

January 30, 2015

Fiscal Year ending March 31, 2015
Third Quarter Consolidated Financial Results
[Japanese GAAP]
Nine months: April 1, 2014 – December 31, 2014

Konica Minolta, Inc.

Stock exchange listings: Tokyo (First Section)
Local securities code number: 4902
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Scheduled date for submission of securities report: February 6, 2015
Scheduled date for dividends payment: -
Availability of supplementary information: Yes
Organization of financial results briefing: Yes (for institutional investors)

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

1. Overview of 3Q performance (From April 1, 2014 to December 31, 2014)

(1) Business performance

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

	Net sales		Operating income		Ordinary income		Net income	
Nine months ended December 31, 2014	733,867	7.5%	45,409	16.7%	43,812	19.3%	21,986	103.4%
Nine months ended December 31, 2013	682,876	18.2%	38,905	43.6%	36,736	40.7%	10,811	4.8%

Note: Comprehensive income

Nine months ended December 31, 2014:	¥49,910 million	21.1%
Nine months ended December 31, 2013:	¥41,218 million	135.3%

	Net income per share		Net income per share (after full dilution)	
Nine months ended December 31, 2014	43.42	yen	43.30	yen
Nine months ended December 31, 2013	20.39	yen	20.34	yen

(2) Financial position

	Total assets	Net assets	Equity ratio (%)
As of December 31, 2014	991,657	500,300	50.2
As of March 31, 2014	966,060	480,055	49.5

Note: Shareholders' equity

As of December 31, 2014:	¥498,261 million
As of March 31, 2014:	¥478,404 million

2. Dividends per share

	1Q	2Q	3Q	Year-end	Total annual
Fiscal Year ended Mar 31, 2014	—	10.00	—	7.50	17.50
Fiscal Year ending Mar 31, 2015	—	10.00	—		
Fiscal Year ending Mar 31, 2015 (forecast)				10.00	20.00

Note: Change to the latest dividend forecast announced: None

3. Consolidated results forecast for fiscal year ending March 31, 2015 (From April 1, 2014 to March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	
Full year	1,010,000	7.0	65,000	11.8	61,000	11.7	33,000	50.9	65.31 yen

Note: Change to the latest consolidated results forecast announced: Yes

■ 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
Included one subsidiary: Konica Minolta Business Technologies (Malaysia) Sdn.Bhd.

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

Note: For more detailed information, please see "(1) Adoption of Special Accounting Treatment Used in Preparation of the Consolidated Quarterly Financial Statements" in 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: None
- d. Restatement due to correction: None

Note: For more detailed information, please see "(2) Changes in Accounting Policy, Changes in Accounting Estimates, or Restatement Due to Correction" in section 2. SUMMARY INFORMATION (NOTES) on page 13.

(4) Number of shares (common stock)

a. Issued shares at period-end (including treasury share)	
Third quarter of fiscal year ending March 31, 2015:	511,664,337 shares
Fiscal year ended March 31, 2014:	531,664,337 shares
b. Treasury shares at period-end	
Third quarter of fiscal year ending March 31, 2015:	9,823,544 shares
Fiscal year ended March 31, 2014:	16,720,688 shares
c. Average number of outstanding shares	
Third quarter of fiscal year ending March 31, 2015:	506,424,671 shares
Third quarter of fiscal year ended March 31, 2014:	530,319,121 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 "(3) Outlook for the Fiscal Year Ending March 31, 2015" in section 1. CONSOLIDATED OPERATING RESULTS on page 12 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 Friday, January 30, 2015. 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

a. Overview of Consolidated Performance

Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)

	Year on Year		[Billions of yen]	
	Nine months ended December 31, 2014	Nine months ended December 31, 2013	Increase (Decrease)	
Net sales	733.8	682.8	50.9	7.5%
Gross profit	363.1	327.7	35.4	10.8%
Operating income	45.4	38.9	6.5	16.7%
Ordinary income	43.8	36.7	7.0	19.3%
Income before income taxes and minority interests	41.1	13.9	27.2	195.8%
Net income	21.9	10.8	11.1	103.4%
Net income per share [yen]	43.42	20.39	23.02	113.0%
Capital expenditure	33.0	31.3	1.7	5.6%
Depreciation	37.1	35.1	1.9	5.6%
R & D expenses	55.7	52.5	3.2	6.1%
Free cash flow	26.7	23.7	2.9	12.6%
Number of employees [persons]	41,939	41,042	897	2.2%
Exchange rates [yen]				
US dollar	106.87	99.39	7.48	7.5%
euro	140.30	132.23	8.07	6.1%

Reviewing the main business of the Konica Minolta Group (the "Group") during the first three quarters of the consolidated fiscal year under review (April 1, 2014 to December 31, 2014), in the Business Technologies Business, sales volume of A3 color MFPs (Multi-functional peripherals) in the office services field expanded over the same period of the previous fiscal year as hybrid-type sales that combine MFPs with IT services became more pervasive, particularly in the European and U.S. markets. Sales related to services and solutions are also increasing steadily. In the commercial/industrial print field, sales volume of digital color printing systems for production print businesses expanded at a good rate, led by new products. In addition, we conducted a corporate acquisition aimed at driving growth in the MPM (Marketing Print Management) service provision domain. Strong sales continued in the industrial inkjet business, particularly inkjet printheads.

In the Healthcare Business, despite solid performance in North America, China and India, conditions remained severe on the whole due to a cooling off in the market and the impact of intensifying competition in the core Japanese market.

In the Industrial Business, the sensing field along with lenses for industrial and professional use within the industrial optical systems field were solid in general. In the performance materials field, demand for large panels for LCD TVs and small- and medium-size panels for smartphones and tablets was robust, which resulted in year-on-year gains in sales volumes, particularly for VA-TAC films for increasing viewing angle.

As a result, the Group recorded consolidated net sales of ¥733.8 billion, an increase of 7.5% year on year for the first three quarters. The Business Technologies Business was the primary driver behind the sales growth.

Operating income amounted to ¥45.4 billion, an increase of 16.7% year on year, due to increased profit in the Business Technologies Business and the Industrial Business as well as the effect of the weaker yen.

Ordinary income was ¥43.8 billion, an increase of 19.3% year on year, attributable to the increase in operating income.

Income before income taxes and minority interests was ¥41.1 billion. Income improved significantly due to the recording of loss on withdrawal of the glass substrates for HDDs business in the previous fiscal year in the amount of ¥16.8 billion.

Net income totaled ¥21.9 billion, an increase of 103.4% year on year. Net income was up significantly due to the effect of an improvement in income before income taxes and minority interests, despite recording tax effects in the amount of ¥9.2 billion resulting from a review of deferred tax assets in line with reorganization of the Group's management system in the previous fiscal year.

b. Overview by Segment

Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)

	Nine months (Apr-Dec)		Year on Year		[Billions of yen]
	Nine months ended December 31, 2014	Nine months ended December 31, 2013	Increase (Decrease)		
Business Technologies					
Net sales - external	589.5	533.3	56.2		10.5%
Operating income	48.8	45.2	3.5		7.9%
Healthcare					
Net sales - external	55.2	55.1	0.0		0.1%
Operating income	1.3	2.3	(1.0)		-43.6%
Industrial Business					
Net sales - external	86.9	90.3	(3.3)		-3.8%
Operating income	16.2	12.3	3.8		31.4%

Note: The reporting classification for the Industrial Inkjet Business has been changed from the Other segment to the Business Technologies Business segment from the first quarter of the current fiscal year. In line with this change, segment information for the same period of the previous fiscal year has been disclosed in accordance with the new reporting classification.

Business Technologies Business**Office service field:**

Results for A3 color MFPs remained solid, with sales volume expanding year on year in all regions. Efforts are being made to increase hybrid-type sales that include IT services, especially in the European and U.S. markets, while in MCS (Managed Content Services), which entails entering into a customer's business process and optimizing the company's content management, we will accelerate global development as well as further strengthen initiatives in the leading U.S. market.

Commercial/industrial print field:

Sales volume of color units exceeded the same period of the previous fiscal year due to solid performance mainly in new products such as "bizhub PRESS C1100" and "bizhub PRESS C1085" digital printing systems on the back of high market acclaim. In MPM (Marketing Print Management) services, which support the optimization of printing material costs and the improvement of business processes in a company's marketing department, we worked to strengthen our service provision capabilities by concluding a sale and purchase agreement related to the acquisition of Indicia Group Limited (headquartered in the UK), which specializes in the planning and execution of cross-media communications strategy in combination with printed materials and digital media, through Charterhouse PM Ltd. (headquartered in the UK), a Group company. (Results will be reflected from the fourth quarter.)

In industrial inkjet-related business, sales of components such as inkjet printheads posted high growth compared with the same period of the previous fiscal year.

As a result of these factors, net sales of the Business Technologies Business to outside customers stood at ¥589.5 billion, up 10.5% year on year and operating income was at ¥48.8 billion, up 7.9% year on year. The increase in sales of color units centering on the service provision capabilities, an increase in gross profit in line with this, as well as the impact of the weak yen contributed to higher sales and profit in this segment.

Healthcare Business

Sales volume of the mainstay cassette-type Digital Radiography system “AeroDR” increased in both Japan and overseas amid tough market conditions. In diagnostic ultrasound systems, an area we are striving to strengthen, we started sales of “SONIMAGE HS1,” a new product developed in-house, and it has been well received. In film products, sales in emerging countries were solid and we achieved sales volume roughly on par with the previous year.

As a result of these factors, net sales of the Healthcare Business to outside customers posted a level on par with the previous year, increasing by 0.1% year on year to ¥55.2 billion, while operating income decreased 43.6% to ¥1.3 billion due to significant advance expenses related to the launch of the diagnostic ultrasound systems business.

As part of efforts to bolster sales capabilities in the core Japanese market in this business field, sales collaboration with our Business Technologies products sales subsidiaries are being strengthened. Successful cases that have received high marks for proposing one-stop solutions to management issues in medical institutions by leveraging the collective capabilities of the Group are increasing.

Industrial Business

Industrial optical systems field:

Mainstay products were strong in general, notably spectrophotometers for displays in the sensing field as well as lenses for industrial and professional use and pickup lenses for Blu-ray Discs™ in the optical products field.

Performance materials field:

Market conditions for large panels and small- and medium-size panels were robust, supported by firm demand for large LCD TVs, increasing screen size and strong sales of smartphones and tablets. Amid such a demand climate, sales volume of TAC films increased year on year, particularly thin VA-TAC films for increasing viewing angle, which is an area of comparative strength for the Group.

As a result of these factors, net sales of the Industrial Business to outside customers were ¥86.9 billion, down 3.8% year on year, and operating income was ¥16.2 billion, up 31.4% year on year. Sales decreased due to a reduction in demand for lenses used in compact cameras, downsizing of the lens business for mobile phone cameras and withdrawal of the glass substrates for HDDs business. Profit increased due to an increase in sales of TAC films and the positive effects of a series of structural reforms in the industrial optical systems field in the previous fiscal year.

Note: Blu-ray Disc™ is a trademark of Blu-ray Disc Association

<Reference>

Overview of Performance**Three months ended December 31, 2014 (From October 1, 2014 to December 31, 2014)**

	Year on Year		[Billions of yen]	
	Three months ended December 31, 2014	Three months ended December 31, 2013	Increase (Decrease)	
Net sales	255.3	232.4	22.8	9.8%
Gross profit	126.1	113.7	12.4	10.9%
Operating income	16.2	14.7	1.5	10.3%
Ordinary income	15.1	15.2	(0.0)	-0.6%
Income before income taxes and minority interests	13.7	13.8	(0.1)	-1.0%
Net income	7.3	5.2	2.0	39.0%
Net income per share [yen]	14.55	9.91	4.64	46.9%
Capital expenditure	7.4	11.8	(4.3)	-37.0%
Depreciation	13.4	11.5	1.8	16.2%
R & D expenses	19.0	17.9	1.1	6.2%
Free cash flow	11.3	(2.5)	13.9	—%
Exchange rates [yen]				
US dollar	114.54	100.46	14.08	14.0%
euro	143.07	136.69	6.38	4.7%

Three Months' Business Performance by Segment

	Year on Year		[Billions of yen]	
	Three months ended December 31, 2014	Three months ended December 31, 2013	Increase (Decrease)	
Business Technologies				
Net sales - external	208.3	183.9	24.4	13.3%
Operating income	18.5	18.2	0.3	1.9%
Industrial Business				
Net sales - external	18.7	19.1	(0.4)	-2.2%
Operating income	0.2	0.4	(0.1)	-31.3%
Healthcare				
Net sales - external	27.4	27.8	(0.4)	-1.5%
Operating income	4.1	3.4	0.6	20.4%

Note: The reporting classification for the Industrial Inkjet Business has been changed from the Other segment to the Business Technologies Business segment from the first quarter of the current fiscal year. In line with this change, segment information for the same period of the previous fiscal year has been disclosed in accordance with the new reporting classification.

(2) Financial Position**a. Analysis of Financial Position**

		As of December 31, 2014	As of March 31, 2014	Increase (Decrease)
Total assets	[Billions of yen]	991.6	966.0	25.5
Total liabilities	[Billions of yen]	491.3	486.0	5.3
Net assets	[Billions of yen]	500.3	480.0	20.2
Equity ratio	[%]	50.2	49.5	0.7

Total assets at the end of the third quarter of the consolidated fiscal year under review were up ¥25.5 billion (2.6%) from the previous fiscal year-end, to ¥991.6 billion. Current assets were up ¥5.5 billion (0.9%) to ¥594.9 billion (60.0% to total assets) and noncurrent assets were up ¥20.0 billion (5.3%) to ¥396.7 billion (40.0% to total assets).

With respect to current assets, cash and deposits increased ¥2.0 billion from the previous fiscal year-end, to ¥97.5 billion. In contrast, securities decreased ¥19.9 billion, and as a result, cash and cash equivalents decreased ¥17.9 billion to ¥170.5 billion. Notes and accounts receivable–trade increased ¥1.0 billion to ¥221.1 billion and lease receivables and investment assets increased ¥3.2 billion to ¥24.4 billion. Inventories increased ¥19.3 billion to ¥134.6 billion.

With respect to non-current assets, property, plant and equipment increased ¥7.5 billion from the previous fiscal year-end to ¥180.9 billion, due primarily to construction of a new R&D building and capital investment in the Business Technologies Business as well as investment related to new businesses in the Industrial Business. Intangible assets increased ¥3.6 billion to ¥115.0 billion. Investments and other assets increased ¥8.7 billion from the previous fiscal year-end to ¥100.7 billion, due mainly to increases in investment securities of ¥5.7 billion on the back of a positive upturn in the stock market and an increase of deferred tax assets of ¥1.3 billion.

Total liabilities were up ¥5.3 billion (1.1%) from the previous fiscal year-end to ¥491.3 billion. Notes and accounts payable–trade increased ¥1.4 billion to ¥97.6 billion and net defined benefit liability increased ¥12.7 billion to ¥66.3 billion. Accrued expenses increased ¥4.7 billion and income taxes payable increased ¥7.7 billion. On the other hand, interest-bearing debt (the sum of short-term loans payable, long-term loans payable and bonds payable) decreased ¥21.1 billion to ¥175.0 billion.

Net assets were up ¥20.2 billion (4.2%) from the previous fiscal year-end to ¥500.3 billion. Retained earnings decreased ¥14.6 billion to ¥227.8 billion. This was due to the recording of ¥21.9 billion in net income, a decrease of ¥8.9 billion due to dividend payments from surplus, a decrease of ¥20.7 billion due to the cancellation of treasury shares and a decrease of ¥7.0 billion due to the application of accounting standards related to retirement benefits. Treasury shares decreased ¥6.5 billion due mainly to an increase based on acquisition of the Company's own shares in the amount of ¥14.2 billion and a decrease based on the cancellation of treasury shares in the amount of ¥20.7 billion. Accumulated other comprehensive income increased ¥27.9 billion to ¥39.5 billion due mainly to an increase of ¥24.5 billion in foreign currency translation adjustment and an increase of ¥2.8 billion in valuation difference on available-for-sale securities.

As a result, the shareholders' equity ratio at the end of the third quarter increased 0.7 percentage points from the end of the previous fiscal year to 50.2%.

b. Cash Flows

	[Billions of yen]		
	Nine months ended December 31, 2014	Nine months ended December 31, 2013	Increase (Decrease)
Cash flows from operating activities	71.4	61.8	9.5
Cash flows from investing activities	(44.6)	(38.1)	(6.5)
Total (Free cash flow)	26.7	23.7	2.9
Cash flows from financing activities	(47.2)	(19.0)	(28.1)

During the third quarter of the consolidated fiscal year under review, net cash provided by operating activities was ¥71.4 billion, while net cash used in investing activities, mainly associated with capital investment, totaled ¥44.6 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥26.7 billion.

Net cash used in financing activities was ¥47.2 billion.

In addition, cash and cash equivalents at the end of the third quarter of the consolidated fiscal year under review stood at ¥170.5 billion, down ¥17.9 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 amounted to ¥71.4 billion (compared with net cash provided of ¥61.8 billion in the same period of the previous fiscal year). The Group reported income before income taxes of ¥41.1 billion, depreciation of ¥37.1 billion, and amortization of goodwill of ¥6.9 billion and an increase of ¥60 million due to a decrease in working capital, which were partially offset by the payment of ¥9.6 billion for income taxes and a decrease of ¥5.8 billion in provision for bonuses.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥44.6 billion (compared with net cash used of ¥38.1 billion in the same period of the previous fiscal year). Cash of ¥29.0 billion was used for the purchase of property, plant and equipment as a result of construction of a new R&D building, capital investment in the Business Technologies Business and investment for new business in the Industrial Business. Other cash outflows included ¥10.3 billion for the payment for transfer of business and the purchase of shares of subsidiaries in the Business Technologies Business and ¥6.1 billion for the purchase of intangible assets.

As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥26.7 billion (an inflow of ¥23.7 billion in the same period of the previous fiscal year).

Cash Flows from Financing Activities

Net cash used in financing activities was ¥47.2 billion (compared with net cash used of ¥19.0 billion in the same period of the previous fiscal year), mainly reflecting a decrease of a total of ¥23.5 billion in short-term and long-term loans payable, a payment of ¥13.5 billion for the purchase of treasury shares, and a payment of ¥8.8 billion in dividends.

(3) Outlook for the Fiscal Year Ending March 31, 2015

For the full-year consolidated results forecast, we have left the following performance projections for net sales, operating income, and ordinary income, which were revised upward in the “Second Quarter Consolidated Financial Results for the Fiscal Year ending March 31, 2015” (announced on October 31, 2014), unchanged in light of the progress in performance during the first three quarters of the fiscal year under review.

Factoring in the capital gains initiatives, etc. being pursued from a standpoint of improving capital efficiency as part of the medium term business plan, we have revised the previous forecast for net income upward by ¥3.0 billion.

Assumed exchange rates for the basis of the fourth quarter forecasts are ¥115 to the US dollar, marking depreciation of ¥10 from the previous forecast, and ¥135 to the euro (US\$: ¥105, EUR: ¥135 at the time of the results announcement on October 31, 2014).

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
	[Billions of yen]	[Billions of yen]	[Billions of yen]	[Billions of yen]	[Yen]
Forecast previously announced (A)	1,010.0	65.0	61.0	30.0	59.37
Revised forecast (B)	1,010.0	65.0	61.0	33.0	65.31
Increase (decrease) (B - A)	—	—	—	3.0	5.93
Rate of change (%)	—	—	—	10.0	10.0
(Ref.) Results for the fiscal year ended March 31, 2014	943.7	58.1	54.6	21.8	41.38

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

Application of accounting standards, etc. related to retirement benefits

From the first quarter of the current fiscal year under review, the Group applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) with regard to provisions set forth in the text of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guideline on Accounting Standard for Retirement Benefits. As a result, the Group revised its calculation method for retirement benefit obligation and service cost and switched from a straight-line basis to a benefit formula basis for attribution of expected retirement benefit payments. Along with this, the method of determining discount rates was changed.

At the application of the Accounting Standard for Retirement Benefits, the Group recognized the effect of this change to the calculation method for retirement benefit obligation and service cost in retained earnings at the beginning of the first three quarters of the current fiscal year in accordance with transitional provisions set forth in paragraph 37 of the Accounting Standard for Retirement Benefits.

As a result, net defined benefit liability increased by ¥10,957 million and retained earnings decreased by ¥7,052 million at the beginning of the first three quarters. In addition, operating income, ordinary income and income before income taxes and minority interests for the first three quarters each increased by ¥228 million.

3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Quarterly Balance Sheets

December 31, 2014 and March 31, 2014

[Millions of yen]

	Mar 31, 2014	Dec 31, 2014
Assets		
Current assets		
Cash and deposits	95,490	97,519
Notes and accounts receivable - trade	220,120	221,142
Lease receivables and investment assets	21,211	24,457
Securities	92,999	73,010
Inventories	115,275	134,660
Deferred tax assets	18,806	19,986
Accounts receivable - other	14,636	12,093
Other	16,435	18,592
Allowance for doubtful accounts	(5,643)	(6,551)
Total current assets	589,331	594,911
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	61,441	69,730
Machinery, equipment and vehicles, net	23,542	30,447
Tools, furniture and fixtures, net	27,058	27,944
Land	34,310	34,415
Lease assets, net	521	438
Construction in progress	13,819	3,958
Assets for rent, net	12,668	13,992
Total property, plant and equipment	173,362	180,927
Intangible assets		
Goodwill	65,734	66,065
Other	45,627	48,959
Total intangible assets	111,362	115,024
Investments and other assets		
Investment securities	29,256	34,966
Long-term loans receivable	83	97
Long-term prepaid expenses	3,230	4,356
Deferred tax assets	48,040	49,420
Other	12,277	12,824
Allowance for doubtful accounts	(883)	(871)
Total investments and other assets	92,003	100,793
Total noncurrent assets	376,729	396,746
Total assets	966,060	991,657

[Millions of yen]

Mar 31, 2014 Dec 31, 2014

	Mar 31, 2014	Dec 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	96,240	97,698
Short-term loans payable	37,078	20,445
Current portion of bonds	—	20,000
Current portion of long-term loans payable	27,003	27,001
Accounts payable - other	39,824	38,290
Accrued expenses	34,509	39,257
Income taxes payable	5,652	13,390
Provision for bonuses	13,007	7,408
Provision for directors' bonuses	244	171
Provision for product warranties	1,441	1,515
Provision for discontinued operations	195	0
Notes payable - facilities	1,185	1,426
Asset retirement obligations	256	225
Other	28,580	34,564
Total current liabilities	285,220	301,397
Noncurrent liabilities		
Bonds payable	70,000	50,000
Long-term loans payable	62,042	57,571
Deferred tax liabilities for land revaluation	3,269	3,214
Provision for directors' retirement benefits	237	125
Net defined benefit liability	53,563	66,318
Asset retirement obligations	1,012	976
Other	10,658	11,753
Total non-current liabilities	200,785	189,959
Total liabilities	486,005	491,357
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	242,460	227,837
Treasury shares	(17,322)	(10,751)
Total shareholders' equity	466,797	458,745
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,086	7,888
Deferred gains or losses on hedges	(38)	(67)
Foreign currency translation adjustment	15,055	39,585
Remeasurements of defined benefit plans	(8,497)	(7,891)
Total accumulated other comprehensive income	11,607	39,515
Subscription rights to shares	910	993
Minority interests	740	1,045
Total net assets	480,055	500,300
Total liabilities and net assets	966,060	991,657

**(2) Consolidated Quarterly Statements of Income
and Consolidated Quarterly Statements of Comprehensive Income**
Consolidated Quarterly Statements of Income
Nine months ended December 31, 2013 and 2014

[Millions of yen]

	Apr-Dec 2013	Apr-Dec 2014
Net sales	682,876	733,867
Cost of sales	355,124	370,703
Gross profit	327,751	363,164
Selling, general and administrative expenses	288,846	317,755
Operating income	38,905	45,409
Non-operating income		
Interest income	1,129	1,222
Dividends income	465	829
Foreign exchange gains	31	1,533
Other	2,549	2,533
Total non-operating income	4,175	6,118
Non-operating expenses		
Interest expenses	2,086	1,942
Share of loss of entities accounted for using equity method	1,164	25
Loss on disposal of trial products for mass-production	—	844
Other	3,092	4,902
Total non-operating expenses	6,343	7,714
Ordinary income	36,736	43,812
Extraordinary income		
Gain on sales of non-current assets	392	1,743
Gain on sales of investment securities	69	2
Total extraordinary income	462	1,746
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,831	831
Loss on sales of shares of subsidiaries and associates	—	67
Loss on valuation of investment securities	47	0
Impairment loss	383	2,786
Business structure improvement expenses	1,513	701
Loss on business withdrawal	16,368	—
Special extra retirement payments	3,018	—
Group restructuring expenses	118	—
Total extraordinary losses	23,281	4,386
Income before income taxes and minority interests	13,916	41,172
Income taxes	3,032	19,178
Income before minority interests	10,884	21,994
Minority interests in income	72	7
Net income	10,811	21,986

Consolidated Quarterly Statements of Income
Three months ended December 31, 2013 and 2014

[Millions of yen]

	Oct-Dec 2013	Oct-Dec 2014
Net sales	232,421	255,303
Cost of sales	118,696	129,138
Gross profit	113,725	126,164
Selling, general and administrative expenses	99,000	109,929
Operating income	14,724	16,235
Non-operating income		
Interest income	439	436
Dividend income	195	233
Foreign exchange gains	580	763
Other	879	562
Total non-operating income	2,096	1,995
Non-operating expenses		
Interest expenses	694	735
Share of loss of entities accounted for using equity method	87	21
Loss on disposal of trial products for mass-production	—	850
Other	800	1,478
Total non-operating expenses	1,583	3,085
Ordinary income	15,237	15,145
Extraordinary income		
Gain on sales of non-current assets	258	187
Gain on sales of investment securities	—	(0)
Estimated difference in loss on business withdrawal	441	—
Total extraordinary income	699	187
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	1,116	249
Loss on sales of shares of subsidiaries and associates	—	67
Loss on valuation of investment securities	2	1
Impairment loss	254	724
Business structure improvement expenses	712	577
Total extraordinary losses	2,085	1,620
Income before income taxes and minority interests	13,851	13,712
Income taxes	8,557	6,375
Income before minority interests	5,293	7,336
Minority interests in income	40	32
Net income	5,253	7,304

Consolidated Quarterly Statements of Comprehensive Income
Nine months ended December 31, 2013 and 2014

[Millions of yen]

	Apr-Dec 2013	Apr-Dec 2014
Income before minority interests	10,884	21,994
Other comprehensive income		
Valuation difference on available-for-sale securities	2,279	2,798
Deferred gains or losses on hedges	(131)	(29)
Foreign currency translation adjustment	28,183	24,537
Remeasurements of defined benefit plans, net of tax	—	606
Share of other comprehensive income of entities accounted for using equity method	2	2
Total other comprehensive income	30,334	27,916
Comprehensive income	41,218	49,910
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	41,097	49,895
Comprehensive income attributable to minority interests	120	14

Consolidated Quarterly Statements of Comprehensive Income
Three months ended December 31, 2013 and 2014

[Millions of yen]

	Oct-Dec 2013	Oct-Dec 2014
Income before minority interests	5,293	7,336
Other comprehensive income		
Valuation difference on available-for-sale securities	768	1,543
Deferred gains or losses on hedges	(144)	(58)
Foreign currency translation adjustment	16,758	17,729
Remeasurements of defined benefit plans, net of tax	—	156
Share of other comprehensive income of entities accounted for using equity method	1	3
Total other comprehensive income	17,384	19,373
Comprehensive income	22,678	26,710
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	22,624	26,687
Comprehensive income attributable to minority interests	53	23

(3) Consolidated Quarterly Statements of Cash Flows**Nine months ended December 31, 2013 and 2014**

[Millions of yen]

	Apr-Dec 2013	Apr-Dec 2014
Cash flows from operating activities		
Income before income taxes and minority interests	13,916	41,172
Depreciation	35,126	37,102
Impairment loss	12,915	2,786
Amortization of goodwill	7,190	6,918
Interest and dividends income	(1,594)	(2,051)
Interest expenses	2,086	1,942
Loss (gain) on sales and retirement of non-current assets	1,438	(912)
Loss (gain) on sales and valuation of investment securities	(22)	(0)
Increase (decrease) in provision for bonuses	(3,956)	(5,896)
Increase (decrease) in provision for retirement benefits	1,977	—
Increase (decrease) in net defined benefit liability	—	1,597
Increase (decrease) in provision for discontinued operations	1,078	(195)
Decrease (increase) in notes and accounts receivable - trade	21,881	25,955
Decrease (increase) in inventories	(3,114)	(7,805)
Increase (decrease) in notes and accounts payable - trade	(15,358)	(18,082)
Transfer of assets for rent	(3,648)	(4,143)
Decrease (increase) in accounts receivable - other	(1,244)	1,584
Increase (decrease) in accounts payable - other and accrued expenses	2,947	1,245
Increase (decrease) in deposits received	1,480	2,059
Decrease/increase in consumption taxes receivable/payable	832	706
Other, net	(1,207)	(2,905)
Subtotal	72,724	81,079
Interest and dividends income received	1,575	2,063
Interest expenses paid	(2,163)	(2,061)
Income taxes (paid) refund	(10,239)	(9,669)
Net cash provided by (used in) operating activities	61,896	71,411
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,175)	(29,084)
Proceeds from sales of property, plant and equipment	1,643	4,811
Purchase of intangible assets	(5,863)	(6,126)
Payments for transfer of business	(960)	(5,648)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(903)	(4,360)
Purchase of investments in subsidiaries' equity resulting in change in scope of consolidation	(616)	—
Purchase of additional investments in consolidated subsidiaries' equity	(849)	(293)
Payments of loans receivable	(301)	(103)
Collection of loans receivable	119	261
Purchase of investment securities	(2,867)	(104)
Proceeds from sales of investment securities	383	2
Purchase of shares of subsidiaries	—	(1,564)
Payments for other investments	(3,217)	(3,108)
Other, net	1,495	675
Net cash provided by (used in) investing activities	(38,113)	(44,643)

	[Millions of yen]	
	Apr-Dec 2013	Apr-Dec 2014
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(17,963)	(17,228)
Proceeds from long-term loans payable	10,776	—
Repayment of long-term loans payable	(1,038)	(6,286)
Repayments of lease obligations	(1,641)	(1,663)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(27)	(13,506)
Cash dividends paid	(9,130)	(8,805)
Proceeds from share issuance to minority shareholders	—	290
Net cash provided by (used in) financing activities	(19,025)	(47,200)
Effect of exchange rate change on cash and cash equivalents	1,983	2,315
Net increase (decrease) in cash and cash equivalents	6,739	(18,116)
Cash and cash equivalents at beginning of period	213,914	188,489
Increase in cash and cash equivalents from newly consolidated subsidiary	669	146
Cash and cash equivalents at end of period	221,324	170,519

(4) Notes Regarding Going Concern Assumptions

None.

(5) Notes Regarding Significant Change in Shareholders' Equity**a. Acquisition of the Company's own shares**

The Company acquired its own shares following the resolutions at the Board of Directors meetings held on January 30 and July 30, 2014. As a result, treasury shares increased by ¥14,227 million in the first three quarters of the fiscal year currently under review.

The acquisitions of the Company's own shares were respectively completed on April 14 and October 16, 2014, following the resolutions at the above-mentioned Board of Directors meetings.

b. Cancellation of the Company's own shares

The Company cancelled its own shares on August 29, 2014 following a resolution at the Board of Directors meeting held on July 30, 2014. As a result, retained earnings and treasury shares each decreased by ¥20,765 million in the first three quarters of the current fiscal year under review.

As a result of the acquisition and cancellation of the Company's own shares, treasury shares amounted to ¥10,751 million at the end of the third quarter of the current fiscal year under review.

(6) Segment Information**[Segment Information]****a. Nine Months Ended December 31, 2013 (From April 1, 2013 to December 31, 2013)****i. Information About Segment Sales and Income (Loss)**

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	533,351	55,177	90,360	678,889	3,986	682,876
Intersegment	1,410	100	2,652	4,163	15,558	19,721
Total	534,762	55,278	93,012	683,053	19,544	702,597
Segment incomes	45,272	2,341	12,382	59,996	420	60,417

[Millions of yen]

ii. 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)

Adjustments & Eliminations	Amount
Total operating income of reportable segments	59,996
Operating income categorized in "Other"	420
Intersegment – eliminations	(4,101)
Corporate expenses*	(17,411)
Operating income reported in quarterly statements of income	38,905

[Millions of yen]

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

iii. Information Relating to Impairment Loss of Noncurrent Assets and Goodwill by Reportable Segment (Significant Impairment Loss on Noncurrent Assets)

An impairment loss was posted because the recoverable amount for business assets in the Industrial Business segment fell below the book value. The impairment loss posted during the first three quarters of the previous consolidated fiscal year was ¥12,531 million for the Industrial Business segment and was included in the loss on business withdrawal.

b. Nine Months Ended December 31, 2014 (From April 1, 2014 to December 31, 2014)

i. Information About Segment Sales and Income (Loss)

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	589,584	55,226	86,966	731,777	2,090	733,867
Intersegment	1,467	156	1,758	3,382	16,519	19,902
Total	591,052	55,382	88,725	735,159	18,610	753,769
Segment income	48,857	1,320	16,276	66,454	1,064	67,518

ii. 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)

Adjustments & Eliminations	Amount
Total operating income of reportable segments	66,454
Operating income categorized in "Other"	1,064
Intersegment – eliminations	(5,171)
Corporate expenses*	(16,938)
Operating income reported in quarterly statements of income	45,409

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

iii. Item Related to Change in Reporting Segments

From the first quarter of the fiscal year currently under review, the Industrial Inkjet Business, which was previously included in the Other segment, is positioned as the commercial/industrial print field in the Business Technologies segment.

Segment information for the previous first three quarters has been prepared based on reporting segment classifications following this change.

c. Three Months Ended December 31, 2013 (From October 1, 2013 to December 31, 2013)**i. Information About Segment Sales and Income (Loss)**

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	183,928	19,193	27,878	231,000	1,420	232,421
Intersegment	420	45	638	1,105	4,279	5,384
Total	184,349	19,239	28,516	232,105	5,699	237,805
Segment income	18,245	435	3,408	22,089	301	22,391

ii. 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]

Adjustments & Eliminations	Amount
Total operating income of reportable segments	22,089
Operating income categorized in "Other"	301
Intersegment – eliminations	(1,519)
Corporate expenses*	(6,147)
Operating income reported on quarterly statements of income	14,724

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

d. Three Months Ended December 31, 2014 (From October 1, 2014 to December 31, 2014)**i. Information About Segment Sales and Income (Loss)**

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	208,398	18,776	27,469	254,643	659	255,303
Intersegment	418	40	589	1,048	4,767	5,815
Total	208,816	18,816	28,058	255,691	5,426	261,118
Segment income	18,590	299	4,105	22,995	246	23,241

ii. 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)

Adjustments & Eliminations	[Millions of yen] Amount
Total operating income of reportable segments	22,995
Operating income categorized in "Other"	246
Intersegment – eliminations	(1,420)
Corporate expenses*	(5,585)
Operating income reported in quarterly statements of income	16,235

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

iii. Item Related to Change in Reporting Segments

From the first quarter of the fiscal year currently under review, the Industrial Inkjet Business, which was previously included in the Other segment, is positioned as the commercial/industrial print field in the Business Technologies segment.

Segment information for the previous third quarter has been prepared based on reporting segment classifications following this change.

(7) Important Subsequent Events

None.