\$ 3,286,485</u>

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2009	Six months ended September 30, 2008	Six months ended September 30, 2009
Net sales	Y 199,421	Y 256,597	\$ 2,034,918
Cost of sales	110,236	145,818	1,124,861
Gross profit	89,185	110,779	910,057
Selling, general and administrative expenses	79,229	93,541	808,463
Operating income	9,956	17,238	101,594
Non-operating income (expenses):			
Interest and dividend income	516	1,709	5,272
Interest expenses	(280)	(222)	(2,861)
Other, net	3,192	(2,632)	32,576
Current profits	13,384	16,092	136,581
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	(114)	(496)	(1,173)
Other, net	(2,989)	759	(30,507)
Income before income taxes & minority interests	10,280	16,356	104,901
Income taxes & minority interests	5,360	4,624	54,695
Net income	Y 4,920	Y 11,731	\$ 50,205
Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 18.38	Y 43.47	\$ 0.19
Diluted	18.37	43.46	0.19

Note:

Other extraordinary income (expenses) for the six months ended September 30, 2009 includes loss on revision of retirement benefit plan Y 2,981mil.

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Three months ended September 30, 2009	Three months ended September 30, 2008	Three months ended September 30, 2009
Net sales	Y 101,605	Y 130,493	\$ 1,036,789
Cost of sales	56,704	73,908	578,616
Gross profit	44,901	56,585	458,174
Selling, general and administrative expenses	41,307	48,554	421,507
Operating income	3,593	8,031	36,667
Non-operating income (expenses):			
Interest and dividend income	156	680	1,599
Interest expenses	(138)	(108)	(1,418)
Other, net	1,655	(2,127)	16,897
Current profits	5,266	6,474	53,744
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	(11)	(249)	(113)
Other, net	(2,971)	787	(30,317)
Income before income taxes & minority interests	2,284	7,013	23,313
Income taxes & minority interests	763	1,756	7,791
Net income	Y 1,521	Y 5,257	\$ 15,522
Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 5.68	Y 19.63	\$ 0.06
Diluted	5.68	19.62	0.06

Note:

Other extraordinary income (expenses) for the three months ended September 30, 2009 includes loss on revision of retirement benefit plan Y 2,981mil.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2009	Six months ended September 30, 2008	Six months ended September 30, 2009
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	Y 10,280	Y 16,356	\$ 104,901
Adjustments for:			
Depreciation and amortization	9,750	10,980	99,499
Amortization of goodwill	182	350	1,862
Provision for (Reversal of) allowance for doubtful accounts	295	313	3,013
Provision for (Reversal of) retirement benefits	342	(26)	3,492
Provision for (Reversal of) product warranty	760	(806)	7,760
Provision for (Reversal of) copyright fees	-	2,084	-
Interest and dividend income	(516)	(1,709)	(5,272)
Interest expenses	280	222	2,861
Foreign exchange loss (gain)	520	2,685	5,312
Valuation loss (gain) on derivatives	(740)	-	(7,559)
Equity in loss (earnings) of affiliates	38	(91)	393
Loss (Gain) on sales of property, plant and equipment, net	-	75	-
Loss (Gain) on sales and disposals of property, plant and equipment, net	114	-	1,173
Loss (gain) on sales of investment securities	1	-	11
Valuation loss (gain) on investment securities	-	58	-
Valuation loss on affiliates' shares	36	-	376
Loss on revision of retirement benefit plan	2,981	-	30,427
Decrease (Increase) in trade notes and accounts receivable	7,453	610	76,056
Decrease (Increase) in inventories	4,695	(10,344)	47,918
Increase (Decrease) in trade notes and accounts payable	5,141	7,282	52,469
Increase (Decrease) in accrued expenses	(13,276)	(1,093)	(135,478)
Other, net	(6,557)	(3,178)	(66,910)
Cash generated from operations	21,785	23,769	222,305
Interest and dividends received	553	1,709	5,646
Interest paid	(279)	(222)	(2,850)
Income taxes paid	(1,886)	(6,004)	(19,246)
Net cash provided by operating activities	Y 20,173	Y 19,251	\$ 205,854
INVESTING ACTIVITIES:			
Proceeds from sales of marketable securities	100	299	1,020
Disbursement for purchases of property, plant and equipment	(5,429)	(11,374)	(55,400)
Proceeds from sales of property, plant and equipment	696	528	7,104
Disbursement for purchases of intangible assets	(2,608)	(3,190)	(26,613)
Proceeds from sales of intangible assets	15	1	159
Disbursement for purchases of investment securities	(0)	(1,032)	(2)
Proceeds from sales of investment securities	0	747	0
Disbursement for purchases of affiliates' shares	(1,242)	(96)	(12,675)
Disbursement for transfer of business	-	(1,202)	-
Disbursement for payment of investments	(26)	-	(275)
Proceeds from collection of long-term loans	1	55	14
Other, net	(293)	(80)	(2,994)
Net cash used in investing activities	Y (8,786)	Y (15,345)	\$ (89,662)
FINANCING ACTIVITIES:			
Increase (Decrease) in short-term borrowings, net	(3,590)	(1,363)	(36,637)
Disbursement for repayment of long-term debt	(44)	(44)	(449)
Decrease (Increase) in treasury stock, net	(2)	(10,007)	(24)
Cash dividends paid	(3,225)	(3,038)	(32,908)
Others, net	4	-	44
Net cash used in financing activities	Y (6,857)	Y (14,453)	\$ (69,973)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(519)	(3,729)	(5,299)
Net increase (decrease) in cash and cash equivalents	4,010	(14,276)	40,920
Cash and cash equivalents at beginning of period	46,127	83,218	470,691
Cash and cash equivalents of newly consolidated subsidiaries	6	-	67
Cash and cash equivalents at end of period	Y 50,144	Y 68,942	\$ 511,678

SEGMENT INFORMATION BY BUSINESS

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2009	Six months ended September 30, 2008	Six months ended September 30, 2009
Printing and Solutions			
Net sales			
Unaffiliated customers	Y 161,252	Y 194,322	\$ 1,645,432
Intersegment	-	-	-
Total	161,252	194,322	1,645,432
Operating cost and expenses	149,411	179,558	1,524,608
Operating income	11,840	14,764	120,824
Personal and Home			
Net sales			
Unaffiliated customers	Y 11,946	Y 14,771	\$ 121,903
Intersegment	-	-	-
Total	11,946	14,771	121,903
Operating cost and expenses	11,999	14,647	122,439
Operating income	(52)	124	(537)
Machinery and Solution			
Net sales			
Unaffiliated customers	Y 10,456	Y 29,219	\$ 106,696
Intersegment	-	-	-
Total	10,456	29,219	106,696
Operating cost and expenses	12,511	27,261	127,673
Operating income	(2,055)	1,958	(20,977)
Others			
Net sales			
Unaffiliated customers	Y 15,766	Y 18,284	\$ 160,887
Intersegment	3,358	4,371	34,273
Total	19,125	22,656	195,160
Operating cost and expenses	18,901	22,264	192,876
Operating income	223	391	2,284
Corporate and Eliminations			
Net sales			
Unaffiliated customers	Y -	Y -	\$ -
Intersegment	(3,358)	(4,371)	(34,273)
Total	(3,358)	(4,371)	(34,273)
Operating cost and expenses	(3,358)	(4,371)	(34,273)
Operating income	-	-	-
Consolidated			
Net sales			
Unaffiliated customers	Y 199,421	Y 256,597	\$ 2,034,918
Intersegment	-	-	-
Total	199,421	256,597	2,034,918
Operating cost and expenses	189,465	239,359	1,933,324
Operating income	9,956	17,238	101,594

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, 2009	Three months ended September 30, 2008	Three months ended September 30, 2009	
Printing and Solutions				
Net sales				
Unaffiliated customers	Y 81,971	Y 99,914	\$ 836,444	
Intersegment	-	-	-	
Total	81,971	99,914	836,444	
Operating cost and expenses	77,362	93,260	789,410	
Operating income	4,609	6,653	47,034	
Personal and Home				
Net sales				
Unaffiliated customers	Y 6,469	Y 7,476	\$ 66,015	
Intersegment	-	-	-	
Total	6,469	7,476	66,015	
Operating cost and expenses	6,376	7,283	65,066	
Operating income	93	192	949	
Machinery and Solution				
Net sales				
Unaffiliated customers	Y 5,653	Y 14,224	\$ 57,693	
Intersegment	-	-	-	
Total	5,653	14,224	57,693	
Operating cost and expenses	6,790	13,247	69,295	
Operating income	(1,136)	977	(11,602)	
Others				
Net sales				
Unaffiliated customers	Y 7,510	Y 8,878	\$ 76,638	
Intersegment	1,479	2,915	15,098	
Total	8,990	11,793	91,736	
Operating cost and expenses	8,962	11,585	91,451	
Operating income	27	207	285	
Corporate and Eliminations				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(1,479)	(2,915)	(15,098)	
Total	(1,479)	(2,915)	(15,098)	
Operating cost and expenses	(1,479)	(2,915)	(15,098)	
Operating income	-	-	-	
Consolidated				
Net sales				
Unaffiliated customers	Y 101,605	Y 130,493	\$ 1,036,789	
Intersegment	-	-	-	
Total	101,605	130,493	1,036,789	
Operating cost and expenses	98,012	122,462	1,000,123	
Operating income	3,593	8,031	36,667	

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, 2009	Six months ended September 30, 2008	Six months ended September 30, 2009
Japan			
Net sales			
Unaffiliated customers	Y 40,093	Y 56,797	\$ 409,115
Intersegment	101,577	140,253	1,036,509
Total	141,671	197,051	1,445,624
Operating cost and expenses	140,670	186,030	1,435,410
Operating income	1,000	11,020	10,213
Americas			
Net sales			
Unaffiliated customers	Y 68,437	Y 82,989	\$ 698,346
Intersegment	688	761	7,024
Total	69,126	83,750	705,369
Operating cost and expenses	67,725	81,813	691,072
Operating income	1,401	1,937	14,297
Europe			
Net sales			
Unaffiliated customers	Y 65,055	Y 86,959	\$ 663,831
Intersegment	1,172	2,021	11,966
Total	66,228	88,980	675,797
Operating cost and expenses	61,448	85,613	627,025
Operating income	4,779	3,367	48,771
Asia and Others			
Net sales			
Unaffiliated customers	Y 25,835	Y 29,851	\$ 263,627
Intersegment	70,367	94,463	718,033
Total	96,202	124,315	981,660
Operating cost and expenses	92,796	124,080	946,903
Operating income	3,406	234	34,758
Corporate and Eliminations			
Net sales			
Unaffiliated customers	Y -	Y -	\$ -
Intersegment	(173,806)	(237,500)	(1,773,532)
Total	(173,806)	(237,500)	(1,773,532)
Operating cost and expenses	(173,174)	(238,178)	(1,767,086)
Operating income	(631)	678	(6,446)
Consolidated			
Net sales			
Unaffiliated customers	Y 199,421	Y 256,597	\$ 2,034,918
Intersegment	-	-	-
Total	199,421	256,597	2,034,918
Operating cost and expenses	189,465	239,359	1,933,324
Operating income	9,956	17,238	101,594

SEGMENT INFORMATION BY GEOGRAPHIC AREA

	Millions of yen		Thousands of U.S. dollars	
	Three months ended September 30, 2009	Three months ended September 30, 2008	Three months ended September 30, 2009	
Japan				
Net sales				
Unaffiliated customers	Y 20,074	Y 28,556	\$ 204,843	
Intersegment	56,867	76,565	580,283	
Total	76,942	105,122	785,126	
Operating cost and expenses	77,385	101,723	789,648	
Operating income	(443)	3,399	(4,521)	
Americas				
Net sales				
Unaffiliated customers	Y 36,549	Y 43,401	\$ 372,955	
Intersegment	356	349	3,640	
Total	36,906	43,750	376,595	
Operating cost and expenses	36,129	42,775	368,673	
Operating income	776	974	7,922	
Europe				
Net sales				
Unaffiliated customers	Y 31,447	Y 43,662	\$ 320,892	
Intersegment	539	1,217	5,504	
Total	31,986	44,879	326,396	
Operating cost and expenses	30,260	43,786	308,782	
Operating income	1,726	1,093	17,614	
Asia and Others				
Net sales				
Unaffiliated customers	Y 13,533	Y 14,873	\$ 138,099	
Intersegment	40,017	53,633	408,340	
Total	53,551	68,507	546,439	
Operating cost and expenses	51,101	68,032	521,444	
Operating income	2,449	474	24,995	
Corporate and Eliminations				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(97,781)	(131,765)	(997,767)	
Total	(97,781)	(131,765)	(997,767)	
Operating cost and expenses	(96,865)	(133,855)	(988,424)	
Operating income	(915)	2,090	(9,343)	
Consolidated				
Net sales				
Unaffiliated customers	Y 101,605	Y 130,493	\$ 1,036,789	
Intersegment	-	-	-	
Total	101,605	130,493	1,036,789	
Operating cost and expenses	98,012	122,462	1,000,123	
Operating income	3,593	8,031	36,667	

[Reference Data]
Forecast for Fiscal Year ending March 2010

1-1. Sales breakdown by business segment

Unit: Millions of yen

		Forecast ending March 31 2010 [Revised] (A)	Results ended March 31 2009 (B)	Change (A / B - 1)	Forecast ending March 31 2010 [Previous] (C)	Change (A / C - 1)
Printing and Solutions	Communications and Printing equipment	298,400	329,385	-9.4%	286,600	4.1%
	Electronic stationery	36,800	41,299	-10.9%	39,300	-6.4%
	Total	335,200	370,685	-9.6%	325,900	2.9%
Personal and Home		27,400	30,663	-10.6%	27,800	-1.4%
Machinery and Solution	Industrial sewing machines	17,900	19,104	-6.3%	18,900	-5.3%
	Machine tools	10,900	22,559	-51.7%	10,000	9.0%
	Total	28,800	41,664	-30.9%	28,900	-0.3%
Others		38,600	39,190	-1.5%	42,400	-9.0%
Grand Total		430,000	482,204	-10.8%	425,000	1.2%

1-2. Operating income breakdown by business segment

Unit: Millions of yen

		Forecast ending March 31 2010 [Revised] (A)	Results ended March 31 2009 (B)	Change (A / B - 1)	Forecast ending March 31 2010 [Previous] (C)	Change (A / C - 1)
Printing and Solutions		18,900	18,149	4.1%	13,200	43.2%
Personal and Home		1,000	1,764	-43.3%	1,200	-16.7%
Machinery and Solution		-3,100	-845	-	-3,300	-
Others		1,200	832	44.1%	1,900	-36.8%
Grand Total		18,000	19,901	-9.6%	13,000	38.5%

1-3. Sales breakdown by geographic segment

Unit: Millions of yen

		Forecast ending March 31 2010 [Revised] (A)	Results ended March 31 2009 (B)	Change (A / B - 1)	Forecast ending March 31 2010 [Previous] (C)	Change (A / C - 1)
Japan		93,400	105,191	-11.2%	96,600	-3.3%
Americas		138,700	158,899	-12.7%	141,100	-1.7%
Europe		142,400	166,007	-14.2%	137,400	3.6%
Asia and Others		55,500	52,105	6.5%	49,900	11.2%
Grand Total		430,000	482,204	-10.8%	425,000	1.2%