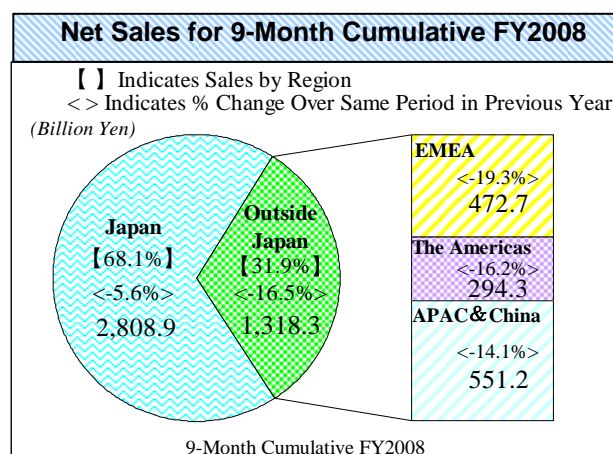


4. Results by Geographic Segment



Operating Income (Billion Yen)				
	First 9 Months FY 2008	Change from First 9 Months FY 2007	Third Quarter FY 2008	Change vs. 3Q FY 2007
Japan	44.7 [1.6%]	-58.3 [-1.9%]	-17.3 [-2.0%]	-63.8 [-6.6%]
Outside Japan	10.9 [0.8%]	-20.1 [-1.2%]	4.1 [1.1%]	-10.4 [-1.6%]
EMEA	1.6 [0.3%]	-9.6 [-1.6%]	1.3 [1.0%]	-5.2 [-2.3%]
The Americas	1.0 [0.3%]	-7.0 [-2.0%]	-0.4 [-0.5%]	-3.5 [-3.2%]
APAC & China	8.3 [1.5%]	-3.5 [-0.3%]	3.1 [2.1%]	-1.7 [-0.1%]

Note: Numbers inside brackets indicate operating income margin.

In Japan, net sales for the first nine months of fiscal 2008 were 2,808.9 billion yen (US\$30,868 million), a decline of 5.6% compared with the first nine months of fiscal 2007. While first-quarter sales increased by 2.5%, second-quarter sales declined by 3.7%, and third-quarter sales declined by 15.0%. Sales in the Services sub-segment as well as sales of router equipment to telecom carriers increased, but sales of logic LSI devices, electronic components, PCs, mobile phones, and HDDs decreased. Operating income was 44.7 billion yen (US\$492 million), a decline of 58.3 billion yen compared with the same period in fiscal 2007. Operating income declined as a result of lower sales of logic LSI devices, electronic components, PCs, and mobile phones, which outweighed greater cost efficiencies in the mobile phone base station business, higher sales of router equipment to telecom carriers, and both higher sales and cost efficiencies in the Services business.

Net sales outside Japan were 1,318.3 billion yen (US\$14,487 million), a 16.5% decrease from the same period of the previous fiscal year. Excluding the impact of yen appreciation, sales declined by 5%. Operating income was 10.9 billion yen (US\$121 million), a decrease of 20.1 billion yen from the same period of the previous fiscal year.

Net sales in EMEA were 472.7 billion yen (US\$5,195 million), a decrease of 19.3% from the same period of the previous fiscal year. Excluding the impact of yen appreciation, sales were roughly flat with the first nine months of fiscal 2007. Sales of optical transmission systems and HDDs declined, but sales in the Services business increased, led by growth in private-sector business in continental Europe. EMEA operating income was 1.6 billion yen (US\$18 million), a sharp decline of 9.6 billion yen compared to the same period in the previous fiscal year. Although losses in optical transmission systems narrowed due to a lower burden of development expenses related to next-generation networks, profitability declined as a result of higher upfront costs in our Services business related to strengthening and expanding our business with private-sector customers as well as delays in generating cost efficiencies and the detrimental impact of exchange rates.

Net sales in the Americas were 294.3 billion yen (US\$3,234 million), a 16.2% decrease from the same period in the prior fiscal year. Excluding the impact of yen appreciation, sales declined by 7%. Sales of UNIX servers, PCs, and HDDs declined, but sales of optical transmission systems increased. Services sales increased in the first quarter but declined in the second and third quarters as economic conditions in North America deteriorated. Operating income was 1.0 billion yen (US\$11 million), a decrease of 7.0 billion yen compared with the

previous fiscal year's first nine months, reflecting the impact of increased upfront development costs for next-generation networks as well as lower sales of UNIX servers, PCs, HDDs, and services.

In APAC and China, net sales were 551.2 billion yen (US\$6,058 million), a decrease of 14.1% compared to the corresponding period in the previous fiscal year. Excluding the impact of yen appreciation, sales decreased by 8%. Operating income was 8.3 billion yen (US\$92 million), a decrease of 3.5 billion yen from the same period in the previous fiscal year. The decline in profitability was the result of lower sales of LSI devices and electronic components as well as the impact of yen appreciation.