

YAMAHA CORPORATION

Overview of Consolidated Performance in the First Quarter of the Fiscal Year Ending March 31, 2008 (April 1, 2007, to June 30, 2007)

August 1, 2007

Company name: YAMAHA CORPORATION
(URL <http://www.global.yamaha.com/ir/report/>)

Code number: 7951

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Stock listings: Tokyo Stock Exchange (First Section)

1. OVERVIEW OF CONSOLIDATED PERFORMANCE IN THE FIRST QUARTER OF FY2008.3 (April 1, 2007, to June 30, 2007)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results

	Net sales		Operating income		Recurring profit	
	Millions of yen	% change from the previous fiscal year	Millions of yen	% change from the previous fiscal year	Millions of yen	% change from the previous fiscal year
First quarter of FY2008.3	¥135,161	6.7%	¥ 7,272	8.0 %	¥ 7,503	(40.8)%
First quarter of FY2007.3	¥126,664	2.1%	¥ 6,731	(2.1)%	¥12,664	9.2 %
(Reference) FY2007.3	¥550,361		¥27,685		¥42,626	

	Net income		Net income per share	Net income per share after full dilution
	Millions of yen	% change from the previous fiscal year	Yen	Yen
First quarter of FY2008.3	¥23,245	131.9%	¥112.68	¥ —
First quarter of FY2007.3	¥10,022	1.9%	¥ 48.62	¥ 48.58
(Reference) FY2007.3	¥27,866		¥135.19	¥135.11

(2) Consolidated Financial Data

	Total assets	Net Assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First quarter of FY2008.3	¥657,450	¥403,993	60.7%	¥1,933.05
First quarter of FY2007.3	¥527,230	¥327,857	61.4%	¥1,569.50
(Reference) FY2007.3	¥559,031	¥351,398	62.0%	¥1,680.91

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First quarter of FY2008.3	¥(5,465)	¥55,109	¥(6,389)	¥90,755
First quarter of FY2007.3	¥ 335	¥ (6,777)	¥ (646)	¥28,365
(Reference) FY2007.3	¥39,732	¥(22,427)	¥(8,246)	¥45,926

2. CONSOLIDATED OUTLOOK FOR FY2008.3 (April 1, 2007, to March 31, 2008)

	Net sales		Operating income		Recurring profit	
	Millions of yen	% change from the previous fiscal year	Millions of yen	% change from the previous fiscal year	Millions of yen	% change from the previous fiscal year
FY2008.3 interim period (Ended Sept. 30, 2007)	¥280,500	6.0%	¥17,500	26.4%	¥17,000	(25.9)%
FY2008.3	¥557,000	1.2%	¥32,000	15.6%	¥30,000	(29.6)%

	Net income		Net income per share
	Millions of yen	% change from the previous fiscal year	Yen
FY2008.3 interim period (Ended Sept. 30, 2007)	¥30,000	71.7%	¥ 145.42
FY2008.3	¥35,500	27.4%	¥172.08

3. OTHER MATTERS

- (1) Changes in status of material subsidiaries during the quarter under review (Companies newly consolidated or removed from consolidation): None
- (2) Whether the Company has adopted simplified accounting methods: Yes
- (3) Differences in consolidated accounting policies from the fiscal year ended March 31, 2007: Yes

Note: For further details, please refer to the item “(4) Other Matters” on page 4 in the section “Commentary on Consolidated Operating Results and Financial Condition”.

* Explanation of the appropriate use of performance forecasts and other related items

Forecasts of consolidated performance shown on this page were prepared based on information available at the time of the forecast. Actual consolidated performance may differ from forecasts owing to a wide range of factors. For further information, please refer to page 4.

4. COMMENTARY ON CONSOLIDATED OPERATING RESULTS AND FINANCIAL CONDITION

(1) Consolidated Operating Results

During the first quarter of the fiscal year (April 1, 2007, to June 30, 2007), sales of musical instruments remained firm, in part because of weakness of the yen against other currencies, and sales of others segments were also favorable. As a result, Yamaha's consolidated net sales rose 6.7% year on year, to ¥135.2 billion. Of this total, domestic sales rose 3.0%, to ¥76.1 billion, and overseas sales increased 12.0%, to ¥59.1 billion.

Regarding product categories by segment, within the musical instruments segment, sales of pianos, digital pianos, and other electronic musical instruments as well as professional audio equipment rose, while revenues from music schools also increased.

In the AV/IT segment, sales of home theater related products and information and telecommunications equipment declined.

Within the electronic equipment and metal products segment, although sales of semiconductors declined, revenues from electronic metal products posted a gain.

In the recreation segment, sales were down, but revenues from the lifestyle-related products and others segments expanded.

Turning to profits, as a result of the increase in income of musical instruments and other factors, operating income rose 8.0%, to ¥7.3 billion. As a result of the sale of a portion of the Company's shares held in Yamaha Motor Co., Ltd., that company was excluded from the scope of consolidation under the equity method, and, as a result, recurring profit declined 40.8%, to ¥7.5 billion. However, as a consequence of the sale of a portion of Yamaha Motor shares, the Company reported an extraordinary gain from the sale of securities, and net income rose 131.9%, to ¥23.2 billion.

(2) Consolidated Financial Condition

Regarding cash flows for the first quarter of the fiscal year (April 1, 2007, to June 30, 2007), after taking account of the increase in inventories and income taxes paid, net cash used in operating activities amounted to ¥5.5 billion.

Among cash flows from investing activities, the Company reported gains from the sale of an affiliated company, as previously mentioned, and recorded a cash flow provided by investing activities of ¥55.1 billion.

Among cash flows used in financing activities, the Company used ¥6.4 billion for the refunding of resort membership deposits, and other finance-related activities.

As a result of these movements in cash flows, cash and cash equivalents at the end of the quarter amounted to ¥90.8 billion, ¥44.9 billion higher than at the beginning of the quarter.

(3) Commentary on Consolidated Outlook

The outlook on a consolidated basis for the interim period of fiscal year ending March 31, 2008, calls for higher net sales and net income than the outlook issued previously for this period, owing to higher sales for the musical instruments and electronic equipment and metal products segment as well as higher income in the musical instruments segment.

In addition, the outlook on a consolidated basis for the full fiscal year ending March 31, 2008, calls for higher net sales and net income than the outlook issued previously for this period. Although a decline is forecast for sales in the AV/IT segment for this period, overall sales and income will rise owing to higher sales for the musical instruments and others segment and higher income in the musical instruments segment.

Outlook for the interim period FY2008.3 (April 1, 2007, to September 30, 2007)

First half of FY2008.3 (April 1, 2007, to September 30, 2007)

(Millions of yen)

	Net sales	Operating income	Recurring profit	Net income
Previously announced outlook (A)	¥272,000	¥15,000	¥14,000	¥24,000
Revised outlook (B)	280,500	17,500	17,000	30,000
Change (B-A)	8,500	2,500	3,000	6,000
% change	3.1	16.7	21.4	25.0
Results from the previous term (Interim period FY2007.3)	¥264,517	¥13,840	¥22,931	¥17,471

Outlook for FY2008.3 (April 1, 2007, to March 31, 2008)

FY2008.3 (April 1, 2007, to March 31, 2008)

(Millions of yen)

	Net sales	Operating income	Recurring profit	Net income
Previously announced outlook (A)	¥551,000	¥30,000	¥27,000	¥32,500
Revised outlook (B)	557,000	32,000	30,000	35,500
Change (B-A)	6,000	2,000	3,000	3,000
% change	1.1	6.7	11.1	9.2
Results from the previous term (FY2007.3)	¥550,361	¥27,685	¥42,626	¥27,866

Some portions of the content of this document are forward-looking statements that are based on forecasts and plans regarding future developments. Accordingly, actual results and performance may differ from the outlook presented here, depending on risk and uncertainty factors.

(4) Other Matters

(a) Changes in the status of material subsidiaries during the quarter under review (Companies newly consolidated or removed from consolidation): None

(b) Whether the Company has used simplified accounting methods:

- (i) Depreciation expenses represent the portion of total planned annual depreciation as of the end of the quarter.
- (ii) A simplified method is used to calculate tax expenses.

(c) Differences in accounting policies from the fiscal year ended March 31, 2007:

Method for accounting for the depreciation of tangible fixed assets

Accompanying the implementation of tax reforms that became effective in fiscal 2007, Yamaha Corporation and its domestic subsidiaries have calculated depreciation for tangible assets acquired on or after April 1, 2007 by applying the depreciation rate that would be employed under the straight-line method time 2.5 to the declining balance formula for calculating depreciation.

Please note that for those tangible assets acquired on or before March 31, 2007, which have been fully depreciated down to the legally specified limit, the residual value will be depreciated in equal amount over a five-year period.

As a result of this accounting change, depreciation for the quarter under review was ¥580 million higher than it would have been under the previous method of depreciation.

5. CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Consolidated Balance Sheets

	First quarter of FY2008.3 (as of June 30, 2007)	First quarter of FY2007.3 (as of June 30, 2006)	Increase (decrease)		FY2007.3 (as of March 31, 2007)
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
ASSETS					
Current assets					
Cash and bank deposits	¥ 92,162	¥ 29,400	¥62,762	213.5	¥ 46,702
Notes and accounts receivable	80,863	73,013	7,850	10.8	78,669
Inventories	91,356	84,456	6,900	8.2	82,214
Other current assets	26,959	23,850	3,109	13.0	23,447
Total current assets	291,341	210,720	80,621	38.3	231,033
Fixed assets					
Tangible assets	152,040	152,388	(348)	(0.2)	149,872
Intangible assets	2,878	3,356	(478)	(14.2)	2,951
Investments and other assets	211,190	160,765	50,425	31.4	175,174
Total fixed assets	366,109	316,509	49,600	15.7	327,998
Total assets	¥657,450	¥527,230	¥130,220	24.7	¥559,031
LIABILITIES					
Current liabilities					
Notes and accounts payable	¥ 46,346	¥ 42,157	¥ 4,189	9.9	¥ 43,165
Short-term loans	20,953	19,152	1,801	9.4	15,118
Current portion of long-term debt	4,259	4,809	(550)	(11.4)	4,301
Accrued expenses and accrued payables	38,575	34,418	4,157	12.1	54,415
Other current liabilities	40,066	17,029	23,037	135.3	19,655
Total current liabilities	150,202	117,567	32,635	27.8	136,656
Long-term liabilities					
Long-term debt	5,454	6,164	(710)	(11.5)	6,132
Accrued employees' retirement benefits	26,758	27,865	(1,107)	(4.0)	27,140
Other fixed liabilities	71,041	47,775	23,266	48.7	37,703
Total long-term liabilities	103,254	81,806	21,448	26.2	70,977
Total liabilities	253,457	199,373	54,084	27.1	207,633
NET ASSETS					
Shareholders' equity					
Common stock	¥28,534	¥ 28,534	¥—	¥—	¥28,534
Capital surplus	40,054	40,054	—	—	40,054
Retained earnings	222,295	244,660	(22,365)	(9.1)	260,555
Treasury stock, at cost	(302)	(307)	5	—	(339)
Total shareholders' equity	290,581	312,941	(22,360)	(7.1)	328,804
Valuation and translation adjustments					
Net unrealized holding gains on other securities	101,317	14,530	86,787	597.3	13,718
Loss on deferred hedges	(453)	(274)	(179)	—	(406)
Land revaluation differences	14,137	18,421	(4,284)	(23.3)	18,116
Translation adjustments	(6,796)	(22,096)	15,300	—	(13,765)
Total valuation and translation adjustments	108,205	10,580	97,625	922.7	17,662
Minority interests	5,206	4,334	872	20.1	4,931
Total net assets	403,993	327,857	76,136	23.2	351,398
Total liabilities and net assets	¥657,450	¥527,230	¥130,220	24.7	¥559,031

Note: Figures of less than ¥1 million have been omitted.

(2) Summary of Consolidated Statements of Operations

	First quarter of FY2008.3 (Apr. 1, 2007– June 30, 2007)	First quarter of FY2007.3 (Apr. 1, 2006– June 30, 2006)	Increase (Decrease)		FY2007.3 (Apr. 1, 2006– Mar. 31, 2007)
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Net sales	¥135,161	¥126,664	¥8,497	6.7	¥550,361
Cost of sales	85,928	80,215	5,713	7.1	352,382
Unrealized profit	0	0			1
Total gross profit	49,234	46,449	2,785	6.0	197,980
Selling, general and administrative expenses	41,961	39,717	2,244	5.6	170,295
Operating income	7,272	6,731	541	8.0	27,685
Non-operating income	1,447	7,198	(5,751)	(79.9)	21,334
Non-operating expenses	1,215	1,264	(49)	(3.9)	6,393
Recurring profit	7,503	12,664	(5,161)	(40.8)	42,626
Extraordinary income					
Gain on sale of stocks in subsidiary	27,781	—	27,781	—	—
Other	326	128	198	154.7	606
Total extraordinary income	28,107	128	27,979	—	606
Extraordinary loss	249	74	175	236.5	10,130
Income before income taxes and minority interests	35,362	12,718	22,644	178.0	33,101
Current income taxes	22,895	1,082	21,813	—	7,010
Deferred income taxes (benefit)	(10,931)	1,517	(12,448)	—	(2,268)
Minority interests	152	96	56	58.3	493
Net income	¥ 23,245	¥ 10,022	¥ 13,223	131.9	¥ 27,866

Note: Figures of less than ¥1 million have been omitted.

(3) Consolidated Statements of Changes in Net Assets for the Quarter

First quarter of FY2008.3 (April 1, 2007, to June 30, 2007)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments					Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains on other securities	Loss on deferred hedges	Land revaluation differences	Translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2007	¥28,534	¥40,054	¥260,555	¥(339)	¥328,804	¥13,718	¥(406)	¥18,116	¥(13,765)	¥17,662	¥4,931	¥351,398
Changes during the period												
Dividends from surplus			(2,578)		(2,578)							(2,578)
Net income for the period			23,245		23,245							23,245
Changes in the scope of consolidation			(493)		(493)							(493)
Changes of interests in subsidiaries			(58,432)	43	(58,389)							(58,389)
Purchases of treasury stock				(6)	(6)							(6)
Changes, net, in items other than shareholders' equity						87,599	(47)	(3,978)	6,969	90,542	275	90,818
Total changes during the period	—	—	(38,259)	36	(38,223)	87,599	(47)	(3,978)	6,969	90,542	275	52,595
Balance at June 30, 2007	¥28,534	¥40,054	¥222,295	¥(302)	¥290,581	¥101,317	¥(453)	¥14,137	¥(6,796)	¥108,205	¥5,206	¥403,993

Note: Figures of less than ¥1 million have been omitted.

First quarter of FY2007.3 (April 1, 2006, to June 30, 2006)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments					Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains on other securities	Loss on deferred hedges	Land revaluation differences	Translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	¥28,534	¥40,054	¥236,913	¥(302)	¥305,199	¥15,470	¥ —	¥18,426	¥(23,091)	¥10,805	¥4,472	¥320,477
Changes during the period												
Dividends from surplus			(2,063)		(2,063)							(2,063)
Net income for the period			10,022		10,022							10,022
Changes in the scope of consolidation			(0)		(0)							(0)
Changes of interest in subsidiaries			(131)	0	(131)							(131)
Bonuses to directors and corporate auditors			(80)		(80)							(80)
Purchases of treasury stock				(5)	(5)							(5)
Changes, net, in items other than shareholders' equity						(940)	(274)	(4)	994	(224)	(137)	(362)
Total changes during the period	—	—	7,747	(5)	7,742	(940)	(274)	(4)	994	(224)	(137)	7,379
Balance at June 30, 2006	¥28,534	¥40,054	¥244,660	¥(307)	¥312,941	¥14,530	¥(274)	¥18,421	¥(22,096)	¥10,580	¥4,334	¥327,857

Note: Figures of less than ¥1 million have been omitted.

FY2007.3 (April 1, 2006, to March 31, 2007)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments					Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains on other securities	Loss on deferred hedges	Land revaluation differences	Translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	¥28,534	¥40,054	¥236,913	¥(302)	¥305,199	¥15,470	¥ —	¥18,426	¥(23,091)	¥10,805	¥4,472	¥320,477
Changes during the period												
Dividends from surplus			(4,126)		(4,126)							(4,126)
Net income for the period			27,866		27,866							27,866
Changes in the scope of consolidation			(0)		(0)							(0)
Changes of interest in subsidiaries			(138)	0	(138)							(138)
Reversal of reserve for land revaluation difference			121		121							121
Bonuses to directors and corporate auditors			(80)		(80)							(80)
Purchases of treasury stock				(37)	(37)							(37)
Changes, net, in items other than shareholders' equity						(1,752)	(406)	(309)	9,325	6,857	458	7,315
Total changes during the period	—	—	23,642	(37)	23,604	(1,752)	(406)	(309)	9,325	6,857	458	30,920
Balance at March 31, 2007	¥28,534	¥40,054	¥260,555	¥(339)	¥328,804	¥13,718	¥(406)	¥18,116	¥(13,765)	¥17,662	¥4,931	¥351,398

Note: Figures of less than ¥1 million have been omitted.

(4) Summary of Consolidated Statements of Cash Flows

	Millions of yen		
	First quarter of FY2008.3 (Apr. 1, 2007– June 30, 2007)	First quarter of FY2007.3 (Apr. 1, 2006– June 30, 2006)	FY2007.3 (Apr. 1, 2006– Mar. 31, 2007)
Cash flows from operating activities			
Income before income taxes and minority interests	¥35,362	¥12,718	¥33,101
Depreciation and amortization	5,594	4,838	19,956
Gain on sale of stocks in subsidiaries	(27,781)	—	—
Decrease (increase) in accounts and notes receivable—trade	(314)	(488)	(4,537)
Decrease (increase) in inventories	(6,045)	(6,623)	(2,262)
Increase in accounts and notes payable—trade	2,051	5,101	5,272
Income taxes paid and refunded	(4,699)	(1,680)	(3,978)
Other, net	(9,633)	(13,530)	(7,819)
Net cash provided by (used in) operating activities	(5,465)	335	39,732
Cash flows from investing activities			
Purchases of fixed assets	(6,013)	(7,011)	(22,863)
Proceeds from sales of fixed assets	238	244	1,094
Proceeds from sales of stocks in subsidiaries	62,508	—	—
Other, net	(1,624)	(10)	(658)
Net cash used in investing activities	55,109	(6,777)	(22,427)
Cash flows from financing activities			
Increase (decrease) in short-term debt	5,386	2,280	(1,961)
Decrease in long-term debt	(929)	(264)	(916)
Cash dividends paid	(2,578)	(2,063)	(4,126)
Other, net	(8,268)	(599)	(1,242)
Net cash used in financing activities	(6,389)	(646)	(8,246)
Effect of exchange rate changes on cash and cash equivalents			
	1,642	51	1,464
Net increase (decrease) in cash and cash equivalents	44,896	(7,036)	10,523
Cash and cash equivalents at beginning of period	45,926	35,434	35,434
Cash and cash equivalents arising from inclusion of subsidiaries in consolidation at beginning of period	41	—	—
Cash and cash equivalents arising from exclusion of subsidiaries in consolidation at beginning of period	(108)	(31)	(31)
Cash and cash equivalents at end of period	¥90,755	¥28,365	¥45,926

(5) Segment Information

(a) Business Segments

(First quarter of FY2008.3 (April 1, 2007, to June 30, 2007))

(Millions of yen)

	Musical instruments	AV/IT	Electronic equipment and metal products	Lifestyle-related products	Recreation	Others	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥81,995	¥15,244	¥14,400	¥11,425	¥3,971	¥8,124	¥135,161	¥	¥135,161
Intersegment sales or transfers	—	—	365	—	—	—	365	(365)	—
Total sales	81,995	15,244	14,766	11,425	3,971	8,124	135,526	(365)	135,161
Operating expenses	74,796	15,583	14,287	11,522	4,403	7,661	128,254	(365)	127,889
Operating income (loss)	¥7,198	¥(339)	¥478	¥(96)	¥(432)	¥463	¥7,272	¥ —	¥7,272

(First quarter of FY2007.3 (April 1, 2006, to June 30, 2006))

(Millions of yen)

	Musical instruments	AV/IT	Electronic equipment and metal products	Lifestyle-related products	Recreation	Others	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥75,912	¥16,004	¥13,551	¥10,819	¥4,135	¥6,242	¥126,664	¥ —	¥126,664
Intersegment sales or transfers	—	—	440	—	—	—	440	(440)	—
Total sales	75,912	16,004	13,991	10,819	4,135	6,242	127,104	(440)	126,664
Operating expenses	70,093	15,747	12,691	10,771	4,576	6,492	120,372	(440)	119,932
Operating income (loss)	¥ 5,819	¥ 256	¥ 1,299	¥ 47	¥ (441)	¥ (250)	¥ 6,731	¥ —	¥ 6,731

(FY2007.3 (April 1, 2006, to March 31, 2007))

(Millions of yen)

	Musical instruments	AV/IT	Electronic equipment and metal products	Lifestyle-related products	Recreation	Others	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥325,989	¥72,823	¥54,809	¥46,573	¥ 17,800	¥ 32,365	¥550,361	¥ —	¥550,361
Intersegment sales or transfers	—	—	1,714	—	—	—	1,714	(1,714)	—
Total sales	325,989	72,823	56,524	46,573	17,800	32,365	552,076	(1,714)	550,361
Operating expenses	303,951	70,685	53,423	45,422	19,337	31,570	524,391	(1,714)	522,676
Operating income (loss)	¥ 22,037	¥ 2,137	¥ 3,101	¥ 1,150	¥(1,536)	¥ 794	¥ 27,685	¥ —	¥ 27,685

Note: Business segments: Divided into the categories of musical instruments, AV/IT, electronic equipment and metal products, lifestyle-related products, recreation and others based on consideration of similarities of product type, characteristics and market, etc.

(b) Geographical Segments

(First quarter of FY2008.3 (April 1, 2007, to June 30, 2007))

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥ 79,580	¥19,369	¥21,415	¥14,796	¥135,161	¥ —	¥135,161
Intersegment sales or transfers	40,347	234	302	17,643	58,527	(58,527)	—
Total sales	119,928	19,603	21,717	32,440	193,689	(58,527)	135,161
Operating expenses	114,764	19,018	20,602	30,221	184,607	(56,718)	127,889
Operating income	¥ 5,163	¥585	¥1,115	¥2,218	¥9,081	¥(1,809)	¥7,272

(First quarter of FY2007.3 (April 1, 2006, to June 30, 2006))

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥ 77,551	¥18,190	¥18,602	¥12,319	¥126,664	¥ —	¥126,664
Intersegment sales or transfers	37,097	447	289	16,073	53,908	(53,908)	—
Total sales	114,648	18,638	18,892	28,393	180,572	(53,908)	126,664
Operating expenses	108,698	18,665	18,312	27,007	172,684	(52,751)	119,932
Operating income (loss)	¥ 5,950	¥ (26)	¥ 579	¥ 1,385	¥ 7,888	¥ (1,156)	¥ 6,731

(FY2007.3 (April 1, 2006, to March 31, 2007))

(Millions of yen)

	Japan	North America	Europe	Asia, Oceania and other areas	Total	Eliminations or unallocated amounts	Consolidated
Sales to external customers	¥307,486	¥93,131	¥ 95,326	¥ 54,418	¥550,361	¥ —	¥550,361
Intersegment sales or transfers	155,991	2,075	1,238	69,068	228,374	(228,374)	—
Total sales	463,477	95,206	96,565	123,486	778,736	(228,374)	550,361
Operating expenses	447,406	91,668	92,164	118,380	749,620	(226,944)	522,676
Operating income	¥ 16,071	¥ 3,538	¥ 4,400	¥ 5,105	¥ 29,115	¥ (1,430)	¥ 27,685

Notes: 1. Division by country or region is based on geographical proximity.

2. Main country and regional divisions other than Japan:

North America: U.S.A., Canada

Europe: Germany, France, U.K.

Asia, Oceania and other areas: People's Republic of China, Republic of Korea, Australia

(c) Overseas Sales

(First quarter of FY2008.3 (April 1, 2007, to June 30, 2007))

(Millions of yen)

	North America	Europe	Asia, Oceania and other areas	Total
Overseas sales	¥19,385	¥21,769	¥17,912	¥59,067
Net sales				135,161
% of net sales	14.3%	16.1%	13.3%	43.7%

(First quarter of FY2007.3 (April 1, 2006, to June 30, 2006))

(Millions of yen)

	North America	Europe	Asia, Oceania and other areas	Total
Overseas sales	¥18,320	¥19,093	¥15,346	¥ 52,759
Net sales	—	—	—	126,664
% of net sales	14.5%	15.1%	12.1%	41.7%

(FY2007.3 (April 1, 2006, to March 31, 2007))

(Millions of yen)

	North America	Europe	Asia, Oceania and other areas	Total
Overseas sales	¥93,676	¥97,299	¥68,157	¥259,133
Net sales				¥550,361
% of net sales	17.0%	17.7%	12.4%	47.1%

Notes: 1. Division by country or region is based on geographical proximity.

2. Main country and regional divisions other than Japan:

North America: U.S.A., Canada

Europe: Germany, France, U.K.

Asia, Oceania and other areas: People's Republic of China, Republic of Korea, Australia