

14. Second-Quarter Consolidated Business Segment Information

a. Net Sales and Operating Income

		Yen (Millions)		
		2Q FY 2007 (7/1/07~9/30/07)	2Q FY 2006 (7/1/06~9/30/06)	Change (%)
Technology Solutions				
Japan	Y	519,415	527,504	-1.5
Overseas		304,924	251,513	+21.2
Total		824,339	779,017	+5.5
Operating income:				
System Platforms		1,769	620	+185.3
[Operating income margin]		[1.0%]	[0.3%]	
Services		33,066	33,480	-1.2
[Operating income margin]		[5.1%]	[5.6%]	
Total operating income		34,835	34,100	+2.2
[Operating income margin]		[4.2%]	[4.4%]	
Ubiquitous Product Solutions				
Japan		192,155	172,972	+11.1
Overseas		108,296	103,260	+4.9
Total		300,451	276,232	+8.8
Operating income		9,420	9,848	-4.3
[Operating income margin]		[3.1%]	[3.6%]	
Device Solutions				
Japan		137,161	117,013	+17.2
Overseas		71,737	80,147	-10.5
Total		208,898	197,160	+6.0
Operating income		9,768	4,572	+113.6
[Operating income margin]		[4.7%]	[2.3%]	
Other Operations				
Japan		89,152	86,073	+3.6
Overseas		42,107	32,983	+27.7
Total		131,259	119,056	+10.2
Operating income		3,159	2,729	+15.8
[Operating income margin]		[2.4%]	[2.3%]	
Elimination				
Sales		(118,634)	(112,002)	-
Operating income		(16,197)	(15,182)	-
Total				
Japan		842,675	814,461	+3.5
Overseas		503,638	445,002	+13.2
Total		1,346,313	1,259,463	+6.9
Operating income	Y	40,985	36,067	+13.6
[Operating income margin]		[3.0%]	[2.9%]	

Note:

Net sales include intersegment sales.

b. Net Sales by Principal Products and Services

		Yen		Change (%)
		(Millions)		
		2Q FY 2007	2Q FY 2006	
		(7/1/07~9/30/07)	(7/1/06~9/30/06)	
Technology Solutions				
System Platforms:				
	System Products	Y 91,247	92,467	-1.3
	Network Products	85,445	86,092	-0.8
		176,692	178,559	-1.0
Services:				
	Solutions / SI	321,815	280,410	+14.8
	Infrastructure Services	311,422	277,364	+12.3
	Others	14,410	42,684	-66.2
		647,647	600,458	+7.9
	Total	824,339	779,017	+5.8
Ubiquitous Product Solutions				
	PCs / Mobile Phones	207,496	189,049	+9.8
	Hard Disk Drives	87,912	81,988	+7.2
	Others	5,043	5,195	-2.9
	Total	300,451	276,232	+8.8
Device Solutions				
	LSI Devices	137,400	123,600	+11.2
	Electronic Components, Others	71,498	73,560	-2.8
	Total	Y 208,898	197,160	+6.0

Note:

Net sales include intersegment sales.

In conjunction with organizational changes designed to enhance collaboration between sales and product development functions, beginning this fiscal year ATM and POS business results (which amounted to sales of about 29.0 billion yen in the second quarter of fiscal 2006), formerly recorded under the “Others” category in the Services sub-segment, are recorded in the Solutions / SI category, which includes financial and retail solutions.