**Sales:** Exceeded initial budget due to the brisk non-Japan market for the control business

**Operating loss:** Decreased from initial budget due to reduction of fixed costs

**Net loss:** Increased from initial budget due to extraordinary losses involving items such as impaired fixed assets and revaluated investment securities and software

<table>
<thead>
<tr>
<th></th>
<th>Initial budget (09/5/15) (A)</th>
<th>Revised (09/8/11)</th>
<th>Revised (09/9/29)</th>
<th>Results (B)</th>
<th>Difference (B-A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>150</td>
<td>157</td>
<td>157</td>
<td>154.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Sales</td>
<td>145</td>
<td>145</td>
<td>148</td>
<td>150.7</td>
<td>5.7</td>
</tr>
<tr>
<td>Operating income</td>
<td>(10)</td>
<td>(10)</td>
<td>(5)</td>
<td>(2.4)</td>
<td>7.6</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>(12)</td>
<td>(12)</td>
<td>(7)</td>
<td>(4.1)</td>
<td>7.9</td>
</tr>
<tr>
<td>Net income</td>
<td>(14)</td>
<td>(14)</td>
<td>(14)</td>
<td>(14.5)</td>
<td>(0.5)</td>
</tr>
</tbody>
</table>

(Billion ¥)
### Our Business Environment

| Global economy          | Massive economic stimulus packages and financial stabilization measures by governments around the world
|                        | Bottoming out of global economy and initial signs of recovery |

#### Industrial Automation and Control Business

| Non-Japan market:       | Recovery in energy prices
|                        | Resumed construction of new oil and natural gas plants |
| Japan market:           | Worsening corporate performance, slumping materials and energy demand
|                        | Large cutbacks in capital investment |

#### Test and Measurement Business

| Semiconductor testers:  | Semiconductor market recovering, but companies still reluctant to make large-scale capital investments |
| Measuring instruments:  | Major customers in Japan’s electronics and auto industries cutting back on capital investment |
|                        | Market substantially smaller |
| Photonics:              | Communications carriers outside Japan continue to reduce investment |
|                        | Low demand from communications equipment manufacturers |
### FY09 Full Year / 2H Budget

#### FY09 2H budget

- **Sales:** Almost the same as initial budget
- **Operating income:** Down approx. ¥1 billion

**Positive factors:** Continued recovery in non-Japan control market and further reduction of fixed costs

**Negative factors:** Lower sales for the measurement business, revised exchange rate ($1 = ¥95 → ¥90), temporary deterioration in marginal profit ratio for control business

*We will strive to improve profitability and surpass the revised targets.*

<table>
<thead>
<tr>
<th></th>
<th>Full year</th>
<th>2H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>325</td>
<td>325</td>
</tr>
<tr>
<td>Sales</td>
<td>315</td>
<td>321</td>
</tr>
<tr>
<td>Operating income</td>
<td>(9)</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>(13)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Net income</td>
<td>(18)</td>
<td>(20)</td>
</tr>
</tbody>
</table>

(Billion ¥)
【Announced on May 15】
Reduce fixed costs by 38 billion yen and
achieve a break-even point of 330 billion yen or less

Reduce fixed costs by 47 billion yen

Additional reductions

• +2 billion yen reduction in labor costs by further reducing the number of non-regular employees

• +7 billion yen reduction in R&D, SG&A, and other costs

Temporary deterioration in marginal profit ratio due to the strong yen, etc.

→ Break-even point now estimated to be 325 billion yen
【Announced on May 15】
Build a new portfolio centered on the control business

Basic policy

1. Focus resources on the control business
2. Maintain and develop the company’s core measurement technologies
3. Quickly select and establish new businesses
4. Discontinue loss-making businesses
Basic policy 1: Focus resources on the control business

• Increased demand for energy and materials and growing awareness of need to protect environment and make effective use of limited resources
  → Markets for this business will continue to expand

• Introduce Japan industrial applications in other countries and establish offices in promising regions
  → Increase market share outside Japan

• Assign additional human resources to this business
  → Enhance development capabilities

• Implement M&A and alliances

• Achieve global cost competitiveness

Be globally competitive
Basic policy 2: Maintain and develop the company’s core measurement technologies

Reorganize the measuring instrument business

- Standalone electronic/optical measuring instruments
  - Create products chiefly targeted at developing nations
  - Undertake a comprehensive structural reform to enhance cost competitiveness

- Japan market
  - Promote measurement solutions in growth fields such as lithium ion batteries

Transferred to the control business approximately 100 development engineers and other personnel who previously had been assigned to the advance stage, photonics, and other measurement businesses
Basic policy 3: Quickly select and establish new businesses

Basic policy 4: Discontinue loss-making businesses

- Implemented by the end of 2Q:
  - Development of SoC testers suspended
  - Development of XY stage for semiconductor manufacturing equipment halted

- Implemented in 2Q: Business policy for the photonics business changed

Discontinue development of new products and focus on manufacture and sale of existing products to soon make this business profitable

Continue R&D of high-speed compound semiconductor, optical, and high-frequency technologies
Energy-saving and environmental-conservation businesses

→ Accelerate industry energy-saving and environmental-conservation activities

Appointment of Chief Green Officer to oversee the energy-saving and environmental-conservation businesses. With access to the entire company’s resources, will establish a new business model and make these businesses a growth engine for the control business.

• Long-term engagement in energy-saving and environmental-conservation initiatives for our customers
• Pursuit of the above initiatives in-house, for which the company received the METI Minister Award (Green IT Awards 2009)
• Training of in-house energy-saving consultants and establishment of a consultancy framework
The information pertaining to our business plans and forecasts that has been provided in this presentation and at analyst meetings contains forward-looking statements that are based on our management’s current knowledge and require the making of assumptions about future events. As such, it cannot be guaranteed that these statements will not differ materially from actual results.