

# **Konica Minolta Group**

## **1<sup>st</sup> Quarter/March 2011 Consolidated Financial Results**

### **(April 1, 2010 – June 30, 2010)**

July 30, 2010

Yoshiaki Ando  
Senior Executive Officer  
Konica Minolta Holdings, Inc.

# 1Q/Mar2011 financial results - Overview



|   | [Billions of yen] |              |        |                      |                 |
|---|-------------------|--------------|--------|----------------------|-----------------|
|   | 1Q/Mar11          | 1Q/Mar10     | YoY    | 1H/Mar11<br>Forecast | Progress<br>[%] |
| Net sales (a)   | 194.7             | 189.4        | 5.2    | 400.0                | 49%             |
| Operating income  | 9.8               | -0.6         | 10.4   | 21.0                 | 47%             |
| <i>Operating income ratio</i>                           | <i>5.1%</i>       | <i>-0.3%</i> |        | <i>5.3%</i>          |                 |
| Goodwill amortization                                   | 2.2               | 2.4          | -0.2   | -                    | -               |
| Operating income before<br>amortization.of goodwill (b) | 12.0              | 1.8          | 10.2   | -                    | -               |
| <i>(b)/(a)</i>  | <i>6.2%</i>       | <i>0.9%</i>  |        |                      |                 |
| Net income  | 3.5               | 0.3          | 3.2    | 8.0                  | 44%             |
| <i>Net income ratio</i>                                 | <i>1.8%</i>       | <i>0.2%</i>  |        | <i>2.0%</i>          | -               |
| FCF   | -1.3              | 5.1          | -6.4   | -                    | -               |
| FOREX [Yen] USD   | 92.01             | 97.32        | -5.31  | 90.00                | -               |
| Euro  | 116.99            | 132.57       | -15.58 | 120.00               | -               |

# 1Q/March 2011 financial results - Group

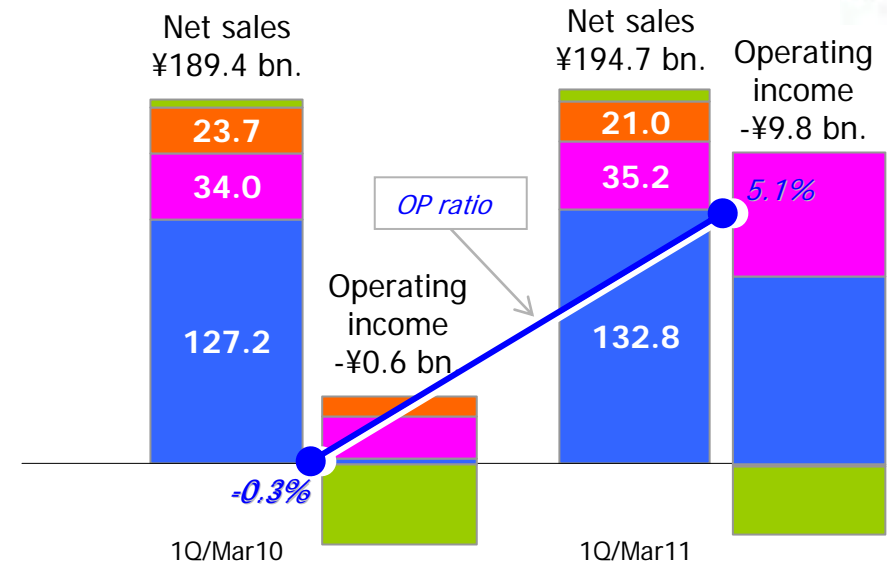
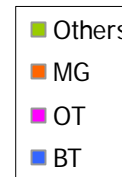


## ■ Net sales

YoY: +3% (w/o forex: +8%)

## ■ Operating income

YoY: +¥10.4 bn. (w/o forex: +¥14.6 bn.)



## ● YoY comparison

- ✓ Sales of our main products increased in volume terms, particularly in the Business Technologies and the Optics Businesses.
- ✓ With the strong momentum maintained from the 2H of the previous fiscal year, net sales increased YoY.
- ✓ Profits at the operating income level and below achieved a substantial recovery from the 1H of the previous fiscal year, which was the major bottom.

## ● Progress in comparison with announced figures for 1H/March2011

- ✓ Despite the weaker Euro's impact in the latter part of the 1Q, business performance now is set to outperform expectations, aiming for achieving the announced figures for the 1H/Mar2011.
- ✓ However, the Business Technologies has lost some opportunities to generate profits due to back orders of new products and changes to the product mix.

# [Ref.] 1Q/Mar2011 financial results – Main business units



## Net sales

[Billions of yen]

|                       | 1Q/Mar11     | 1Q/Mar10     | YoY        | 1H/Mar11<br>Forecast | Progress<br>[%] |
|-----------------------|--------------|--------------|------------|----------------------|-----------------|
| Business Technologies | 132.8        | 127.2        | 5.6        | 269.0                | 49%             |
| Optics                | 35.2         | 34.0         | 1.2        | 71.0                 | 50%             |
| Medical & Graphic     | 21.0         | 23.7         | -2.7       | 49.0                 | 43%             |
| <b>Group total</b>    | <b>194.7</b> | <b>189.4</b> | <b>5.2</b> | <b>400.0</b>         | <b>49%</b>      |

## Operating income

[Billions of yen]

|                               | 1Q/Mar11     | 1Q/Mar10     | YoY         | 1H/Mar11<br>Forecast | Progress<br>[%] |
|-------------------------------|--------------|--------------|-------------|----------------------|-----------------|
| Business Technologies         | 7.6          | 0.2          | 7.4         | 19.0                 | 40%             |
| <i>Operating income ratio</i> | <i>5.8%</i>  | <i>0.2%</i>  |             | <i>7.1%</i>          |                 |
| Optics                        | 5.1          | 1.7          | 3.4         | 9.0                  | 57%             |
| <i>Operating income ratio</i> | <i>14.5%</i> | <i>4.9%</i>  |             | <i>12.7%</i>         |                 |
| Medical & Graphic             | -0.1         | 0.8          | -0.9        | 0.5                  | -               |
| <i>Operating income ratio</i> | <i>-0.4%</i> | <i>3.5%</i>  |             | <i>1.0%</i>          |                 |
| <b>Group total</b>            | <b>9.8</b>   | <b>-0.6</b>  | <b>10.4</b> | <b>21.0</b>          | <b>47%</b>      |
| <i>Operating income ratio</i> | <i>5.1%</i>  | <i>-0.3%</i> |             | <i>5.3%</i>          |                 |

# Business Technologies

Sales volume increased substantially YoY, progressing steadily. However, the product mix temporarily worsened.

## Net sales

YoY: +4% (w/o forex: +11%)

## Operating income

YoY: +¥7.4 bn. (w/o forex: +¥10.8 bn.)

## Office MFP unit sales

YoY: +29% (color: +31%, B/W: +28%)

Unit sales increased, particularly in color MFPs and B/W MFPs for emerging countries.

Color: Increased significantly in all regions except Japan. (EU: +28%, N. America: +42%, Japan: 0%, Other: +50%)

B/W: Dedicated models for emerging countries were driving strong unit sales.

(EU: +18%, N. America: 19%, Japan: -25%, Other: +45%)

The product mix temporarily worsened because of sales of old products as substitutes to deal with delays in the supply of certain new products.

## Non-hardware sales

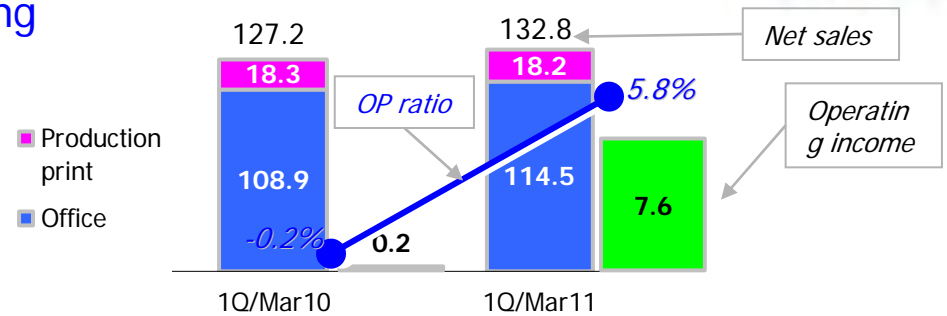
YoY: -2% (yen base), (w/o forex: +4%)

Excluding the forex impact, sales of non-hardware maintained an overall increase, driven by color printing.



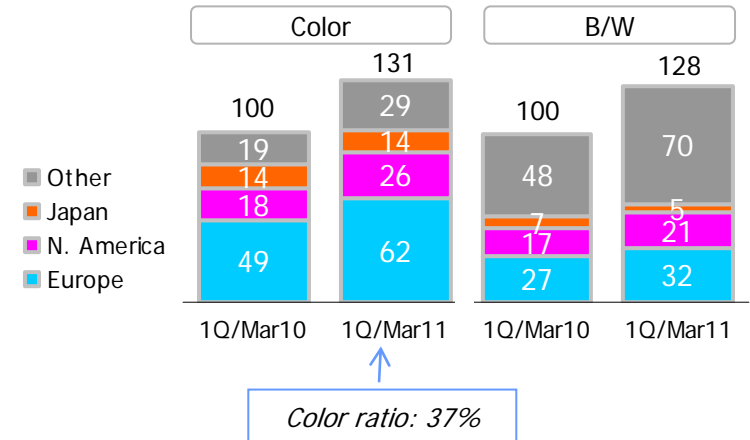
KONICA MINOLTA

## Net sales / Operating income [¥ billions]



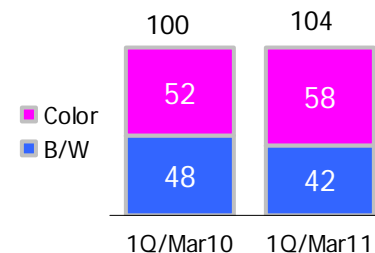
## Color MFP unit sales – by region

\*Base index : "1Q/Mar10" = 100



## Non-hardware sales

\*Base index : "1Q/Mar10" = 100 (w/o forex)



# Business Technologies – Operating income transition



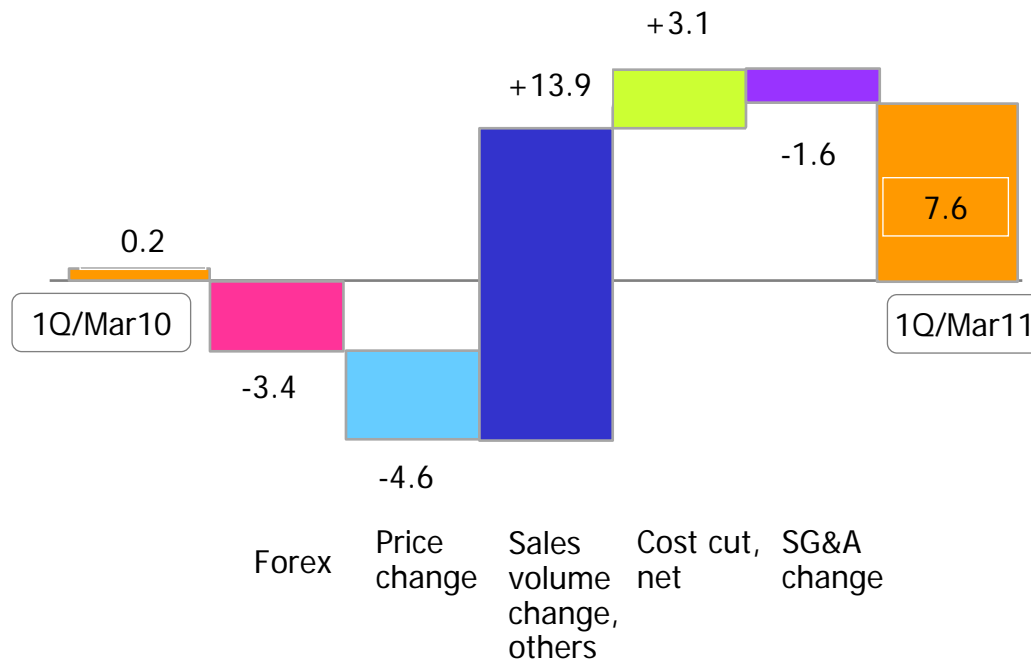
[¥ Billions]

## Negative factors:

- Forex: Particularly the impact of the weaker euro.
- Higher expenses: Higher logistics costs associated with an increase of distribution volume.  
(Including higher air transportation costs, etc. to deal with back orders)

## Positive factors:

- Higher profits associated with increased sales.
- An improved margin with the launch of new color MFPs.
- Effect of reducing manufacturing variable costs given the launch of new products and a decline in procurement costs.



# Optics



The operating margin rose to 15%, thanks to increased sales of the principal products and improved profitability in image I/O devices.

## Net sales

YoY:  $\frac{\text{Total}}{+3\%}$  (  $\frac{\text{TAC, Memory, Image I/O}}{+7\%, +46\%, -22\%}$  )

## Operating income

YoY: +207%

### TAC film

✓ Total unit sales increased significantly, driven by thin film and wide film.

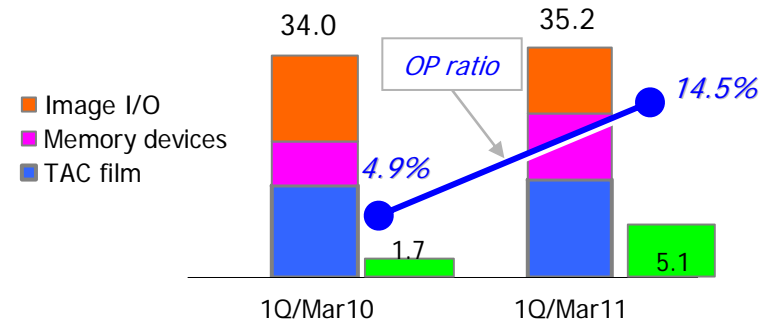
### Glass HD substrates

✓ Sales increased in both value and unit base with the market recovery and changes in the product mix.

### Optical pickup lenses

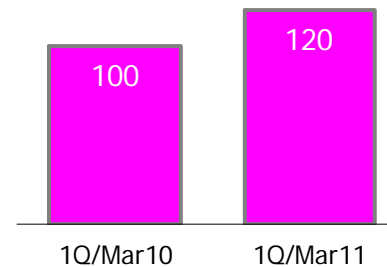
✓ In Blu-ray (BD), unit sales rose substantially, as the use of plastic for lenses progressed along with the expansion of BD readable applications.

## Net sales / Operating income [¥ Billions]

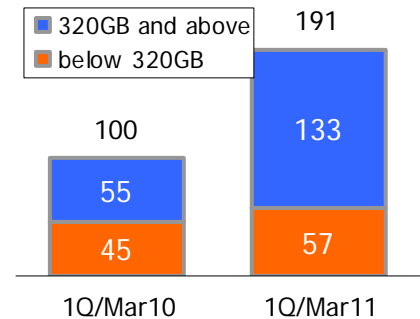


## TAC film unit sales

\*Base index : "4Q Mar09" = 100

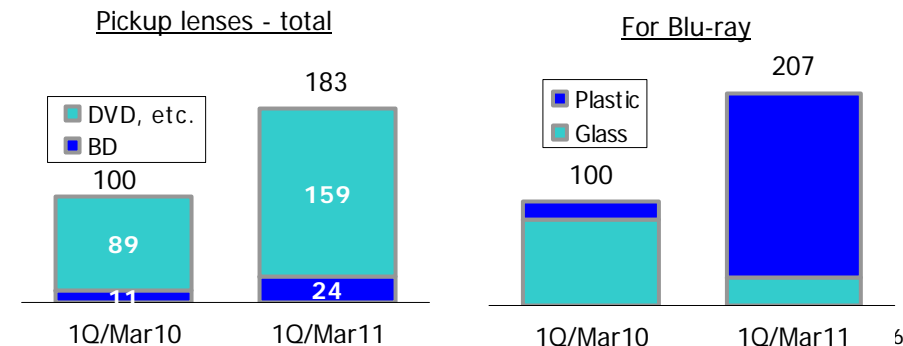


## Glass HD substrates unit sales



## Optical pickup lens unit sales

\*Base index : "1Q Mar10" = 100



# Optics- Operating income analysis

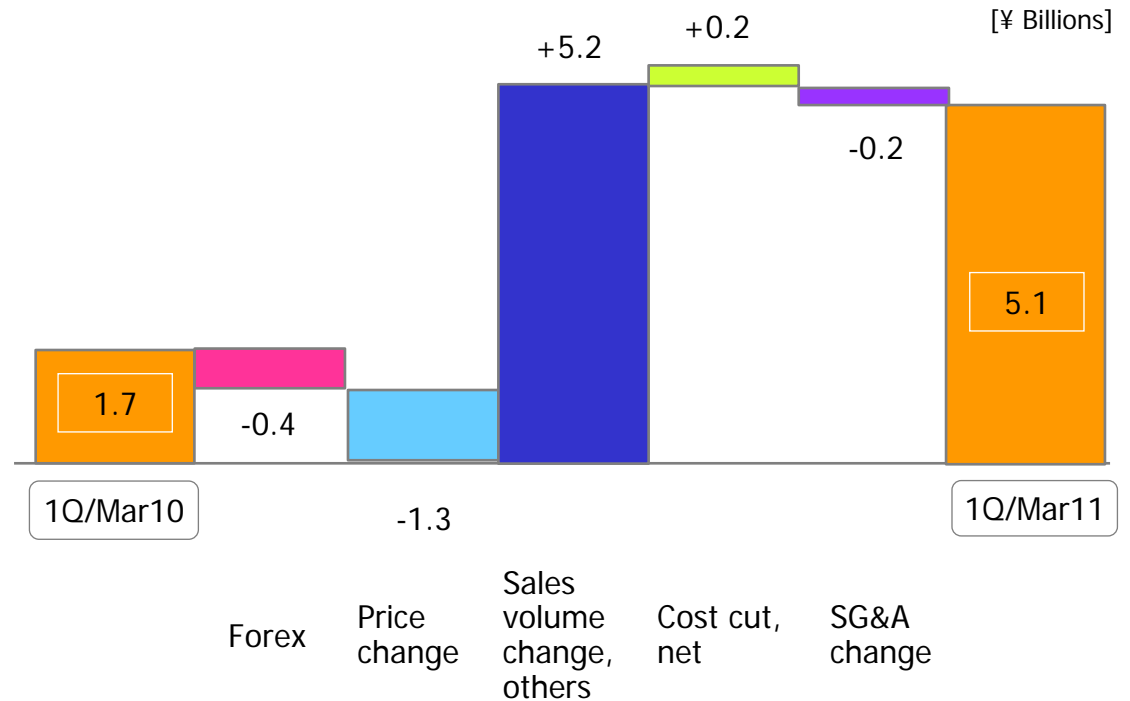


## Negative factors:

- Forex: Impact primarily on HD substrates
- Price change: Impact primarily on TAC film
- SG&A change: Rose slightly because of an increase in depreciation associated with the operation of a new TAC film plant, although expenses declined in image I/O devices.

## Positive factors:

- Sales volume changes, other: Increases in unit sales of thin film and wide TAC film. An increase of unit sales of glass HD substrates, etc.
- Cost cut: Declined with reductions in parts and production costs in image I/O devices.





# Initiatives from 2Q onwards - Business Technologies

Eliminate back orders through the steady supply of new products backed by a strong sales momentum.  
 Improve the product mix and profitability.

- **Expand unit sales by launching new B/W MFPs in the United States and Europe**
  - ✓ Strengthen sales by promoting the Optimized Printing Service (OPS) approach.
  - ✓ Bolster vertical marketing and solution business.
  - ✓ Gain large account customers.
- **Expand sales of color MFPs, particularly in Asia and emerging countries**
- **Vigorously enforce explicit expense controls, with a focus on sales expansion**



“bizhub 423, 363, 283, 223”  
 Enhanced product lineup for Europe and North America

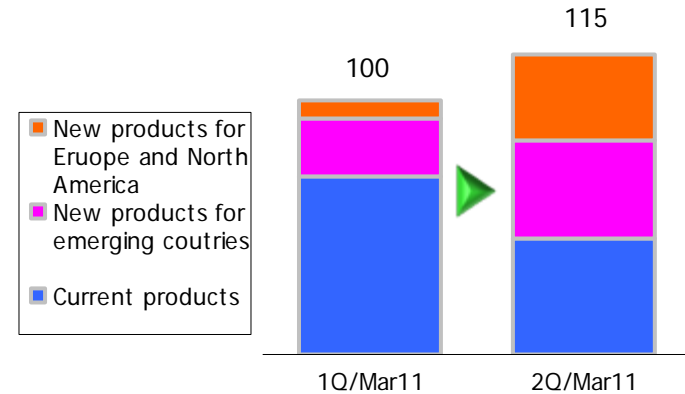
The essentials of imaging



“bizhub 184, 164”  
 (Dedicated model for emerging countries)

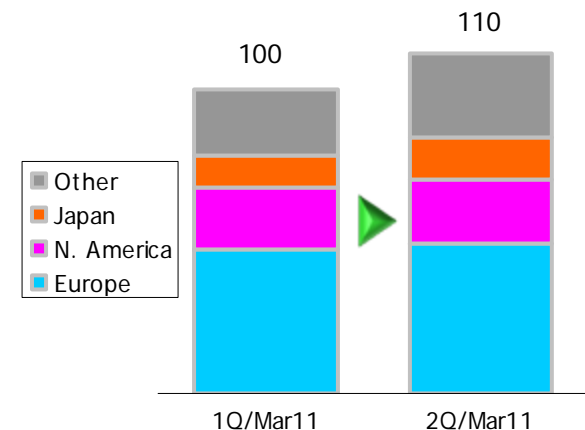
## ◆ Office B/W MFP unit sales

\*Base index : “1Q/Mar11” = 100



## ◆ Office color MFP unit sales

\*Base index : “1Q/Mar11” = 100



## New products – production printing

Launch a new series in the light production printing segment, in addition to “top-of-the-line” models for printing professionals.

Actively develop sales channels to expand business.

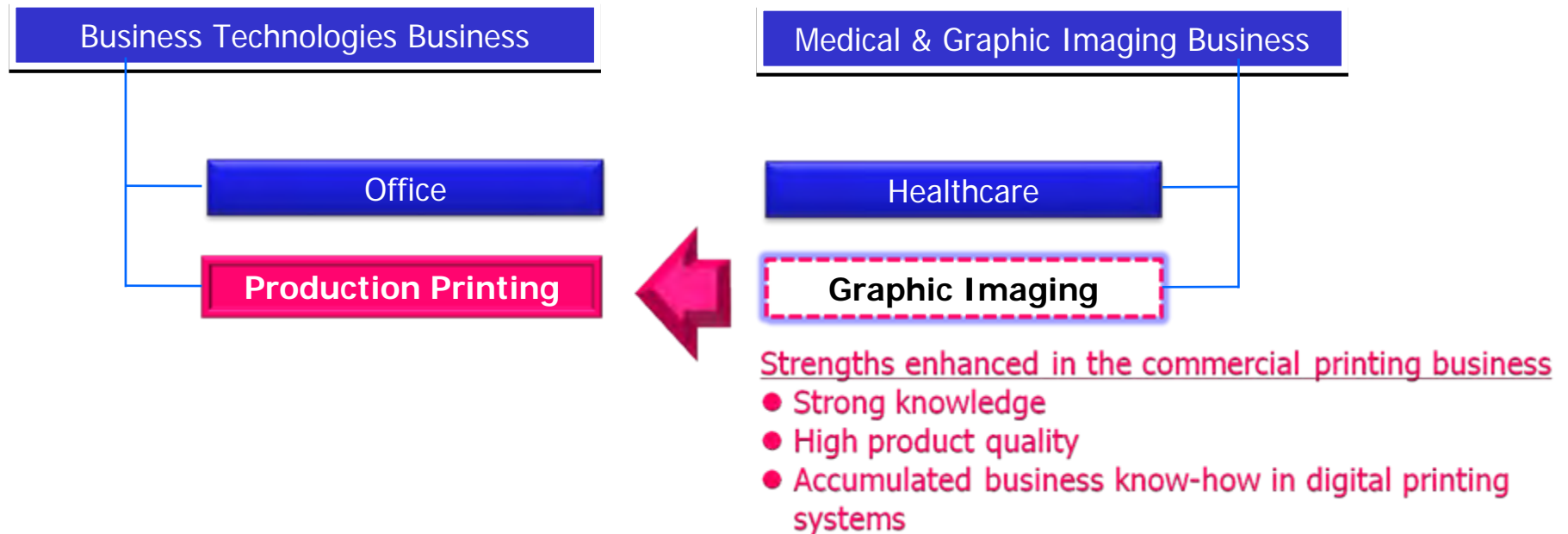
- **‘Flagship’ model for printing professionals**
  - ✓ Comprehensively enhanced functions for promoting digital printing.
  - ✓ Provide high image quality and high definition on par with off-set printing - “New Simitri HD”.
  - ✓ High productivity and durability, and high image stability.
  
- **First-class image quality and image stability in light production printing**
  - ✓ Offer consistently high image quality, from initial output to final output.
  - ✓ Achieve high image quality and high definition on a par with offset printing, as in the top-of-the-line model.
  - ✓ Extensive inline book binding functions, including perfect binding (option).
  - ✓ Handle high-grade papers with an improved paper feeding function.



# Group reorganization for strengthening production printing business

Objective of reorganization:

- Integrate and consolidate the graphic imaging operation of the Medical & Graphic Imaging with the production printing operation of the Business Technologies Business.
- The Company will aim to bolster its competitiveness and expand business in the production printing market.



Effective date of reorganization: October 1, 2010 (scheduled)

# Forecasts FY/March 2011



|   | [Billions of yen] |             |             |             |      |       |
|---|-------------------|-------------|-------------|-------------|------|-------|
|   | Mar2011           |             | Mar2010     |             | YoY  |       |
|   | 1H                | FY          | 1H          | FY          | 1H   | FY    |
| Net sales (a)                               | 400.0             | 830.0       | 393.3       | 804.5       | 6.7  | 25.5  |
| Operating income                            | 21.0              | 50.0        | 9.2         | 44.0        | 11.8 | 6.0   |
| <i>Operating income ratio</i>               | <i>5.3%</i>       | <i>6.0%</i> | <i>2.3%</i> | <i>5.5%</i> |      |       |
| Goodwill amortization                       | 4.5               | 9.0         | 4.8         | 9.2         | -0.3 | -0.2  |
| Operating income before dep.of goodwill (b) | 25.5              | 59.0        | 14.0        | 53.2        | 11.5 | 5.8   |
| <i>(b)/(a)</i>                              | <i>6.4%</i>       | <i>7.1%</i> | <i>3.6%</i> | <i>6.6%</i> |      |       |
| Net income                                  | 8.0               | 20.0        | 3.5         | 16.9        | 4.5  | 3.1   |
| <i>Net income ratio</i>                     | <i>2.0%</i>       | <i>2.4%</i> | <i>0.9%</i> | <i>2.1%</i> |      |       |
| FCF   |                   | 20.0        | 32.1        | 72.9        |      | -52.9 |
| Dividend per share [yen]                    |                   | 15.0        | 7.5         | 15.0        |      |       |

| FOREX | [Yen] | USD  | From 2Q onward | 90.00  | 95.49  | 92.85  |
|-------|-------|------|----------------|--------|--------|--------|
|       |       | Euro |                | 110.00 | 133.16 | 131.15 |

| Foreign exchange impact (Annual): | USD      | Euro     |
|-----------------------------------|----------|----------|
| Net sales:                        | ¥2.5 bn. | ¥1.3 bn. |
| Operating income:                 | ¥0.3 bn. | ¥0.7 bn. |

***Supplementary Information***  
***1Q/Mar2011 Financial Results***

## Results: 1Q/March 2011



|                               |              |              |        | [Billions of yen]     |                 |
|-------------------------------|--------------|--------------|--------|-----------------------|-----------------|
|                               | 1Q/Mar11     | 1Q/Mar10     | YoY    | 1Q/Mar11<br>Forecast* | Progress<br>[%] |
| Net sales                     | 194.7        | 189.4        | 5.3    | 400.0                 | 49%             |
| Gross income                  | 88.4         | 79.7         | 8.7    |                       |                 |
| <i>Gross income ratio</i>     | <i>45.4%</i> | <i>42.1%</i> |        |                       |                 |
| Operating income (loss)       | 9.8          | -0.6         | 10.4   | 21.0                  | 47%             |
| <i>Operating income ratio</i> | <i>5.0%</i>  | <i>-0.3%</i> |        | <i>5.3%</i>           |                 |
| Ordinary income               | 6.4          | 0.6          | 5.8    | 19.0                  |                 |
| Net income before taxes       | 2.2          | 0.4          | 1.8    | 15.0                  |                 |
| Net income                    | 3.5          | 0.3          | 3.2    | 8.0                   | 44%             |
| <i>Net income ratio</i>       | <i>1.8%</i>  | <i>0.2%</i>  |        | <i>2.0%</i>           |                 |
| EPS [Yen]                     | 6.58         | 0.56         |        |                       |                 |
| CAPEX                         | 11.1         | 7.5          | 3.6    |                       |                 |
| Depreciation                  | 13.9         | 15.4         | -1.5   |                       |                 |
| R&D expenses                  | 17.1         | 17.7         | -0.5   |                       |                 |
| FCF                           | -1.3         | 5.1          | -6.4   |                       |                 |
| FOREX [Yen]                   | 92.01        | 97.32        | -5.31  |                       |                 |
| USD                           |              |              |        |                       |                 |
| Euro                          | 116.99       | 132.57       | -15.58 |                       |                 |

\* 1Q/Mar11 forecasts: Announced on May 13, 2010

## Results: 1Q/March 2011 - Segment



### Net sales

|                       |              |              |            | [Billions of yen]     |                 |
|-----------------------|--------------|--------------|------------|-----------------------|-----------------|
|                       | 1Q/Mar11     | 1Q/Mar10     | YoY        | 1Q/Mar11<br>Forecast* | Progress<br>[%] |
| Business Technologies | 132.8        | 127.2        | 5.6        | 269.0                 | 49%             |
| Optics                | 35.2         | 34.0         | 1.2        | 71.0                  | 50%             |
| Medical & Graphic     | 21.0         | 23.7         | -2.7       | 49.0                  | 43%             |
| Other businesses      | 3.9          | 2.8          | 1.1        | 8.0                   | 49%             |
| HD and eliminations   | 1.8          | 1.7          | 0.0        | 3.0                   |                 |
| <b>Group total</b>    | <b>194.7</b> | <b>189.4</b> | <b>5.2</b> | <b>400.0</b>          | <b>49%</b>      |

### Operating income

|                               |              |              |             | [Billions of yen]     |                 |
|-------------------------------|--------------|--------------|-------------|-----------------------|-----------------|
|                               | 1Q/Mar11     | 1Q/Mar10     | YoY         | 1Q/Mar11<br>Forecast* | Progress<br>[%] |
| Business Technologies         | 7.6          | 0.2          | 7.4         | 19.0                  | 40%             |
| <i>Operating income ratio</i> | <i>5.8%</i>  | <i>0.2%</i>  |             | <i>7.1%</i>           |                 |
| Optics                        | 5.1          | 1.7          | 3.4         | 9.0                   | 57%             |
| <i>Operating income ratio</i> | <i>14.5%</i> | <i>4.9%</i>  |             | <i>12.7%</i>          |                 |
| Medical & Graphic             | -0.1         | 0.8          | -0.9        | 0.5                   | -               |
| <i>Operating income ratio</i> | <i>-0.4%</i> | <i>3.5%</i>  |             | <i>1.0%</i>           |                 |
| Other businesses              | 0.5          | -0.2         | 0.7         | 0.5                   |                 |
| HD and eliminations           | -3.3         | -3.1         | -0.2        | -8.0                  |                 |
| <b>Group total</b>            | <b>9.8</b>   | <b>-0.6</b>  | <b>10.4</b> | <b>21.0</b>           | <b>47%</b>      |
| <i>Operating income ratio</i> | <i>5.1%</i>  | <i>-0.3%</i> |             | <i>5.3%</i>           | <i>-</i>        |

\* Other businesses: Sensing and Industrial Inkjet businesses

\* Previous forecasts: Announced on 13 May, 2010

## Forecasts: 1H and 2H/March 2011

[Billions of yen]

|                         | FORCAST     |                | FY/Mar 2011 | Mar/2010    | YoY   |
|-------------------------|-------------|----------------|-------------|-------------|-------|
|                         | 1H          | 2H             | FY          |             |       |
| Net sales               | 400.0       | 430.0          | 830.0       | 804.5       | 25.5  |
| Operating income        | 21.0        | 29.0           | 50.0        | 44.0        | 6.0   |
| <i>OP ratio</i>         | <i>5.3%</i> | <i>6.7%</i>    | <i>6.0%</i> | <i>5.5%</i> |       |
| Ordinary income         | 19.0        | 27.0           | 46.0        | 40.8        | 5.2   |
| Net income before taxes | 15.0        | 23.5           | 38.5        | 36.1        | 2.4   |
| Net income              | 8.0         | 12.0           | 20.0        | 16.9        | 3.1   |
| <i>Net income ratio</i> | <i>2.0%</i> | <i>2.8%</i>    | <i>2.4%</i> | <i>2.1%</i> |       |
| CAPEX                   |             |                | 55.0        | 36.9        | 18.1  |
| Depreciation            |             |                | 65.0        | 61.2        | 3.8   |
| R&D expenses            |             |                | 80.0        | 68.5        | 11.5  |
| FCF                     |             |                | 20.0        | 72.9        | -52.9 |
| FOREX [P/L] [Yen]       |             |                |             |             |       |
| USD                     |             | From 2Q onward | 90.00       | 92.85       |       |
| Euro                    |             |                | 110.00      | 131.15      |       |



## Forecasts: 1H and 2H/March 2011 - Segment

### Net sales

[Billions of yen]

|                       | FORCAST      |              | FY/Mar 2011  | Mar/2010     | YoY         |
|-----------------------|--------------|--------------|--------------|--------------|-------------|
|                       | 1H           | 2H           | FY           |              |             |
| Business Technologies | 269.0        | 291.0        | 560.0        | 540.8        | 19.2        |
| Optics                | 71.0         | 73.0         | 144.0        | 136.7        | 7.3         |
| Medical & Graphic     | 49.0         | 53.0         | 102.0        | 104.4        | -2.4        |
| Other businesses      | 8.0          | 9.0          | 17.0         | 14.5         | 2.5         |
| HD and eliminations   | 3.0          | 4.0          | 7.0          | 8.1          | -1.1        |
| <b>Group total</b>    | <b>400.0</b> | <b>430.0</b> | <b>830.0</b> | <b>804.5</b> | <b>25.5</b> |

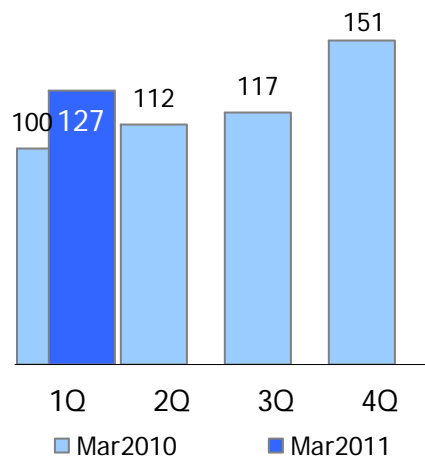
### Operating income

[Billions of yen]

|                               | FORCAST      |              | FY/Mar 2011  | Mar/2010     | YoY        |
|-------------------------------|--------------|--------------|--------------|--------------|------------|
|                               | 1H           | 2H           | FY           |              |            |
| Business Technologies         | 19.0         | 25.0         | 44.0         | 39.0         | 5.0        |
| <i>Operating income ratio</i> | <i>7.1%</i>  | <i>8.6%</i>  | <i>7.9%</i>  | <i>7.2%</i>  |            |
| Optics                        | 9.0          | 11.5         | 20.5         | 14.4         | 6.1        |
| <i>Operating income ratio</i> | <i>12.7%</i> | <i>15.8%</i> | <i>14.2%</i> | <i>10.5%</i> |            |
| Medical & Graphic             | 0.5          | 1.5          | 2.0          | 1.5          | 0.5        |
| <i>Operating income ratio</i> | <i>1.0%</i>  | <i>2.8%</i>  | <i>2.0%</i>  | <i>1.4%</i>  |            |
| Other businesses              | 0.5          | 1.0          | 1.5          | 1.0          | 0.5        |
| HD and eliminations           | -8.0         | -10.0        | -18.0        | -11.9        | -6.1       |
| <b>Group total</b>            | <b>21.0</b>  | <b>29.0</b>  | <b>50.0</b>  | <b>44.0</b>  | <b>6.0</b> |
| <i>Operating income ratio</i> | <i>5.3%</i>  | <i>6.7%</i>  | <i>6.0%</i>  | <i>5.5%</i>  |            |

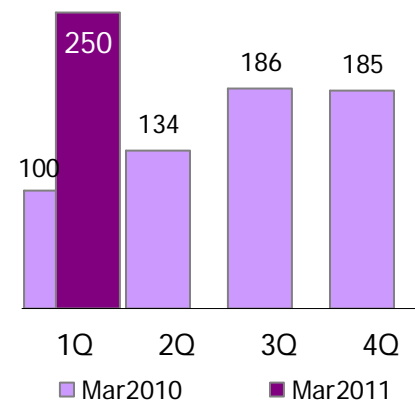
# Unit sales: Business Technologies

## A3 color MFP – Units



YoY: +27%

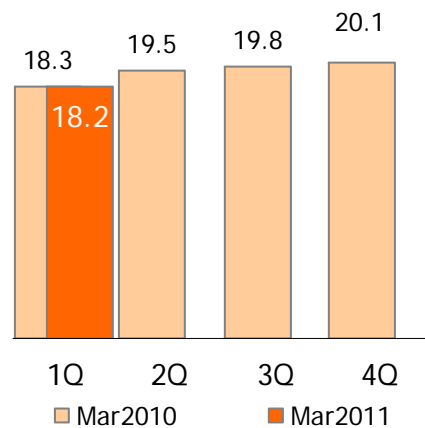
## A4 color MFP – Units



YoY: +150%

## Production printing – Value

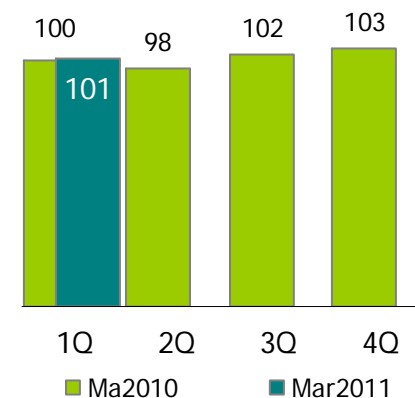
[¥ billions]



Remained unchanged from the previous year

## MFP non-hardware

\* w/o forex effects

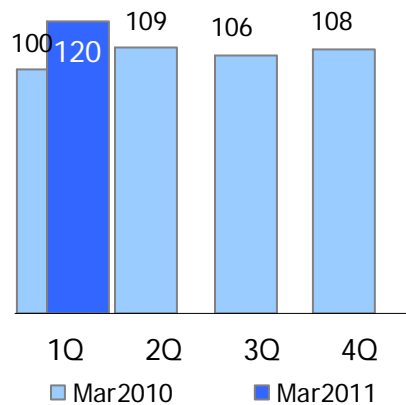


Remained unchanged from the previous year

\* Base index : "1Q Mar2010" = 100

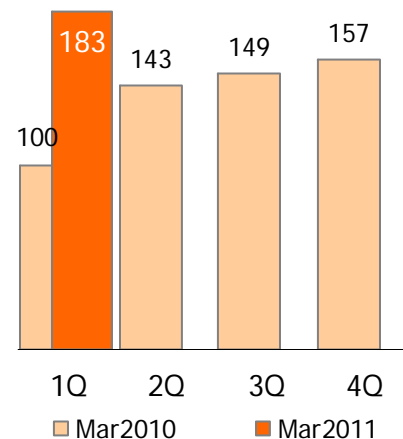
# Unit Sales: Optics

## TAC film – Units



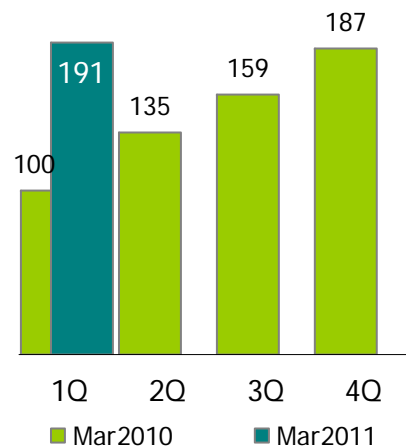
YoY: +20%

## Optical pickup lenses - Units



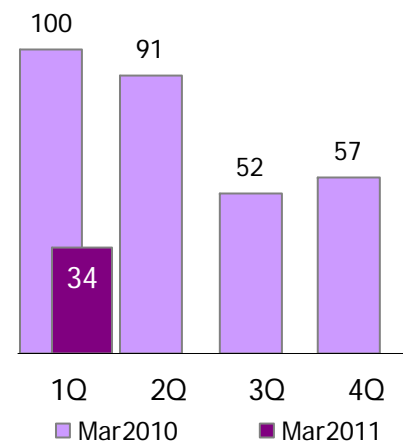
YoY: +83%

## Glass HD substrates - Units



YoY: +91%

## Mobile phone components – Units



YoY: -66%

# Operating profit analysis



**1Q/Mar2011 vs.  
1Q/Mar2010**

**[Factors]**

Forex impact  
 Prince change  
 Sales volume change, and other, net  
 Cost down  
 SG&A change, net

**[Operating income]**

Change, YoY

|  | [Billions of yen]     |        |       |       |
|--|-----------------------|--------|-------|-------|
|  | Business Technologies | Optics | Other | Total |
|  | -3.4                  | -0.4   | -0.4  | -4.2  |
|  | -4.6                  | -1.3   | 0.0   | -5.9  |
|  | 13.9                  | 5.2    | -2.2  | 16.9  |
|  | 3.1                   | 0.2    | 0.5   | 3.7   |
|  | -1.6                  | -0.2   | 1.6   | -0.2  |
|  | 7.4                   | 3.4    | -0.4  | 10.4  |

## SGA, non-operating and extraordinary income/loss

[Billions of yen]

| SG&A:                       | 1Q/Mar11    | 1Q/Mar10    | YoY         |
|-----------------------------|-------------|-------------|-------------|
| Selling expenses - variable | 10.5        | 8.9         | 1.6         |
| R&D expenses                | 17.1        | 17.7        | -0.5        |
| Labor costs                 | 29.4        | 31.0        | -1.6        |
| Other                       | 21.6        | 22.7        | -1.1        |
| <b>SGA total*</b>           | <b>78.6</b> | <b>80.3</b> | <b>-1.7</b> |

\* *Forex impact: -¥2.6 bn. (Actual: ¥0.9 bn.)*

### Non-operating income/ loss:

|  |             |            |             |
|--|-------------|------------|-------------|
| Interest and dividend income/loss, net | -0.3        | -0.4       | 0.1         |
| Foreign exchange gain, net             | -2.6        | 1.4        | -4.0        |
| Other                                  | -0.5        | 0.2        | -0.7        |
| <b>Non-operating income/ loss, net</b> | <b>-3.4</b> | <b>1.2</b> | <b>-4.6</b> |

### Extraordinary income/ loss:

|   |             |             |             |
|---|-------------|-------------|-------------|
| Sales of noncurrent assets, net   | -0.3        | -0.2        | -0.1        |
| Sales of investment securities, and sales of subsidiaries and affiliates' stocks, net | -1.0        | -0.2        | -0.8        |
| Business structure improvement expenses   | -2.4        | -0.8        | -1.5        |
| Other   | -0.6        | 1.1         | -1.7        |
| <b>Extraordinary income/ loss, net</b>  | <b>-4.2</b> | <b>-0.2</b> | <b>-4.0</b> |

# B/S

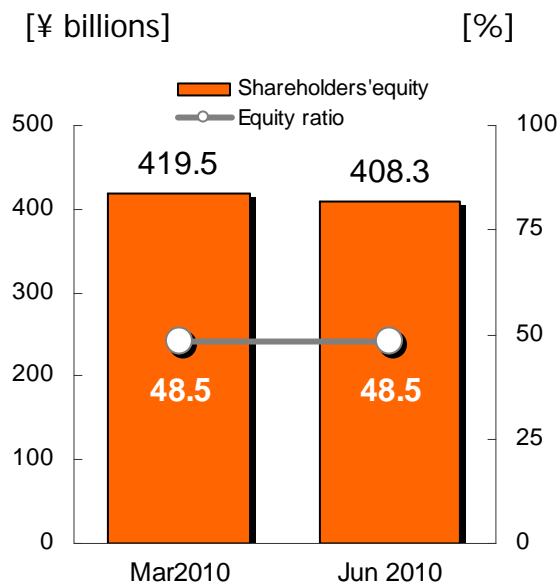


| Assets:                                   | [Billions of yen] |              |              | [yen]       |          |        |
|---|-------------------|--------------|--------------|-------------|----------|--------|
|   | Jun 2010          | Mar 2010     | Change       | Jun 2010    | Mar 2010 | YoY    |
| Cash and short-term investment securities | 160.1             | 164.1        | -4.0         | US\$ 88.48  | 93.04    | -4.56  |
| Notes and A/R-trade                       | 163.7             | 177.7        | -14.0        | Euro 107.81 | 124.92   | -17.11 |
| Inventories                               | 96.9              | 98.3         | -1.3         |             |          |        |
| Other                                     | 56.3              | 49.1         | 7.2          |             |          |        |
| <b>Total current assets</b>               | <b>477.1</b>      | <b>489.3</b> | <b>-12.2</b> |             |          |        |
| Tangible assets                           | 200.8             | 205.1        | -4.2         |             |          |        |
| Intangible assets                         | 94.1              | 99.1         | -5.0         |             |          |        |
| Investments and other assets              | 70.0              | 72.4         | -2.4         |             |          |        |
| <b>Total noncurrent assets</b>            | <b>364.9</b>      | <b>376.5</b> | <b>-11.6</b> |             |          |        |
| <b>Total assets</b>                       | <b>842.0</b>      | <b>865.8</b> | <b>-23.8</b> |             |          |        |
| <b>Liabilities and Net Assets:</b>        |                   |              |              |             |          |        |
| Notes and A/P-trade                       | 85.4              | 83.1         | 2.2          |             |          |        |
| Interest bearing debts                    | 194.9             | 197.4        | -2.4         |             |          |        |
| Other liabilities                         | 152.1             | 164.5        | -12.4        |             |          |        |
| <b>Total liabilities</b>                  | <b>432.4</b>      | <b>445.0</b> | <b>-12.6</b> |             |          |        |
| Total shareholders' equity*               | 408.3             | 419.5        | -11.3        |             |          |        |
| Other                                     | 1.3               | 1.2          | 0.1          |             |          |        |
| <b>Total net assets</b>                   | <b>409.6</b>      | <b>420.8</b> | <b>-11.2</b> |             |          |        |
| <b>Total liabilities and net assets</b>   | <b>842.0</b>      | <b>865.8</b> | <b>-23.8</b> |             |          |        |

\* Shareholders' equity + valuation and translation adjustments

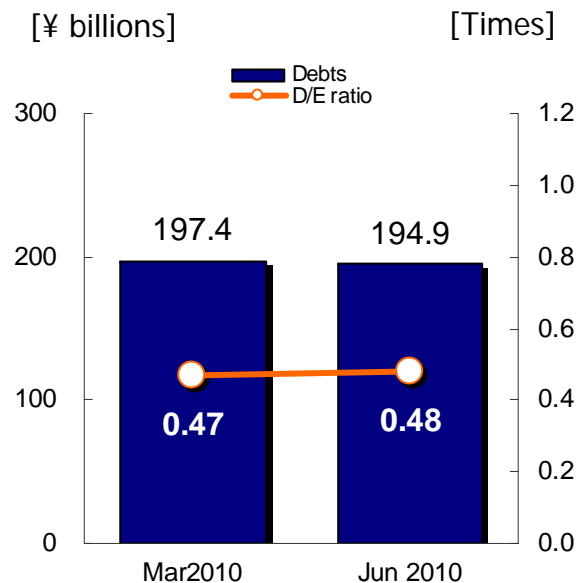
# B/S – Main indicators

## ■ Equity ratio



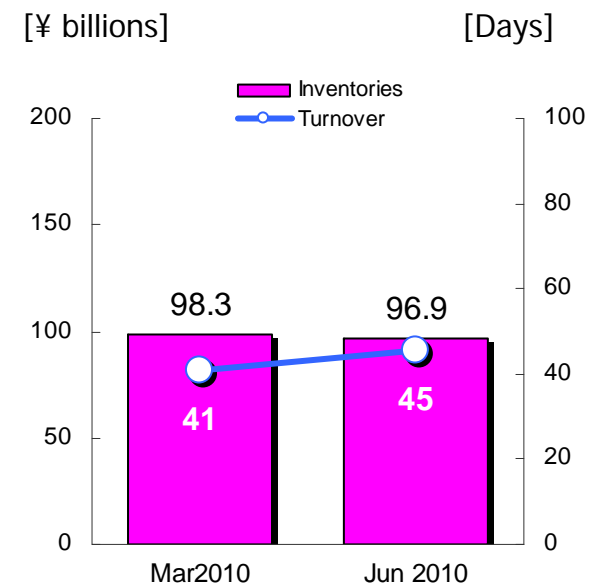
Equity ratio = Equity / Total assets  
 Equity = Shareholder's equity +  
 Total revaluation and translation adjustments

## ■ Interest-bearing debts



D/E ratio = Interest-bearing  
 debts at year-end /  
 Shareholders' equity at year-end

## ■ Inventories and inventory turnover



Inventory turnover (days) = Inventories  
 at period-end / Average sales per day

## Cash flows

|   | [Billions of yen] |             |              |
|---|-------------------|-------------|--------------|
|   | 1Q/Mar11          | 1Q/Mar10    | YoY          |
| Income before income taxes and minority interests | 2.2               | 0.4         | 1.8          |
| Depreciation and amortization                     | 13.9              | 15.4        | -1.5         |
| Income taxes paid                                 | -1.4              | -0.9        | -0.5         |
| Change in working capital                         | -7.2              | -0.6        | -6.6         |
| <b>I. Net cash provided by operating</b>          | <b>7.5</b>        | <b>14.3</b> | <b>-6.8</b>  |
| <b>II. Net cash used in investing activities</b>  | <b>-8.7</b>       | <b>-9.1</b> | <b>0.4</b>   |
| <b>I.+ II. Free cash flow</b>                     | <b>-1.3</b>       | <b>5.1</b>  | <b>-6.4</b>  |
| Change in debts and bonds                         | 1.4               | 21.2        | -19.8        |
| Cash dividends paid                               | -3.9              | -5.3        | 1.4          |
| Other   | -0.3              | -0.5        | 0.1          |
| <b>III. Net cash used in financing activities</b> | <b>-2.8</b>       | <b>15.4</b> | <b>-18.2</b> |



*Cautionary Statement:*

*The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.*

*Remarks:*

*Yen amounts are rounded to the nearest 100 million.*