July 30, 2013

Fiscal Year ending March 31, 2014
First Quarter Consolidated Financial Results

Three months: April 1, 2013 – June 30, 2013

Konica Minolta, Inc.

Stock exchange listings:	Tokyo (First Sections)
Local securities code number:	4902
URL:	http://konicaminolta.com
Listed company name:	Konica Minolta, Inc.
Representative:	Masatoshi Matsuzaki, President and CEO, Representative Executive Officer
Inquiries:	Yuki Kobayashi, General Manager, CSR, Corporate Communications & Branding Div.
Telephone number:	(81) 3-6250-2100
Scheduled date for submission of securities report:	August 9, 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 1Q performance (From April 1, 2013 to June 30, 2013)

(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	
1Q Mar/2014	218,543	15.4%	7,818	23.3%	7,050	47.3%	9,774	-%
1Q Mar/2013	189,373	1.7%	6,339	93.8%	4,786	87.3%	154	-%

Note: Comprehensive income
1Q Mar/2014: ¥ 19,445 million (- %)
1Q Mar/2013: ¥ (10,033) million (- %)

	Net income per share	Net income per share (after full dilution)
1Q Mar/2014	18.43 yen	18.39 yen
1Q Mar/2013	0.29 yen	0.28 yen

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)
June 30, 2013	952,724	482,094	50.4%
March 31, 2013	940,553	466,416	49.4%

Note: Shareholders' equity
As of June 30, 2013: ¥ 480,500 million
As of March 31, 2013: ¥ 464,904 million

2. Dividends per share

[yen]

	1Q	2Q	3Q	Year-end	Total annual
FY Mar/2013	-	7.50	-	7.50	15.00
FY Mar/2014	-				
FY Mar/2014 (forecast)		10.00	-	7.50	17.50

Note: Change to the latest dividend forecast announced: None
Breakdown for dividends of 2Q Mar/2014 (forecast)
Common dividend: ¥ 7.50
Commemorative dividend: ¥ 2.50

3. Consolidated results forecast for the fiscal year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

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	900,000	10.7	55,000	35.3	53,000	36.2	26,000	71.9	49.03 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):
Yes - excluded three subsidiaries: Konica Minolta Business Technologies, Inc.,
Konica Minolta Advanced Layers, Inc.,
Konica Minolta Technology Center, Inc.

Note: For more detailed information, please see the "(1) Changes in Status of Material Subsidiaries during the Quarter under Review" in the section 2. SUMMARY INFORMATION (NOTES) on page 12.

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

Note: For more detailed information, please see the “(2) Adoption of Special Accounting Treatment used in Preparation of the Quarterly Consolidated Financial Statements” in the section 2. SUMMARY INFORMATION (NOTES) on page 12.

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

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

(4) Number of outstanding shares (common stock)

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

First quarter of fiscal year ending March 31, 2014:	531,664,337 shares
Fiscal year ended March 31, 2013:	531,664,337 shares

b. Treasury stock at period-end

First quarter of fiscal year ending March 31, 2014:	1,348,934 shares
Fiscal year ended March 31, 2013:	1,346,048 shares

c. Average number of outstanding shares

First quarter of fiscal year ending March 31, 2014:	530,316,486 shares
First quarter of fiscal year ended March 31, 2013:	530,281,338 shares

■ Presentation of Present Status of Quarterly Review Procedures

This “First 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, 2014” in the section 1. CONSOLIDATED OPERATING RESULTS on page 11 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 Tuesday, July 30, 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

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1. CONSOLIDATED OPERATING RESULTS

(1) Qualitative Information of Consolidated Performance

1. Overview of Performance

Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)

Three months (Apr–Jun)
Year-on-Year [Billions of yen]

	Apr-Jun / Mar 2014	Apr-Jun / Mar 2013	Increase (Decrease)	
Net sales	218.5	189.3	29.1	15.4%
Gross profit	102.3	86.2	16.0	18.6%
Operating income	7.8	6.3	1.4	23.3%
Ordinary income	7.0	4.7	2.2	47.3%
Income before income taxes and minority interests	6.0	3.9	2.0	51.6%
Net income	9.7	0.1	9.6	-%
Net income per share [yen]	18.43	0.29	18.14	-%
Capital expenditure	11.5	7.7	3.7	48.8%
Depreciation	11.6	10.7	0.8	8.4%
R & D expenses	17.2	17.6	(0.3)	-2.0%
Free cash flow	3.3	(16.2)	19.6	-%
Number of employees [persons]	41,819	40,174	1,645	4.1%
Exchange rates [yen]				
US dollar	98.76	80.20	18.56	23.1%
Euro	128.95	102.91	26.04	25.3%

Reviewing the main businesses of Konica Minolta Group during the first quarter of the consolidated fiscal year under review (April 1, 2013 to June 30, 2013), in the Business Technologies Business, sales remained strong for new A3 color MFPs (Multi-functional peripherals) in the office field, and sales volumes of A3 color MFPs rose significantly from the same period of the previous fiscal year. In Europe and the United States, the number of contracts in sales that combine IT service and consulting service together with MFPs increased steadily on the back of tie-ups with IT service providers acquired in the past few years. Konica Minolta is gradually shifting to a new business model in this way and is steadily delivering results with expansion of MFP sales. In the production print field, growth in print volume continued due to contribution from M&As conducted in the previous year aimed at meeting high-volume printing needs in the corporate sector, and to a continued increase in sales volumes of color digital printing systems.

In the Industrial Business, sales volumes of 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 angle (hereinafter referred to as "VA-TAC films") were weak on account of deterioration in market conditions for notebook PCs and diversification in components and materials used for TVs. Tough conditions persisted for orders of glass substrates for HDDs. In contrast, sales expanded in the sensing field due to contribution from M&As conducted in the previous year.

In the Healthcare Business, sales were strong for digital X-ray diagnostic imaging systems and business steadily expanded. Strategic tie-ups with partner companies aimed at expanding business overseas also produced results.

As a result, the Konica Minolta Group recorded consolidated net sales of ¥218.5 billion, an increase of 15.4% year on year for the first quarter of the fiscal year under review. In addition to increased earnings due to corrections to the high yen in foreign exchange rates, the significant increase in earnings in the Business Technologies Business owing to the effects of M&As had a positive impact on the segment overall.

Operating income was ¥7.8 billion overall, an increase of 23.3% year on year, despite a decrease in profit in the Industrial Business, due to a considerable increase in profit in the Business Technologies Business on the back of sales growth and steady progress in cost reduction plans.

Ordinary income was ¥7.0 billion, an increase of 47.3% year on year. Income before income taxes and minority interests was ¥6.0 billion due primarily to the recording of the cost associated with the termination of production of films in the Healthcare Business as extraordinary loss. Net income amounted to ¥9.7 billion after factoring in tax effects related to a review of deferred tax assets in line with the Group reorganization. This marks a significant increase from the ¥0.1 billion posted in the same period of the previous fiscal year.

Konica Minolta Holdings, Inc. changed its trade name to Konica Minolta, Inc. in April this year in line with the reorganization of the Group management system to reflect the shift from a pure holding company to an operating company. In the current fiscal year, we are aiming to achieve steady increases in sales and profit while transforming our business portfolio, led by the Business Technologies Business, and we made a solid start in the first quarter in this regard.

2. Overview by Segment

Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)

Three months (Apr–Jun) Year-on-Year [Billions of yen]

	Apr-Jun / Mar 2014	Apr-Jun / Mar 2013	Increase (Decrease)	
Business Technologies				
Net sales - external	167.5	130.3	37.2	28.6%
Operating income	9.6	3.0	6.6	217.9%
Industrial Business				
Net sales - external	31.0	40.5	(9.5)	-23.6%
Operating income	4.2	8.1	(3.8)	-47.7%
Healthcare				
Net sales - external	16.2	15.8	0.4	2.9%
Operating income (loss)	0.0	(0.1)	0.2	-%

Business Technologies Business

Office Field:

Sales volumes of color MFPs increased significantly in the key areas of Japan, the United States and Europe, driven by new color A3 MFPs. Sales volumes of A3 MFPs overall remained on par with the same period of the previous fiscal year due to a decline in sales in the monochrome units. Sales of high segment color models in the product mix increased markedly year on year, which contributed to an increase in sales. We expanded the number of customers and sales during the period through OPS (Optimized Print Services), where we are strengthening systems on a global scale and pursuing differentiation on a service front. In Europe and the United States, we pushed ahead with collaborations with IT service providers that we acquired and with existing sales subsidiaries, conducted cross-selling to mutual customers and increased contracts by offering mixed proposals that combine document solutions in MFPs and IT services. By sharing this know-how across the board, we are promoting the shift to a new business model and to higher added value.

Production Print Field:

Sales volumes of the monochrome units decreased slightly from the same period of the previous fiscal year amid continuation of a cautious stance toward capital expenditure among Commercial Printer customers. Despite this, sales volumes of the color units expanded. In addition, there were signs of recovery in printing demand and sales of non-hardware increased year on year. In Japan, we steadily increased orders for the Centralized Reprographic Department market through Kinko's Japan Co., Ltd. (headquartered in Tokyo), which we acquired in the previous year. This acquisition also enabled us to share customer base as a Group, including large corporations and foreign-affiliated companies held by this company, and provide products and services in the office field. In Europe, we ventured into consulting services related to optimization of printing costs as well as marketing activity support (marketing management services) developed by Charterhouse PM Limited (headquartered in the UK), which we acquired in the previous year. We are pushing ahead with transforming our business portfolio worldwide.

As a result of these factors, net sales of the Business Technologies Business to outside customers stood at ¥167.5 billion, up 28.6% year on year. This was due to sales growth of main products and the effects of M&As conducted in the previous year coupled with the impact of foreign exchange rates and corrections to the high yen.

Operating income amounted to ¥9.6 billion, up 217.9% year on year. This marked a significant year-on year gain due to an increase in gross profit in line with sales expansion and the effect of foreign exchange rates combined with steady progress in cost reduction plans through a policy based primarily on reducing fixed costs in the production division, continuing the shift to centralized purchasing of components and promoting a change to unitization from the previous year.

Industrial Business

Display Materials Field:
Orders of plain TAC films and VA-TAC films decreased due to deterioration in the market for notebook PCs and the impact of diversification in components and materials used for TVs, and as a result, overall sales volumes of TAC films were down year on year.

Optical Products Field:
Orders of glass substrates for HDDs have not recovered yet owing to deterioration in the notebook PC market caused by the advent of tablet PCs, and the difficult conditions persisted. Although sales volumes of lens-related products such as pickup lenses for optical discs, replacement lenses for DSLR cameras and camera units for mobile phones fell short of levels posted in the same period of the previous year when sales were strong, performance was in line with plans on the whole.

Sensing Field:
Sales at Instrument Systems GmbH (headquartered in Germany), which was acquired in the previous year, were solid and contributed to business expansion as planned.

As a result of these factors, net sales of the Industrial Business to outside customers were ¥31.0 billion, down 23.6% year on year, and operating income was ¥4.2 billion, down 47.7% year on year.

Healthcare Business

In the Healthcare Business, we focused on expanding sales of digital X-ray diagnostic imaging systems, whose market continues to expand worldwide, including the cassette-type digital radiography system "AeroDR" and the desktop CR (computed radiography) system "REGIUS Σ." As a result, we posted excellent results in North America, including securing orders from major negotiations, and sales volumes of digital products increased considerably year on year. In addition, we pushed ahead with strategic alliances with companies that are developing business globally in order to expand the sales channel for digital products and accelerate expansion of business scale. In June, we concluded a sales agreement for "AeroDR" in the global market excluding Japan with GE Healthcare.

As a result of these factors, net sales to outside customers stood at ¥16.2 billion, up 2.9% year on year. Operating income turned around from a loss in the same period of the previous fiscal year to a gain of ¥65 million.

(2) Financial Position

1. Analysis of Financial Position

		As of June 30, 2013	As of March 31, 2013	Increase (Decrease)
Total assets	[Billions of yen]	952.7	940.5	12.1
Total liabilities	[Billions of yen]	470.6	474.1	(3.5)
Net assets	[Billions of yen]	482.0	466.4	15.6
Equity ratio	[%]	50.4	49.4	1.0

Total assets at the end of the first quarter of the consolidated fiscal year under review were up ¥12.1 billion (1.3%) from the previous fiscal year-end, to ¥952.7 billion. Current assets fell ¥0.5 billion (0.1%) to ¥579.0 (60.8% to total assets) and noncurrent assets rose ¥12.6 billion (3.5%) to ¥373.6 billion (39.2% to total assets).

With respect to current assets, cash and deposits decreased ¥7.8 billion from the previous fiscal year-end to ¥85.5 billion, while securities increased ¥9.5 billion, and as a result, cash and cash equivalents increased ¥1.6 billion to ¥215.5 billion. Notes and accounts receivable-trade decreased ¥5.1 billion to ¥188.8 billion. Inventories remained roughly unchanged at ¥112.7 billion, while lease receivables and investment assets as well as deferred tax assets increased by ¥1.3 billion and ¥0.8 billion, respectively.

With respect to noncurrent assets, property, plant and equipment increased ¥5.4 billion from the previous fiscal year-end to ¥185.3 billion due primarily to capital investment in the Business Technologies Business and Industrial Business as well as construction of a new R&D building despite advancing depreciation on the whole. Intangible assets decreased ¥0.6 billion compared with the previous fiscal year-end to ¥110.2 billion due to advancing amortization on the whole.

Investments and other assets increased ¥7.9 billion to ¥78.0 billion.

Deferred tax assets increased by ¥0.8 billion in current assets and ¥8.3 billion in investments and other assets as a result of a review of recoverability in light of the reorganization of the group management system.

Total liabilities at the end of the first quarter of the consolidated fiscal year under review decreased ¥3.5 billion (0.7%) from the previous fiscal year-end to ¥470.6 billion (49.4% to total assets). Notes and accounts payable-trade declined ¥3.3 billion to ¥82.0 billion. Provision for bonuses decreased ¥4.7 billion while accounts payable-other increased ¥1.1 billion. Interest-bearing debt (the sum of short-term loans payable, long-term loans payable and bonds payable) rose ¥3.0 billion to ¥227.9 billion.

Net assets at the end of the first quarter of the consolidated fiscal year under review increased ¥15.6 billion (3.4%) from the previous fiscal year-end to ¥482.0 billion (50.6% to total assets). Retained earnings increased ¥5.9 billion from the previous fiscal year-end to ¥235.6 billion, given net income of ¥9.7 billion and dividends paid of ¥3.9 billion. In accumulated other comprehensive income, foreign currency translation adjustment increased ¥9.7 billion in line with corrections to the high yen, mainly against the U.S. dollar and euro.

As a result, the shareholders' equity ratio increased 1.0 percentage points from the end of the previous fiscal year to 50.4%.

2. Cash Flows

[Billions of yen]

	Apr-Jun / Mar 2014	Apr-Jun / Mar 2013	Increase (Decrease)
Cash flows from operating activities	14.9	(0.8)	15.7
Cash flows from investing activities	(11.5)	(15.4)	3.8
Total (Free cash flow)	3.3	(16.2)	19.6
Cash flows from financing activities	(3.4)	(0.4)	(2.9)

During the first quarter of the fiscal year under review, net cash provided by operating activities was ¥14.9 billion, while net cash used in investing activities, mainly associated with capital investment, totaled ¥11.5 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥3.3 billion.

Net cash used in financing activities was ¥3.4 billion.

In addition, cash and cash equivalents at the end of the first quarter of the consolidated fiscal year under review increased ¥1.6 billion compared with the previous fiscal year-end to ¥215.5 billion, reflecting the effect of changes in exchange rates on cash and cash equivalents.

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

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥14.9 billion (net cash used of ¥0.8 billion in the same period of the previous fiscal year). Although the Group reported income before income taxes and minority interests of ¥6.0 billion and depreciation and amortization of ¥11.6 billion, these amounts were offset by an increase in working capital of ¥9.6 billion, a decrease in the provision for bonuses of ¥4.8 billion, a decrease in accounts payable-other and accrued expenses of ¥2.6 billion, the payment of ¥5.5 billion for income taxes and other outflows.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥11.5 billion (compared with ¥15.4 billion in the same period of the previous fiscal year). Cash of ¥7.5 billion was used for capital investment in the Business Technologies Business and investment for new business in the Industrial Business as well as construction of a new R&D building. Other cash outflows included ¥1.9 billion for the purchase of intangible assets.

As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥3.3 billion (an outflow of ¥16.2 billion in the same period of the previous fiscal year).

Cash Flows from Financing Activities

Net cash used in financing activities was ¥3.4 billion (¥0.4 billion in the same period of the previous fiscal year), mainly reflecting a payment of ¥3.8 billion in dividends and a net increase of ¥0.9 billion in interest-bearing debt.

(3) Outlook for the Fiscal Year Ending March 31, 2014

Financial forecasts for the year ending March 31, 2014 are unchanged from those announced on May 10 in light of steady progress in performance in the first quarter despite continued uncertainty in the outlook for both the domestic and international management environment surrounding Konica Minolta.

In order to achieve the results stated here, we will focus on expanding sales of high value-added products and services and further strengthen initiatives to enhance profitability primarily by reducing manufacturing costs even more and bolstering expense management.

Assumed exchange rates for the second quarter and beyond are unchanged from the start of the period at 93 yen against the US dollar and 123 yen against the euro.

[Billions of yen]

	FY ending March 2014 Full year - Announced on May 10, 2013 -
Net sales	900.0
Operating income	55.0
Ordinary income	53.0
Net income	26.0

Note: The above operating performance forecasts are based on future-related suppositions, 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 by discarding figures less than one hundred million yen.*

2. SUMMARY INFORMATION（NOTES）

(1) Changes in Status of Material Subsidiaries during the Quarter under Review

Konica Minolta Inc. (Konica Minolta Holdings, Inc.) absorbed seven Group companies and became the surviving company on April 1, 2013. As a result, the specified subsidiaries Konica Minolta Business Technologies, Inc., Konica Minolta Advanced Layers, Inc. and Konica Minolta Technology Center, Inc. were terminated and have been removed from the scope of consolidation.

(2) 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.

(3) Additional Information

Reorganization in the Group Management System

Konica Minolta Inc. (Konica Minolta Holdings, Inc.) absorbed seven group companies, including Konica Minolta Business Technologies, Inc. on April 1, 2013.

[I] Purpose of Business Combination

This reorganization of the Group's management system will further speed up various initiatives to increase corporate value and is designed to achieve "innovative management capabilities in the Business Technologies Business," "strategic and agile utilization of management resources," and "systems to support efficient operation."

[II] Legal Form of the Business Combination

1. Method of Absorption-type Merger

An absorption-type merger was conducted with Konica Minolta Holdings, Inc. as the surviving entity and the seven group companies were terminated.

2. Contents of Allocations and Contracts Related to the Absorption-type Merger

Because the seven Group companies were Konica Minolta Holdings, Inc.'s holly-owned subsidiaries, no issuance of new shares, capital increases, or deliveries of money due to the merger accompanied the merger.

[III] Overview of Merging Companies (Non-consolidated, Fiscal Year ended March 31, 2013)

i) Trade name	Konica Minolta Business Technologies, Inc.
ii) Description of business	Manufacturing and sale of multi-functional peripherals (MFP), printers, and equipment for production printing systems and graphic arts, and providing related solution services
iii) Capital	¥400 million
iv) Net assets	¥140,744 million
v) Total assets	¥203,548 million

i) Trade name	Konica Minolta Advanced Layers, Inc.
ii) Description of business	Manufacturing and sale of electronic materials (TAC films etc.), lighting source panels, and performance materials (including heat insulating films)
iii) Capital	¥400 million
iv) Net assets	¥37,922 million
v) Total assets	¥62,257 million

i) Trade name	Konica Minolta Optics, Inc.
ii) Description of business	Manufacturing and sale of optical products (including pickup lenses, lens units, etc.) and measuring instruments for industrial and healthcare applications
iii) Capital	¥400 million
iv) Net assets	¥11,207 million
v) Total assets	¥51,430 million

i) Trade name	Konica Minolta Medical & Graphic, Inc.
ii) Description of business	Manufacturing and sale of consumables and equipment for healthcare systems, and provided related solution services
iii) Capital	¥400 million
iv) Net assets	¥21,726 million
v) Total assets	¥47,653 million

i) Trade name	Konica Minolta IJ Technologies, Inc.
ii) Description of business	Manufacturing and sale of inkjet printheads, inks and textile printers for industrial use
iii) Capital	¥10 million
iv) Net assets	¥5,582 million
v) Total assets	¥9,329 million

i) Trade name	Konica Minolta Technology Center, Inc.
ii) Description of business	R&D, customized product design, and management of intellectual property assets
iii) Capital	¥50 million
iv) Net assets	¥2,895 million
v) Total assets	¥9,161 million

i) Trade name	Konica Minolta Business Expert, Inc.
ii) Description of business	Provision of various shared services for the Group in the fields of engineering, logistics, environment, safety and others
iii) Capital	¥495 million
iv) Net assets	¥6,683 million
v) Total assets	¥9,498 million

[IV] Status after the Merger

1. **Trade Name;** Konica Minolta, Inc.

2. **Location of Head Office;** 2-7-2, Marunouchi, Chiyoda-ku, Tokyo

3. **Title and Name of Representative;** Masatoshi Matsuzaki,
President and CEO, Representative Executive Officer

4. **Description of Business;**
・Development, manufacture, and sales of products including MFPs, printers, equipment for production printing systems, equipment for healthcare systems, measuring instruments for industrial and healthcare applications, inkjet printheads and textile printers for industrial use, and providing related consumables and solution services, etc.
・Development, manufacture, and sales of electronic materials (TAC films, etc.), lighting source panels, functional films (heat protection, etc.), and optical products (lens units, etc.)

5. **Capital;** ¥37,519 million

[V] Outline of Accounting Treatment

Accounting treatment is applied as transactions under common control based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008) and the Guidance on Accounting Standard for Business Combinations and Implementation Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Quarterly Balance Sheets

Three months ended June 30, 2012 and 2013

[Millions of yen]

	March 31, 2013	June 30, 2013
Assets		
Current assets		
Cash and deposits	93,413	85,570
Notes and accounts receivable-trade	194,038	188,899
Lease receivables and investment assets	16,007	17,338
Securities	120,501	130,001
Inventories	112,479	112,763
Deferred tax assets	20,259	21,132
Accounts receivable-other	12,602	12,223
Other	14,860	16,015
Allowance for doubtful accounts	(4,568)	(4,872)
Total current assets	579,593	579,073
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	68,601	68,408
Machinery, equipment and vehicles, net	33,900	33,632
Tools, furniture and fixtures, net	24,584	25,402
Land	34,013	34,206
Lease assets, net	480	490
Construction in progress	6,969	11,633
Assets for rent, net	11,354	11,600
Total property, plant and equipment	179,903	185,375
Intangible assets		
Goodwill	69,465	68,070
Other	41,472	42,175
Total intangible assets	110,937	110,245
Investments and other assets		
Investment securities	23,236	22,927
Long-term loans receivable	126	124
Long-term prepaid expenses	2,387	2,338
Deferred tax assets	33,000	41,387
Other	12,735	12,653
Allowance for doubtful accounts	(1,366)	(1,402)
Total investments and other assets	70,118	78,029
Total noncurrent assets	360,960	373,650
Total assets	940,553	952,724

[Millions of yen]

	March 31, 2013	June 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	85,424	82,030
Short-term loans payable	67,398	59,849
Current portion of long-term loans payable	23,990	29,013
Accounts payable-other	32,462	33,620
Accrued expenses	28,993	28,958
Income taxes payable	7,376	6,631
Provision for bonuses	10,841	6,055
Provision for directors' bonuses	229	109
Provision for product warranties	1,199	1,188
Notes payable-facilities	975	1,170
Asset retirement obligations	33	26
Other	23,745	24,413
Total current liabilities	282,671	273,069
Noncurrent liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	63,507	69,046
Deferred tax liabilities for land revaluation	3,269	3,269
Provision for retirement benefits	43,754	43,947
Provision for directors' retirement benefits	282	228
Asset retirement obligations	981	1,008
Other	9,669	10,059
Total noncurrent liabilities	191,465	197,560
Total liabilities	474,136	470,629
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	229,713	235,686
Treasury stock	(1,548)	(1,548)
Total shareholders' equity	469,825	475,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,345	3,222
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustment	(8,268)	1,476
Total accumulated other comprehensive income	(4,920)	4,702
Subscription rights to shares	764	799
Minority interests	747	795
Total net assets	466,416	482,094
Total liabilities and net assets	940,553	952,724

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

Consolidated Quarterly Statements of Income

Three months ended June 30, 2012 and 2013

[Millions of yen]

	April-June 2012	April-June 2013
Net sales	189,373	218,543
Cost of sales	103,104	116,206
Gross profit	86,268	102,336
Selling, general and administrative expenses	79,928	94,517
Operating income	6,339	7,818
Non-operating income		
Interest income	243	335
Dividends income	223	244
Equity in earnings of affiliates	19	—
Other	840	803
Total non-operating income	1,327	1,383
Non-operating expenses		
Interest expenses	566	666
Equity in losses of affiliates	—	42
Foreign exchange losses	999	367
Other	1,314	1,074
Total non-operating expenses	2,880	2,151
Ordinary income	4,786	7,050
Extraordinary income		
Gain on sales of noncurrent assets	48	22
Gain on sales of investment securities	0	58
Total extraordinary income	49	80
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	759	298
Loss on valuation of investment securities	65	47
Impairment loss	28	35
Business structure improvement expenses	—	607
Group restructuring expenses	—	101
Total extraordinary losses	853	1,091
Income before income taxes and minority interests	3,983	6,039
Income taxes	3,835	(3,717)
Income before minority interests	147	9,757
Minority interests in income	(7)	(16)
Net income	154	9,774

Consolidated Quarterly Statements of Comprehensive Income
Three months ended June 30, 2012 and 2013

[Millions of yen]

	April-June 2012	April-June 2013
Income before minority interests	147	9,757
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,896)	(124)
Deferred gains or losses on hedges	437	0
Foreign currency translation adjustment	(8,725)	9,810
Share of other comprehensive income of associates accounted for using equity method	3	1
Total other comprehensive income	(10,181)	9,687
Comprehensive income	(10,033)	19,445
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(10,076)	19,397
Comprehensive income attributable to minority interests	42	47

(3) Consolidated Quarterly Statements of Cash Flow
Three months ended June 30, 2012 and 2013

[Millions of yen]

	April-June 2012	April-June 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,983	6,039
Depreciation and amortization	10,715	11,615
Impairment loss	28	35
Amortization of goodwill	2,301	2,852
Interest and dividends income	(466)	(579)
Interest expenses	566	666
Loss (gain) on sales and retirement of noncurrent assets	710	276
Loss (gain) on sales and valuation of investment securities	64	(10)
Increase (decrease) in provision for bonuses	(5,260)	(4,897)
Increase (decrease) in provision for retirement benefits	889	727
Decrease (increase) in notes and accounts receivable-trade	1,198	15,383
Decrease (increase) in inventories	(8,747)	4,905
Increase (decrease) in notes and accounts payable-trade	4,369	(10,633)
Transfer of assets for rent	(1,493)	(1,127)
Decrease (increase) in prepaid expenses	(2,065)	(2,336)
Decrease (increase) in accounts receivable-other	1,215	854
Increase (decrease) in accounts payable-other and accrued expenses	(3,369)	(2,663)
Increase (decrease) in deposits received	2,829	2,703
Decrease/increase in consumption taxes receivable/payable	130	952
Other, net	(4,022)	(4,095)
Subtotal	3,576	20,670
Interest and dividends income received	491	538
Interest expenses paid	(749)	(726)
Income taxes (paid) refund	(4,181)	(5,563)
Net cash provided by (used in) operating activities	(862)	14,919
Net cash provided by (used in) operating activities		
Purchase of property, plant and equipment	(7,298)	(7,501)
Proceeds from sales of property, plant and equipment	165	99
Purchase of intangible assets	(1,656)	(1,978)
Payments for transfer of business	(112)	(872)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(5,413)	—
Payments of loans receivable	(153)	(36)
Collection of loans receivable	11	68
Purchase of investment securities	(302)	(761)
Proceeds from sales of investment securities	6	337
Purchase of investments in subsidiaries	(120)	—
Payments of valuation of other investments	(776)	(1,032)
Other, net	218	137
Net cash provided by (used in) investing activities	(15,431)	(11,539)

[Millions of yen]

	April-June 2012	April-June 2013
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	14,664	(9,607)
Proceeds from long-term loans payable	4	10,547
Repayment of long-term loans payable	(11,000)	(28)
Repayments of lease obligations	(327)	(491)
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock	(3)	(4)
Cash dividends paid	(3,828)	(3,847)
Net cash provided by (used in) financing activities	(489)	(3,432)
Effect of exchange rate change on cash and cash	196	1,052
Net increase (decrease) in cash and cash equivalents	(16,587)	1,000
Cash and cash equivalents at beginning of period	231,933	213,914
Increase in cash and cash equivalents from newly consolidated subsidiary	—	657
Cash and cash equivalents at end of period	215,346	215,572

(4) Notes Regarding Going Concern Assumptions

None.

(5) Notes Regarding Significant Change in Shareholders' Equity

None

(6) Segment Information

[I] Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	130,349	40,584	15,807	186,740	2,632	189,373
Intersegment	478	587	727	1,793	13,414	15,208
Total	130,827	41,172	16,534	188,534	16,047	204,581
Segment incomes (losses)	3,038	8,168	(157)	11,048	810	11,859

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

2. Difference between the Total of t he Reportable Segments' Measures of Profit or Loss and Income according to Consolidated Quarterly Statements of Incom e, and the Main Components of the Difference (Matters related to Adjustment of Difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	11,048
Operating income categorized in "Other"	810
Intersegment – eliminations	(1,454)
Corporate expenses*	(4,065)
Operating income reported on quarterly statements of income	6,339

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

[II] Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	167,582	31,002	16,257	214,842	3,700	218,543
Intersegment	478	1,335	15	1,828	6,124	7,952
Total	168,060	32,337	16,272	216,671	9,824	226,495
Segment incomes	9,658	4,275	65	14,000	412	14,412

Note: “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	14,000
Operating income categorized in “Other”	412
Intersegment – eliminations	(903)
Corporate expenses*	(5,690)
Operating income reported on quarterly statements of income	7,818

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