

**3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS****(1) Consolidated Quarterly Balance Sheets**

September 30, 2014 and March 31, 2014

[Millions of yen]

	March 31, 2014	September 30, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	95,490	87,473
Notes and accounts receivable - trade	220,120	212,108
Lease receivables and investment assets	21,211	22,471
Securities	92,999	82,012
Inventories	115,275	121,108
Deferred tax assets	18,806	19,304
Accounts receivable - other	14,636	11,513
Other	16,435	16,854
Allowance for doubtful accounts	(5,643)	(5,880)
<b>Total current assets</b>	<b>589,331</b>	<b>566,967</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	61,441	69,593
Machinery, equipment and vehicles, net	23,542	22,973
Tools, furniture and fixtures, net	27,058	26,947
Land	34,310	33,990
Leased assets, net	521	422
Construction in progress	13,819	12,311
Assets for rent, net	12,668	13,685
<b>Total property, plant and equipment</b>	<b>173,362</b>	<b>179,923</b>
Intangible assets		
Goodwill	65,734	65,357
Other	45,627	46,065
<b>Total intangible assets</b>	<b>111,362</b>	<b>111,423</b>
Investments and other assets		
Investment securities	29,256	31,663
Long-term loans receivable	83	93
Long-term prepaid expenses	3,230	4,170
Deferred tax assets	48,040	50,614
Other	12,277	13,227
Allowance for doubtful accounts	(883)	(865)
<b>Total investments and other assets</b>	<b>92,003</b>	<b>98,904</b>
<b>Total non-current assets</b>	<b>376,729</b>	<b>390,250</b>
<b>Total assets</b>	<b>966,060</b>	<b>957,218</b>

## Supplementary Information - 2Q FY March 2015

[Millions of yen]

March 31, 2014 September 30, 2014

**Liabilities**

	March 31, 2014	September 30, 2014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	96,240	88,799
Short-term loans payable	37,078	24,306
Current portion of long-term loans payable	27,003	22,001
Accounts payable - other	39,824	40,503
Accrued expenses	34,509	34,014
Income taxes payable	5,652	10,558
Provision for bonuses	13,007	13,138
Provision for directors' bonuses	244	123
Provision for product warranties	1,441	1,616
Provision for discontinued operations	195	0
Notes payable - facilities	1,185	1,214
Asset retirement obligations	256	197
Other	28,580	27,493
Total current liabilities	285,220	263,971
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	62,042	62,238
Deferred tax liabilities for land revaluation	3,269	3,214
Provision for directors' retirement benefits	237	122
Net defined benefit liability	53,563	65,040
Asset retirement obligations	1,012	1,001
Other	10,658	10,908
Total non-current liabilities	200,785	212,525
Total liabilities	486,005	476,496
<b>Net assets</b>		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	242,460	225,573
Treasury shares	(17,322)	(8,318)
Total shareholders' equity	466,797	458,914
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,086	6,341
Deferred gains or losses on hedges	(38)	(9)
Foreign currency translation adjustment	15,055	21,847
Remeasurements of defined benefit plans	(8,497)	(8,047)
Total accumulated other comprehensive income	11,607	20,132
Subscription rights to shares	910	942
Minority interests	740	732
Total net assets	480,055	480,721
<b>Total liabilities and net assets</b>	<b>966,060</b>	<b>957,218</b>

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

**Consolidated Quarterly Statements of Income  
Six months ended September 30, 2013 and 2014**

[Millions of yen]

	April-September, 2013	April-September, 2014
Net sales	450,454	478,564
Cost of sales	236,428	241,564
Gross profit	214,026	236,999
Selling, general and administrative expenses	189,845	207,825
Operating income	24,180	29,173
Non-operating income		
Interest income	689	786
Dividend income	269	595
Foreign exchange gains	—	770
Other	1,669	2,035
Total non-operating income	2,628	4,187
Non-operating expenses		
Interest expenses	1,392	1,206
Share of loss of entities accounted for using equity method	1,076	3
Foreign exchange losses	549	—
Other	2,291	3,482
Total non-operating expenses	5,309	4,692
Ordinary income	21,498	28,669
Extraordinary income		
Gain on sales of non-current assets	134	1,556
Gain on sales of investment securities	69	2
Total extraordinary income	203	1,558
Extraordinary losses		
Loss on sales and retirement of non-current assets	714	581
Loss on valuation of investment securities	44	0
Impairment loss	129	2,062
Business structure improvement expenses	801	123
Loss on business withdrawal	16,809	—
Special extra retirement payments	3,018	—
Group restructuring expenses	118	—
Total extraordinary losses	21,637	2,767
Income before income taxes and minority interests	65	27,460
Income taxes	(5,524)	12,803
Income before minority interests	5,590	14,657
Minority interests in income (loss)	32	(25)
Net income	5,558	14,682

**Consolidated Quarterly Statements of Comprehensive Income**  
**Six months ended September 30, 2013 and 2014**

[Millions of yen]

	April-September, 2013	April-September, 2014
Income before minority interests	5,590	14,657
Other comprehensive income		
Valuation difference on available-for-sale securities	1,511	1,255
Deferred gains or losses on hedges	12	28
Foreign currency translation adjustment	11,424	6,808
Remeasurements of defined benefit plans, net of tax	—	450
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	12,949	8,542
Comprehensive income	18,540	23,199
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,472	23,208
Comprehensive income attributable to minority interests	67	(8)

**Consolidated Quarterly Statements of Income**  
**Three months ended September 30, 2013 and 2014**

[Millions of yen]

	July-September, 2013	July-September, 2014
Net sales	231,911	250,280
Cost of sales	120,222	127,681
Gross profit	111,689	122,599
Selling, general and administrative expenses	95,327	105,087
Operating income	16,361	17,512
Non-operating income		
Interest income	354	326
Dividend income	25	309
Foreign exchange gains	—	849
Other	866	1,265
Total non-operating income	1,245	2,750
Non-operating expenses		
Interest expenses	725	622
Share of loss of entities accounted for using equity method	1,034	4
Foreign exchange losses	181	—
Other	1,217	1,415
Total non-operating expenses	3,158	2,042
Ordinary income	14,448	18,219
Extraordinary income		
Gain on sales of non-current assets	111	41
Gain on sales of investment securities	10	—
Other	3	—
Total extraordinary income	126	41
Extraordinary losses		
Loss on sales and retirement of non-current assets	415	413
Loss on valuation of investment securities	0	—
Impairment loss	93	2,053
Business structure improvement expenses	194	123
Loss on business withdrawal	16,809	—
Special extra retirement payments	3,018	—
Group restructuring expenses	17	—
Total extraordinary losses	20,549	2,590
Income (loss) before income taxes and minority interests	(5,974)	15,670
Income taxes	(1,806)	6,595
Income (loss) before minority interests	(4,167)	9,074
Minority interests in income (loss)	48	(5)
Net income (loss)	(4,216)	9,079

**Consolidated Quarterly Statements of Comprehensive Income**  
**Three months ended September 30, 2013 and 2014**

[Millions of yen]

	July-September, 2013	July-September, 2014
Income (loss) before minority interests	(4,167)	9,074
Other comprehensive income		
Valuation difference on available-for-sale securities	1,635	932
Deferred gains or losses on hedges	12	(22)
Foreign currency translation adjustment	1,614	10,507
Remeasurements of defined benefit plans, net of tax	—	246
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	3,262	11,663
Comprehensive income	(905)	20,738
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(924)	20,736
Comprehensive income attributable to minority interests	19	1

**(3) Consolidated Quarterly Statements of Cash Flow**  
**Six months ended September 30, 2013 and 2014**

[Millions of yen]

	April-September, 2013	April-September, 2014
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	65	27,460
Depreciation	23,547	23,645
Impairment loss	12,661	2,062
Amortization of goodwill	4,995	4,738
Interest and dividend income	(959)	(1,381)
Interest expenses	1,392	1,206
Loss (gain) on sales and retirement of non-current assets	580	(974)
Loss (gain) on sales and valuation of investment securities	(24)	(1)
Increase (decrease) in provision for retirement benefits	1,051	—
Increase (decrease) in net defined benefit liability	—	639
Increase (decrease) in provision for discontinued operations	1,552	(195)
Decrease (increase) in notes and accounts receivable - trade	16,446	17,516
Decrease (increase) in inventories	7,077	(2,519)
Increase (decrease) in notes and accounts payable - trade	(13,747)	(15,259)
Transfer of assets for rent	(2,473)	(2,891)
Decrease (increase) in accounts receivable - other	538	508
Increase (decrease) in accounts payable - other and accrued expenses	3,439	(3,283)
Decrease/increase in consumption taxes receivable/payable	716	(7)
Other, net	(4,932)	(676)
<b>Subtotal</b>	<b>51,925</b>	<b>50,586</b>
Interest and dividend income received	924	1,369
Interest expenses paid	(1,404)	(1,192)
Income taxes (paid) refund	(5,445)	(6,302)
<b>Net cash provided by (used in) operating activities</b>	<b>46,000</b>	<b>44,461</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(13,616)	(18,087)
Proceeds from sales of property, plant and equipment	421	4,294
Purchase of intangible assets	(4,243)	(3,589)
Payments for transfer of business	(960)	(5,350)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,563)
Purchase of additional investments in consolidated subsidiaries' equity	—	(293)
Payments of loans receivable	(68)	(83)
Collection of loans receivable	94	244
Purchase of investment securities	(763)	(3)
Proceeds from sales of investment securities	383	2
Purchase of shares of subsidiaries	(655)	(900)
Payments of valuation of other investments	(649)	(2,724)
Other, net	410	3
<b>Net cash provided by (used in) investing activities</b>	<b>(19,647)</b>	<b>(29,052)</b>

[Millions of yen]

	April-September, 2013	April-September, 2014
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(13,491)	(12,456)
Proceeds from long-term loans payable	10,420	—
Repayments of long-term loans payable	(33)	(5,001)
Repayments of lease obligations	(1,067)	(1,020)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(10)	(11,073)
Cash dividends paid	(3,977)	(3,867)
Net cash provided by (used in) financing activities	(8,159)	(33,418)
<b>Effect of exchange rate change on cash and cash equivalents</b>	1,284	(1,150)
<b>Net increase (decrease) in cash and cash equivalents</b>	19,477	(19,159)
<b>Cash and cash equivalents at beginning of period</b>	213,914	188,489
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	669	146
<b>Cash and cash equivalents at end of period</b>	234,061	169,476



**(4) Notes Regarding Going Concern Assumptions**

None.

**(5) Notes Regarding Significant Change in Shareholders' Equity****1. 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 ¥11,797 million in the first half 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.

**2. 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 half 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 ¥8,318 million at the end of the second quarter of the current fiscal year under review.

**(6) Segment Information****[Segment Information]****1. Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)****1. Information About Segment Sales and Income (Loss)**

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	349,422	35,984	62,482	447,888	2,565	450,454
Intersegment	989	55	2,013	3,058	11,278	14,337
Total	350,412	36,039	64,495	450,947	13,844	464,792
Segment income	27,026	1,906	8,973	37,907	118	38,025

[Millions of yen]

**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)**

Item	Amount
	[Millions of yen]
Total operating income of reportable segments	37,907
Operating income categorized in "Other"	118
Intersegment – eliminations	(2,581)
Corporate expenses*	(11,263)
Operating income reported on quarterly statements of income	24,180

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

### 3. 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 half of the consolidated fiscal year under review was ¥12,531 million for the Industrial Business segment and was included in the loss on business withdrawal.

## 2. Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)

### 1. Information About Segment Sales and Income (Loss)

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	381,186	36,450	59,497	477,133	1,430	478,564
Intersegment	1,049	115	1,169	2,334	11,752	14,086
Total	382,235	36,565	60,666	479,468	13,183	492,651
Segment income	30,267	1,021	12,170	43,459	818	44,277

### 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)

Item	(Millions of yen)
	Amount
Total operating income of reportable segments	43,459
Operating income categorized in "Other"	818
Intersegment – eliminations	(3,750)
Corporate expenses*	(11,353)
Operating income reported on quarterly statements of income	29,173

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

### 3. 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 Business segment.

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

### 3. Three months ended September 30, 2013 (From July 1, 2013 to September 30, 2013)

#### 1. Information About Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	179,609	19,726	31,479	230,815	1,095	231,911
Intersegment	505	40	678	1,224	4,760	5,984
Total	180,115	19,766	32,158	232,040	5,855	237,896
Segment income	16,916	1,840	4,697	23,455	157	23,613

#### 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	23,455
Operating income categorized in "Other"	157
Intersegment – eliminations	(1,678)
Corporate expenses*	(5,573)
Operating income reported on quarterly statements of income	16,361

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

#### 3. 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 second quarter of the consolidated fiscal year under review was ¥12,531 million for the Industrial Business segment and was included in the loss on business withdrawal.

**4. Three months ended September 30, 2014 (From July 1, 2014 to September 30, 2014)****1. Information About Segment Sales and Income (Loss)**

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	199,796	20,378	29,427	249,602	677	250,280
Intersegment	595	93	648	1,337	6,595	7,933
<b>Total</b>	<b>200,391</b>	<b>20,472</b>	<b>30,076</b>	<b>250,940</b>	<b>7,273</b>	<b>258,213</b>
Segment income	18,431	1,031	5,602	25,065	233	25,299

**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	25,065
Operating income categorized in "Other"	233
Intersegment – eliminations	(2,269)
Corporate expenses*	(5,517)
<b>Operating income reported on quarterly statements of income</b>	<b>17,512</b>

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

**3. 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 Business segment.

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

**(7) Important Subsequent Events**

None.