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Operating Results and Financial Position
(for the Fiscal Year ended March 31, 2009)

1. Operating Results

(1) Analysis of Operating Results

Overview of the Fiscal Year ended March 31, 2009

The Japanese economy took a dramatic turn for the worse in the second half of the fiscal year ended March 31, 2009, as exports, industrial production, and capital spending were all impacted by financial market turmoil and the global economic slowdown. A downturn in the Chinese economy was alleviated to some extent by measures aimed at boosting domestic consumption, but the US and European economies contracted sharply, and the Indian and Russian economies also lost momentum.

We launched a new three-year medium-term management plan at the start of the fiscal year ended March 31, 2009, with a view to building global support for the Shimadzu brand, and we have since been working to achieve sustainable growth by bolstering our marketing efforts while simultaneously implementing functional and process reforms aimed at strengthening our earnings base and actively promoting new products tailored specifically to our customers' needs.

However, we were unable to overcome the impact of a sharply stronger yen and severe downturns in demand both at home and abroad in the second half of the fiscal year (from October onwards), and we ended with net sales of ¥272,833 million (down 5.9% versus the fiscal year ended March 31, 2008), operating income of ¥19,613 million (down 28.9%), ordinary income of ¥17,731 million (down 25.7%), and net income of ¥8,536 million (down 37.8%).

Geographic Segment Information

Our sales in Japan were impacted by a downturn in private-sector capital spending, sluggish public-sector demand, and reduced export demand for analytical & measuring instruments. Net sales were down 9.4% versus the fiscal year ended March 31, 2008, to ¥180,754 million, while operating income shrank 26.4% year over year to ¥20,174 million.

US sales remained strong for our analytical & measuring instruments and medical systems segments, but a decline in sales for our aircraft equipment & industrial machinery segment meant that net sales fell 12.6% year over year to ¥23,788 million, while operating income was down just 0.4% year over year at ¥2,329 million.

In Europe, strong sales of medical systems and industrial machinery were offset by a decline in sales of analytical & measuring instruments, as a result of which net sales fell 4.1% year over year to ¥21,628 million, while operating income dropped 37.6% year over year to ¥1,384 million.

In Asia and Oceania, net sales rose 14.6% year over year to ¥46,661 million on the back of strong Chinese demand for analytical & measuring instruments, medical systems, and industrial machinery, but operating income was down 5.7% year over year to ¥3,952 million.

Industry Segment Information

I. Analytical & Measuring Instruments

The domestic market was generally sluggish. A boost to public-sector demand from supplementary budgets associated with the government's economic stimulus packages was not enough to offset the impact of slowdowns in private-sector capital spending and R&D demand in the fiscal second half. Sales of mass spectrometers rose on the back of enhancements to our product lineup and a greater emphasis on public-sector demand, but sales of large analytical devices failed to match their strength of the previous fiscal year, and sales were also down for spectrometers, industrial X-ray inspection systems, and testing machines as demand tapered off in the fiscal second half.

Shimadzu booked strong sales of high-performance liquid chromatographs, mass spectrometers, and gas chromatographs in the Chinese market as concerns over food safety and environmental issues continued to drive demand, but total overseas sales were down as demand from the North American, European, and Indian markets dropped off sharply in the fiscal second half.

The segment's net sales in the fiscal year ended March 31, 2009, were ¥152,402 million, 7.3% lower versus the fiscal year ended March 31, 2008, while operating income fell 19.2% year over year to ¥21,171 million.

II. Medical Systems

Sales to the domestic market fell as the market for X-ray imaging systems was impacted by an April 2008 revision of medical service fees that caused hospitals to focus their budgets on monitor-based diagnostic systems.

Overseas sales were somewhat stronger, however, on the back of solid demand for digitized products in China, Europe, and the Middle East.

The segment's net sales in the fiscal year ended March 31, 2009, were ¥51,050 million, 6.2% lower versus the fiscal year ended March 31, 2008, while operating income fell 56.0% year over year to ¥1,176 million.

III. Aircraft Equipment & Industrial Machinery

Domestic aircraft equipment sales were down after delivery of the next-model fixed-wing maritime patrol aircraft (XP-1) and the next-model large transport plane (C-X) prototypes, while overseas sales were hit by a rapid downturn in demand for commercial aircraft.

Industrial machinery sales were up over the year as a whole, although sales of turbomolecular pumps fell away in the fiscal second half as stagnation in semiconductor-related markets affected demand for products such as liquid crystal panels and glass coatings. Sales of CVD (chemical vapor deposition) equipment for solar panels rose on the back of continued demand from Taiwan—although the solar power industry did appear to cut back on its capital spending in the fiscal second half—while sales of hydraulic equipment were down sharply year over year as demand dropped away from October 2008 onwards.

The segment's net sales in the fiscal year ended March 31, 2009, were ¥63,122 million, 1.6% lower versus the fiscal year ended March 31, 2008, while operating income fell 24.2% year over year to ¥4,854 million.

IV. Other

Net sales for other business areas were ¥6,258 million in the fiscal year ended March 31, 2009, 11.3% lower versus the fiscal year ended March 31, 2008, while operating income fell 3.8% year over year to ¥1,754 million.

Outlook for the fiscal year ending March 31, 2010

We see considerable uncertainty over the near term, with major causes for concern including exchange rate and commodity price volatility, a widening and deepening financial crisis, and the potential impact of financial market turmoil and credit contraction on real economic activity and the entire global economy.

We will continue to follow our current three-year medium-term management plan—which covers the period from April 2008 through March 2011—with a view to building global support for the Shimadzu brand, bolstering our marketing efforts to maintain growth, and implementing various functional and process reforms aimed at strengthening our earnings base. Also this year, we also intend to implement a number of emergency measures designed to maintain profit levels in the face of less benign economic conditions, seeking to prevent erosion of our sales revenue at the same time as undertaking significant cost-cutting initiatives.

Analytical & Measuring Instruments: We expect the domestic market to start recovering in the second half of the year provided that capital spending breaks out of its recent slump, while in overseas markets we expect to see strong demand driven by various environmental and safety considerations, including green-procurement initiatives, conversion to biofuels and other alternative energy technologies, environmental pollution in emerging markets, food safety problems in China, and tightening of chemicals-related regulations in Europe and Asia. We also anticipate solid R&D demand driven by medical research and other sectors of the life sciences market. We intend to further boost the profitability of this segment by focusing on these growth markets while strengthening our global marketing capabilities, expanding our presence in the after-sales market, promoting localization in the Chinese market, and making various other improvements to production and logistical efficiency.

Medical Systems: The domestic market is likely to remain weak as hospitals' operating environment remains challenging, and conditions are unlikely to be much better in overseas markets in view of lingering financial uncertainty and the impact of adverse exchange rate fluctuations. Our efforts to boost profitability within this segment will therefore center around cost reductions, production reforms, increased sales of clinical applications, and improvements to our sales and services teams.

Aircraft Equipment & Industrial Machinery: We expect to post solid sales in the domestic aircraft equipment market due to demand for repair parts and the commencement of the F-15 fighter modernization program, but we are anticipating a further decline in overseas demand for commercial aircraft. Within the industrial machinery sector, increased domestic production of solar panels is likely to boost demand for CVD equipment, and the global solar energy market also appears to offer good growth prospects from a medium- to long-term perspective in view of national policies such as the US government's Green New Deal. The near-term outlook for semiconductor-related markets remains far from certain, but we will nevertheless be positioning ourselves for an eventual recovery by cutting costs of turbomolecular pumps and otherwise variously improving our earnings structure.

(2) Analysis of financial indicators

Assets as of March 31, 2009

Over the course of the fiscal year ended March 31, 2009, our total assets declined ¥22,675 million to ¥281,155 million, reflecting declines of ¥11,271 million in cash and time deposits and ¥7,987 million in trade notes and accounts receivable. Net assets fell ¥3,406 million to ¥147,306 million as a ¥7,751 million decrease in foreign currency translation adjustments offset a ¥6,067 million increase in retained earnings.

Cash flow

Cash and cash equivalents declined ¥11,403 million versus March 31, 2008, to ¥23,673 million at March 31, 2009.

Following is an analysis of cash flows for the fiscal year ended March 31, 2009.

I. Cash flow from operating activities

Net cash provided by operating activities was ¥12,923 million in the fiscal year ended March 31, 2009, down ¥6,279 million versus the previous fiscal year, as income before income taxes and minority interests decreased by ¥8,408 million.

II. Cash flow from investing activities

Net cash used in investing activities was ¥10,441 million in the fiscal year ended March 31, 2009, down ¥4,978 million versus the previous fiscal year as capital expenditures amounted to ¥9,890 million.

III. Cash flow from financing activities

Net cash used in financing activities was ¥11,757 million the fiscal year ended March 31, 2009, versus a net inflow of ¥4,083 million in the previous fiscal year, a change of ¥15,840 million. Corporate bond redemptions totaled ¥15,000 million, dividend payments amounted to ¥2,805 million, and new borrowings brought in net income of ¥7,770 million.

Cash Flow Ratios

March 31,	2005	2006	2007	2008	2009
Equity ratio (%)	36.7	46.8	48.0	49.5	52.3
Market-value equity ratio (%)	64.9	79.0	102.2	89.5	66.0
Years to repay debt (years)	3.6	3.3	2.5	2.2	2.7
Interest-coverage ratio (times)	16.9	18.5	19.9	27.1	20.9

Notes:

Equity ratio: (Net assets - Minority interests) / Total assets

Market-value equity ratio: Market capitalization / Total assets

Years to repay debt: Interest-bearing debt / cash flow from operating activities

Interest-coverage ratio: Cash flow from operating activities / interest payments

1. All indices are calculated using consolidated figures.
2. Market capitalization is calculated by multiplying the closing price of the company's stock by the number of shares issued and outstanding (excluding treasury stock) at the end of the fiscal year.
3. The figure for cash flow from operating activities is taken from cash flow from operating activities on the consolidated statement of cash flows. Interest-bearing debt consists of all interest-bearing debt listed under liabilities on the consolidated balance sheet. The figure for interest payments is taken from interest payments recorded on the consolidated statement of cash flows.

(3) Dividend policy and dividends for the fiscal year ended March 31, 2009, and the fiscal year ending March 31, 2010

Shimadzu views the return of profit to shareholders as a key management objective. We aim to maintain a stable dividend while taking ongoing earnings performance into account. With this goal in mind, we will continue our efforts to boost earnings—and hence return on equity—by further improving our profit-generating capacity and financial health while also maintaining sufficient internal reserves to fund capital expenditures and R&D to provide a platform for future growth.

We paid a year-end dividend of ¥5 per share for fiscal year ended March 31, 2008, but for the fiscal year ended March 31, 2009, we intend to pay a year-end dividend of ¥4.5 per share. Combined with the interim dividend of ¥4.5 per share, this takes the total annual dividend to ¥9 per share, the same as for the previous fiscal year.

For the fiscal year ending March 31, 2010, we currently plan to pay interim and year-end dividends of ¥3.5 per share for a total annual dividend of ¥7 per share, down ¥2 per share versus the fiscal year ended March 31, 2009.

(1) Consolidated Balance Sheets

(In million yen)

	As of March 31, 2008	As of March 31, 2009
Assets		
Current assets		
Cash and time deposits	35,766	24,494
Trade notes and accounts receivable	87,238	79,250
Marketable securities	142	-
Inventories	66,000	-
Merchandise and products	-	33,744
Work in process	-	20,923
Raw materials and supplies	-	14,065
Deferred tax assets	6,122	6,555
Other	4,987	3,196
Allowance for doubtful receivables	(879)	(1,007)
Total current assets	199,378	181,224
Noncurrent assets		
Property, plant and equipment:		
Buildings and structures	65,670	65,114
Accumulated depreciation	(31,962)	(32,700)
Buildings and structures, net	33,708	32,413
Machinery, equipment and vehicles	20,253	19,482
Accumulated depreciation	(13,835)	(13,564)
Machinery, equipment and vehicles, net	6,418	5,917
Land	18,849	18,808
Leased assets	-	5,323
Accumulated depreciation	-	(3,132)
Leased assets, net	-	2,191
Construction in progress	81	1,321
Other	26,720	26,637
Accumulated depreciation	(18,990)	(19,681)
Other, net	7,730	6,955
Net property, plant and equipment	66,788	67,608
Intangible fixed assets	6,211	6,538
Investments and other assets:		
Investment securities	12,352	7,776
Long-term receivables	969	1,465
Deferred tax assets	12,584	11,598
Other	5,718	5,135
Allowance for doubtful receivables	(171)	(190)
Total investments and other assets	31,453	25,784
Total noncurrent assets	104,452	99,931
Total assets	303,830	281,155

(In million yen)

	As of March 31, 2008	As of March 31, 2009
Liabilities		
Current liabilities		
Trade notes and accounts payable	52,611	45,754
Short-term loans	5,246	12,520
Current portion of unsecured bonds	15,000	10,000
Lease obligations	-	1,039
Accounts payable, other	11,725	9,442
Income taxes payable	2,670	2,239
Allowance for employees' bonuses	5,933	5,186
Allowance for director's bonuses	322	309
Other	10,401	9,939
Total current liabilities	103,911	96,429
Long-term liabilities		
Unsecured bonds	20,000	10,000
Long-term debt	2,556	2,120
Lease obligations	-	1,328
Liability for employees' retirement benefits	19,432	16,827
Liability for directors' retirement benefits	237	264
Other	6,982	6,879
Total long-term liabilities	49,207	37,419
Total liabilities	153,118	133,849
Net assets		
Shareholders' capital		
Common stock	26,648	26,648
Additional paid-in capital	35,188	35,188
Retained earnings	87,574	93,641
Treasury stock	(536)	(623)
Total shareholders' capital	148,875	154,855
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	3,211	1,586
Foreign currency translation adjustments	(1,779)	(9,530)
Total valuation and translation adjustments	1,432	(7,944)
Minority interests	404	395
Total net assets	150,712	147,306
Total liabilities and net assets	303,830	281,155

(2) Consolidated Statements of Operations

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Net sales	289,971	272,833
Cost of sales	177,378	167,861
Gross profit	112,593	104,971
Selling, general and administrative expenses	84,995	85,358
Operating income	27,597	19,613
Other income:		
Interest income	315	218
Dividend income	172	178
Insurance payments received	331	295
Rent received	122	160
Other	735	749
Total other income	1,678	1,601
Other expenses:		
Interest expense	706	523
Loss on disposal of inventories	1,274	-
Foreign exchange loss, net	1,494	1,021
Other	1,935	1,937
Total other expenses	5,411	3,482
Ordinary income	23,864	17,731
Extraordinary income:		
Gain on contribution of securities to employees' retirement benefit trust	-	1,450
Gain on sale of property, plant and equipment	19	25
Gain on sale of investment securities	-	13
Gain on liquidation of subsidiaries	246	-
Total extraordinary income	266	1,489
Extraordinary losses:		
Loss on write-down of inventories	-	1,752
Loss on write-down of investment securities	7	1,320
Loss on change of retirement benefits plan	-	458
Loss on disposal of property, plant and equipment	484	270
Environmental preservation expenses	-	196
Loss on sale of investment securities	9	-
Total extraordinary losses	501	3,999
Income before income taxes and minority interests	23,629	15,221
Income taxes	5,753	4,913
Income taxes adjustments	4,125	1,746
Total income taxes and income taxes adjustments	9,878	6,660
Minority interests in net income	25	24
Net income	13,724	8,536

(3) Consolidated Statement of Changes in Shareholders' Capital

	Year ended March 31, 2008	Year ended March 31, 2009
Shareholders' capital		
Common stock		
Balance at end of previous year	26,648	26,648
Balance at end of year	26,648	26,648
Additional-paid in capital		
Balance at end of previous year	35,188	35,188
Balance at end of year	35,188	35,188
Retained earnings		
Balance at end of previous year	76,396	87,574
Changes during the period		
Cash dividends paid	(2,509)	(2,804)
Increase (decrease) in retained earnings due to changes in accounting policies applied to overseas subsidiaries	-	215
Increase (decrease) in retained earnings due to an increase in the number of consolidated subsidiaries	(37)	119
Net income	13,724	8,536
Total changes during the period	11,177	6,067
Balance at end of year	87,574	93,641
Treasury stock		
Balance at end of previous year	(419)	(536)
Changes during the period		
Purchase of treasury stock	(116)	(87)
Total changes during the period	(116)	(87)
Balance at end of year	(536)	(623)
Total shareholders' capital		
Balance at end of previous year	137,814	148,875
Changes during the period		
Distribution of retained earnings	(2,509)	(2,804)
Increase (decrease) in retained earnings due to changes in accounting policies applied to overseas subsidiaries	-	215
Increase (decrease) in retained earnings due to an increase in the number of consolidated subsidiaries	(37)	119
Net income	13,724	8,536
Purchase of treasury stock	(116)	(87)
Total changes during the period	11,060	5,979
Balance at end of year	148,875	154,855
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities		
Balance at end of previous year	5,464	3,211
Changes during the period		
Net changes in items other than shareholders' capital	(2,253)	(1,625)
Total changes during the period	(2,253)	(1,625)
Balance at end of year	3,211	1,586

Foreign currency translation adjustments		
Balance at end of previous year	(1,649)	(1,779)
Changes during the period		
Net changes in items other than shareholders' capital	(129)	(7,751)
Total changes during the period	(129)	(7,751)
Balance at end of year	(1,779)	(9,530)
Total valuation and translation adjustments		
Balance at end of previous year	3,815	1,432
Changes during the period		
Net changes in items other than shareholders' capital	(2,382)	(9,376)
Total changes during the period	(2,382)	(9,376)
Balance at end of year	1,432	(7,944)
Minority interests		
Balance at end of previous year	573	404
Changes during the period		
Net changes in items other than shareholders' capital	(169)	(9)
Total changes during the period	(169)	(9)
Balance at end of year	404	395
Total net assets		
Balance at end of previous year	142,203	150,712
Changes during the period		
Cash dividends paid	(2,509)	(2,804)
Increase (decrease) in retained earnings due to changes in accounting policies applied to overseas subsidiaries	-	215
Increase (decrease) in retained earnings due to an increase in the number of consolidated subsidiaries	(37)	119
Net income	13,724	8,536
Purchase of treasury stock	(116)	(87)
Net changes in items other than shareholders' capital	(2,552)	(9,386)
Total changes during the period	8,508	(3,406)
Balance at end of year	150,712	147,306

(4) Consolidated Statements of Cash Flows

(In million yen)

	Year ended March 31, 2008	Year ended March 31, 2009
I. Cash flows from operating activities:		
Income before income taxes and minority interests	23,629	15,221
Depreciation and amortization	6,279	8,503
Increase (decrease) in allowance for doubtful receivables	(96)	263
Increase (decrease) in allowance for employees' bonuses	61	(747)
Increase (decrease) in allowance for director's bonuses	51	(13)
Provision for (reversal of) accrued retirement benefits for employees	(1,279)	(570)
(Gain) loss on contribution of securities to employees' retirement benefit trust	-	(1,450)
Interest and dividends income	(488)	(396)
Interest expense	706	523
Bonds issuance expense	57	-
Foreign exchange (gain) loss, net	73	8
Net (gain) loss on sale and valuation of investment securities	10	1,308
Net (gain) loss on sale and disposal of property, plant and equipment	464	244
(Increase) decrease in trade receivables	1,966	3,730
(Increase) decrease in inventories	(1,246)	(8,457)
Increase (decrease) in trade payables	(3,032)	(3,141)
Other, net	1,486	2,465
Subtotal	28,645	17,492
Interest and dividends received	486	398
Interest paid	(707)	(618)
Income taxes paid	(9,221)	(4,349)
Net cash provided by (used in) operating activities	19,202	12,923
II. Cash flows from investing activities:		
Purchase of marketable securities	(255)	-
Proceeds from sale of marketable securities	277	129
Purchase of property, plant and equipment	(11,304)	(9,890)
Proceeds from sale of property, plant and equipment	390	196
Purchase of investment securities	(788)	(153)
Proceeds from sale of investment securities	1	26
Investments in subsidiaries	(186)	-
Increase in long term receivables	(526)	(599)
Decrease in long term receivables	87	87
Payment for acquisition of business rights	(3,023)	-
Other, net	(89)	(237)
Net cash provided by (used in) investing activities	(15,419)	(10,441)

III. Cash flows from financing activities:		
Borrowing of short-term loans	100	9,785
Repayment of short-term loans	(3,022)	(1,475)
Borrowing of long-term debt	1,070	1,000
Repayment of long-term debt	(933)	(1,540)
Issuance of commercial paper	10,500	4,000
Redemption of commercial paper	(10,500)	(4,000)
Issuance of unsecured bonds	9,942	-
Redemption of unsecured bonds	-	(15,000)
Cash dividends paid	(2,508)	(2,805)
Dividends payments to minority shareholders	(15)	(7)
Repayment of guarantee deposits received	(431)	(431)
Payment of finance lease obligations	-	(1,195)
Other, net	(116)	(87)
Net cash provided by (used in) financing activities	4,083	(11,757)
IV. Foreign currency translation adjustments on cash and cash equivalents	198	(2,631)
V. Net increase (decrease) in cash and cash equivalents	8,064	(11,907)
VI. Cash and cash equivalents, beginning of year	26,906	35,077
VII. Increase in cash and cash equivalents due to inclusion of subsidiaries in consolidation	106	503
VIII. Cash and cash equivalents, end of year	35,077	23,673

Segment Information

1) Industry Segment Information

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(In million yen)

	Analytical & Measuring Instruments	Medical Systems	Aircraft Equipment & Industrial Machinery	Other	Total	Eliminations/ Corporate	Consolidated total
I. Net sales							
(1) Sales to customers	164,334	54,423	64,161	7,052	289,971	-	289,971
(2) Inter-segment sales	168	107	70	956	1,301	(1,301)	-
Total	164,502	54,531	64,231	8,008	291,273	(1,301)	289,971
Operating expenses	138,304	51,853	57,830	6,183	254,172	8,201	262,373
Operating income	26,197	2,677	6,400	1,824	37,100	(9,502)	27,597
II. Assets, depreciation and capital expenditure							
Assets	128,626	40,682	71,602	12,530	253,441	50,389	303,830
Depreciation	2,689	759	1,646	385	5,480	798	6,279
Capital expenditure	3,823	1,371	4,713	20	9,929	2,456	12,385

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(In million yen)

	Analytical & Measuring Instruments	Medical Systems	Aircraft Equipment & Industrial Machinery	Other	Total	Eliminations/ Corporate	Consolidated total
I. Net sales							
(1) Sales to customers	152,402	51,050	63,122	6,258	272,833	-	272,833
(2) Inter-segment sales	175	10	91	957	1,235	(1,235)	-
Total	152,578	51,061	63,213	7,215	274,069	(1,235)	272,833
Operating expenses	131,407	49,884	58,359	5,460	245,112	8,108	253,220
Operating income	21,171	1,176	4,854	1,754	28,957	(9,344)	19,613
II. Assets, depreciation and capital expenditure							
Assets	117,290	38,585	74,298	12,098	242,273	38,881	281,155
Depreciation	3,160	998	2,298	497	6,955	1,547	8,503
Capital expenditure	3,313	1,635	2,444	110	7,503	1,485	8,989

Notes:

1. Classification of business segments
   The Group's operations are classified into four principal segments: Analytical & Measuring instruments, Medical Systems, Aircraft Equipment & Industrial Machinery, and Other, based on the market use of products handled by each segment.

2. "Eliminations/corporate" includes unallocated operating expenses of 9,518 million yen and 9,360 million yen for the years ended March 31, 2008 and 2009 respectively, consisting principally of general corporate expenses incurred by fundamental research and development, advertisement expenses and administration of the Company.

3. "Eliminations/corporate" includes corporate assets of 52,414 million yen and 40,655 million yen for the years ended March 31, 2008 and 2009 respectively, consisting principally of working funds and investing funds held by the company and assets attributed to Company's administration headquarters.

2) Geographic Segment Information

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(In million yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Eliminations/ corporate	Consolidated total
I. Net sales							
(1) Sales to customers	199,488	27,218	22,556	40,707	289,971	-	289,971
(2) Inter-segment sales	38,088	6,595	2,174	3,149	50,007	(50,007)	-
Total	237,577	33,813	24,731	43,856	339,979	(50,007)	289,971
Operating expenses	210,159	31,494	22,511	39,665	303,831	(41,457)	262,373
Operating income	27,417	2,318	2,220	4,191	36,147	(8,550)	27,597
II. Assets	200,702	19,338	19,651	26,027	265,720	38,110	303,830

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(In million yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Eliminations/ corporate	Consolidated total
I. Net sales							
(1) Sales to customers	180,754	23,788	21,628	46,661	272,833	-	272,833
(2) Inter-segment sales	37,493	7,819	1,902	4,364	51,580	(51,580)	-
Total	218,248	31,607	23,531	51,026	324,414	(51,580)	272,833
Operating expenses	198,074	29,278	22,146	47,073	296,573	(43,353)	253,220
Operating income	20,174	2,329	1,384	3,952	27,840	(8,227)	19,613
II. Assets	193,324	17,227	14,070	26,480	251,103	30,052	281,155

Notes:

1. Method of geographic segmentation: by geographic proximity.

2. Major countries or regions in each segment:
   (1) The Americas: U.S.
   (2) Europe: U.K. and Germany
   (3) Asia and Oceania: China, India, Southeast Asian nations, and Australia

3. “Eliminations/corporate” includes unallocated operating expenses of 9,518 million yen and 9,360 million yen for the years ended March 31, 2008 and 2009 respectively, consisting principally of general corporate expenses incurred for fundamental research and development, advertisement expenses, and the Company's administration.

4. “Eliminations/corporate” includes corporate assets of 52,414 million yen and 40,655 million yen for the years ended March 31, 2008 and 2009 respectively, consisting principally of working funds and investment funds held by the Company and assets attributed to Company’s administration headquarters.

3) Overseas sales

Year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(In million yen)

	The Americas	Europe	Asia and Oceania	Total
I. Overseas sales	30,645	22,710	64,503	117,859
II. Consolidated sales				289,971
III. Ratio of overseas to total consolidated sales	10.6%	7.8%	22.2%	40.6%

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(In million yen)

	The Americas	Europe	Asia and Oceania	Total
I. Overseas sales	27,610	22,654	65,693	115,958
II. Consolidated sales				272,833
III. Ratio of overseas to total consolidated sales	10.1%	8.3%	24.1%	42.5%

Notes:

1. Method of geographic segmentation: by geographic proximity.

2. Major countries or regions in each segment:
   (1) The Americas: U.S.
   (2) Europe: U.K. and Germany
   (3) Asia and Oceania: China, India, Southeast Asian nations and Australia

3. "Overseas sales" includes sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.