January 31, 2013

Fiscal Year ending March 31, 2013
Third Quarter Consolidated Financial Results

Nine months: April 1, 2012 – December 31, 2012

Konica Minolta Holdings, Inc.

Stock exchange listings:	Tokyo, Osaka (First Sections)
Local securities code number:	4902
URL:	http://konicaminolta.com
Listed company name:	Konica Minolta Holdings, Inc.
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Scheduled date for submission of securities report: February 13, 2013
Scheduled date for dividends payment: -
Availability of supplementary information: Yes
Organization of financial result briefing: Yes (for institutional investors)

(Units of less than 1 million yen have been omitted.)

1. Overview of the 3Q performance (From April 1, 2012 to December 31, 2012)

(1) Business performance

Percentage figures represent the change from the same period of the previous year.

[Millions of yen]

	Net sales		Operating income		Ordinary income		Net income	
3Q Mar/2013	577,727	3.1%	27,090	16.3%	26,117	38.2%	10,317	91.1%
3Q Mar/2012	560,372	-2.6%	23,285	-17.6%	18,898	-15.2%	5,399	-50.0%

Note: Comprehensive income
3Q Mar/2013: ¥17,520 million (— %)
3Q Mar/2012: ¥-7,576 million (— %)

	Net income per share	Net income per share (after full dilution)
3Q Mar/2013	19.46 yen	18.87 yen
3Q Mar/2012	10.18 yen	9.86 yen

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)
December 31, 2012	898,697	444,651	49.3%
March 31, 2012	902,052	434,987	48.1%

Notes: Shareholders' equity
As of December 31, 2012: ¥ 443,290 million
As of March 31, 2012: ¥ 433,669 million

2. Dividends per share

[yen]

	1Q	2Q	3Q	Year-end	Total annual
FY Mar/2012	-	7.50	-	7.50	15.00
FY Mar/2013	-	7.50	-		
FY Mar/2013 (forecast)				7.50	15.00

Note: Change to the latest dividend forecast announced: None

3. Consolidated results forecast for fiscal year ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

Percentage figures for the full year represent the change from the previous fiscal year.

[Millions of yen]

	Net sales	%	Operating income	%	Ordinary income	%	Net income	%	Net income per share
Full-year	800,000	4.2	48,000	19.0	44,000	26.6	22,000	7.7	41.49 yen

Note: Change to the latest consolidated results forecast announced: None

■ Notes

(1) Changes in status of material subsidiaries during the quarter under review (Changes to specified subsidiaries accompanying the additional consolidation or removal from consolidation of companies): None

(2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements: Yes

Note: For more detailed information, please see the "(1) Adoption of Special Accounting Treatment Used in Preparation of the Consolidated Quarterly Financial Statements" in the section 2. SUMMARY INFORMATION (NOTES) on page 13.

(3) Changes in accounting policy, changes in accounting estimates, or restatement due to correction

a. Changes in accounting policy accompanying amendment of accounting principles: Yes
b. Changes in accounting policy other than “a.”: None
c. Changes in accounting estimates: Yes
d. Restatement due to correction: None

Note: These are subject to Article 10-5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Financial Statements.
For more detailed information, please see the “(2) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement Due to Correction” in the section 2. SUMMARY INFORMATION (NOTES) on page 13.

(4) Number of outstanding shares（common stock）

a. Outstanding shares at period-end（including treasury stock）

Third quarter of fiscal year ending March 31, 2013:	531,664,337 shares
Fiscal year ended March 31, 2012:	531,664,337 shares

b. Treasury stock at period-end

Third quarter of fiscal year ending March 31, 2013:	1,365,553 shares
Fiscal year ended March 31, 2012:	1,381,591 shares

c. Average number of outstanding shares

Third quarter of fiscal year ending March 31, 2013:	530,287,023 shares
Third quarter of fiscal year ended March 31, 2012:	530,246,363 shares

■ Presentation of Present Status of Quarterly Review Procedures

This “Third Quarter Consolidated Financial Results” is not subject to quarterly review procedures in accordance with the Financial Instruments and Exchange Law and, as of the date of publication of these quarterly consolidated financial results, the quarterly review procedures for the consolidated quarterly financial statements are currently in progress.

■ Explanation of Appropriate Use of Performance Projections and Other Special Items

(Note on forward-looking statements)
This document contains projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. The Group makes no warranty as to the achievability of the projections. There is a possibility that diverse factors may cause actual performance, etc., to differ materially from the projections. Please see the “(3) Outlook for the Fiscal Year Ending March 31, 2013” in the section 1. CONSOLIDATED OPERATING RESULTS on page 13 for more information on points to be remembered in connection with assumptions for projections and the use of projections.

(How to obtain supplementary information and information on a financial results briefing)
The Group will hold a financial results briefing for institutional investors on Thursday, January 31, 2013. Descriptions at the briefing and presentation slides to be used at the briefing will be posted on the website of the Group immediately after the briefing.

Supplementary Information

>>> INDEX <<<

1. CONSOLIDATED OPERATING RESULTS 5

(1) Qualitative Information of Consolidated Performance 5

(2) Financial Position 11

(3) Outlook for the Fiscal Year Ending March 31, 2013 13

2. SUMMARY INFORMATION (NOTES) 13

(1) Adoption of Special Accounting Treatment Used in Preparation of the Consolidated Quarterly Financial Statements 13

(2) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement Due to Correction 13

3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS 14

(1) Consolidated Quarterly Balance Sheets 14

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income 16

Consolidated Quarterly Statements of Income -Nine months 16

Consolidated Quarterly Statements of Comprehensive Income -Nine months 17

Consolidated Quarterly Statements of Income -Three months 18

Consolidated Quarterly Statements of Comprehensive Income -Three months 19

(3) Consolidated Quarterly Statements of Cash Flow 20

(4) Notes regarding Going Concern Assumptions 22

(5) Notes regarding Significant Change in Shareholders' Equity 22

(6) Segment Information 22

1. CONSOLIDATED OPERATING RESULTS

(1) Qualitative Information of Consolidated Performance

1. Overview of Performance

Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

Nine months
Year-on-Year [Billions of yen]

	Apr-Dec / Mar 2013	Apr-Dec / Mar 2012	Increase (Decrease)	
Net sales	577.7	560.3	17.3	3.1%
Gross profit	269.7	260.0	9.7	3.7%
Operating income	27.0	23.2	3.8	16.3%
Ordinary income	26.1	18.8	7.2	38.2%
Income before income taxes and minority interests	22.9	14.0	8.8	63.0%
Net income	10.3	5.3	4.9	91.1%
Net income per share [yen]	19.46	10.18	9.27	91.1%
Capital expenditure	24.9	22.3	2.5	11.3%
Depreciation	33.2	36.0	(2.7)	-7.7%
R & D expenses	53.3	55.4	(2.1)	-3.8%
Free cash flow	(13.7)	17.7	(31.4)	-%
Number of employees [persons]	41,476	37,531	3,945	10.5%
Exchange rates [yen]				
US dollar	80.00	78.99	1.01	1.3%
Euro	102.17	110.61	(8.44)	-7.6%

Looking at the main businesses of the Konica Minolta Group during the first three quarters of the consolidated fiscal year under review (April 1, 2012 to December 31, 2012), in the Business Technologies Business, despite the lack of significant growth overall in market demand in the office field, sales volumes were up slightly year on year thanks to the introduction of new products in the A3 color MFPs "bizhub" Series and successful efforts to strengthen IT service capabilities. The production print field faced a challenging market environment that was typified by increased concerns over a business downturn and intensified competition in the market since the middle of last year. Nonetheless, sales volumes grew year on year due to the introduction of new products and initiatives to strengthen sales capabilities.

In the Industrial Business, while sales were soft for glass substrates for HDDs and optical pickup lenses due to a deterioration in market conditions and the impact of inventory adjustments, sales for thin plain TAC films for LCD polarizers ("TAC films for LCD polarizers" hereinafter referred to as "TAC films") and VA-TAC films for increasing the viewing angles (hereinafter referred to as "VA-TAC films") remained strong throughout the period under review, and sales volumes were up year on year for projector lenses for digital cinemas and replacement lenses for DSLR cameras. In addition, sales were strong for light meters throughout the period, thanks to initiatives that were launched to strengthen competitiveness.

In the Healthcare Business, sales were strong for digital X-ray diagnostic imaging systems such as the "AeroDR" the cassette digital X-ray detector.

As a result, the Konica Minolta Group recorded net sales of ¥577.7 billion, an increase of 3.1% year on year, on a consolidated basis for the first three quarters of the fiscal year under review. Despite some adjustments in the high yen, the yen rose nearly ¥8 against the euro, and the impact of foreign exchange rates acted to reduce earnings by ¥7.4 billion. In spite of this, sales were up year on year due to sales strengthening initiatives focused on main products that were implemented in each business.

Operating income was ¥27.0 billion, an increase of 16.3% from the same period of the previous fiscal year. Profits were down year on year in the Business Technologies Business due to the impact of the high yen, failure to achieve cost reduction plans for some products, and an increase in advanced investments relating to sales reinforcement measures. On the other hand, in the Industrial Business and the Healthcare Business, profits increased due to increased sales and initiatives to improve profitability. Ordinary income was ¥26.1 billion, an increase of 38.2% year on year, due to a ¥3.4 billion year-on-year increase in non-operating income as a result of factors including a significant improvement in foreign exchange losses. Income before income taxes and minority interests was ¥22.9 billion, an increase of 63.0% year on year, primarily attributable to a loss on sales and retirement of noncurrent assets and impairment of ¥2.9 billion associated with a portion of production equipment. Net income of ¥10.3 billion was recorded, an increase of 91.1% year on year.

2. Overview by Segment

Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

	Nine months Year-on-Year		[Billions of yen]	
	Apr-Dec / Mar 2013	Apr-Dec / Mar 2012	Increase (Decrease)	
Business Technologies				
Net sales - external	405.1	400.8	4.2	1.1%
Operating income	18.4	24.6	(6.2)	-25.3%
Industrial Business				
Net sales - external	114.4	91.1	-	-%
Operating income	21.5	9.6	-	-%
Healthcare				
Net sales - external	50.0	51.9	(1.8)	-3.6%
Operating income (loss)	1.1	(0.5)	1.7	-%

Note: Figures in Industrial Business for Apr-Dec/Mar 2012 are the figures of former Optics Business.

Business Technologies Business

Office field:

Sales were strong throughout the period under review for the A3 color MFPs "bizhub" Series, as five new models were gradually launched during the first half of the year. Sales volumes of A3 color MFPs were up year on year in regions worldwide, including Japan, the US, and Europe, and Other regions. Although sales were down year on year for A3 monochrome MFPs amidst concerns of an economic slowdown in Europe and China, sales volumes were up slightly overall for A3 MFPs. In sales towards major clients on a global level that are being strengthened as growth fields for this segment, the number of customers was expanded during the period under review as global contracts were acquired with a major European printer and pharmaceutical manufacturer.

Production print field:

Meanwhile, in the production print field, the challenging market environment typified by deterioration in business conditions and intensified competition was mitigated for color units by the contribution from increased sales in the US and Japan, while performance was solid for monochrome units thanks to the introduction of new digital printing systems from the first half of the year, such as the "bizhub PRO 951" and "bizhub PRESS 1250." As a result, sales volumes grew year on year for both color units and monochrome units.

In the Business Technologies Business, the Company has been actively promoting M&As for the purpose of expanding sales of digital equipment and solution services and preparing for the transformation of our business portfolio. In the office field, the Company acquired IT service providers Serians S.A.S. (headquartered in France) in June and Raber+Märcker GmbH (headquartered in Germany) in December of last year (coming into effect on January 1, 2013), to develop OPS (Optimized Print Services) globally and to bolster IT services to serve as the focal point in preparations for emerging changes in the nature of our business. Furthermore, three companies were similarly acquired in the US through M&As. Meanwhile, in the production print field, the Company acquired FedEx Kinko's Japan Co., Ltd. (headquartered in Tokyo), one of Japan's largest on-demand printing providers, in May of last year and Charterhouse PM Limited (headquartered in the UK), a leading European marketing service production company, in December of last year to enhance sales and solution proposal capabilities in the in-house printing market.

As a result, net sales of the Business Technologies Business to outside customers and operating income stood at ¥405.1 billion and ¥18.4 billion, respectively. Net sales were up year on year as an increase in sales volumes for new office color MFPs and production print units and the effect of M&As offset the impact of yen appreciation against the euro. Operating income fell year on year due to the impact of the high yen, failure to achieve cost reduction plans for some products, and an increase in advanced investments relating to sales reinforcement measures.

Industrial Business

Display materials field:
Sales of our core thin film products such as TAC film with a thickness of 60μm and VA-TAC film with a thickness of 40μm were strong throughout the year, as sales volumes of these products grew year on year. Furthermore, the Company made the industry-pioneering move of commencing mass production of ultra-thin TAC film with a thickness of 25μm for the mobile market in November of last year.

Memory devices field:
In glass substrates for HDDs, despite the launch of full-scale production of products for 500 GB HDDs, sales were down significantly year on year as orders took a considerable dive as a result of production adjustments in response to the deterioration in market conditions from last summer onward. Sales of pickup lenses for optical disks were stagnant as a recovery in market conditions was not seen for products for either Blu-ray Discs or DVDs.

Image input/output components field:
The application of the Company's projector lenses for digital cinemas, replacement lenses for DSLR cameras, and zoom lens units for compact digital cameras has increased and shipping of lens units for smartphones commenced from the beginning of last year. As a result of these developments, sales volumes were up year on year for each of these products.

Sensing field:
Large orders were acquired for light meters, including the "CL-200A Chroma Meter" and the "CA-310 Color Analyzer," which are used for quality control in the manufacturing process for displays, such as those for smartphones, and LED lighting, and as a result sales volumes were up year on year. With the aim of strengthening competitiveness in this light measurement segment, Instrument Systems GmbH (headquartered in Germany), which has a particularly high market share of top segment products, was acquired in November of last year.

As a result, net sales of the Industrial Business to outside customers and operating income stood at ¥114.4 billion and ¥21.5 billion, respectively. Both sales and profits grew year on year due to an increase in overall sales volumes for major products, excluding some products such as those in the memory field.

Note that the reportable segments have changed as of the first quarter accounting period. For details, refer to "3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS, (6) Segment Information, [2] Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012), 3. Matters Associated with Changes in Reportable Segments."

Healthcare Business

In the Healthcare Business, the Company focused on increasing sales of digital X-ray diagnostic imaging systems to medical facilities in Japan and overseas. Sales of "AeroDR," the cassette digital X-ray detector equipped with a high resolution scintillator developed and manufactured in-house, were strong for both general X-ray systems and nursing carts, while sales volumes of medical digital input devices increased year on year. Sales of film products continued to decline, particularly in developed countries.

As a result of the factors described above, net external sales stood at ¥50.0 billion. As a result of improved profitability triggered by increased sales of DR products and thorough cost management, operating income stood at ¥1.1 billion, up from an operating loss of ¥0.5 billion that was posted during the same period of the previous fiscal year.

<Reference>

Overview of Performance

Three months ended December 31, 2012 (From October 1, 2012 to December 31, 2012)

	Year-on-Year		[Billions of yen]	
	3Q / Mar 2013	3Q / Mar 2012	Increase (Decrease)	
Net sales	193.9	182.0	11.8	6.5%
Gross profit	89.7	86.3	3.3	3.9%
Operating income	6.8	7.6	(0.8)	-11.3%
Ordinary income	7.8	7.3	0.5	7.8%
Income before income taxes and minority interests	7.8	5.6	2.1	39.0%
Net income	2.7	1.6	1.0	64.4%
Net income per share [yen]	5.11	3.11	2.00	64.4%
Capital expenditure	7.7	8.6	(0.8)	-9.9%
Depreciation	11.5	12.4	(0.8)	-7.0%
R & D expenses	18.7	18.7	0.0	0.3%
Free cash flow	(4.1)	1.7	(5.9)	-%
Exchange rates [yen]				
US dollar	81.17	77.38	3.79	4.9%
Euro	105.25	104.29	0.96	0.9%

Three months Business Performance by Segment

	Year-on-Year		[Billions of yen]	
	3Q / Mar 2013	3Q / Mar 2012	Increase (Decrease)	
Business Technologies				
Net sales - external	140.2	131.9	8.3	6.3%
Operating income	5.3	9.3	(3.9)	-42.7%
Industrial Business				
Net sales - external	35.0	27.7	-	-%
Operating income	5.9	2.4	-	-%
Healthcare				
Net sales - external	16.1	17.2	(1.0)	-6.2%
Operating income (loss)	0.0	(0.2)	0.2	-%

Note: Figures in Industrial Business for 3Q/Mar 2012 are the figures of former Optics Business.

(2) Financial Position

1. Analysis of Financial Position

		As of December 31, 2012	As of March 31, 2012	Increase (Decrease)
Total assets	[Billions of yen]	898.6	902.0	(3.3)
Total liabilities	[Billions of yen]	454.0	467.0	(13.0)
Net assets	[Billions of yen]	444.6	434.9	9.6
Equity ratio	[%]	49.3	48.1	1.2

Total assets at the end of the third quarter of the consolidated fiscal year under review were down ¥3.3 billion (0.4%) from the previous fiscal year-end, to ¥898.6 billion. Current assets fell ¥20.6 billion (3.6%) to ¥545.2 billion (60.7% to total assets), while noncurrent assets rose ¥17.2 billion (5.1%) to ¥353.4 billion (39.3% to total assets).

With respect to current assets, cash and deposits increased ¥3.8 billion from the end of the previous fiscal year, to ¥94.4 billion, but securities decreased ¥44.2 billion. As a result of advanced redemption of bonds, cash and cash equivalents decreased ¥40.4 billion, to ¥191.4 billion. Meanwhile, notes and accounts receivable-trade increased ¥2.1 billion from the previous fiscal year-end, to ¥176.3 billion, while inventories increased ¥16.5 billion to ¥121.6 billion.

With respect to noncurrent assets, property, plant and equipment decreased ¥3.4 billion from the previous fiscal year-end, to ¥175.5 billion, as a result of progress in depreciation. Intangible assets increased ¥17.1 billion to ¥104.5 billion as a result of an increase in goodwill accompanying the M&As in the Business Technologies Business and Industrial Business. Investments and other assets also increased, by ¥3.5 billion to ¥73.3 billion.

Total liabilities decreased ¥13.0 billion (2.8%) from the previous fiscal year-end, to ¥454.0 billion. Notes and accounts payable-trade declined ¥7.3 billion, to ¥80.7 billion, while interest-bearing debt (a sum of short-term loans payable, long-term loans payable and bonds payable) decreased ¥10.2 billion to ¥217.7 billion.

Net assets increased ¥9.6 billion (2.2%) from the previous fiscal year-end, to ¥444.6 billion. In accumulated other comprehensive income, valuation difference on available-for-sale securities decreased ¥0.6 billion from the previous fiscal year-end due to the influence of the weak stock market. Meanwhile, the foreign currency translation adjustment rose by ¥8.3 billion due to fluctuations in foreign currency translation adjustments brought about by yen depreciation, mainly against the US dollar and the euro.

As a result, the shareholders' equity ratio increased 1.2 percentage points, to 49.3%.

2. Cash Flows

[Billions of yen]

	Apr-Dec / Mar 2013	Apr-Dec / Mar 2012	Increase (Decrease)
Cash flows from operating activities	35.5	49.0	(13.4)
Cash flows from investing activities	(49.3)	(31.2)	(18.0)
Total (Free cash flow)	(13.7)	17.7	(31.4)
Cash flows from financing activities	(27.8)	22.5	(50.4)

During the first three quarters of the consolidated fiscal year under review, net cash provided by operating activities was ¥35.5 billion, while net cash used in investing activities, mainly associated with capital investment and acquisitions, totaled ¥49.3 billion. As a result, free cash flow (the sum of operating and investing activities) was an outflow of ¥13.7 billion.

Net cash used in financing activities was ¥27.8 billion.

In addition, cash and cash equivalents at the end of the third quarter of the consolidated fiscal year under review stood at ¥191.4 billion, down ¥40.4 billion from the previous fiscal year-end, reflecting the effect of changes in exchange rates on cash and cash equivalents.

The details of cash flows associated with each activity during the first three quarters of the consolidated fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities stood at ¥35.5 billion (compared with net cash provided of ¥49.0 billion in the same period of the previous fiscal year). Although the Group reported a decrease in working capital of ¥17.0 billion and a payment of ¥10.2 billion for income taxes, these amounts were more than offset by income before income taxes and minority interests of ¥22.9 billion, depreciation of ¥33.2 billion, and amortization of goodwill of ¥7.0 billion.

Cash flows from investing activities

Net cash used in investing activities was ¥49.3 billion (compared with an outflow of ¥31.2 billion in the same period in the previous consolidated fiscal year). Cash of ¥21.1 billion was used for investments in molding for new products in the Business Technologies Business and in the acquisition of property, plant and equipment relating to the reinforcement of production capacities in the Industrial Business. Other cash outflow of ¥17.7 billion includes the acquisition of shares in subsidiaries for the acquisition of companies in Japan, Europe, and the US to strengthen the production print business and IT services capabilities in the Business Technologies Business as well as investments in subsidiaries in the Industrial Business.

As a result, free cash flow (the sum of operating and investing activities) was an outflow of ¥13.7 billion (compared with an inflow of ¥17.7 billion in the same period of the previous fiscal year).

Cash flows from financing activities

Net cash used in financing activities was ¥27.8 billion (compared with ¥22.5 billion provided in the same period of the previous fiscal year), mainly reflecting an expenditure of ¥39.9 billion for the redemption of bonds, a payment of ¥7.8 billion in dividends, and a net increase of ¥21.0 billion in short and long-term loans.

(3) Outlook for the Fiscal Year Ending March 31, 2013

The Konica Minolta Group understands that the outlook of the business environment that surrounds the Group will remain uncertain due to factors including the global economic slowdown triggered by the European debt crisis. However, in light of the performance during the first three quarters of the consolidated fiscal year, the Group maintains its results forecast unchanged from their initial announcement.

Note that the assumed exchange rates for the fourth quarter have been revised to 85 yen for the US dollar and 115 yen for the euro.

Note: The above operating performance forecasts are based on future-related assumptions, outlooks, and plans at the time this report was released, and they involve risks and uncertainties. It should be noted that actual results may differ significantly from these forecasts due to various important factors, such as changes in economic conditions, market trends, and currency exchange rates.

** Figures in qualitative information sections given as billions of yen have been rounded off to the nearest hundred million.*

2. SUMMARY INFORMATION（NOTES）

(1) Adoption of Special Accounting Treatment Used in Preparation of the Consolidated Quarterly Financial Statements

Calculation of tax expenses

The effective tax rate on income before income tax for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and that estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses.

（2） Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement Due to Correction

Change in depreciation method

Starting the first quarter under review, with the revision of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries are depreciating property, plant and equipment acquired on or after April 1, 2012 under the revised Corporation Tax Law.

Because of the change, operating income, ordinary income, and income before income taxes and minority interests for the first three quarters under review each increased ¥380 million compared to the amount calculated by previous method.

3. CONSOLIDATED OUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Quarterly Balance Sheets
December 31, 2012 and March 31, 2012

[Millions of yen]

	March 31, 2012	December 31, 2012
Assets		
Current assets		
Cash and deposits	90,640	94,452
Notes and accounts receivable-trade	174,193	176,309
Lease receivables and investment assets	13,775	14,960
Short-term investment securities	141,293	97,003
Inventories	105,080	121,638
Deferred tax assets	20,100	22,026
Accounts receivable-other	13,467	9,210
Other	11,759	14,118
Allowance for doubtful accounts	(4,385)	(4,437)
Total current assets	565,923	545,281
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	66,874	67,080
Machinery, equipment and vehicles, net	39,773	35,719
Tools, furniture and fixtures, net	22,407	23,152
Land	33,609	33,759
Lease assets, net	415	512
Construction in progress	7,817	5,887
Assets for rent, net	8,101	9,423
Total property, plant and equipment	178,999	175,536
Intangible assets		
Goodwill	59,727	70,064
Other	27,613	34,459
Total intangible assets	87,341	104,523
Investments and other assets		
Investment securities	19,073	19,636
Long-term loans receivable	133	135
Long-term prepaid expenses	2,650	2,560
Deferred tax assets	38,281	38,262
Other	10,355	13,944
Allowance for doubtful accounts	(706)	(1,182)
Total investments and other assets	69,788	73,356
Total noncurrent assets	336,128	353,416
Total assets	902,052	898,697

[Millions of yen]

	March 31, 2012	December 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	88,129	80,759
Short-term loans payable	32,913	73,536
Current portion of long-term loans payable	11,994	1,094
Current portion of bonds	—	50
Accounts payable-other	30,295	29,645
Accrued expenses	25,305	27,028
Income taxes payable	6,908	7,775
Provision for bonuses	10,826	6,007
Provision for directors' bonuses	203	194
Provision for product warranties	1,050	991
Notes payable-facilities	1,062	1,138
Asset retirement obligations	146	26
Other	20,124	23,325
Total current liabilities	228,958	251,573
Noncurrent liabilities		
Bonds payable	110,000	70,000
Long-term loans payable	73,025	73,028
Deferred tax liabilities for land revaluation	3,269	3,269
Provision for retirement benefits	44,545	47,092
Provision for directors' retirement benefits	341	258
Asset retirement obligations	931	958
Other	5,992	7,863
Total noncurrent liabilities	238,105	202,472
Total liabilities	467,064	454,046
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,142	204,140
Retained earnings	222,848	225,212
Treasury stock	(1,597)	(1,572)
Total shareholders' equity	462,913	465,298
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,183	507
Deferred gains or losses on hedges	(228)	(656)
Foreign currency translation adjustment	(30,199)	(21,859)
Total accumulated other comprehensive income	(29,243)	(22,008)
Subscription rights to shares	682	748
Minority interests	635	613
Total net assets	434,987	444,651
Total liabilities and net assets	902,052	898,697

(2) Consolidated Quartely Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

Consolidated Quartely Statements of Income

Nine months ended December 31, 2011 and 2012

[Millions of yen]

	April-December, 2011	April-December, 2012
Net sales	560,372	577,727
Cost of sales	300,328	307,947
Gross profit	260,043	269,779
Selling, general and administrative expenses	236,757	242,688
Operating income	23,285	27,090
Non-operating income		
Interest income	844	759
Dividends income	456	410
Equity in earnings of affiliates	31	55
Foreign exchange gains	—	666
Other	2,718	2,603
Total non-operating income	4,051	4,496
Non-operating expenses		
Interest expenses	1,908	1,816
Foreign exchange losses	2,945	—
Other	3,584	3,653
Total non-operating expenses	8,438	5,469
Ordinary income	18,898	26,117
Extraordinary income		
Gain on sales of noncurrent assets	69	153
Gain on sales of investment securities	2	34
Reversal of provision for loss on business liquidation	19	—
Other extraordinary income of foreign subsidiaries	102	—
Other	—	25
Total extraordinary income	194	213
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,318	1,462
Loss on valuation of investment securities	2,381	52
Impairment loss	84	1,481
Business structure improvement expenses	1,198	379
Group restructuring expenses	—	39
Loss on disaster	57	—
Total extraordinary losses	5,039	3,415
Income before income taxes and minority interests	14,053	22,914
Iincome taxes	8,602	12,593
Income before minority interests	5,451	10,321
Minority interests in income	52	4
Net income	5,399	10,317

Consolidated Quartely Statements of Comprehensive Income
Nine months ended December 31, 2011 and 2012

[Millions of yen]

	April-December, 2011	April-December, 2012
Income before minority interests	5,451	10,321
Other comprehensive income		
Valuation difference on available-for-sale securities	(608)	(675)
Deferred gains or losses on hedges	332	(428)
Foreign currency translation adjustment	(12,748)	8,297
Share of other comprehensive income of associates accounted for using equity method	(3)	5
Total other comprehensive income	(13,027)	7,198
Comprehensive income	(7,576)	17,520
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(7,515)	17,553
Comprehensive income attributable to minority interests	(60)	(32)

Consolidated Quartely Statements of Income
Three months ended December 31, 2011 and 2012

[Millions of yen]

	October-December, 2011	October-December, 2012
Net sales	182,049	193,909
Cost of sales	95,651	104,140
Gross profit	86,397	89,768
Selling, general and administrative expenses	78,716	82,957
Operating income	7,680	6,810
Non-operating income		
Interest income	312	234
Dividends income	164	173
Equity in earnings of affiliates	12	32
Foreign exchange gains	530	1,661
Other	931	721
Total non-operating income	1,951	2,823
Non-operating expenses		
Interest expenses	561	627
Termination expenses on manufacturing consignment	544	―
Other	1,224	1,139
Total non-operating expenses	2,331	1,767
Ordinary income	7,301	7,867
Extraordinary income		
Gain on sales of noncurrent assets	20	43
Gain on sales of investment securities	0	―
Gain on reversal of loss on valuation of investment securities	18	258
Other extraordinary income of foreign subsidiaries	102	―
Total extraordinary income	142	301
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	542	297
Loss on valuation of investment securities	28	―
Impairment loss	53	19
Business structure improvement expenses	1,198	―
Group restructuring expenses	―	39
Total extraordinary losses	1,822	356
Income before income taxes and minority interests	5,620	7,812
Income taxes	3,954	5,106
Income before minority interests	1,666	2,705
Minority interests in income (loss)	18	(2)
Net income	1,647	2,707

Consolidated Quartely Statements of Comprehensive Income
Three months ended December 31, 2011 and 2012

[Millions of yen]

	October-December, 2011	October-December, 2012
Income before minority interests	1,666	2,705
Other comprehensive income		
Valuation difference on available-for-sale securities	60	870
Deferred gains or losses on hedges	177	(806)
Foreign currency translation adjustment	(623)	18,118
Share of other comprehensive income of associates accounted for using equity method	(2)	3
Total other comprehensive income	(387)	18,185
Comprehensive income	1,278	20,891
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,391	20,907
Comprehensive income attributable to minority interests	(112)	(16)

(3) Consolidated Quartely Statements of Cash Flow
Nine months ended December 31, 2011 and 2012

[Millions of yen]

	April-December, 2011	April-December, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	14,053	22,914
Depreciation and amortization	36,034	33,276
Impairment loss	84	1,481
Amortization of goodwill	6,596	7,071
Interest and dividends income	(1,301)	(1,169)
Interest expenses	1,908	1,816
Loss (gain) on sales and retirement of noncurrent assets	1,248	1,309
Loss (gain) on sales and valuation of investment securities	2,377	17
Increase (decrease) in provision for bonuses	(5,228)	(4,902)
Increase (decrease) in provision for retirement benefits	3,446	2,589
Increase (decrease) in provision for loss on business liquidation	(26)	—
Decrease (increase) in notes and accounts receivable-trade	(1,457)	10,705
Decrease (increase) in inventories	(10,106)	(10,583)
Increase (decrease) in notes and accounts payable-trade	11,048	(17,205)
Transfer of assets for rent	(2,820)	(4,044)
Decrease (increase) in accounts receivable-other	(1,996)	2,485
Increase (decrease) in accounts payable-other and accrued	2,847	(912)
Increase (decrease) in deposits received	1,511	1,457
Decrease/increase in consumption taxes receivable/payable	937	(605)
Other, net	(5,201)	917
Subtotal	53,954	46,620
Interest and dividends income received	1,228	1,198
Interest expenses paid	(1,890)	(1,949)
Income taxes (paid) refund	(4,284)	(10,277)
Net cash provided by (used in) operating activities	49,006	35,591
Net cash provided by (used in) operating activities		
Purchase of property, plant and equipment	(19,889)	(21,182)
Proceeds from sales of property, plant and equipment	325	419
Purchase of intangible assets	(4,023)	(4,757)
Payments for transfer of business	(1,479)	(1,838)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(5,506)	(9,321)
Purchase of investments in subsidiaries' equity resulting in change in scope of consolidation	—	(7,109)
Payments of loans receivable	(207)	(289)
Collection of loans receivable	68	60
Purchase of investment securities	(5)	(340)
Proceeds from sales of investment securities	2	176
Purchase of investments in subsidiaries	—	(1,296)
Payments of valuation of other investments	(663)	(4,492)
Other, net	115	644
Net cash provided by (used in) investing activities	(31,262)	(49,325)

[Millions of yen]

	April-December, 2011	April-December, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(7,323)	31,998
Proceeds from long-term loans payable	10,304	55
Repayment of long-term loans payable	(11,333)	(11,004)
Proceeds from issuance of bonds	40,000	―
Redemption of bonds	―	(39,950)
Repayments of lease obligations	(1,250)	(1,085)
Proceeds from sales of treasury stock	2	1
Purchase of treasury stock	(9)	(6)
Cash dividends paid	(7,803)	(7,822)
Net cash provided by (used in) financing activities	22,586	(27,814)
Effect of exchange rate change on cash and cash	407	1,070
Net increase (decrease) in cash and cash equivalents	40,737	(40,477)
Cash and cash equivalents at beginning of period	175,148	231,933
Cash and cash equivalents at end of period	215,885	191,455

(4) Notes regarding Going Concern Assumptions

None

(5) Notes regarding Significant Change in Shareholders' Equity

None

(6) Segment Information

[1] Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other[*1]	Total
	Business Technologies	Optics	Healthcare	Total		
Sales						
External	400,882	91,112	51,906	543,902	16,469	560,372
Intersegment	1,412	562	1,150	3,126	34,979	38,105
Total	402,295	91,675	53,057	547,029	51,449	598,478
Segment incomes (losses)	24,641	9,696	(598)	33,738	3,566	37,305

Notes:
1. "Other" consists of business segments such as Sensing Business and Industrial Inkjet Business.
2. This information is based on the amount reported to management, and the figures were calculated based on the reportable segments, before they were changed in the first quarter of the consolidated fiscal year under review. The related information is presented in "3.Matters associated with changes in reportable segments in the section [2] Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)."

2. Difference between the Total of the Reportable Segments' Measures of Profit or Loss and Income According to Consolidated Quarterly Statements of Income, and the Main Components of the Difference (Matters Related to Adjustment of Difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	33,738
Operating income categorized in "Other"	3,566
Intersegment – eliminations	(4,190)
Corporate expenses	(9,829)
Operating income reported on quarterly statements of income	23,285

Notes: Corporate expenses are mainly general administration expenses and basic research expenses that do not belong to any reporting segment.

[2] Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	405,175	114,437	50,063	569,676	8,051	577,727
Intersegment	1,448	1,679	1,956	5,084	37,824	42,909
Total	406,624	116,116	52,019	574,760	45,876	620,637
Segment incomes	18,402	21,527	1,178	41,109	2,783	43,892

Notes: "Other" consists of business segments such as Industrial Inkjet Business.

2. Difference between the Total of the Reportable Segments' Measures of Profit or Loss and Income According to Consolidated Quarterly Statements of Income, and the Main Components of the Difference (Matters Related to Adjustment of Difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	41,109
Operating income categorized in "Other"	2,783
Intersegment – eliminations	(4,604)
Corporate expenses	(12,197)
Operating income reported on quarterly statements of income	27,090

Notes: Corporate expenses are mainly general administration expenses and basic research expenses that do not belong to any reporting segment.

3. Matters Associated with Changes in Reportable Segments

With the reorganization of the Group, the reportable segments are the Business Technologies Business, Industrial Business, and Healthcare Business from the first quarter of the consolidated fiscal year under review, instead of the Business Technologies Business, Optics Business, and Healthcare Business, which were reportable segments until the previous fiscal year.

Main products and type of services were also changed. Manufacturing and sale of optical products (pickup lenses, etc.) and electronic materials (TAC films, etc.) as in the Optics Business were changed to manufacturing and sale of electronic materials (TAC films, etc.), performance materials, optical products (pickup lenses, etc.), and measuring instruments for industrial and healthcare applications as in the Industrial Business. Meanwhile main products and type of services both in Business Technologies Business and Healthcare Business were not changed.

Segment information for the first three quarters of the previous fiscal year in accordance with the new reportable segments is not disclosed except for external sales, because of the practical difficulty in accurately calculating cost of sales and selling, general, and administrative expenses retroactively for the previous fiscal year. Segment information for the first three quarters under review in accordance with the reportable segments before the change is also not disclosed, because of the practical difficulty in obtaining the necessary information, and is not reported to management in consideration of the usefulness of the information.

When segment information for the first three quarters of the previous fiscal year is created in accordance with the reportable segments for the first three quarters under review, external sales in the Industrial Business are ¥99,019 million, and external sales in “Other” business are ¥8,563 million.

4. Information Relating to Impairment Loss of Noncurrent Assets and Goodwill by Reportable Segment

Significant impairments loss on noncurrent assets

An impairment loss was posted because the recoverable amount for business assets in the Industrial Business segment and Healthcare Business segment fell below the book value. The impairment loss posted during the first three quarters of the consolidated fiscal year under review was ¥365 million for the Industrial Business segment and ¥1,048 million for the Healthcare Business segment.

Material change in the goodwill amount

In the Business Technologies Business, the shares of Charterhouse PM Limited were acquired and the company was made into a subsidiary. Although it is a provisional amount as the allocation of expenditures to acquisition cost has not been completed, the increase in goodwill as a result of events during the first three quarters of the fiscal year under review was ¥7,415 million.

In addition, in the Industrial Business, the equity interest of Instrument Systems GmbH was acquired and the company was made into a subsidiary. Although it is a provisional amount as the allocation of expenditures to acquisition cost has not been completed, the increase in goodwill as a result of events during the first three quarters of the fiscal year under review was ¥3,819 million.

[3] Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*1	Total
	Business Technologies	Optics	Healthcare	Total		
Sales						
External	131,906	27,747	17,256	176,910	5,138	182,049
Intersegment	493	203	732	1,429	11,237	12,667
Total	132,399	27,951	17,989	178,340	16,376	194,716
Segment incomes	9,355	2,496	(220)	11,631	937	12,569

Notes:
1. "Other" consists of business segments such as Sensing Business and Industrial Inkjet Business.
2. This information is based on the amount reported to management, and the figures were calculated based on the reportable segments, before they were changed in the first quarter of the consolidated fiscal year under review. The related information is presented in "3. Matters associated with changes in reportable segments in the section [2] Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)."

2. Difference between the Total of the Reportable Segments' Measures of Profit or Loss and Income According to Consolidated Quarterly Statements of Income, and the Main Components of the Difference (Matters Related to Adjustment of Difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	11,631
Operating income categorized in "Other"	937
Intersegment – eliminations	(1,235)
Corporate expenses	(3,652)
Operating income reported on quarterly statements of income	7,680

Notes: Corporate expenses are mainly general administration expenses and basic research expenses that do not belong to any reporting segment.

[4] Three months ended December 31, 2012 (From October 1, 2012 to December 31, 2012)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	140,217	35,036	16,188	191,442	2,466	193,909
Intersegment	481	511	696	1,688	11,781	13,470
Total	140,698	35,548	16,884	193,131	14,248	207,379
Segment incomes	5,359	5,920	20	11,300	843	12,143

Notes: "Other" consists of business segments such as Industrial Inkjet Business.

2. Difference between the Total of the Reportable Segments' Measures of Profit or Loss and Income According to Consolidated Quarterly Statements of Income, and the Main Components of the Difference (Matters Related to Adjustment of Difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	11,300
Operating income categorized in "Other"	843
Intersegment – eliminations	(1,070)
Corporate expenses	(4,262)
Operating income reported on quarterly statements of income	6,810

Notes: Corporate expenses are mainly general administration expenses and basic research expenses that do not belong to any reporting segment.

3. Matters Associated with Changes in Reportable Segments

Since the first quarter of the consolidated fiscal year under review, the Group has changed the method by witch it categorizes its reportable segments. For more detailed information, please see the “3. Matters associated with changes in reportable segments” in the section [2] Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 2012).

Segment information for the third quarter of the previous fiscal year in accordance with the new reportable segments is not disclosed except for external sales, because of the practical difficulty in accurately calculating cost of sales and selling, general, and administrative expenses retroactively for the previous fiscal year. Segment information for the third quarter under review in accordance with the reportable segments before the change is also not disclosed, because of the practical difficulty in obtaining the necessary information, and is not reported to management in consideration of the usefulness of the information.

When segment information for the third quarter of the previous fiscal year is created in accordance with the reportable segments for the third quarter under review, external sales in the Industrial Business are ¥30,408 million, and external sales in “Other” business are ¥2,477 million.

4. Information Relating to Impairment Loss of Noncurrent Assets and Goodwill by Reportable Segment

Material change in the goodwill amount

In the Business Technologies Business, the shares of Charterhouse PM Limited were acquired and the company was made into a subsidiary. Although it is a provisional amount as the allocation of expenditures to acquisition cost has not been completed, the increase in goodwill as a result of events during the first three quarters of the fiscal year under review was ¥7,415 million.

In addition, in the Industrial Business, the equity interest of Instrument Systems GmbH was acquired and the company was made into a subsidiary. Although it is a provisional amount as the allocation of expenditures to acquisition cost has not been completed, the increase in goodwill as a result of events during the first three quarters of the fiscal year under review was ¥3,819 million.