

CONSOLIDATED BALANCE SHEETS

Konica Minolta Holdings, Inc. and Consolidated Subsidiaries
March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Assets			
Current Assets:			
Cash on hand and in banks (Note 5).....	¥ 90,640	¥ 87,886	\$ 1,102,811
Notes and accounts receivable–trade (Notes 5 and 12).....	174,193	163,363	2,119,394
Lease receivables and investment assets (Note 12).....	13,775	14,327	167,599
Short-term investment securities (Notes 5 and 6).....	141,293	87,261	1,719,102
Inventories (Note 10).....	105,080	100,243	1,278,501
Deferred tax assets (Note 8).....	20,100	30,393	244,555
Other accounts receivable.....	13,467	10,536	163,852
Other current assets.....	11,759	12,084	143,071
Allowance for doubtful accounts.....	(4,385)	(4,220)	(53,352)
Total current assets.....	565,923	501,876	6,885,546
Property, Plant and Equipment (Note 17):			
Buildings and structures.....	169,648	167,918	2,064,095
Machinery and equipment.....	244,086	242,223	2,969,777
Tools and furniture.....	138,773	142,003	1,688,441
Land.....	33,631	33,795	409,186
Lease assets.....	818	726	9,953
Construction in progress.....	7,817	6,589	95,109
Rental business-use assets.....	37,373	39,425	454,715
Total.....	632,149	632,682	7,691,313
Accumulated depreciation.....	(453,150)	(441,980)	(5,513,444)
Net property, plant and equipment.....	178,999	190,701	2,177,868
Intangible Fixed Assets:			
Goodwill.....	59,727	63,146	726,694
Other intangible fixed assets.....	27,613	25,225	335,965
Total intangible fixed assets.....	87,341	88,371	1,062,672
Investments and Other Assets (Note 17):			
Investment securities (Notes 5 and 6).....	19,073	20,893	232,060
Long-term loans.....	133	154	1,618
Long-term prepaid expenses.....	2,650	3,030	32,242
Deferred tax assets (Note 8).....	38,281	30,404	465,762
Other.....	10,355	10,752	125,989
Allowance for doubtful accounts.....	(706)	(732)	(8,590)
Total investments and other assets.....	69,788	64,504	849,106
Total assets.....	¥902,052	¥845,453	\$10,975,204

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Liabilities and Net Assets			
Current Liabilities:			
Short-term debt (Notes 5, 7 and 12).....	¥ 32,913	¥ 50,018	\$ 400,450
Current portion of long-term debt (Note 7).....	11,994	24,516	145,930
Notes and accounts payable-trade (Note 5).....	88,129	74,640	1,072,259
Accrued expenses.....	36,335	35,324	442,085
Accrued income taxes (Note 8).....	6,908	5,199	84,049
Reserve for discontinued operations.....	—	26	—
Other current liabilities (Note 7).....	52,678	52,755	640,930
Total current liabilities.....	228,958	242,480	2,785,716
Long-Term Liabilities:			
Long-term debt (Notes 5 and 7).....	183,025	118,033	2,226,852
Accrued retirement benefits (Note 22).....	44,545	44,734	541,976
Accrued retirement benefits for directors and statutory auditors.....	341	329	4,149
Deferred tax liabilities on land revaluation (Note 8).....	3,269	3,733	39,774
Asset retirement obligations.....	931	963	11,327
Other long-term liabilities (Note 7).....	5,992	6,192	72,904
Total long-term liabilities.....	238,105	173,985	2,897,007
Total liabilities.....	467,064	416,465	5,682,735
Contingent Liabilities (Note 11)			
Net Assets (Notes 9 and 27):			
Common stock:			
Authorized—1,200,000,000 shares in 2012 and 2011			
Issued—531,664,337 shares in 2012 and 2011.....	37,519	37,519	456,491
Capital surplus.....	204,142	204,140	2,483,781
Retained earnings.....	222,848	211,467	2,711,376
Less: Treasury stock, at cost; Common stock,			
1,381,591 shares in 2012 and			
1,436,447 shares in 2011.....	(1,597)	(1,670)	(19,431)
Unrealized gains on securities, net of taxes.....	1,183	478	14,393
Unrealized losses on hedging derivatives, net of taxes.....	(228)	(94)	(2,774)
Foreign currency translation adjustments.....	(30,199)	(24,193)	(367,429)
Share subscription rights (Notes 7 and 24).....	682	658	8,298
Minority interests.....	635	682	7,726
Total net assets.....	434,987	428,987	5,292,457
Total liabilities and net assets.....	¥902,052	¥845,453	\$10,975,204

CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Konica Minolta Holdings, Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2012 and 2011

Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Net Sales	¥767,879	¥777,953	\$9,342,730
Cost of Sales (Note 13).....	412,562	423,372	5,019,613
Gross profit.....	355,317	354,580	4,323,117
Selling, General and Administrative Expenses (Note 14).....	314,971	314,558	3,832,230
Operating income.....	40,346	40,022	490,887
Other Income (Expenses):			
Interest and dividend income.....	1,563	1,806	19,017
Interest expenses.....	(2,519)	(3,129)	(30,648)
Foreign exchange loss, net.....	(2,567)	(3,762)	(31,233)
Loss on sales and disposals of property, plant and equipment, net.....	(1,693)	(1,527)	(20,599)
Write-down of investment securities.....	(2,700)	(680)	(32,851)
Gain on sales of investment securities, net.....	2	3	24
Gain on sales of investments in affiliated companies, net.....	–	12	–
Gain on sales of investments in capital.....	604	–	7,349
Loss on impairment of fixed assets (Note 17).....	(893)	(1,027)	(10,865)
Gain on discontinued operations.....	19	2,498	231
Equity in income of unconsolidated subsidiaries and affiliates, net.....	67	112	815
Gain on reversal of foreign currency translation adjustment (Note 15).....	3,730	–	45,383
Other extraordinary gain of overseas subsidiaries (Note 16).....	241	505	2,932
Business structure improvement expenses (Note 18).....	(1,198)	(3,394)	(14,576)
Loss on adjustment for changes of accounting standard for asset retirement obligations.....	–	(983)	–
Loss on disaster.....	(57)	(450)	(694)
Other, net.....	(2,132)	(1,894)	(25,940)
Total.....	(7,531)	(11,910)	(91,629)
Income before income taxes and minority interests.....	32,815	28,111	399,258
Income Taxes (Note 8):			
Current.....	9,553	9,580	116,231
Deferred.....	2,776	(7,420)	33,775
Total.....	12,330	2,160	150,018
Income before minority interests.....	20,484	25,951	249,227
Minority Interests in Net Income of Consolidated Subsidiaries	60	54	730
Net Income	¥ 20,424	¥ 25,896	\$ 248,497

	Yen		U.S. dollars (Note 3)
	2012	2011	2012
Per Share Data (Notes 9 and 27):			
Net income —Basic.....	¥38.52	¥48.84	\$0.47
—Diluted.....	37.28	47.28	0.45
Cash dividends.....	15	15	0.18

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Income before minority interests	¥20,484	¥25,951	\$249,227
Other comprehensive income			
Unrealized gains (losses) on securities, net of taxes	716	(261)	8,712
Unrealized losses on hedging derivatives, net of taxes	(133)	(128)	(1,618)
Foreign currency translation adjustments	(6,112)	(9,291)	(74,364)
Share of other comprehensive income of associates accounted for using equity method	(12)	(1)	(146)
Total other comprehensive income (Note 19)	(5,541)	(9,683)	(67,417)
Comprehensive income	¥14,943	¥16,267	\$181,810
Comprehensive income attributable to			
Owners of the parent	¥14,990	¥16,258	\$182,382
Minority interests	(46)	8	(560)

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Konica Minolta Holdings, Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2012 and 2011

	Millions of yen										
	Shares of issued common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains on securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Share subscription rights	Minority interests	Total
(From April 1, 2010 to March 31, 2011)											
Net Assets at April 1, 2010	531,664,337	¥37,519	¥204,140	¥193,790	¥(1,743)	¥ 741	¥ 33	¥(14,947)	¥617	¥622	¥420,775
Dividends paid from retained earnings ..				(7,953)							(7,953)
Net income				25,896							25,896
Purchase of treasury stock					(76)						(76)
Re-issuance of treasury stock				(54)	148						94
Pension liabilities adjustment of overseas subsidiaries				(211)							(211)
Net changes during the period						(263)	(128)	(9,245)	41	59	(9,536)
Total changes during the period		—	—	17,676	72	(263)	(128)	(9,245)	41	59	8,212
Balance at March 31, 2011	531,664,337	¥37,519	¥204,140	¥211,467	¥(1,670)	¥ 478	¥ (94)	¥(24,193)	¥658	¥682	¥428,987

(From April 1, 2011 to March 31, 2012)											
Net Assets at April 1, 2011	531,664,337	¥37,519	¥204,140	¥211,467	¥(1,670)	¥ 478	¥ (94)	¥(24,193)	¥658	¥682	¥428,987
Dividends paid from retained earnings ..				(7,953)							(7,953)
Net income				20,424							20,424
Change in the scope of consolidation ..				(38)							(38)
Purchase of treasury stock					(11)						(11)
Re-issuance of treasury stock			1		84						86
Pension liabilities adjustment of overseas subsidiaries (Note 20)				(1,050)							(1,050)
Net changes during the period						704	(133)	(6,005)	24	(46)	(5,456)
Total changes during the period		—	1	11,381	73	704	(133)	(6,005)	24	(46)	5,999
Balance at March 31, 2012	531,664,337	¥37,519	¥204,142	¥222,848	¥(1,597)	¥1,183	¥(228)	¥(30,199)	¥682	¥635	¥434,987

	Thousands of U.S. dollars (Note 3)										
	Shares of issued common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains on securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Share subscription rights	Minority interests	Total
(From April 1, 2011 to March 31, 2012)											
Net Assets at April 1, 2011	531,664,337	\$456,491	\$2,483,757	\$2,572,904	\$(20,319)	\$ 5,816	\$(1,144)	\$(294,355)	\$8,006	\$8,298	\$5,219,455
Dividends paid from retained earnings ..				(96,764)							(96,764)
Net income				248,497							248,497
Change in the scope of consolidation ..				(462)							(462)
Purchase of treasury stock					(134)						(134)
Re-issuance of treasury stock			12		1,022						1,046
Pension liabilities adjustment of overseas subsidiaries (Note 20)				(12,775)							(12,775)
Net changes during the period						8,566	(1,618)	(73,062)	292	(560)	(66,383)
Total changes during the period		—	12	138,472	888	8,566	(1,618)	(73,062)	292	(560)	72,989
Balance at March 31, 2012	531,664,337	\$456,491	\$2,483,781	\$2,711,376	\$(19,431)	\$14,393	\$(2,774)	\$(367,429)	\$8,298	\$7,726	\$5,292,457

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Konica Minolta Holdings, Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Cash Flows from Operating Activities:			
Income before income taxes and minority interests.....	¥ 32,815	¥ 28,111	\$ 399,258
Depreciation and amortization.....	49,239	55,129	599,087
Loss on impairment of fixed assets.....	893	1,027	10,865
Amortization of goodwill.....	8,804	8,401	107,118
Interest and dividend income.....	(1,563)	(1,807)	(19,017)
Interest expense.....	2,519	3,129	30,648
Loss on sales and disposals of property, plant and equipment.....	1,693	1,526	20,599
Loss on sales and write-down of investment securities.....	2,698	678	32,826
Gain on sales of investments in capital.....	(604)	—	(7,349)
Gain on reversal of foreign currency translation adjustment.....	(3,730)	—	(45,383)
Decrease in provision for bonuses.....	(85)	(203)	(1,034)
Increase (Decrease) in accrued retirement benefits.....	359	(8,358)	4,368
Decrease in reserve for discontinued operations.....	(26)	(4,688)	(316)
Decrease (Increase) in trade notes and accounts receivable.....	(13,442)	3,411	(163,548)
Increase in inventories.....	(6,268)	(7,800)	(76,262)
Increase in trade notes and accounts payable.....	14,715	433	179,036
Transfer of rental business-use assets.....	(4,700)	(5,324)	(57,185)
Increase in accounts receivable—other.....	(4,449)	(543)	(54,131)
Increase in accounts payable—other and accrued expenses.....	866	2,402	10,537
Decrease/increase in consumption taxes receivable/payable.....	1,249	(479)	15,196
Other.....	(1,543)	3,603	(18,774)
Subtotal.....	79,439	78,650	966,529
Interest and dividend income received.....	1,534	1,808	18,664
Interest paid.....	(2,414)	(3,098)	(29,371)
Income taxes paid.....	(6,192)	(9,402)	(75,338)
Net cash provided by operating activities.....	72,367	67,957	880,484
Cash Flows from Investing Activities:			
Payment for acquisition of property, plant and equipment.....	(29,104)	(37,026)	(354,106)
Proceeds from sales of property, plant and equipment.....	504	1,155	6,132
Payment for acquisition of intangible fixed assets.....	(5,862)	(5,808)	(71,323)
Proceeds from transfer of business.....	—	577	—
Payment for transfer of business.....	(2,393)	—	(29,115)
Payment for acquisition of newly consolidated subsidiaries.....	(5,506)	(2,508)	(66,991)
Payment for loans receivable.....	(248)	(475)	(3,017)
Proceeds from collection of loans receivable.....	138	240	1,679
Payment for acquisition of investment securities.....	(6)	(96)	(73)
Proceeds from sales of investment securities.....	2	29	24
Proceeds from sales of investments in capital.....	1,315	—	16,000
Payment for acquisition of other investments.....	(1,773)	(1,271)	(21,572)
Other.....	177	445	2,154
Net cash used in investing activities.....	(42,757)	(44,738)	(520,221)
Cash Flows from Financing Activities:			
Decrease in short-term loans payable.....	(16,439)	(6,551)	(200,012)
Proceeds from long-term loans payable.....	38,304	989	466,042
Repayment of long-term loans payable.....	(25,805)	(27,565)	(313,968)
Proceeds from issuance of bonds.....	40,000	30,000	486,677
Repayments of lease obligations.....	(1,715)	(1,838)	(20,866)
Proceeds from disposal of treasury stock.....	3	4	37
Payment for purchase of treasury stock.....	(11)	(76)	(134)
Dividend payments.....	(7,945)	(7,942)	(96,666)
Dividend proceeds from minority shareholders in consolidated subsidiaries.....	—	51	—
Net cash provided by (used in) financing activities.....	26,390	(12,928)	321,085
Effect of Exchange Rate Changes on Cash and Cash Equivalents.....	785	711	9,551
Increase in Cash and Cash Equivalents.....	56,785	11,002	690,899
Cash and Cash Equivalents at the Beginning of the Year (Note 4).....	175,148	164,146	2,131,014
Cash and Cash Equivalents at the End of the Year (Note 4).....	¥231,933	¥175,148	\$2,821,913

The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Konica Minolta Holdings, Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2012 and 2011

1. BASIS OF PRESENTING FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Konica Minolta Holdings, Inc., (the "Company") and its consolidated subsidiaries (the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects regarding application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan. Accounting principles generally accepted in Japan allow consolidation of foreign subsidiaries based on their financial statements in conformity with International Financial Reporting Standards and accounting principles generally accepted in the United States.

The accompanying consolidated financial statements incorporate certain reclassifications in order to present them in a format that is more appropriate to readers outside Japan. In addition, the notes to the consolidated financial statements include information that is not required under generally accepted accounting principles in Japan, but is provided herein as additional information.

As permitted under the Securities and Exchange Law of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and in dollars) do not necessarily agree with the sums of the individual amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and, with certain exceptions which are not material, those of its 92 subsidiaries (89 subsidiaries for 2011) for which it retains control. All significant intercompany transactions, balances and unrealized profits among the Companies are eliminated on consolidation.

Investments in 3 unconsolidated subsidiaries (3 unconsolidated subsidiaries for 2011) and 2 significant affiliates (2 significant affiliates for 2011) are accounted for using the equity method of accounting. Investments in the other unconsolidated subsidiaries and affiliates are stated at cost, since they have no material effect on the consolidated financial statements.

(b) Translation of Foreign Currencies

Translation of Foreign Currency Transactions and Balances

All monetary assets and liabilities denominated in foreign currencies, whether long-term or short-term, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. The resulting exchange gains and losses are charged or credited to income.

Translation of Foreign Currency Financial Statements

The translation of foreign currency financial statements of overseas consolidated subsidiaries into Japanese yen is done by applying the exchange rates prevailing at the balance sheet dates for balance sheet items, except common stock, additional paid-in capital and retained earnings accounts, which are translated at the historical rates, and the statements of income and retained earnings which are translated at average exchange rates.

(c) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated cash flow statements comprise cash on hand and short-term investments that are due for redemption in one year or less and are easily converted into cash with little risk to changes in value.

(d) Allowance for Doubtful Accounts

The allowance for doubtful accounts is provided for possible losses from uncollectible receivables based on specific doubtful accounts identified and historical loss experience.

(e) Inventories

Inventories held by domestic consolidated subsidiaries are mainly stated using the cost price method (carrying amount in the balance sheet is calculated with consideration of write-down due to decreased profitability) determined using the total average method. Inventories held by overseas consolidated subsidiaries are mainly stated at the lower of cost or market value or net realizable value, where cost is determined using the first-in, first-out method.

(f) Property, Plant and Equipment

Depreciation of property, plant and equipment (excluding lease assets) for the Company and domestic consolidated subsidiaries is calculated using the declining balance method, except for depreciation of buildings acquired after April 1, 1998, which are depreciated using the straight-line method over their estimated useful lives. Depreciation of property, plant and equipment (excluding lease assets) for overseas consolidated subsidiaries is calculated using the straight-line method.

For finance leases where ownership is not transferred, depreciation is calculated using the straight-line method over the lease period utilizing a residual value of zero. For finance leases held by the Company and its domestic consolidated subsidiaries that do not transfer ownership and for which the starting date for the lease transaction is prior to March 31, 2008, lease payments are recognized as an expense.

(g) Intangible Assets

Intangible assets (excluding lease assets) are depreciated using the straight-line method. In addition, software is depreciated using the straight-line method over its estimated useful life (5 years).

(h) Goodwill

Goodwill is amortized on a straight-line basis over a period not exceeding 20 years.

(i) Income Taxes

Deferred income taxes are recognized based on temporary differences between the tax basis of assets and liabilities and those as reported in the consolidated financial statements.

(j) Research and Development Costs

Research and development costs are expensed as incurred.

(k) Financial Instruments

Derivatives

All derivatives are stated at fair market value, with changes in fair market value included in net income for the period in which they arise, except for derivatives that are designated as "hedging instruments" (see Hedge Accounting below).

Securities

Investments in equity securities issued by unconsolidated subsidiaries and affiliates are accounted for using the equity method of accounting; however, investments in certain unconsolidated subsidiaries and affiliates are stated at cost due to the effect of the application of the equity method of accounting being immaterial.

Held-to-maturity securities are recognized using the amortized cost method (straight-line method).

Other securities for which market quotes are available are stated at fair market value. Net unrealized gains or losses on these securities are reported, net of tax, as a separate component of net assets.

Other securities for which market quotes are unavailable are stated at cost, except in cases where the fair market value of equity securities issued by unconsolidated subsidiaries and affiliates or other securities has declined significantly and such decrease in value is deemed other than temporary. In these instances, securities are written down to the fair market value and the resulting losses are charged to income during the period.

Hedge Accounting

Gains or losses arising from changes in fair market value of derivatives designated as "hedging instruments" are deferred as an asset or a liability and charged or credited to income in the same period that the gains and losses on the hedged items or transactions are recognized.

Derivatives designated as hedging instruments are primarily interest rate swaps, currency options and forward foreign currency exchange contracts. The related hedged items are trade accounts receivable, trade accounts payable and long-term bank loans.

The Companies' policy is to utilize the above hedging instruments in order to reduce exposure to the risks of interest rate and exchange rate fluctuations. As such, the Companies' purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items.

The Companies evaluate the effectiveness of their hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items on the date of commencement of the hedges.

(l) Retirement Benefit Plans

Retirement Benefits for Employees

The Company, domestic consolidated subsidiaries and certain overseas consolidated subsidiaries have obligations to make defined benefit retirement payments to their employees and, therefore, provide for accrued retirement benefits based on the estimated amount of projected benefit obligations and the fair value of plan assets.

For the Company and its domestic consolidated subsidiaries, unrecognized prior service cost is amortized using the straight-line method over a 10-year period, which is shorter than the average remaining years of service of the eligible employees. Unrecognized net actuarial gains or losses are primarily amortized in the following year using the straight-line method over a 10-year period, which is shorter than the average remaining years of service of the eligible employees.

Accrued Retirement Benefits for Directors and Statutory Auditors

Domestic consolidated subsidiaries recognize a reserve for retirement benefits for directors and statutory auditors based on the amount payable at the end of the period in accordance with their internal regulations.

(m) Per Share Data

Net income per share of common stock is calculated based on the weighted-average number of shares outstanding during the year.

Cash dividends per share for each year as disclosed in the accompanying consolidated financial statements are dividends declared for the respective year.

(n) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

Effective from the year ended March 31, 2009, the Company applied the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 18, issued by the ASBJ on May 17, 2006).

The Company has made necessary adjustments upon consolidation to unify accounting standards for foreign subsidiaries to be consistent with the Company.

(o) Accounting Changes and Error Corrections

Application of Accounting Standards

The Company adopted "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, issued on December 4, 2009) for accounting changes and corrections of prior period errors which are made from the fiscal year beginning on April 1, 2011.

3. U.S. DOLLAR AMOUNTS

The translation effect of Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the prevailing exchange rate at March 31, 2012, of ¥82.19 to U.S.\$1.00. The translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other exchange rate.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Cash on hand and in banks.....	¥ 90,640	¥ 87,886	\$1,102,811
Short-term investments.....	141,293	87,261	1,719,102
Cash and cash equivalents.....	¥231,933	¥175,148	\$2,821,913

5. FINANCIAL INSTRUMENTS

Conditions of Financial Instruments

The Companies raise short-term working capital mainly by bank borrowings and invest temporary surplus funds in financial instruments deemed to have lower risk. The Companies enter into derivative transactions based on the need for these transactions in accordance with their internal regulations.

In principle, the risk of currency fluctuations relating to receivables and payables denominated in foreign currencies are hedged using forward exchange contracts and currency options. With respect to the interest volatility risk arising on certain long-term loans payable, the Companies lock in interest expenses using interest-rate swaps.

Investment securities comprise mainly stocks, and the market values of listed stocks are determined on a quarterly basis.

The Companies try to reduce the credit risk of customers arising on notes and accounts receivable—trade through regular monitoring and the comprehensive management of aging balances.

Fair Values of Financial Instruments

The book value on consolidated balance sheets, fair value, and difference as of March 31, 2012 and 2011 are as follows:

	Millions of yen						Thousands of U.S. dollars		
	2012		Difference	2011		Difference	2012		Difference
	Book value	Fair value		Book value	Fair value		Book value	Fair value	
Assets									
(1) Cash on hand and in banks...	¥ 90,640	¥ 90,640	¥ —	¥ 87,886	¥ 87,886	¥ —	\$1,102,811	\$1,102,811	\$ —
(2) Notes and accounts receivable—trade.....	174,193	174,193	—	163,363	163,363	—	2,119,394	2,119,394	—
(3) Short-term investment securities and investment securities									
(i) Held-to-maturity securities ..	10	10	—	10	10	—	122	122	—
(ii) Other securities	156,977	156,977	—	103,111	103,111	—	1,909,928	1,909,928	—
Total	¥421,820	¥421,820	¥ —	¥354,371	¥354,371	¥ —	\$5,132,255	\$5,132,255	\$ —
Liabilities									
(1) Notes and accounts payable—trade.....	88,129	88,129	—	74,640	74,640	—	1,072,259	1,072,259	—
(2) Short-term loans (*1).....	—	—	—	50,018	50,018	—	—	—	—
(3) Bonds	110,000	110,278	278	70,000	69,469	(531)	1,338,362	1,341,745	3,382
(4) Long-term loans.....	73,025	73,366	341	48,033	48,374	341	888,490	892,639	4,149
Total	¥271,154	¥271,773	¥619	¥242,692	¥242,502	¥(189)	\$3,299,112	\$3,306,643	\$7,531
Derivatives (*2).....	¥ (2,032)	¥ (2,032)	¥ —	¥ (1,318)	¥ (1,318)	¥ —	\$ (24,723)	\$ (24,723)	\$ —

Notes: *1. Since the book value of short-term loans as of March 31, 2012 is not material, relevant information is not presented in the table above.

*2. Derivative assets and liabilities are presented on a net basis, and the net liability position is enclosed in parentheses.

(i) Methods of calculating the fair value of financial instruments and securities and derivatives transactions

Assets

(1) Cash on hand and in banks and (2) Notes and accounts receivable—trade

The fair value equates to the book value due to the short-term nature of these instruments.

(3) Short-term investment securities and investment securities

(i) Held-to-maturity securities

The fair value approximates the book value as the securities are entirely school bonds and credit risk of the issuers has not changed significantly since the date of acquisition.

(ii) Other securities

The fair value of equity securities is determined based on the prevailing market price. The fair value of bonds is based on the prevailing market price or the price provided by third-party financial institutions. These other securities are described further in 'Note 6. INVESTMENT SECURITIES'.

Liabilities

(1) Notes and accounts payable—trade and (2) Short-term loans

The fair value equates to the book value due to the short-term nature of these instruments.

(3) Bonds

The fair value of bonds payable is based on the value provided by third-party financial institutions.

(4) Long-term loans

Fair value of long-term loans with fixed interest rates is based on the present value of future cash flows discounted using the current borrowing rate for similar debt of a comparable maturity.

Fair value of long-term loans with variable interest rates approximates book value as the Company's credit risk has not significantly changed since the date of commencement of the borrowing.

For loans subject to the special treatment of interest rate swaps (Please see 'Derivatives' below), the total amount of the principal and interest that were accounted for as a single item with the relevant interest rate swap is discounted with a rate that is assumed to be applied when a new, similar loan is issued.

Derivatives

Derivatives are described further in 'Note 23. DERIVATIVES'.

(ii) Financial instruments for which the fair value is extremely difficult to measure

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
	Book value	Book value	Book value
Unlisted equity securities.....	¥ 560	¥2,225	\$ 6,813
Investments in unconsolidated subsidiaries and affiliated companies.....	2,819	2,808	34,299

Above are not included in '(3)(ii) Other securities' because there is no market value and it is difficult to measure the fair value.

(iii) Redemption schedule for money claim and securities with maturity date subsequent to the consolidated balance sheets date

	Millions of yen				Thousands of U.S. dollars	
	2012		2011		2012	
	Within one year	More than one year, within five years	Within one year	More than one year, within five years	Within one year	More than one year, within five years
Cash on hand and in banks.....	¥ 90,640	¥—	¥ 87,886	¥—	\$1,102,811	\$ —
Notes and accounts receivable—trade.....	174,193	—	163,363	—	2,119,394	—
Short-term investment securities and investment securities						
Held-to-maturity securities.....	—	10	—	10	—	122
Other securities						
(1) Bonds.....	7,593	—	9,261	—	92,384	—
(2) Other.....	133,700	—	78,000	—	1,626,719	—
Total.....	¥406,126	¥10	¥338,511	¥10	\$4,941,307	\$122

(iv) Redemption schedule for bonds and long-term loans subsequent to the consolidated balance sheets date

	Millions of yen				Thousands of U.S. dollars	
	2012		2011		2012	
	More than one year, within five years	More than five years, within ten years	More than one year, within five years	More than five years, within ten years	More than one year, within five years	More than five years, within ten years
Bonds.....	¥80,000	¥30,000	¥20,000	¥50,000	\$973,354	\$365,008
Long-term loans.....	59,023	14,001	45,031	3,002	718,129	170,349

6. INVESTMENT SECURITIES

(1) Other Securities with Quoted Market Values

	Millions of yen						Thousands of U.S. dollars		
	2012			2011			2012		
	Market value at the consolidated balance sheet date	Original purchase value	Unrealized gains (losses)	Market value at the consolidated balance sheet date	Original purchase value	Unrealized gains (losses)	Market value at the consolidated balance sheet date	Original purchase value	Unrealized gains (losses)
Securities for which the amounts in the consolidated balance sheet exceed the original purchase value									
(1) Shares.....	¥ 9,348	¥ 6,357	¥ 2,990	¥ 6,497	¥ 3,283	¥ 3,214	\$ 113,736	\$ 77,345	\$ 36,379
(2) Bonds.....	—	—	—	—	—	—	—	—	—
(3) Other									
(i) Short-term investment securities.....	—	—	—	—	—	—	—	—	—
(Negotiable deposits)									
(ii) Other.....	11	10	0	12	10	1	134	122	0
Subtotal	¥ 9,359	¥ 6,368	¥ 2,991	¥ 6,509	¥ 3,293	¥ 3,215	\$ 113,870	\$ 77,479	\$ 36,391
Securities for which the amounts in the consolidated balance sheet do not exceed the original purchase value									
(1) Shares.....	¥ 6,319	¥ 7,708	¥(1,389)	¥ 9,335	¥ 11,641	¥(2,305)	\$ 76,883	\$ 93,783	\$ (16,900)
(2) Bonds.....	7,593	7,616	(23)	9,261	9,279	(18)	92,384	92,663	(280)
(3) Other									
(i) Short-term investment securities.....	133,700	133,700	—	78,000	78,000	—	1,626,719	1,626,719	—
(Negotiable deposits)									
(ii) Other.....	4	5	(0)	4	5	(1)	49	61	(0)
Subtotal	¥147,617	¥149,030	¥(1,413)	¥ 96,601	¥ 98,927	¥(2,325)	\$1,796,046	\$1,813,238	\$ (17,192)
Total	¥156,977	¥155,399	¥ 1,578	¥103,111	¥102,220	¥ 890	\$1,909,928	\$1,890,729	\$ 19,199

(2) Other Securities Sold during the Years Ended March 31, 2012 and 2011

	Millions of yen						Thousands of U.S. dollars		
	2012			2011			2012		
	Sale value	Total profit	Total loss	Sale value	Total profit	Total loss	Sale value	Total profit	Total loss
Shares	¥2	¥2	¥—	¥29	¥5	¥2	\$24	\$24	\$ —

(3) Securities for Which Loss on Impairment is Recognized

The Companies have recognized loss on impairment for securities of ¥2,700 million (\$32,851 thousand) and ¥680 million for the years ended March 31, 2012 and 2011, respectively.

For securities with quoted market values, if the market value has declined by more than 50% from the acquisition cost at the end of the period, or if the market value has declined by more than 30% but not more than 50% from the acquisition cost at the end of the period for two years in succession and has declined more than in the preceding year, the Companies record an impairment loss, taking into consideration recoverability and other factors, assuming that the market value has "significantly declined."

For securities without quoted market values, if the net assets per share have fallen by more than 50% from the acquisition cost, the Companies recognize an impairment loss, assuming that the market value has "significantly declined."

7. SHORT-TERM DEBT, LONG-TERM DEBT AND LEASE OBLIGATIONS

Short-term debt is primarily unsecured and generally represents bank overdrafts. The amounts as of March 31, 2012 and 2011 were ¥32,913 million (\$400,450 thousand) and ¥50,018 million, respectively, with the weighted-average interest rates approximately 1.2% and 1.5%, respectively.

Long-term debt as of March 31, 2012 and 2011, including the current portion is as follows:

Bonds

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Zero coupon convertible unsecured bonds due in 2016 ..	¥ 40,000	¥40,000	\$ 486,677
1st Unsecured Bonds.....	20,000	20,000	243,339
2nd Unsecured Bonds.....	10,000	10,000	121,669
3rd Unsecured Bonds.....	20,000	—	243,339
4th Unsecured Bonds.....	20,000	—	243,339
	¥110,000	¥70,000	\$1,338,362
Less—Current portion included in current liabilities.....	—	—	—
Bonds, less current portion	¥110,000	¥70,000	\$1,338,362

The zero coupon convertible unsecured bonds due in 2016 are bonds with share subscription rights which were issued on December 7, 2006. Details of the share subscription rights are as follows:

	2016 bonds
Class of stock.....	Common stock
Issue price of shares (Yen).....	Zero
Initial conversion prices (Yen/per share).....	¥2,383
Total issue price (Millions of yen).....	¥40,000
Ratio of granted rights (%).....	100%
Period share subscription rights can be exercised...	From December 21, 2006 to November 22, 2016

Long-term loans

	Millions of yen		Interest rate	Thousands of U.S. dollars
	2012	2011	2012	2012
Loans principally from banks, due through 2022.....	¥ 85,019	¥72,549		\$1,034,420
Less—Current portion included in current liabilities	(11,994)	(24,516)	1.1%	(145,930)
Long-term loans, less current portion.....	¥ 73,025	¥48,033	1.1%	\$888,490

The aggregate annual maturities of long-term loans at March 31, 2012 are as follows:

Fiscal year	Amount	
	Millions of yen	Thousands of U.S. dollars
2013.....	¥23,021	\$280,095
2014.....	27,001	328,519
2015.....	5,000	60,835
2016.....	4,000	48,668
2017 and after	14,001	170,349

Lease obligations

Lease obligations are included in other liabilities.

	Millions of yen		Interest rate*	Thousands of U.S. dollars
	2012	2011	2012	2012
Lease obligations, due through 2026.....	¥ 4,756	¥ 5,019	—	\$ 57,866
Less—Current portion included in current liabilities.....	(1,417)	(1,506)	—	(17,241)
Lease obligations, less current portion.....	¥ 3,338	¥ 3,512	—	\$ 40,613

* Since the book value of lease obligations includes the equivalent of interest payable, interest rates of lease obligations are not represented in the table above.

The aggregate annual maturities of long-term lease obligations at March 31, 2012 are as follows:

Fiscal year	Amount	
	Millions of yen	Thousands of U.S. dollars
2013.....	¥1,214	\$14,771
2014.....	919	11,181
2015.....	829	10,086
2016.....	158	1,922
2017 and after	216	2,628

8. INCOME TAXES

The income taxes of the Company and its domestic consolidated subsidiaries comprise corporate income taxes, local inhabitants' taxes and enterprise taxes.

The reconciliation of the Japanese statutory income tax rate to the effective income tax rate for the years ended March 31, 2012 and 2011 is as follows:

	2012	2011
Statutory income tax rate	40.7%	40.7%
Increase in valuation allowance.....	*(23.1)	17.8
Non-taxable income	(0.3)	(1.1)
Difference in statutory tax rates of foreign subsidiaries.....	(7.9)	(9.5)
Expenses not deductible for tax purposes	2.1	2.1
Amortization of goodwill	10.8	11.7
Retained earnings of overseas subsidiaries	(7.1)	4.7
Ineffective portion of unrealized gain/loss.....	0.4	5.4
Effect of liquidation of consolidated subsidiaries	*14.6	(70.8)
Expiration of net loss carried forward.....	0.6	8.4
Effects of changes in corporate tax rates	10.1	—
Other, net.....	(3.3)	(1.6)
Effective income tax rate per consolidated statements of income.....	37.6%	7.7%

* Increase in valuation allowance and Effect of liquidation of consolidated subsidiaries for the year ended March 31, 2012 include the effect of expiration of net loss carried forward by liquidation of a consolidated domestic subsidiary. Excluding this effect, Increase in valuation allowance and Effect of liquidation of consolidated subsidiaries for the year ended March 31, 2012 is 15.4% and (23.9%), respectively.

At March 31, 2012 and 2011, the significant components of deferred tax assets and liabilities in the consolidated financial statements are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Net operating tax loss carried forward.....	¥ 49,046	¥ 37,411	\$ 596,739
Accrued retirement benefits..	22,348	24,473	271,907
Depreciation and amortization.....	3,928	4,346	47,792
Accrued bonuses.....	3,614	4,018	43,971
Write-down of assets.....	3,177	3,876	38,654
Elimination of unrealized intercompany profits.....	3,018	3,538	36,720
Tax effects related to investments.....	1,905	21,182	23,178
Allowance for doubtful accounts.....	992	1,134	12,070
Accrued enterprise taxes....	778	777	9,466
Reserve for discontinued operations.....	—	26	—
Other.....	8,483	9,540	103,212
Gross deferred tax assets...	97,292	110,325	1,183,745
Valuation allowance.....	(31,036)	(38,416)	(377,613)
Total deferred tax assets.....	¥ 66,255	¥ 71,909	\$ 806,120
Deferred tax liabilities:			
Retained earnings of overseas subsidiaries.....	¥ (2,316)	¥ (4,748)	\$ (28,179)
Gains on securities contributed to employees' retirement benefit trust.....	(2,134)	(2,490)	(25,964)
Unrealized gains on securities.....	(381)	(710)	(4,636)
Special tax-purpose reserve for condensed booking of fixed assets.....	(27)	(43)	(329)
Other.....	(3,741)	(3,886)	(45,516)
Total deferred tax liabilities..	¥ (8,601)	¥(11,878)	\$ (104,648)
Net deferred tax assets.....	¥ 57,654	¥ 60,030	\$ 701,472
Deferred tax liabilities related to revaluation:			
Deferred tax liabilities on land revaluation.....	¥ (3,269)	¥ (3,733)	\$ (39,774)

Net deferred tax assets are included in the following items in the consolidated balance sheets:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Current assets—deferred tax assets.....	¥20,100	¥30,393	\$244,555
Fixed assets—deferred tax assets.....	38,281	30,404	465,762
Current liabilities—other current liabilities.....	(606)	(659)	(7,373)
Long-term liabilities—other long-term liabilities.....	(120)	(108)	(1,460)
Net deferred tax assets.....	¥57,654	¥60,030	\$701,472

Adjustment of Deferred Tax Assets and Liabilities due to Changes in Corporate Tax Rates

Following the enactment on December 2, 2011 of the "Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117

of 2011), the corporate tax rate will be reduced and a special recovery tax will be imposed effective from fiscal years beginning on or after April 1, 2012. In accordance with these changes, the effective statutory tax rates will be reduced to 38.01% from 40.69% for the fiscal year beginning on April 1, 2012 through the fiscal year beginning on April 1, 2014, and to 35.64% for fiscal years beginning on or after April 1, 2015.

As a result of these changes, net deferred tax assets and unrealized losses on hedging derivatives, net of taxes as of March 31, 2012 decreased ¥3,276 million (\$39,859 thousand) and ¥9 million (\$110 thousand), respectively. Deferred income taxes for the years ended March 31, 2012 and unrealized gains on securities, net of taxes as of March 31, 2012 increased ¥3,320 million (\$40,394 thousand) and ¥54 million (\$657 thousand), respectively.

9. NET ASSETS

The Japanese Corporate Law became effective on May 1, 2006, replacing the Commercial Code. Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

The Japanese Corporate Law provides that an amount equal to 10% of distributions from retained earnings paid by the Company and its Japanese subsidiaries be appropriated as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets. No further appropriations are required when the total amount of the additional paid-in capital and the legal earnings reserve equals 25% of their respective stated capital. The Japanese Corporate Law also provides that additional paid-in capital and legal earnings reserve are available for appropriations by the resolution of the Board of Directors.

Cash dividends and appropriations to the additional paid-in capital or the legal earnings reserve charged to retained earnings for the years ended March 31, 2012 and 2011 represent dividends paid out during those years and the related appropriations to the additional paid-in capital or the legal earnings reserve.

Retained earnings at March 31, 2012 do not reflect current year-end dividends in the amount of ¥3,977 million (\$48,388 thousand) approved by the Board of Directors, which will be payable in May 2012.

The amount available for dividends under the Japanese Corporate Law is based on the amount recorded in the Company's nonconsolidated books of account in accordance with accounting principles generally accepted in Japan.

On October 28, 2011, the Board of Directors approved cash dividends to be paid to shareholders of record as of September 30, 2011, totaling ¥3,976 million (\$48,376 thousand), at a rate of ¥7.5 per share. On May 10, 2012, the Board of Directors approved cash dividends to be paid to shareholders of record as of March 31, 2012, totaling ¥3,977 million (\$48,388 thousand), at a rate of ¥7.5 per share.

10. INVENTORIES

Inventories as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Merchandise and finished goods..	¥ 71,211	¥ 69,804	\$ 866,419
Work in process.....	13,482	13,796	164,035
Raw materials and supplies.....	20,386	16,641	248,035
Total.....	¥105,080	¥100,243	\$1,278,501

11. CONTINGENT LIABILITIES

The Companies were contingently liable at March 31, 2012 for loan and lease guarantees of ¥652 million (\$7,933 thousand) and at March 31, 2011 for loan and lease guarantees of ¥770 million.

12. COLLATERAL ASSETS

Assets pledged as collateral at March 31, 2012 for short-term debt of ¥54 million (\$657 thousand) are accounts receivable-trade and lease investment assets of ¥54 million (\$657 thousand). Assets pledged as collateral at March 31, 2011 for short-term debt of ¥82 million, are notes receivable of ¥47 million.

13. COST OF SALES

The Companies have recognized valuation losses associated with the writing down of inventories of ¥1,511 million (\$18,384 thousand) and ¥1,888 million for the years ended March 31, 2012 and 2011, respectively, due to decline in profitability. These losses are included within the cost of sales.

14. RESEARCH AND DEVELOPMENT COSTS

Research and development costs included in selling, general and administrative expenses for the years ended March 31, 2012 and 2011 are ¥72,530 million (\$882,467 thousand) and ¥72,617 million, respectively.

15. GAIN ON REVERSAL OF FOREIGN CURRENCY TRANSLATION ADJUSTMENT

The gain on reversal of foreign currency translation adjustment resulted from the liquidation of a U.S. subsidiary.

16. OTHER EXTRAORDINARY GAIN OF OVERSEAS SUBSIDIARIES

Other extraordinary gain of overseas subsidiaries represents the reduction in refund obligation, etc. in accordance with U.S. state laws for the U.S. subsidiary.

17. LOSS ON IMPAIRMENT OF FIXED ASSETS

The Companies have recognized loss on impairment of ¥893 million (\$10,865 thousand) and ¥1,027 million for the following groups of assets for the years ended March 31, 2012 and 2011, respectively:

Description	Classification	Amount		
		Millions of yen		Thousands of U.S. dollars
		2012	2011	2012
Manufacturing equipment of micro-camera units for mobile phones	Machinery and equipment, Tools and furniture, Others	¥ —	¥ 514	\$ —
Rental assets	Rental business-use assets	88	24	1,071
Idle assets	Buildings and structures, Machinery and equipment, Others	614	488	7,470
Others	Investments and other assets, Others	190	—	2,312
Total		¥893	¥1,027	\$10,865

- (1) Cash-generating units have been identified based on product lines and geographical areas as a group of assets. For rental assets, cash-generating units are identified based on rental contracts and each geographical area. Each idle asset is also identified as a cash-generating unit.
- (2) Fixed assets have been written down to the recoverable amount and corresponding impairment losses have been recognized due to the poor performance and profitability of rental and idle assets. In addition, the revaluation of the other assets category has contributed to the write down amount.
- (3) Details of impairment of fixed assets

	Amount		Thousands of U.S. dollars
	Millions of yen		
	2012	2011	2012
Buildings and structures.....	¥254	¥ —	\$3,090
Machinery and equipment.....	346	897	4,210
Rental business-use assets ..	88	—	1,071
Others.....	203	130	2,470

- (4) Measurement of recoverable amount

The recoverable amount of a cash-generating unit is the fair value less costs to sell. The fair value is supported by an appraisal report for land and buildings and structures, or a management estimate for rental business-use assets.

18. BUSINESS STRUCTURE IMPROVEMENT EXPENSES

Business structure improvement expenses comprise expenses incurred on retirement allowances, etc. associated with staff allocation/optimization in the Business Technologies business.

19. OTHER COMPREHENSIVE INCOME

Recycling and Tax Effect Relating to Other Comprehensive Income

Amounts reclassified to net income (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and tax effects for each component of other comprehensive income are as follows:

	Millions of yen	Thousands of U.S. dollars
	2012	2012
Unrealized gains (losses) on securities		
Increase (decrease) during the year	¥ (247)	\$ (3,005)
Reclassification adjustments	1,104	13,432
Sub-total, before tax	856	10,415
Tax (expense) or benefit.....	(140)	(1,703)
Sub-total, net of tax.....	716	8,712
Unrealized losses on hedging derivatives		
Increase (decrease) during the year	161	1,959
Reclassification adjustments	(369)	(4,490)
Sub-total, before tax	(207)	(2,519)
Tax (expense) or benefit.....	74	900
Sub-total, net of tax	(133)	(1,618)
Foreign currency translation adjustments		
Increase (decrease) during the year	(2,381)	(28,969)
Reclassification adjustments	(3,730)	(45,383)
Sub-total.....	(6,112)	(74,364)
Share of other comprehensive income of associates accounted for using equity method		
Increase (decrease) during the year	(12)	(146)
Total other comprehensive income.....	¥(5,541)	\$ (67,417)

20. PENSION LIABILITIES ADJUSTMENT OF OVERSEAS SUBSIDIARIES

The pension liabilities adjustment of overseas subsidiaries results from the accounting treatment of retirement benefits that affect a certain consolidated subsidiary in the United States.

21. LEASE TRANSACTIONS

Proforma information on the Company and its domestic consolidated subsidiaries' finance lease transactions (except for those which are deemed to transfer the ownership of the leased assets to the lessee) and operating lease transactions is as follows:

As Lessee

(1) **Finance Leases** (not involving transfer of ownership commencing on or before March 31, 2008)

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Purchase cost:			
Buildings and structures.....	¥ 6,485	¥ 6,544	\$ 78,903
Machinery and equipment ..	112	161	1,363
Tools and furniture.....	560	1,647	6,813
Rental business-use assets	—	121	—
	7,157	8,475	87,079
Less: Accumulated depreciation.....	(6,304)	(7,158)	(76,700)
Loss on impairment of leased assets.....	(0)	(0)	(0)
Net book value.....	¥ 852	¥ 1,316	\$ 10,366

The scheduled maturities of future lease rental payments on such lease contracts at March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Due within one year.....	¥243	¥ 473	\$ 2,957
Due over one year.....	610	843	7,422
Total.....	¥853	¥1,316	\$10,378

Lease rental expenses and depreciation equivalents under the finance leases which are accounted for in the same manner as operating leases for the years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Lease rental expenses for the period...	¥438	¥750	\$5,329
Depreciation equivalents.....	438	739	5,329

Depreciation equivalents are calculated based on the straight-line method over the lease terms of the leased assets.

Accumulated loss on impairment of leased assets as of March 31, 2012 and 2011 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Reserve for loss.....	¥0	¥0	\$0

Reversals of loss on impairment of leased assets for the years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Reversals of loss.....	¥ —	¥11	\$ —

2) Operating Leases

The scheduled maturities of future rental payments of operating noncancelable leases as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Due within one year.....	¥ 4,439	¥ 4,862	\$ 54,009
Due over one year.....	11,314	10,678	137,657
Total.....	¥15,753	¥15,541	\$191,666

As Lessor

Operating Leases

The scheduled maturities of future rental incomes of operating noncancelable leases as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Due within one year.....	¥1,616	¥1,787	\$19,662
Due over one year.....	2,322	2,597	28,252
Total.....	¥3,938	¥4,385	\$47,913

22. RETIREMENT BENEFIT PLANS

The Companies have defined benefit retirement plans that include corporate defined benefit pensions plans, tax-qualified pension plans and lump-sum payment plans. In addition, the Companies have defined contributory pension plans. Certain overseas consolidated subsidiaries have defined benefit retirement plans and defined contribution retirement plans. The Companies may pay additional retirement benefits to employees at their discretion.

Additionally, the Company and certain domestic consolidated subsidiaries contribute to a retirement benefit trust.

The reserve for retirement benefits as of March 31, 2012 and 2011 is calculated as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
a. Retirement benefit obligations..	¥(151,396)	¥(146,942)	\$(1,842,025)
b. Plan assets.....	97,614	94,980	1,187,663
c. Unfunded retirement benefit obligations (a+b).....	(53,781)	(51,962)	(654,350)
d. Unrecognized actuarial differences.....	12,681	12,273	154,289
e. Unrecognized prior service costs ..	(2,203)	(3,421)	(26,804)
f. Net amount on consolidated balance sheets (c+d+e).....	(43,303)	(43,110)	(526,865)
g. Prepaid pension costs.....	1,242	1,623	15,111
h. Accrued retirement benefits (f-g) ..	¥ (44,545)	¥ (44,734)	\$ (541,976)

Note: Certain subsidiaries use a simplified method for the calculation of benefit obligation.

Net retirement benefit costs for the years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
a. Service costs	¥ 4,973	¥ 4,468	\$ 60,506
b. Interest costs	3,981	4,005	48,437
c. Expected return on plan assets...	(2,084)	(2,105)	(25,356)
d. Amortization of actuarial differences.....	2,089	3,086	25,417
e. Amortization of prior service costs..	(1,222)	(1,626)	(14,868)
f. Retirement benefit costs (a+b+c+d+e)	7,738	7,828	94,148
g. Gain/loss on changing to the defined contribution pension plan..	—	0	—
h. Contributions to defined contribution pension plans	3,278	3,082	39,883
Total (f+g+h)	¥11,017	¥10,911	\$134,043

Note: Retirement benefit costs of consolidated subsidiaries using a simplified method are included in "a. Service costs."

Assumptions used in the calculation of the above information for the main schemes of the Company and its domestic consolidated subsidiaries are as follows:

	2012	2011
Method of attributing retirement benefits to periods of service	Periodic allocation method for projected benefit obligations	Periodic allocation method for projected benefit obligations
Discount rate	Mainly 2.5%	Mainly 2.5%
Expected rate of return on plan assets	Mainly 1.25%	Mainly 1.25%
Amortization of unrecognized prior service cost	Mainly 10 years	Mainly 10 years
Amortization of unrecognized actuarial differences	Mainly 10 years	Mainly 10 years

23. DERIVATIVES

The Companies utilize derivative instruments including foreign currency exchange forward contracts, interest rate swaps, currency options and currency swaps, to hedge against the adverse effects of fluctuations in foreign currency exchange rate and interest rate risk. Additionally, the Companies have a policy of limiting the activity of such transactions to only hedge identified exposures and not to hold transactions for speculative or trading purposes.

Risks associated with derivative transactions

Although the Companies are exposed to credit-related risks and risks associated with the changes in interest rates and foreign exchange rates, such derivative instruments are limited to hedging purposes only and the risks associated with these transactions are limited. All derivative contracts entered into by the Companies are with selected major financial institutions based upon their credit ratings and other factors. Such credit-related risks are not anticipated to have a significant impact on the Companies' results.

Risk control system for derivative transactions

In order to manage market and credit risks, the Finance Division of the Company is responsible for setting or managing the position limits and credit limits under the Company's internal policies for derivative instruments. Resources are assigned to each function, including transaction execution, administration, and risk management, independently, in order to clarify the responsibility and the role of each function.

The principal policies on foreign currency exchange instruments and other derivative instruments of the Company and its major subsidiaries are approved by the Management Committee of the Company. Additionally, a Committee which consists of management from the Company and its major subsidiaries meets regularly to discuss the principal policies on foreign currency exchange instruments and to reaffirm and reassess other derivative instruments and market risks. All derivative instruments are reported monthly to the respective responsible officer. Market risks and credit risks for other subsidiaries are controlled and assessed based on internal rules. Derivative instruments are approved by the respective president or equivalent of each subsidiary.

Interest rate swap contracts and currency swap contracts are approved by the Finance Manager of the Company and the President or equivalent of other subsidiaries, respectively.

A summary of derivative instruments at March 31, 2012 and 2011 is as follows:

Derivative transactions to which hedge accounting is not applied

(1) Currency-Related Derivatives

	Millions of yen						Thousands of U.S. dollars		
	2012			2011			2012		
	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)
Forward foreign currency exchange contracts:									
To sell foreign currencies:									
US\$.....	¥ 7,817	¥ (273)	¥ (273)	¥10,364	¥ (87)	¥ (87)	\$ 95,109	\$ (3,322)	\$ (3,322)
EURO..	18,989	(1,247)	(1,247)	17,887	(773)	(773)	231,038	(15,172)	(15,172)
Other...	3,310	(128)	(128)	2,376	(56)	(56)	40,273	(1,557)	(1,557)
To buy foreign currencies:									
US\$.....	¥ —	¥ —	¥ —	¥ 3,918	¥ (38)	¥ (38)	\$ —	\$ —	\$ —
EURO..	1,302	(26)	(26)	292	2	2	15,841	(316)	(316)
Other...	707	11	11	1,218	(25)	(25)	8,602	134	134
Total	¥32,127	¥(1,664)	¥(1,664)	¥36,057	¥(980)	¥(980)	\$390,887	\$(20,246)	\$(20,246)
Currency swaps:									
Pay JPY, receive US\$.....	¥ —	¥ —	¥ —	¥11,135	¥(123)	¥(123)	\$ —	\$ —	\$ —
Other.....	—	—	—	2,490	(54)	(54)	—	—	—
Total	¥ —	¥ —	¥ —	¥13,625	¥(177)	¥(177)	\$ —	\$ —	\$ —

Note: Fair value of foreign currency forward exchange contracts is calculated based on the foreign currency forward exchange rates prevailing as of March 31, 2012 and 2011, respectively.

Fair value of currency swaps is provided by the financial institutions with whom the derivative contracts were entered into and agreed.

Derivative transactions to which hedge accounting is applied

(1) Currency-Related Derivatives

Method of hedge accounting: Forecast transactions such as forward exchange contracts

Type of derivatives transactions	Major hedged items	Millions of yen				Thousands of U.S. dollars	
		2012		2011		2012	
		Contract value (notional principal amount)	Fair value	Contract value (notional principal amount)	Fair value	Contract value (notional principal amount)	Fair value
Forward foreign currency exchange contracts:							
To sell foreign currencies:							
US\$ Accounts receivable-trade.....		¥ —	¥ —	¥1,062	¥ (17)	\$ —	\$ —
EURO Accounts receivable-trade.....		20,565	(378)	6,052	(162)	250,213	(4,599)
To buy foreign currencies:							
US\$ Accounts payable-trade.....		—	—	1,226	20	—	—
Total.....		¥20,565	¥(378)	¥8,341	¥(160)	\$250,213	\$(4,599)
Currency option transactions:							
To sell foreign currencies (call):							
EURO Accounts receivable-trade.....		¥ 2,200	¥ 2	¥ —	¥ —	\$ 26,767	\$ 24
To buy foreign currencies (put):							
EURO Accounts receivable-trade.....		2,200	8	—	—	26,767	97
Total.....		¥ 4,400	¥ 10	—	—	\$ 53,534	\$ 122

Notes: 1. Fair value is calculated based on the currency forward exchange rates prevailing as of March 31, 2012.

Fair value of currency option transactions is provided by the financial institutions with whom the derivative contracts were entered into and agreed.

2. Option premium in currency option transactions is not paid/received because of zero cost option.

(2) Interest Rate-Related Derivatives

Method of hedge accounting: Special treatment of interest rate swap

Type of derivatives transactions	Major hedged items	Millions of yen				Thousands of U.S. dollars	
		2012		2011		2012	
		Contract value (notional principal amount)	Fair value	Contract value (notional principal amount)	Fair value	Contract value (notional principal amount)	Fair value
Interest rate swaps:							
Pay fixed, receive floating	Long-term loans	¥23,000	(*)	¥23,000	(*)	\$279,839	(*)

(*) As interest rate swaps used to hedge long-term loans are subject to special accounting treatment under accounting principles generally accepted in Japan, their fair values are included as a single line item with the hedged underlying liability, long-term loans, and are not included in the above information. (Please see 'Note 5. FINANCIAL INSTRUMENTS'.)

24. STOCK OPTION PLANS

The following tables summarize details of stock option plans as of March 31, 2012.

Position and number of grantees	Directors and Executive Officers: 26
Class and number of stock	Common Stock: 194,500
Date of issue	August 23, 2005
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	From August 23, 2005 to June 30, 2006
Period stock options can be exercised	From August 23, 2005 to June 30, 2025
Position and number of grantees	Directors and Executive Officers: 23
Class and number of stock	Common Stock: 105,500
Date of issue	September 1, 2006
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	From September 1, 2006 to June 30, 2007
Period stock options can be exercised	From September 2, 2006 to June 30, 2026
Position and number of grantees	Directors and Executive Officers: 24
Class and number of stock	Common Stock: 113,000
Date of issue	August 22, 2007
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	From August 22, 2007 to June 30, 2008
Period stock options can be exercised	From August 23, 2007 to June 30, 2027
Position and number of grantees	Directors and Executive Officers: 25
Class and number of stock	Common Stock: 128,000
Date of issue	August 18, 2008
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	From August 18, 2008 to June 30, 2009
Period stock options can be exercised	From August 19, 2008 to June 30, 2028
Position and number of grantees	Directors and Executive Officers: 25
Class and number of stock	Common Stock: 199,500
Date of issue	August 19, 2009
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	From August 19, 2009 to June 30, 2010
Period stock options can be exercised	From August 20, 2009 to June 30, 2029
Position and number of grantees	Directors and Executive Officers: 24
Class and number of stock	Common Stock: 188,000
Date of issue	August 27, 2010
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	From August 27, 2010 to June 30, 2011
Period stock options can be exercised	From August 28, 2010 to June 30, 2030
Position and number of grantees	Directors and Executive Officers: 24
Class and number of stock	Common Stock: 239,500
Date of issue	August 23, 2011
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	From August 23, 2011 to June 30, 2012
Period stock options can be exercised	From August 24, 2011 to June 30, 2031

The following table summarizes the movement of outstanding stock options for the years ended March 31, 2012 and 2011.

	Number of Shares
Stock options outstanding at March 31, 2010.....	681,500
Granted.....	188,000
Exercised.....	120,500
Forfeited.....	2,500
Stock options outstanding at March 31, 2011.....	746,500
Granted.....	239,500
Exercised.....	68,000
Forfeited.....	2,000
Stock options outstanding at March 31, 2012.....	916,000

The following table summarizes price information of stock options exercised during the period and outstanding stock options as of March 31, 2012.

Per unit information	Exercised	Outstanding at March 31, 2012
Exercise price of stock options.....	¥ 1	¥ 1
Average market price of the stock at the time of exercise.....	594	—
Fair value per unit (as of grant date).....	1,358	851

25. INVESTMENT AND RENTAL PROPERTY

(1) Conditions and Fair Values of Investment and Rental Property

The Companies have office buildings for rent and idle assets, etc., in Japan and overseas.

The book value on the consolidated balance sheet, the changes and the fair value as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Book value			
Balance at the beginning....	¥3,560	¥3,855	\$43,314
Increase (Decrease)-net....	926	(295)	11,267
Balance at the end.....	¥4,486	¥3,560	\$54,581
Fair value at the end.....	¥5,042	¥4,194	\$61,346

- Notes: 1. Book value is calculated by subtracting accumulated depreciation and accumulated impairment losses from acquisition cost.
2. Fair value is recorded as follows:
- (1) Fair value of major domestic properties has been calculated by the Companies based on the method similar to the Real-estate Appraisal Standards.
- Latest appraisal reports are utilized, or in the case where there are no significant changes in fair value, prior period reports may be used.
- Fair value of other domestic properties has been calculated based on a certain appraisal or criteria, which appears to best reflect the fair value of the property.
- (2) Fair value of overseas properties has been primarily calculated by local real-estate appraisers.

(2) Income and Expenses on Investment and Rental Property

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Income	¥ 184	¥196	\$ 2,239
Expenses.....	92	185	1,119
Difference	92	10	1,119
Other income (expenses)			
Gains (losses) on sales, etc ..	(164)	243	(1,995)

26. SEGMENT INFORMATION

Information and Measurement of Segments

(1) Overview of reportable segments

The Company's reportable segments are components of the Company in which separate financial information is available and which is evaluated regularly by management in deciding how to allocate resources and assess performance.

The Company has business companies for different products and services within Japan. Each business company creates a comprehensive domestic and overseas strategy for their products and services, and conducts their business activities accordingly.

As such, the Company is comprised of three segments for different products and services with a business company at the center of each. The three reportable segments are: Business Technologies, Optics and Healthcare.

The Business Technologies Business manufactures and sells MFPs, printers, production printing equipment and related solution services. The Optics Business manufactures and sells optical products (ex. pickup lenses) and electronic materials (ex. TAC films). The Healthcare Business manufactures and sells consumables and equipment for healthcare systems.

From the third quarter ended March 31, 2011, the Group restructured its operations to further strengthen the competitiveness and operations of the production print field by integrating the businesses associated with commercial printing and digital printing into the Business Technologies Business. As a result, it has changed the method by which it categorizes its reportable segments, and has integrated the Graphic Imaging Business, within the Medical & Graphic Imaging Business, into the Business Technologies Business.

As a result, the main products and the types of services of the Medical & Graphic Imaging Business, described in the above restructuring, have been changed from the production and sale of medical, printing, and other related products to the production and sale of consumables and equipment for healthcare systems.

Accordingly, the title of the reportable segment has changed from the Medical & Graphic Imaging Business to the Healthcare Business.

(2) Methods of calculating net sales, profit or loss, assets, liabilities and other items by reportable segments

Accounting methods for reportable segments are the same as the accounting methods described in 'Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.'

Profit by reportable segment is operating income. Intersegment net sales are based on market values.

(3) Information on net sales, profit or loss, assets, liabilities and other items by reportable segments

Segment information of the Companies for the years ended March 31, 2012 and 2011 is presented as follows:

Millions of yen								
2012	Business Technologies	Optics	Healthcare	Subtotal	Other (Note 1)	Total	Adjustments (Note 2)	Total amounts in consolidated financial statements
Net sales								
External	¥547,576	¥124,313	¥73,046	¥744,936	¥22,943	¥767,879	¥ —	¥767,879
Intersegment	1,853	755	1,930	4,539	48,206	52,745	(52,745)	—
Total	549,430	125,068	74,976	749,475	71,149	820,625	(52,745)	767,879
Segment profit	39,479	14,038	91	53,608	5,554	59,163	(18,817)	40,346
Segment assets	399,754	118,864	65,000	583,620	56,593	640,213	261,839	902,052
Segment liabilities	195,304	66,401	41,020	302,727	25,728	328,455	138,609	467,064
Other items								
Depreciation and amortization	¥ 21,377	¥ 16,657	¥ 3,105	¥ 41,140	¥ 3,846	¥ 44,987	¥ 4,252	¥ 49,239
Amortization of goodwill	8,312	347	—	8,659	145	8,804	—	8,804
Investments in affiliated companies	3	—	734	737	—	737	985	1,722
Increases in property, plant and equipment and intangible fixed assets	17,781	6,606	2,351	26,739	5,946	32,685	1,347	34,033

Notes: 1. 'Other' consists of business segments not included in reporting segments such as Sensing Business and Industrial Inkjet Business.

2. Adjustments are as follows:

- (1) Adjustments of segment profit represent the elimination of intersegment transactions and expenses relating to the corporate division of the Company, which totaled ¥(5,311) million and ¥(13,505) million, respectively. Corporate expenses are primarily general administration expenses and R&D expenses which can not be allocated to any reportable segment.
- (2) Adjustments of segment assets represent the elimination of intersegment assets and assets relating to the corporate division of the Company, which totaled ¥(48,363) million and ¥310,202 million, respectively. Corporate assets are primarily surplus funds of the holding company (cash on hand and in banks and short-term investment securities), long-term investment funds (investment securities), and assets owned by the holding company which can not be allocated to any reportable segment.
- (3) Adjustments of segment liabilities represents the elimination of intersegment liabilities and liabilities relating to the corporate division of the Company, which totaled ¥(27,425) million and ¥166,034 million, respectively. Corporate liabilities are primarily interest-bearing debts (loans payable and bonds payable), and liabilities owned by the holding company which can not be allocated to any reportable segment.
- (4) Adjustments of depreciation and amortization primarily represent depreciation of buildings of the holding company.
- (5) Adjustments of investments in affiliated companies primarily represent investments by the holding company in equity method affiliates.
- (6) Adjustments of increases in property, plant and equipment and intangible fixed assets primarily represent capital expenditure on buildings in relation to the holding company.

Millions of yen

2011	Business Technologies	Optics	Healthcare (Note 2)	Subtotal	Other (Note 1)	Total	Adjustments	Total amounts in consolidated financial statements
Net sales								
External	¥539,639	¥129,836	¥84,990	¥754,465	¥23,487	¥777,953	¥ —	¥777,953
Intersegment	3,067	799	1,598	5,466	50,451	55,917	(55,917)	—
Total	542,706	130,636	86,589	759,932	73,939	833,871	(55,917)	777,953
Segment profit	37,457	12,813	171	50,442	5,455	55,898	(15,876)	40,022
Segment assets	390,299	130,592	61,032	581,924	54,869	636,794	208,659	845,453
Segment liabilities	196,669	81,952	39,054	317,676	74,413	392,089	24,375	416,465
Other items								
Depreciation and amortization	¥ 24,337	¥ 21,093	¥ 3,185	¥ 48,615	¥ 2,222	¥ 50,837	¥ 4,291	¥ 55,129
Amortization of goodwill	7,854	402	—	8,256	145	8,401	—	8,401
Investments in affiliated companies	3	—	732	735	—	735	928	1,664
Increases in property, plant and equipment and intangible fixed assets	12,960	19,624	3,002	35,587	1,695	37,283	5,699	42,982

Notes: 1. 'Other' consists of business segments not included in reporting segments such as Sensing Business and Industrial Inkjet Business.

2. In the year ended March 31, 2011, the segment title of the Medical & Graphic Imaging Business, which was utilized until the first half of the fiscal year, was changed to the Healthcare Business from the third quarter. The results of the Healthcare Business for the fiscal year include those of the Medical & Graphic Imaging Business for the first half.

3. Information calculated based on segment information for the year ended March 31, 2012.

Obtaining the necessary comparative information to prepare segment information for the previous fiscal year or for the year ended March 31, 2012 in accordance with the effective segment guidance/standard for the year ended March 31, 2012 has proved to be difficult. Doing so will impose an excessive burden on the Company. Furthermore, no such segment information has been reported to management. Considering those reasons and the utilization of such segment information, we have not disclosed such information except for in regards to external net sales.

If segment information was prepared for the previous fiscal year based on segment information for the year ended March 31, 2012, net sales in the Business Technologies Business and the Healthcare Business are ¥544,506 million and ¥80,122 million, respectively. Net sales in the Business Technologies Business include ¥4,867 million of the former Graphic Imaging Business.

Thousands of U.S. dollars

2012	Business Technologies	Optics	Healthcare	Subtotal	Other	Total	Adjustments	Total amounts in consolidated financial statements
Net sales								
External	\$6,662,319	\$1,512,508	\$888,746	\$9,063,584	\$279,146	\$9,342,730	\$ —	\$ 9,342,730
Intersegment	22,545	9,186	23,482	55,226	586,519	641,745	(641,745)	—
Total	6,684,877	1,521,694	912,228	9,118,810	865,665	9,984,487	(641,745)	9,342,730
Segment profit	480,338	170,799	1,107	652,245	67,575	719,832	(228,945)	490,887
Segment assets	4,863,779	1,446,210	790,850	7,100,864	688,563	7,789,427	3,185,777	10,975,204
Segment liabilities	2,376,250	807,896	499,087	3,683,258	313,031	3,996,289	1,686,446	5,682,735
Other items								
Depreciation and amortization	\$ 260,092	\$ 202,665	\$ 37,778	\$ 500,548	\$ 46,794	\$ 547,354	\$ 51,734	\$ 599,087
Amortization of goodwill	101,132	4,222	—	105,353	1,764	107,118	—	107,118
Investments in affiliated companies	37	—	8,931	8,967	—	8,967	11,984	20,951
Increases in property, plant and equipment and intangible fixed assets	216,340	80,375	28,604	325,332	72,345	397,676	16,389	414,077

Related Information

(1) Information by product and service

Since the segments of products and services are the same as the reportable segments, information by product and service is omitted.

(2) Information by geographical area

Information by geographical area for the year ended March 31, 2012 and 2011 is presented as follows:

i) Net sales

	Millions of yen					
2012	Japan	U.S.A.	Europe	Asia	Other	Total
Net sales.....	¥214,776	¥149,540	¥211,272	¥129,531	¥62,757	¥767,879

Note: Sales are divided into countries and regions based on the locations of the customers.

	Millions of yen					
2011	Japan	U.S.A.	Europe	Asia	Other	Total
Net sales.....	¥216,492	¥150,791	¥217,167	¥132,504	¥60,997	¥777,953

	Thousands of U.S. dollars					
2012	Japan	U.S.A.	Europe	Asia	Other	Total
Net sales.....	\$2,613,165	\$1,819,443	\$2,570,532	\$1,575,995	\$763,560	\$9,342,730

ii) Property, plant and equipment

	Millions of yen				
2012	Japan	China	Malaysia	Other	Total
Property, plant and equipment...	¥121,757	¥18,013	¥17,767	¥21,460	¥178,999

Note: In the year ended March 31, 2012, China is separated as an independent geographical area, since the importance of the amount of its property, plant, and equipment increased. China is stated separately also for the previous fiscal year.

	Millions of yen				
2011	Japan	China	Malaysia	Other	Total
Property, plant and equipment...	¥135,434	¥14,997	¥20,078	¥20,190	¥190,701

	Thousands of U.S. dollars				
2012	Japan	China	Malaysia	Other	Total
Property, plant and equipment...	\$1,481,409	\$219,163	\$216,170	\$261,102	\$2,177,868

(3) Information by major customer

Since there are no sales to customer that account for 10% or more of the net sales on the consolidated statements of income, information by major customers is omitted.

Information on Impairment Losses of Fixed Assets by Reportable Segments

Information on impairment losses of fixed assets for the year ended March 31, 2012 and 2011 is presented as follows:

	Millions of yen						
2012	Business Technologies	Optics	Healthcare	Subtotal	Other	Eliminations and Corporate	Total
Impairment losses of fixed assets...	¥227	¥603	¥—	¥830	¥—	¥62	¥893

Note: Eliminations and Corporate of impairment losses of fixed assets is impairment losses of fixed assets owned by the holding company.

	Millions of yen						
2011	Business Technologies	Optics	Healthcare	Subtotal	Other	Eliminations and Corporate	Total
Impairment losses of fixed assets...	¥60	¥967	¥—	¥1,027	¥—	¥—	¥1,027

	Thousands of U.S. dollars						
2012	Business Technologies	Optics	Healthcare	Subtotal	Other	Eliminations and Corporate	Total
Impairment losses of fixed assets...	\$2,762	\$7,337	\$—	\$10,099	\$—	\$754	\$10,865

Information on Amortization of Goodwill and Balance of Goodwill by Reportable Segments

Information on amortization of goodwill and balance of goodwill for the years ended March 31, 2012 and 2011 is presented as follows:

	Millions of yen						
2012	Business Technologies	Optics	Healthcare	Subtotal	Other	Eliminations and Corporate	Total
Amortization of goodwill.....	¥ 8,312	¥ 347	¥—	¥ 8,659	¥ 145	¥—	¥ 8,804
Balance of goodwill.....	54,694	3,355	—	58,050	1,677	—	59,727

Note: 'Other' consists of business segments not included in reporting segments such as Sensing Business.

	Millions of yen						
2011	Business Technologies	Optics	Healthcare	Subtotal	Other	Eliminations and Corporate	Total
Amortization of goodwill.....	¥ 7,854	¥ 402	¥—	¥ 8,256	¥ 145	¥—	¥ 8,401
Balance of goodwill.....	57,621	3,702	—	61,323	1,822	—	63,146

	Thousands of U.S. dollars						
2012	Business Technologies	Optics	Healthcare	Subtotal	Other	Eliminations and Corporate	Total
Amortization of goodwill.....	\$101,132	\$ 4,222	\$—	\$105,353	\$ 1,764	\$—	\$107,118
Balance of goodwill.....	665,458	40,820	—	706,290	20,404	—	726,694

Information on Gain on Negative Goodwill by Reportable Segments

None.

27. NET INCOME PER SHARE

Calculations of net income per share for the years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Net income:			
Income attributable to common shares.....	¥20,424	¥25,896	\$248,497
Income available to common stockholders.....	20,424	25,896	248,497

	Thousands of shares	
	2012	2011
Weighted average number of common shares outstanding:		
Basic.....	530,254	530,222
Diluted.....	547,896	547,723

	Yen		U.S. dollars
	2012	2011	2012
Net income per common share:			
Basic.....	¥38.52	¥48.84	\$0.47
Diluted.....	37.28	47.28	0.45

28. SIGNIFICANT SUBSEQUENT EVENTS

Change in reportable segments

In the consolidated fiscal year ended March 31, 2012, the Company's reportable segments within the segmental information disclosure are the Business Technologies Business, Optics Business, and Healthcare Business. However, following the reorganization of the Companies in April 2012, reportable segments will be revised to the Business Technologies Business, Industrial Business, and Healthcare Business.

The revision in the business segments disclosure of the Companies will not affect total consolidated net sales, income, assets and liabilities, or other financial data.