

5. FY2011 Consolidated Earnings Projections

Sales and earnings for the first quarter of fiscal 2011 were largely in line with the projections announced on June 17, 2011, although these results declined compared to the same period in the previous fiscal year. Contributing factors in Japan included the impact of the Great East Japan Earthquake, particularly on the car audio and navigation systems, mobile phone, and LSI devices. Outside of Japan, foreign exchange fluctuations adversely affected results for services and electronic components.

Entering the second quarter, in Japan the company anticipates the full resolution of disruptions in the production and shipment of certain products resulting from shortages of components and parts caused by the earthquake, and expects higher sales of hardware products, such as PCs and mobile phones, as there are some signs of a recovery emerging in ICT spending. Outside of Japan as well, the company expects higher sales in its services business. As a result, excluding the impact of the earthquake, the company expects sales in the first half of fiscal 2011 to increase by 1% compared to the same period of the previous fiscal year.

For the second half of the fiscal year, the company anticipates growth in its domestic services business and PCs against the backdrop of a recovery in ICT investments in Japan, the company is projecting higher sales and earnings for the full fiscal year despite the continuing effects of a strong yen.

The first quarter of fiscal 2011 was witness to a somewhat weaker yen than anticipated at the time of the previous projections announcement in June. Now, however, with the strong yen having become firmly entrenched, the company's foreign exchange rate projections for the second quarter and beyond remain unchanged on the premise of 80 yen per US dollar, 110 yen per euro, and 130 yen per British pound.

Accordingly, the company's current financial projections for the first half of fiscal 2011 as well as the full fiscal year remain unchanged from the projections previously announced in June.

FY 2011 First Half Consolidated Forecast

(Billion Yen)

	Fiscal 2010 First Half Results	Fiscal 2011 First Half Forecast	Change vs. June Forecast	Change vs. First Half of FY 2010		Change vs. First Half of FY 2010 Excl. Earthquake Impact	
					Change (%)		Change (%)
Net Sales	2,147.4	2,100.0	-	-47.4	-2.2	20.5	1
Operating Income [Operating Margin]	47.1 [2.2%]	5.0 [0.2%]	- [- %]	-42.1 [-2.0%]	-89.4	-14.1 [-0.7%]	-30
Net Income	19.0	0	-	-19.0	-		

FY 2011 Full-Year Consolidated Forecast

(Billion Yen)

	Fiscal 2010 Full-Year Results	Fiscal 2011 Full-Year Forecast	Change vs. June Forecast	Change vs. FY 2010		Change vs. FY 2010 Full-Year Excl. Earthquake Impact	
					Change (%)		Change (%)
Net Sales	4,528.4	4,600.0	-	71.5	1.6	105.5	2
Operating Income [Operating Margin]	132.5 [2.9%]	135.0 [2.9%]	- [- %]	2.4 [- %]	1.8	26.4 [0.5%]	20
Net Income	55.0	60.0	-	4.9	8.9		

Note: The decline in sales and increased costs are estimated in line with production and sales plans revised as a result of the earthquake for FY2010 and FY2011, and are represented as earthquake impact.