

# **Konica Minolta Group Consolidated Financial Results Fiscal Year ended March 31, 2010**

May 13, 2010

Masatoshi Matsuzaki  
President & CEO  
Konica Minolta Holdings, Inc.

## March 2010 financial results - Overview



						[Billions of yen]		
	Mar/2010	Mar/2009	YoY	Mar/2010 Forecast*	Difference	4Q Mar/2010	4Q Mar/2009	YoY
Net sales (a)	804.5	947.8	-143.3	817.0	-12.5	215.7	201.2	14.5
Operating income	44.0	56.3	-12.3	34.0	10.0	22.8	-7.1	29.9
<i>Operating income ratio</i>	<i>5.5%</i>	<i>5.9%</i>	-	<i>4.2%</i>	-	<i>10.6%</i>	-	-
Goodwill amortization	9.2	8.9	0.3	9.5	-0.3	2.1	2.4	-0.3
Operating income before amortization.of goodwill (b)	53.2	65.2	-11.9	43.5	9.7	24.9	-4.7	29.6
<i>(b)/(a)</i>	<i>6.6%</i>	<i>6.9%</i>	-	<i>5.3%</i>	-	<i>11.5%</i>	<i>-2.3%</i>	-
Net income	16.9	15.2	1.8	10.0	6.9	7.9	-12.2	20.1
<i>Net income ratio</i>	<i>2.1%</i>	<i>1.6%</i>	-	<i>1.2%</i>	-	<i>3.7%</i>	<i>6.0%</i>	-
FCF	72.9	17.4	55.5	60.0	12.9	15.2	11.0	4.2
FOREX [Yen] USD	92.85	100.54	-7.69	92.67	0.18	90.70	93.61	-2.91
Euro	131.15	143.48	-12.33	132.25	-1.10	125.62	121.81	3.81

\* Previous forecasts: Announced on October 23, 2009

# March 2010 financial results - Group



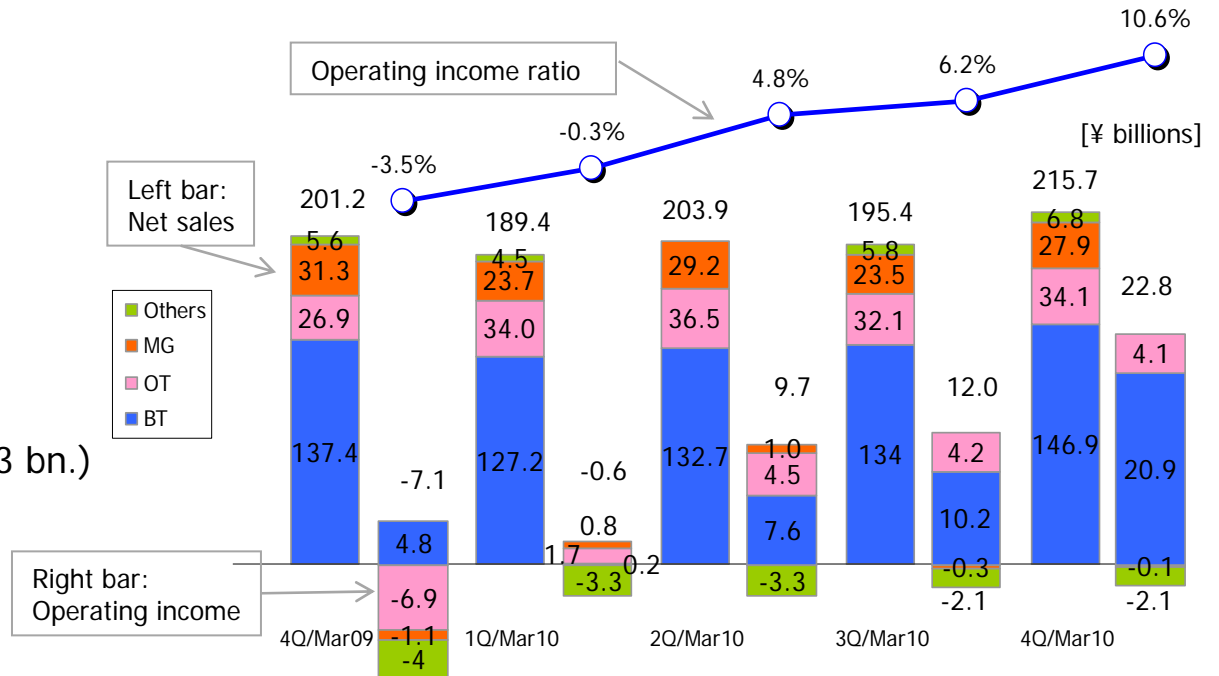
Profits recorded third straight quarterly rise, with Business Technologies recovering earnings strength and Optics making a steady contribution. The Group's results have returned to growth.

## Net sales

FY/YoY: -15% (w/o forex: -10%)  
 4Q/YoY: +7% (w/o forex: +7%)  
 4Q/QoQ: +10% (w/o forex: +10%)

## Operating income

FY/YoY: -22% (w/o forex: +4%)  
 4Q/YoY: +¥29.9 bn. (w/o forex: +¥28.3 bn.)  
 4Q/QoQ: +89% (w/o forex: +76%)



## Overview of main businesses

- **Business Technologies (BT)**
- ✓ Revenues improved substantially, associated with the growing sales of new color MFPs.
- **Optics (OT)**
- ✓ Sales of TAC films were strong, and glass HD contributed to revenues and profits in 2H/Mar10.
- **Medical & Graphic Imaging (MG)**
- ✓ Revenues fell short of the projection due to declining sales of films and depressed demand in the markets.

# March 2010 financial results – Main business units



## Net sales

						[Billions of yen]		
	Mar/2010	Mar/2009	YoY	Mar/2010 forecast*	Difference	4Q Mar/2010	4Q Mar/2009	YoY
	Business Technologies	540.8	623.7	-82.9	543.0	-2.2	146.9	137.4
Optics	136.7	173.4	-36.7	142.0	-5.3	34.1	26.9	7.2
Medical & Graphic	104.4	125.9	-21.5	110.0	-5.6	27.9	31.3	-3.3
<b>Group total</b>	<b>804.5</b>	<b>947.8</b>	<b>-143.3</b>	<b>817.0</b>	<b>-12.5</b>	<b>215.7</b>	<b>201.2</b>	<b>14.5</b>

## Operating income

						[Billions of yen]		
	Mar/2010	Mar/2009	YoY	Mar/2010 forecast*	Difference	4Q Mar/2010	4Q Mar/2009	YoY
	Business Technologies	39.0	52.6	-13.6	28.0	11.0	20.9	4.8
<i>Operating income ratio</i>	<i>7.2%</i>	<i>8.4%</i>	-	<i>5.2%</i>	-	<i>14.2%</i>	<i>3.5%</i>	-
Optics	14.4	12.5	1.9	15.0	-0.6	4.1	-6.9	11.0
<i>Operating income ratio</i>	<i>10.5%</i>	<i>7.2%</i>	-	<i>10.6%</i>	-	<i>12.0%</i>	<i>-25.6%</i>	-
Medical & Graphic	1.5	3.1	-1.6	3.5	-2.0	-0.1	-1.1	1.0
<i>Operating income ratio</i>	<i>1.4%</i>	<i>2.4%</i>	-	<i>3.2%</i>	-	<i>-0.3%</i>	<i>-3.5%</i>	-
<b>Group total</b>	<b>44.0</b>	<b>56.3</b>	<b>-12.3</b>	<b>34.0</b>	<b>10.0</b>	<b>22.8</b>	<b>-7.1</b>	<b>29.9</b>
<i>Operating income ratio</i>	<i>5.5%</i>	<i>5.9%</i>	-	<i>4.2%</i>	-	<i>10.6%</i>	<i>-3.5%</i>	-

\* Previous forecasts: Announced on October 23, 2009

# Business Technologies



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Sales and profits increased for the third consecutive quarter, driven by new color MFPs.

## Net sales

FY/YoY: -13% (w/o forex: -7%)  
 4Q/YoY: +7% (w/o forex: +5%)  
 4Q/QoQ: +10% (w/o forex: +8%)

## Operating income

FY/YoY: -26% (w/o forex: -4%)  
 4Q/YoY: +¥33.1 bn. (w/o forex: +¥29.1 bn.)  
 4Q/QoQ: +105% (w/o forex: +86%)

## MFP unit sales

FY/YoY: -11% (color: -7%, B/W: -12%)  
 4Q/YoY: +4% (color: +17%, B/W: -4%)  
 4Q/QoQ: +7% (color: +28%, B/W: -4%)

## 4Q: Strong sales of MFPs, mainly color products

Color MFP sales climbed substantially in both YoY and QoQ in all regions, particularly 4Q European sales, the largest market for the Company.

Total MFP sales also posted marked YoY and QoQ gains.

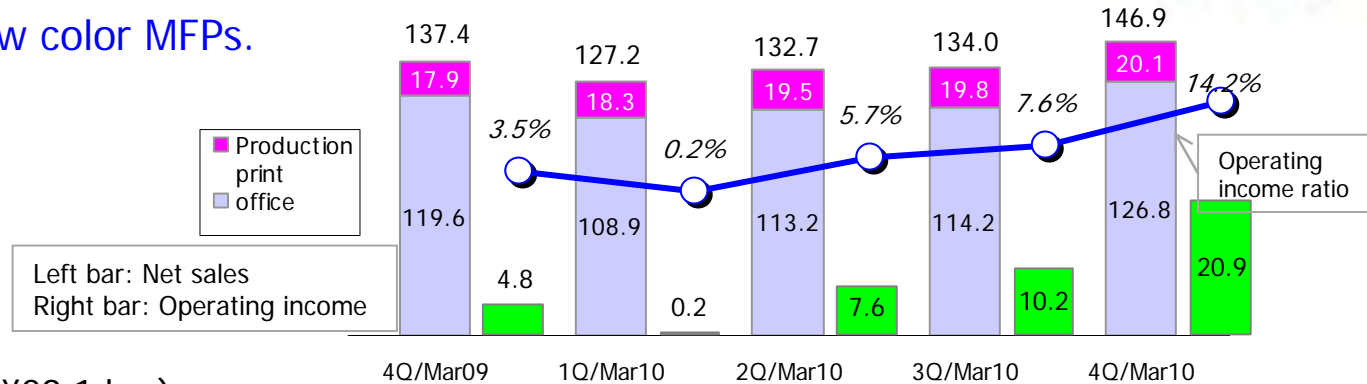
## Non-hardware sales (Ref. Slide #24)

Sales remained solid throughout the year, including 4Q.

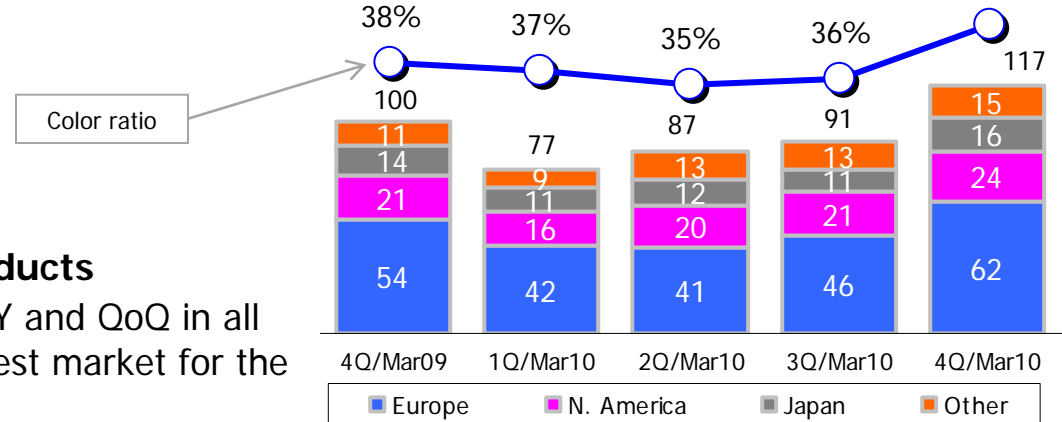
## Inventories

Inventories declined significantly at the end of 4Q, backed by the synergy of a recovery in demand and sales expansion measures.

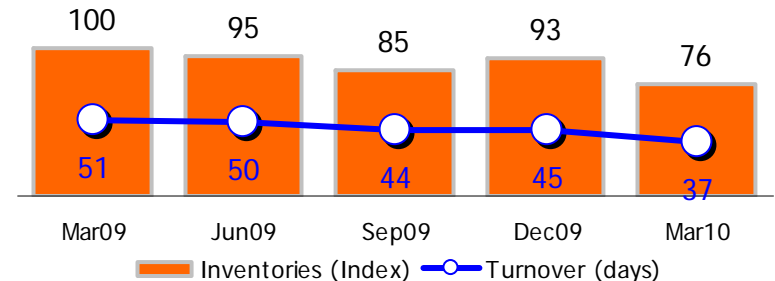
◆ Net sales / Operating income [¥ billions]



◆ Color MFP unit sales \*Base index : "4Q/Mar09" = 100



◆ Inventories (value) and turnover \*Base index : "Mar09" = 100



# Business Technologies – Operating income transition



## Mar2009 vs. Mar2010

Excluding the effect of forex, profits returned almost to the previous year level.

### Negative factors (mainly in 1H):

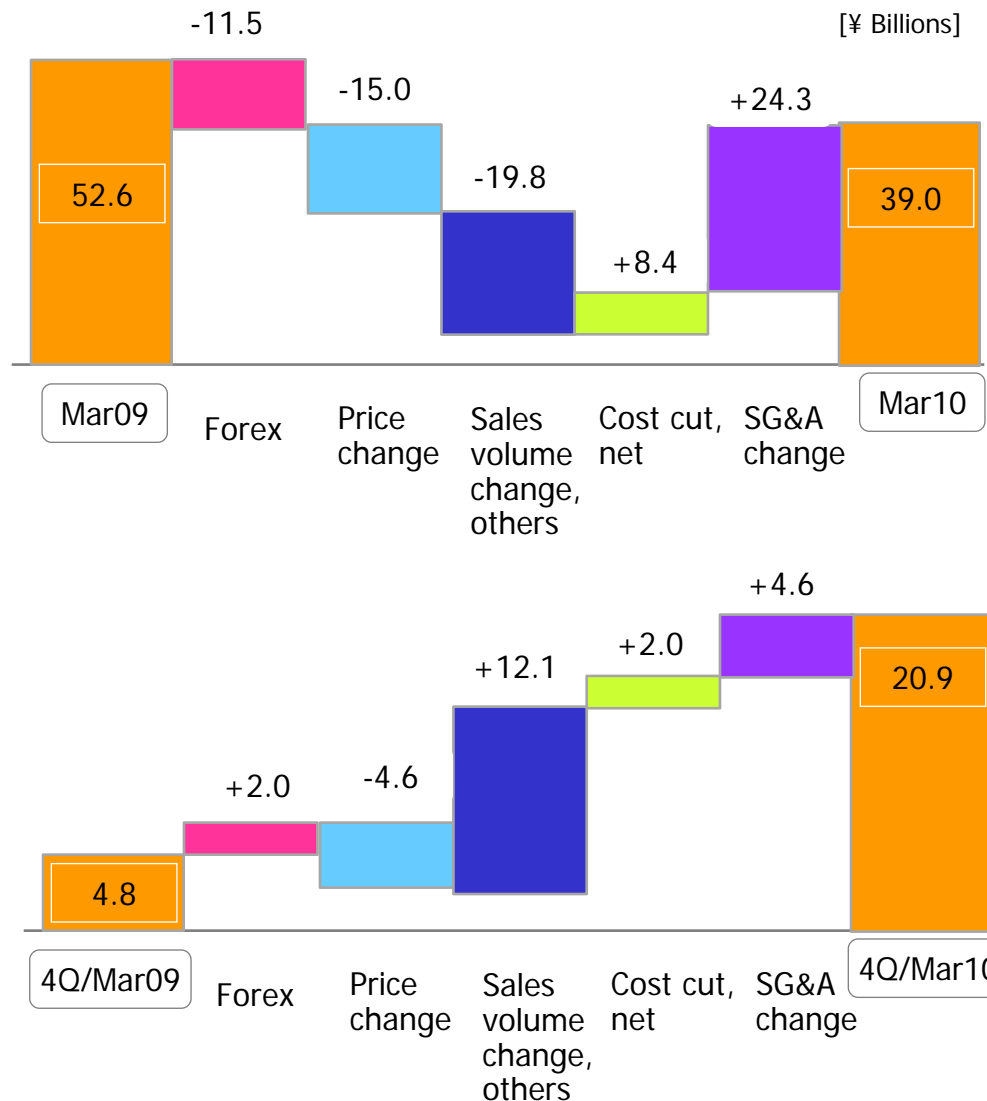
- Yen appreciation, especially against Euro
- Sales promotion expenses for old color MFPs
- Declined sales quantities with weaker market conditions in the US and Europe

### Positive factors:

- Reduction of production costs associated with the introduction of new products
- Reduction of service costs
- Measures to reduce costs, particularly fixed costs

## 4Q/Mar2009 vs. 4Q/Mar2010

Earnings strength dramatically improved with an increase in unit sales, centering on new color MFPs and a streamlined earnings structure.



# Optics

TAC films were solid, and glass HD and image I/O devices improved.

## Net sales

Total (TAC, Comp., Image I/O)  
 FY/YoY: -21% (+7%, -22%, -39%)  
 4Q/YoY: +27% (+77%, +157%, -27%)  
 4Q/QoQ: +6% (-4%, +20%, +10%)

## Operating income

FY/YoY: +15%  
 4Q/YoY: +¥11.0 bn.  
 4Q/QoQ: -2%

## TAC film

✓ Sales volume maintained a stable level throughout the year, following a recovery in demand.

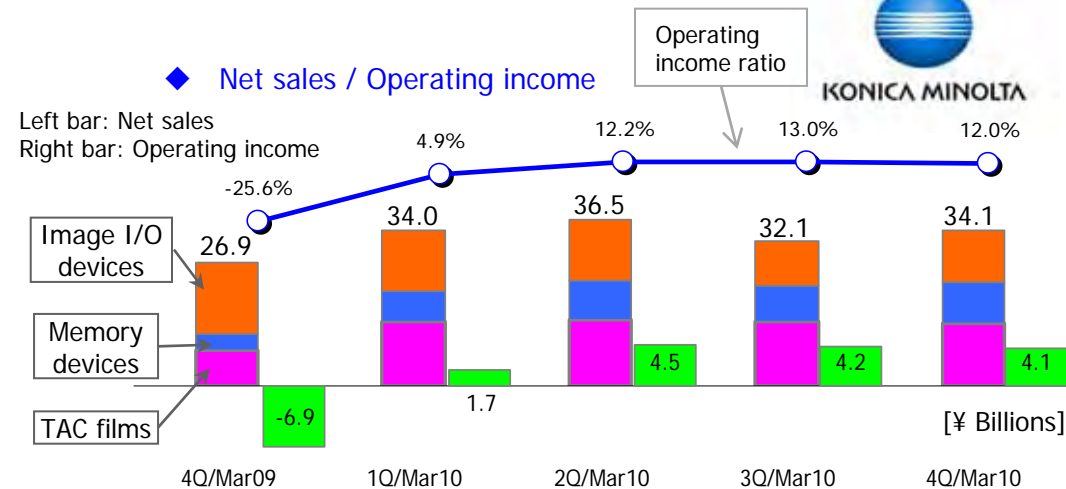
## Glass HD substrates

✓ Sales volumes increased steadily, thanks to accelerated efforts for productivity improvement.

✓ Sales mix improved, helped by products with increased storage density.

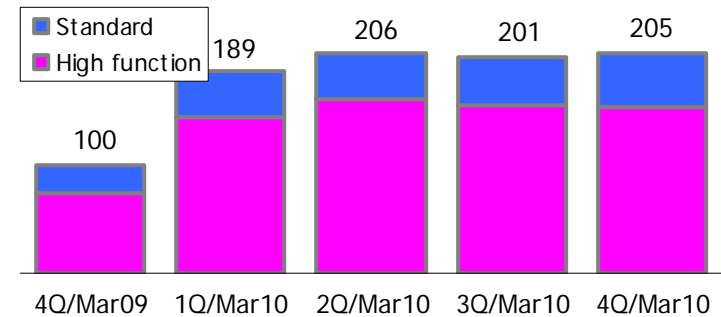
## Image I/O devices

✓ Effect of structural reforms through the optimized production system and a focus on profitable products contributed to earnings in 2H.



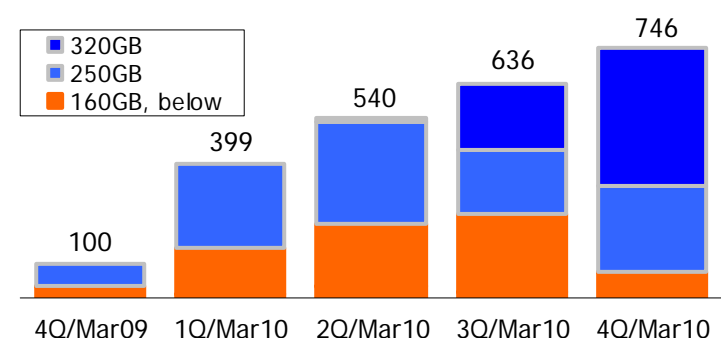
## TAC film unit sales

\*Base index : "4Q Mar09" = 100



## Glass HD substrates unit sales

\*Base index : "4Q Mar09" = 100



# Optics- Operating income analysis

## Mar2009 vs. Mar2010

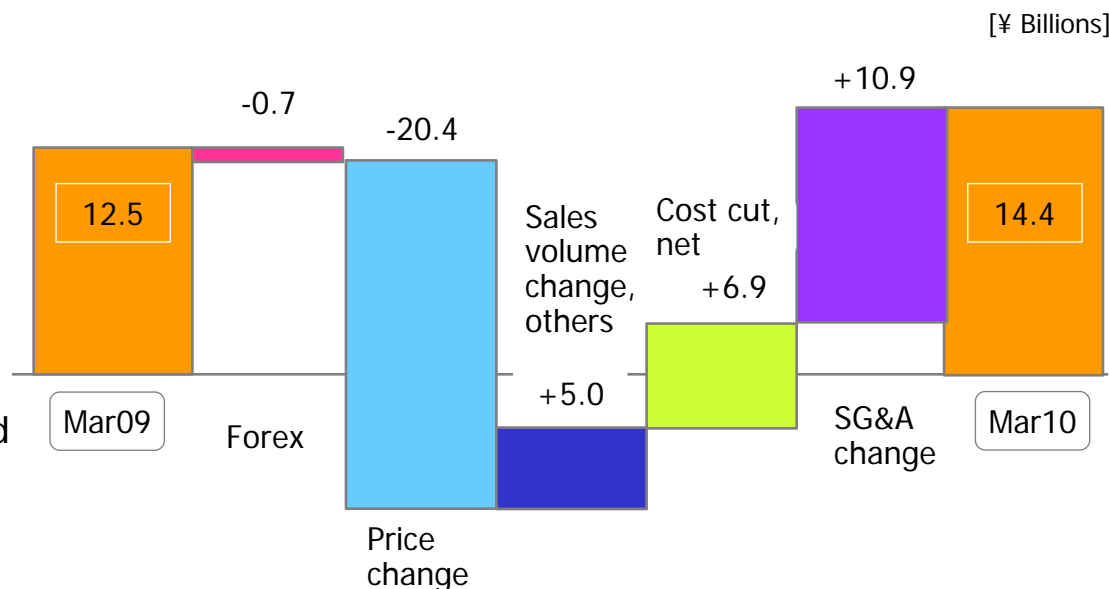
Profits increased as a result of offsetting the effect of falling prices with cost cutting and reduced expenses.

Negative factors:

- Falling prices in TAC films and lens modules for mobile phones.

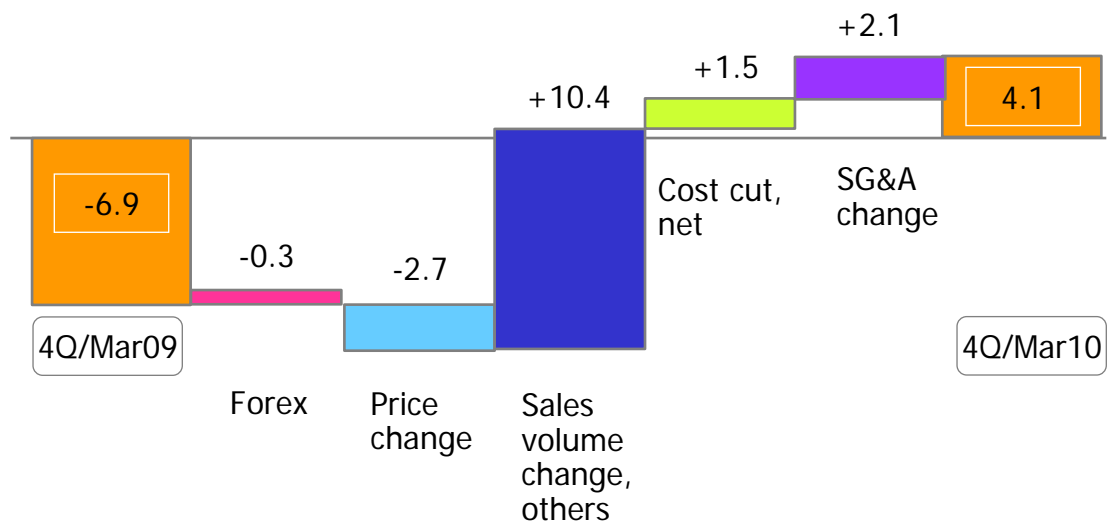
Positive factors:

- Cost cut: Cutting production fixed costs as a result of optimization of production system and procurement costs
- SG&A reduction: Reduction in depreciation expenses by curtailing investments



## 4Q/Mar2009 vs. 4Q/Mar2010

- Profitability improved significantly with an increase in sales of TAC films and glass HD substrates and a shift in policy to a greater focus on profitable products in the area of image I/O devices.
- Drivers for earnings recovery: TAC films, memory devices, and image I/O devices all contributed.



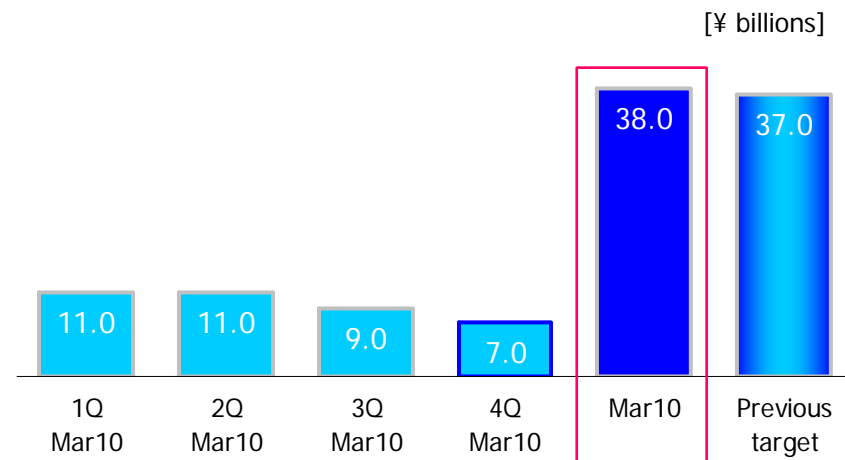


## Improving corporate capabilities

Fixed cost reduction: -¥38 billion, YoY (Positive results on profits as projected)

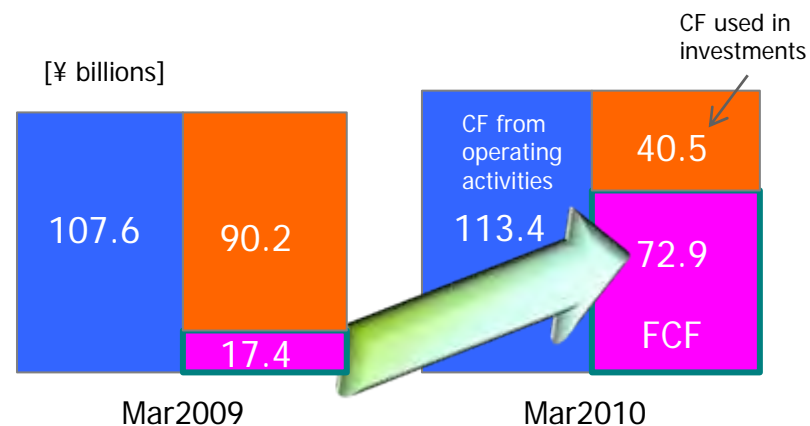
### Major effects resulting from cutting fixed costs (Actual change, YoY)

- **Labor cost: Approx. -¥16 bn.**
- ✓ Business Technologies: Streamlining human resources at overseas sales companies
- ✓ Optics: Optimizing production systems and human resources in Japan and overseas
- ✓ Medical & Graphic: Streamlining human resources associated with concluding printing film production
- **R&D : Approx. -¥13 bn.**
- **Depreciation: Approx. -¥9 bn.**



FCF: Generated ¥72.9 bn. (Profits exceeded the projection thanks to cuts in working capital and investments.)

- **CF from operating activities:**  
Improving in working capital
  - **CF from investing activities:**  
Curtailing investment in FY/Mar2010
- \* FY/Mar2009: incl. outflows related to Danka's acquisition



## Initiatives for FY/Mar2011

The Group aims to achieve the targets through a concerted effort, by pursuing a growth path, even in this uncertain business environment.



### Initiatives:

- Increasing revenues of current businesses
- Strengthening operations in Asian markets
- Expanding current businesses and accelerating establishment of new businesses
- Improving quality of operations

# Business Technologies

Aim to substantially increase production printing business, while achieving steady growth in existing office products.

## [Targets]

Net sales: ¥560 bn. (YoY: +4%)

Operating income: ¥44 bn. (YoY: +13%)

## Office products field

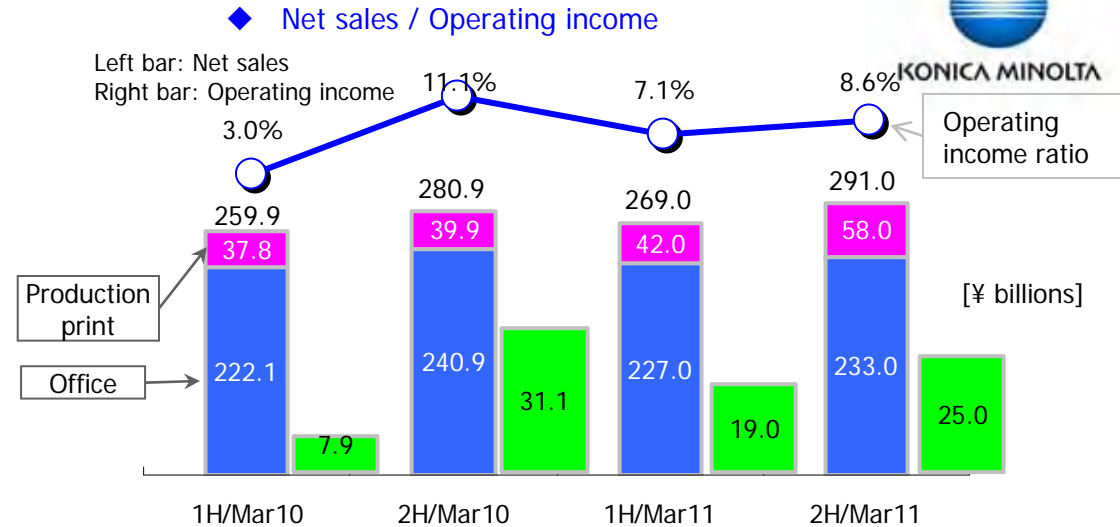
Unit sales target: +10% YoY

(color: +13%, B/W: +9%)

- Enhance sales of new color MFP products (launched in FY/Mar2010)
  - ✓ High image quality, and reduced TCO
  - ✓ Full contribution of reduction in service and production costs
- Promote new monochrome MFP series
  - ✓ Introduction of a new series with enhanced functions for US and European markets
  - ✓ Introduction of a dedicated model for emerging markets
- Introduce new, full-function, color MFPs for 4A paper size
- Enhance the OPS approach for customers where the Company has strong sales foundation
- Enhance vertical marketing with a specialized sales structure

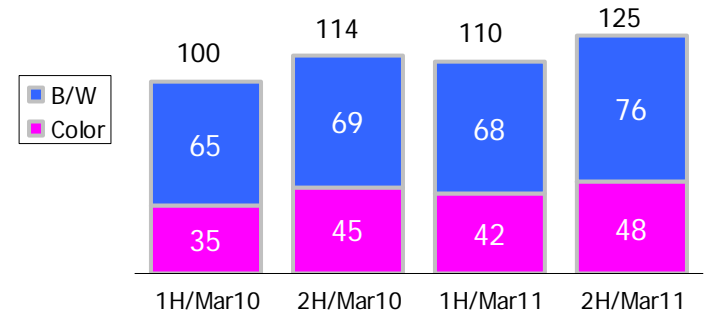


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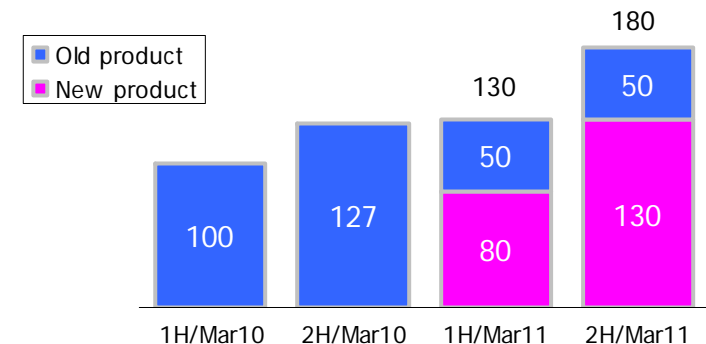
### ◆ Office MFP unit sales

\*Base index : "1H/Mar10" = 100



### ◆ Color A4-size MFP unit sales

\*Base index : "1H/Mar10" = 100



# Business Technologies



## Production printing field

Unit sales target: +20% YoY  
(color: +35%, B/W: 0%)

**Aim to achieve net sales of ¥100 bn. with vigorous launch of new products and expansion of sales networks**

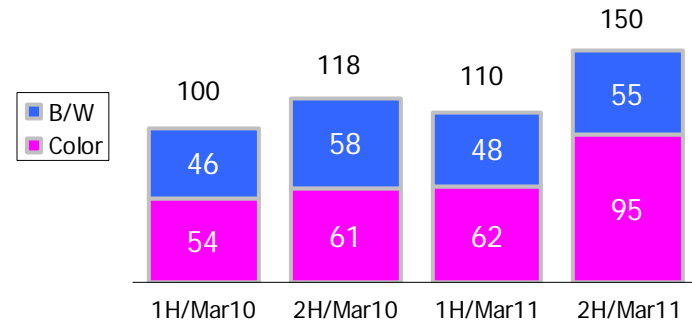
- **Expand commercial printing business with the introduction of new models**
- **Enhance competitiveness with the renewal of an existing lineup for color models**
- **Enhance marketing functions**

### New products:

- **'Top-of-the-line' model for printing professionals**
- ✓ provide high image quality and high definition on par with off-set printing by employing the new digital toner called "New Simitri HD".
- ✓ High productivity and durability, and high image stability
- **Monochrome model for heavy users**  
Promote marketing of Eastman Kodak's "Digimaster" in European and US markets

### ◆ Production printing machine unit sales

\*Base index : "1H/Mar10" = 100



### **bizhub PRESS**



# Optics

Aim to boost profits at a rate that outstrips sales growth, with contributions from glass HD substrates as well as a robust TAC film business.

## [Targets]

Net sales : ¥144 bn. (YoY: 5%)  
 Operating income : ¥20.5 bn. (YoY: +42%)

## TAC film

Unit sales target: +20% YoY

- Obtain new certification from customers for extra-wide film and further expand thin film products, commence operation of the 7th line ahead of schedule, and expand market share.
- Aim to outpace market growth in VA-TAC.

## Glass HD substrates

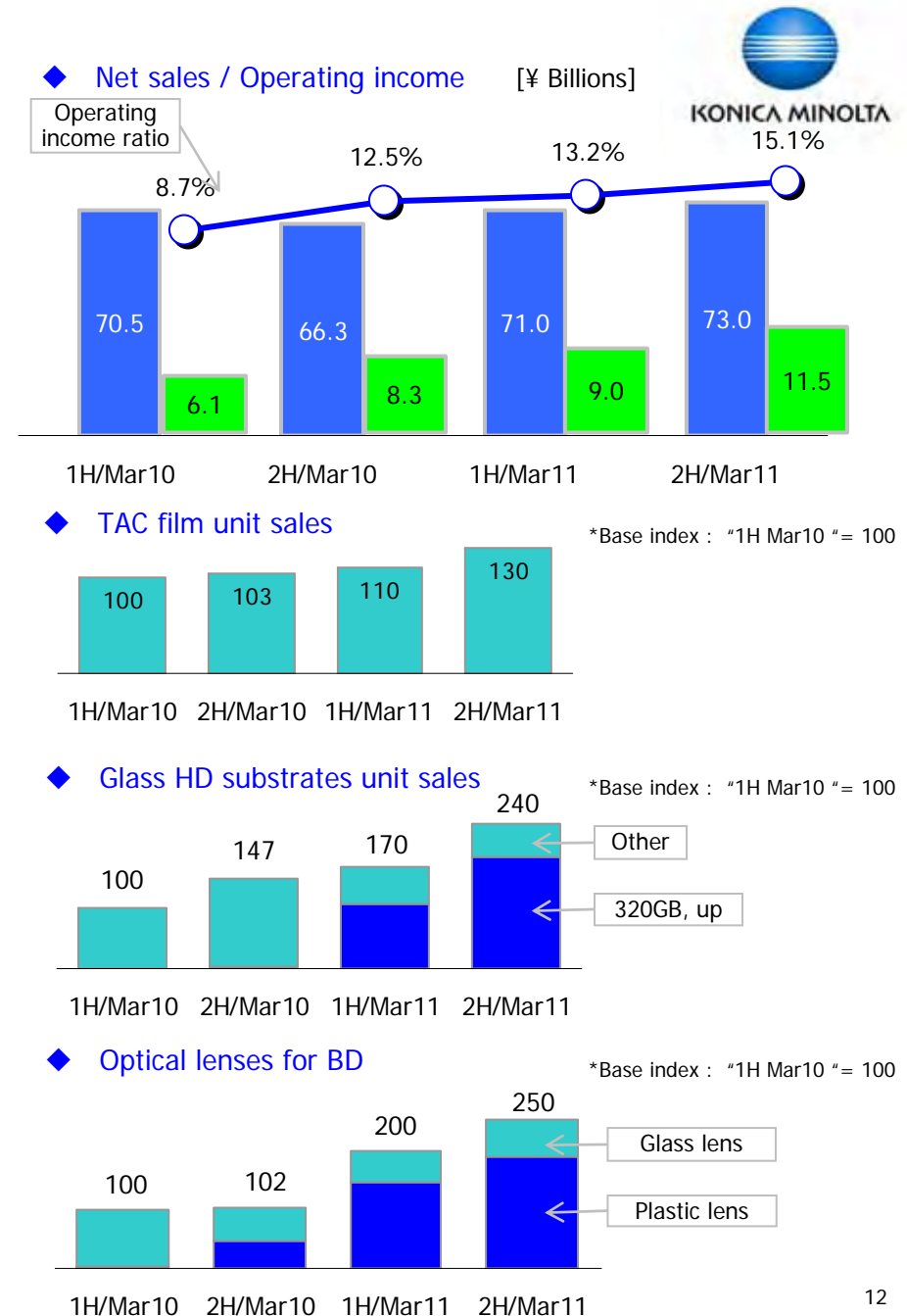
Unit sales target: +70% YoY

- Maximize sales in both units and value and through productivity improvement and capacity enhancement.
- Refine technology to accommodate even higher memory density.

## Optical pickup lens

Unit sales target: +120% YoY (Lenses for BDs)

- Expand the volume of sales of lenses for BDs, primarily for the audio-visual segment.



## Measures for further growth in profitability

### Full deployment into the Asian Market

#### **Business Technologies**

Further enhance our leading position in China with the introduction of special dedicated products. Expand and strengthen the sales structure in India.

#### **Medical/Healthcare**

Business deployment by establishing a sales company in India

### Measures for expanding current businesses and establishing new business

#### **LED lighting related components**

Accelerate the establishment of a production system for mass production by fully utilizing our cutting-edge technologies in glass mold.

#### **OLDE lighting**

Start operation of a pilot plant for products for limited sales in fall 2010.

#### **Organic thin-film photovoltaics (OPV)**

Establish joint development in an alliance with Konarka Technologies, Inc., and accelerate improvement in product performance, targeting fast business entry.

## Improve quality of operations

### Accelerate across the group measures

- In addition to enhancing SCM activities, increase the efficiency of operating capital by managing the Cash Conversion Cycle (CCC).

$CCC = (\text{Inventory turnover, months}) + (\text{Account receivable turnover, months}) - (\text{Account payable turnover, months})$

- Enhance productivity in information equipment and deploy horizontally across the Group.

### For group optimization, execute process renovation for all functions

- Increase the efficiency of the development process, and take steps to shorten the development period.
- Improve CRM at sales companies.

# Forecasts FY/March 2011



	[Billions of yen]		
	Mar/2011	Mar/2010	YoY
Net sales (a)	830.0	804.5	25.5
Operating income	50.0	44.0	6.0
<i>Operating income ratio</i>	<i>6.0%</i>	<i>5.5%</i>	-
Goodwill amortization	9.0	9.2	-
Operating income before dep.of goodwill (b)	59.0	53.2	5.8
<i>(b)/(a)</i>	<i>7.1%</i>	<i>6.6%</i>	-
Net income	20.0	16.9	3.1
<i>Net income ratio</i>	<i>2.4%</i>	<i>2.1%</i>	-
FCF	20.0	72.9	-52.9
Dividend per share [yen]	15.0	15.0	0.0

FOREX [Yen] USD	90.00	92.85	-2.85
Euro	120.00	131.15	-11.15

<u>Foreign exchange impact (Annual):</u>	<u>USD</u>	<u>Euro</u>
Net sales:	¥2.5 bn.	¥1.3 bn.
Operating income:	¥0.3 bn.	¥0.7 bn.



## [Ref.] Forecasts FY/March 2011 – Main business units



[Billions of yen]

<b>Net sales</b>	Mar/2011	Mar/2010	YoY
Business Technologies	560.0	540.8	19.2
Optics	144.0	136.7	7.3
Medical & Graphic	102.0	104.4	-2.4
Group total	830.0	804.5	25.5

[Billions of yen]

<b>Operating income</b>	Mar/2011	Mar/2010	YoY
Business Technologies	44.0	39.0	5.0
<i>Operating income ratio</i>	<i>7.9%</i>	<i>7.2%</i>	-
Optics	20.5	14.4	6.1
<i>Operating income ratio</i>	<i>14.2%</i>	<i>10.5%</i>	-
Medical & Graphic	2.0	1.5	0.5
<i>Operating income ratio</i>	<i>2.0%</i>	<i>1.4%</i>	-
Group total	50.0	44.0	6.0
<i>Operating income ratio</i>	<i>6.0%</i>	<i>5.5%</i>	-

***Supplementary Information  
Financial Results Mar2010***

## Results: March 2010



				[Billions of yen]	
	Mar/2010	Mar/2009	YoY	Mar/2010 Forecast*	Difference
Net sales	804.5	947.8	-143.4	817.0	-12.5
Gross income	364.5	427.6	-63.2	-	-
<i>Gross income ratio</i>	45.3%	45.1%	-	-	-
Operating income	44.0	56.3	-12.3	34.0	10.0
<i>Operating income ratio</i>	5.5%	5.9%	-	4.2%	-
Ordinary income	40.8	45.4	-4.6	32.5	8.3
Net income before taxes	36.1	33.2	2.9	27.5	8.6
Net income	16.9	15.2	1.8	10.0	6.9
<i>Net income ratio</i>	2.1%	1.6%	-	1.2%	-
<b>EPS [Yen]</b>	<b>31.93</b>	<b>28.62</b>		<b>18.86</b>	
CAPEX	36.9	61.2	-24.2	37.0	-0.1
Depreciation	61.2	70.2	-9.0	65.0	-0.4
R&D expenses	68.5	81.8	-13.3	72.0	-3.5
FCF	72.9	17.4	55.5	60.0	12.9
FOREX [Yen]	92.85	100.54	-7.69	92.67	0.18
Euro	131.15	143.48	-12.33	132.25	-1.10

\* Previous forecasts: Announced on October 23, 2009

## Results: March 2010 - Segment

[Billions of yen]

<b>Net sales</b>	Mar/2010	Mar/2009	YoY	Mar/2010 Forecast*	Difference
	Business Technologies	540.8	623.7	-82.9	543.0
Optics	136.7	173.4	-36.7	142.0	-5.3
Medical & Graphic	104.4	125.9	-21.5	110.0	-5.7
Other businesses	14.5	15.5	-1.0	14.5	0.0
HD and eliminations	8.1	9.4	-1.3	7.5	0.6
<b>Group total</b>	<b>804.5</b>	<b>947.8</b>	<b>-143.4</b>	<b>817.0</b>	<b>-12.5</b>

[Billions of yen]

<b>Operating income</b>	Mar/2010	Mar/2009	YoY	Mar/2010 Forecast*	Difference
	Business Technologies	39.0	52.6	-13.6	28.0
<i>Operating income ratio</i>	<i>7.2%</i>	<i>8.4%</i>	-	<i>5.2%</i>	-
Optics	14.4	12.5	1.9	15.0	-0.6
<i>Operating income ratio</i>	<i>10.5%</i>	<i>7.2%</i>	-	<i>10.6%</i>	-
Medical & Graphic	1.5	3.1	-1.6	3.5	-2.0
<i>Operating income ratio</i>	<i>1.4%</i>	<i>2.4%</i>	-	<i>3.2%</i>	-
Other businesses	1.0	1.1	-0.1	0.5	0.5
HD and eliminations	-11.9	-13.0	1.2	-13.0	1.1
<b>Group total</b>	<b>44.0</b>	<b>56.3</b>	<b>-12.3</b>	<b>34.0</b>	<b>10.0</b>
<i>Operating income ratio</i>	<i>5.5%</i>	<i>5.9%</i>	-	<i>4.2%</i>	-

\* Previous forecasts: Announced on October 23, 2009

\* Other businesses: Sensing and Industrial Inkjet businesses

## Results: 4Q/March 2009 vs. 4Q/March 2010



[Billions of yen]

	4Q Mar/2010	4Q Mar/2009	YoY	3Q Mar/2009	QoQ
Net sales	215.7	201.2	14.5	195.4	20.3
Gross income	105.8	80.6	25.2	89.8	16.1
<i>Gross income ratio</i>	49.1%	40.1%	-	45.9%	-
Operating income	22.8	-7.1	29.9	12.0	10.7
<i>Operating income ratio</i>	10.6%	-3.5%	-	6.2%	-
Ordinary income	21.7	-8.7	30.4	10.4	11.3
Net income before taxes	18.5	-17.4	35.9	10.6	7.9
Net income	7.9	-12.2	20.1	5.5	2.5
<i>Net income ratio</i>	3.7%	-6.0%	-	2.8%	-
<b>EPS [Yen]</b>	<b>14.94</b>	<b>-22.95</b>		<b>10.32</b>	
CAPEX	12.5	13.9	-1.4	7.0	5.5
Depreciation	15.1	18.5	-3.3	15.2	-0.1
R&D expenses	16.5	19.0	-2.5	16.7	-0.2
FCF	15.2	11.0	4.2	25.6	-10.4
FOREX [Yen]					
USD	90.70	93.61	-2.91	89.72	0.98
Euro	125.62	121.81	3.81	132.68	-7.06

# Results: 4Q/March 2009 vs. 4Q/March 2010 - Segment



## Net sales

[Billions of yen]

	4Q Mar/2010	4Q Mar/2009	YoY	3Q Mar/2010	QoQ
Business Technologies	146.9	137.4	9.5	134.0	12.9
Optics	34.1	26.9	7.2	32.1	2.0
Medical & Graphic	27.9	31.3	-3.3	23.5	4.4
Other businesses	4.1	3.2	0.9	4.0	0.1
HD and eliminations	2.7	2.4	0.3	1.8	0.9
Group total	215.7	201.2	14.5	195.4	20.3

## Operating income

[Billions of yen]

	4Q Mar/2010	4Q Mar/2009	YoY	3Q Mar/2010	QoQ
Business Technologies	20.9	4.8	16.0	10.2	10.7
<i>Operating income ratio</i>	14.2%	3.5%	-	7.6%	-
Optics	4.1	-6.9	11.0	4.2	-0.1
<i>Operating income ratio</i>	12.0%	-25.6%	-	13.0%	-
Medical & Graphic	-0.1	-1.1	1.0	-0.3	0.2
<i>Operating income ratio</i>	-0.3%	-3.5%	-	-1.1%	-
Other businesses	0.7	0.0	0.8	0.4	0.3
HD and eliminations	-2.9	-4.0	1.1	-2.5	-0.4
Group total	22.8	-7.1	29.9	12.0	10.7
<i>Operating income ratio</i>	10.6%	-3.5%		6.2%	

\* Other businesses: Sensing and Industrial Inkjet businesses

## Forecasts: March 2011



[Billions of yen]

	FORCAST		FY/Mar 2011	Mar/2010	YoY
	1H	2H	FY (F)		
Net sales	400.0	430.0	830.0	804.5	25.5
Operating income	21.0	29.0	50.0	44.0	6.0
<i>OP ratio</i>	<i>5.3%</i>	<i>6.7%</i>	<i>6.0%</i>	<i>5.5%</i>	
Ordinary income	19.0	27.0	46.0	40.8	5.2
Net income before taxes	15.0	23.5	38.5	36.1	2.4
Net income	8.0	12.0	20.0	16.9	3.1
<i>Net income ratio</i>	<i>2.0%</i>	<i>2.8%</i>	<i>2.4%</i>	<i>2.1%</i>	
CAPEX			55.0	36.9	18.1
Depreciation			65.0	61.2	3.8
R&D expenses			80.0	68.5	11.5
FCF			20.0	72.9	-52.9
FOREX [P/L] [Yen]					
USD			90.00	92.85	-2.85
Euro			120.00	131.15	-11.15

## Forecasts: March 2011 - Segment

### Net sales

[Billions of yen]

	FORCAST FY/Mar 2011			Mar/2010	YoY
	1H	2H	FY (F)		
Business Technologies	269.0	291.0	560.0	540.8	19.2
Optics	71.0	73.0	144.0	136.7	7.3
Medical & Graphic	49.0	53.0	102.0	104.4	-2.4
Other businesses	8.0	9.0	17.0	14.5	2.5
HD and eliminations	3.0	4.0	7.0	8.1	-1.1
<b>Group total</b>	<b>400.0</b>	<b>430.0</b>	<b>830.0</b>	<b>804.5</b>	<b>25.5</b>

### Operating income

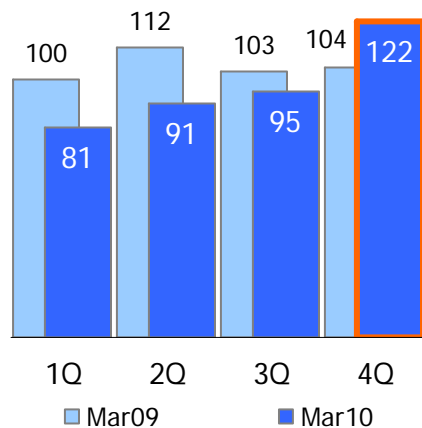
[Billions of yen]

	FORCAST FY/Mar 2011			Mar/2010	YoY
	1H	2H	FY (F)		
Business Technologies	19.0	25.0	44.0	39.0	5.0
<i>Operating income ratio</i>	<i>7.1%</i>	<i>8.6%</i>	<i>7.9%</i>	<i>7.2%</i>	
Optics	9.0	11.5	20.5	14.4	6.1
<i>Operating income ratio</i>	<i>12.7%</i>	<i>15.8%</i>	<i>14.2%</i>	<i>10.5%</i>	
Medical & Graphic	0.5	1.5	2.0	1.5	0.5
<i>Operating income ratio</i>	<i>1.0%</i>	<i>2.8%</i>	<i>2.0%</i>	<i>1.4%</i>	
Other businesses	0.5	1.0	1.5	1.0	0.5
HD and eliminations	-8.0	-10.0	-18.0	-11.9	-6.1
<b>Group total</b>	<b>21.0</b>	<b>29.0</b>	<b>50.0</b>	<b>44.0</b>	<b>6.0</b>
<i>Operating income ratio</i>	<i>5.3%</i>	<i>6.7%</i>	<i>6.0%</i>	<i>5.5%</i>	



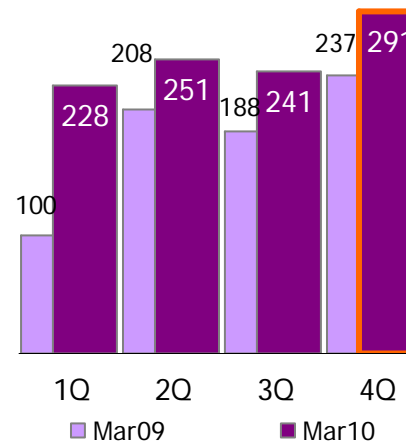
# Unit sales: Business Technologies

## ■ Color MFP– Units



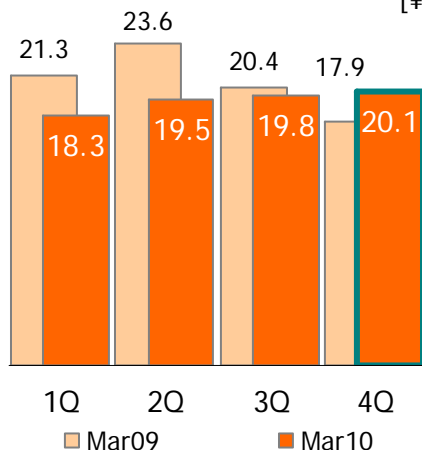
FY YoY: -7%  
4Q YoY: +17%

## ■ Color tandem LBP – Units



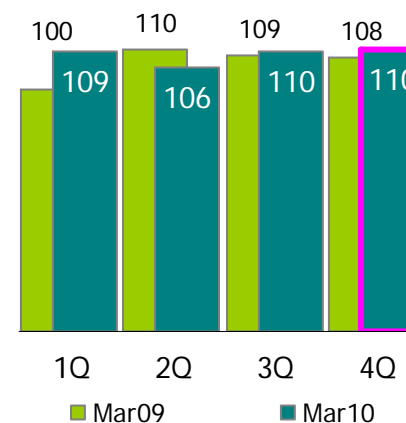
FY YoY: +38%  
4Q YoY: +23%

## ■ Production printing – Value [¥ billions]



FY YoY: -6%  
4Q YoY: +13%

## ■ MFP non-hardware



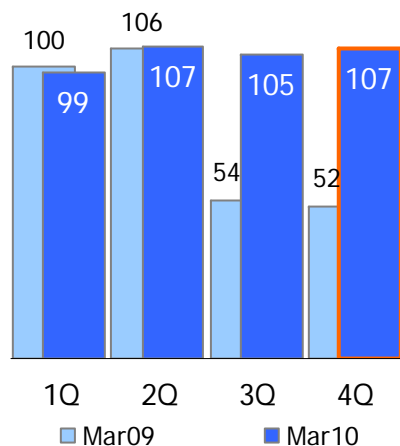
\* w/o forex effects

FY YoY: +2%  
4Q YoY: +1%

\* Base index : "1Q Mar09 " = 100

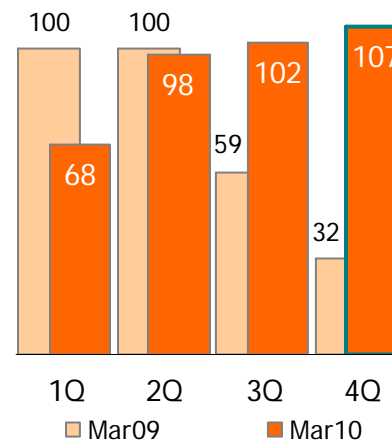
# Unit Sales: Optics

## TAC film – Units



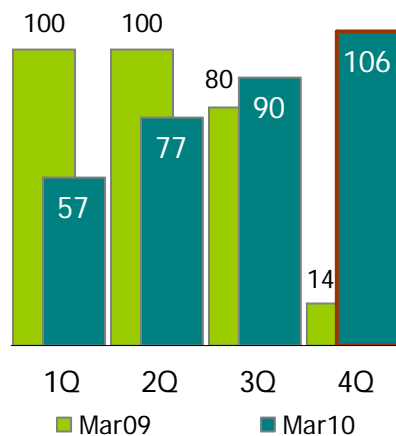
FY YoY: +33%  
4Q YoY: +105%

## Optical pickup lenses - Units



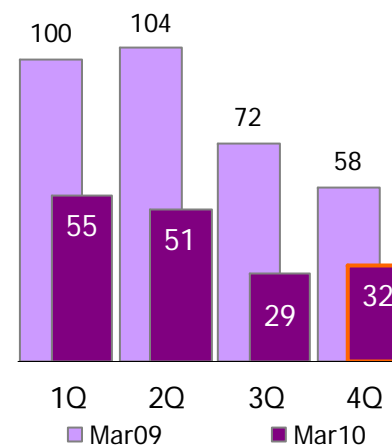
FY YoY: +29%  
FY YoY: +238%

## Glass HD substrates - Units



FY YoY: +12%  
4Q YoY: +646%

## Mobile phone components – Units



FY YoY: -50%  
FY YoY: -45%

# Operating profit analysis

## Mar10 vs. Mar09

### [Factors]

	[Billions of yen]			
	Business Technologies	Optics	Other	Total
Forex impact	-11.5	-0.7	-2.1	-14.3
Prince change	-15.0	-20.4	0.0	-35.4
Sales volume change, and other, net	-19.8	5.0	-9.9	-24.8
Cost down	8.4	6.9	1.8	17.1
SG&A change, net	24.3	10.9	9.7	45.0

### [Operating income]

Change, YoY	-13.6	1.9	-0.6	-12.3
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## 4Q/Mar10 vs. 4Q/Mar09

### [Factors]

	[Billions of yen]			
	Business Technologies	Optics	Other	Total
Forex impact	2.0	-0.3	-0.1	1.6
Prince change	-4.6	-2.7	0.0	-7.4
Sales volume change, and other, net	12.0	10.4	0.5	23.0
Cost down	2.0	1.5	0.3	3.9
SG&A change, net	4.6	2.1	2.1	8.8

### [Operating income]

Change, YoY	16.0	11.0	2.9	29.9
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# SGA, non-operating and extraordinary income/loss



[Billions of yen]

SG&A:	Mar10	Mar09	YoY	4Q	4Q	YoY
				Mar10	Mar09	
Selling expenses - variable	41.1	52.8	-11.6	11.4	13.2	-1.8
R&D expenses	68.5	81.8	-13.3	16.5	19.0	-2.5
Labor costs	119.8	134.8	-15.0	29.6	30.1	-0.5
Other	91.1	102.1	-11.0	25.5	25.4	0.2
<b>SGA total*</b>	<b>320.5</b>	<b>371.4</b>	<b>-50.9</b>	<b>83.1</b>	<b>87.8</b>	<b>-4.7</b>
	<i>* Forex impact:</i>		<i>-¥12.3 bn. (Actual: -¥38.6 bn.)</i>	<i>¥0.5 bn. (Actual: -¥4.2 bn.)</i>		
<b>Non-operating income/ loss:</b>						
Interest and dividend income/loss, net	-1.7	-2.7	1.0	-0.4	-0.7	0.3
Foreign exchange gain, net	-1.1	-7.3	6.1	-0.9	0.4	-1.3
Other	-0.3	-0.9	0.6	0.2	-1.3	1.5
<b>Non-operating income/ loss, net</b>	<b>-3.2</b>	<b>-10.9</b>	<b>7.7</b>	<b>-1.1</b>	<b>-1.6</b>	<b>0.5</b>
<b>Extraordinary income/ loss:</b>						
Sales of noncurrent assets, net	-2.0	-2.9	0.9	-0.5	-1.4	0.9
Sales of investment securities, and sales of subsidiaries and affiliates' stocks, net	-0.2	-1.0	0.9	-0.1	0.1	-0.2
Impairment gain/loss	-2.6	-1.2	-1.4	-2.4	-0.9	-1.5
Business structure improvement expenses	-2.1	-10.1	8.0	-0.9	-9.5	8.6
Other	2.0	3.0	-0.9	0.7	3.1	-2.4
<b>Extraordinary income/ loss, net</b>	<b>-4.7</b>	<b>-12.2</b>	<b>7.4</b>	<b>-3.2</b>	<b>-8.7</b>	<b>5.5</b>

# B/S

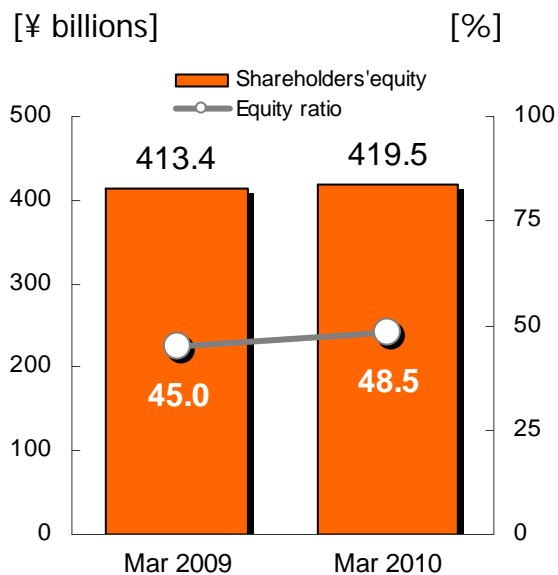


Assets:	[Billions of yen]			[yen]		
	Mar 2010	Mar 2009	Change	Mar 2010	Mar 2009	YoY
Cash and short-term investment securities	164.1	133.7	30.4	US\$ 93.04	98.23	-5.19
Notes and A/R-trade	177.7	171.8	5.9	Euro 124.92	129.84	-4.92
Inventories	98.3	129.2	-30.9			
Other	49.1	70.2	-21.1			
<b>Total current assets</b>	<b>489.3</b>	<b>504.9</b>	<b>-15.7</b>			
Tangible assets	205.1	227.9	-22.8			
Intangible assets	99.1	111.6	-12.5			
Investments and other assets	72.4	73.7	-1.2			
<b>Total noncurrent assets</b>	<b>376.5</b>	<b>413.1</b>	<b>-36.6</b>			
<b>Total assets</b>	<b>865.8</b>	<b>918.1</b>	<b>-52.3</b>			
<b>Liabilities and Net Assets:</b>						
Notes and A/P-trade	83.1	87.1	-4.0			
Interest bearing debts	197.4	230.4	-33.1			
Other liabilities	164.5	186.3	-21.7			
<b>Total liabilities</b>	<b>445.0</b>	<b>503.8</b>	<b>-58.8</b>			
Total shareholders' equity*	419.5	413.4	6.2			
Other	1.2	0.9	0.3			
<b>Total net assets</b>	<b>420.8</b>	<b>414.3</b>	<b>6.5</b>			
<b>Total liabilities and net assets</b>	<b>865.8</b>	<b>918.1</b>	<b>-52.3</b>			

\* Shareholders' equity + valuation and translation adjustments

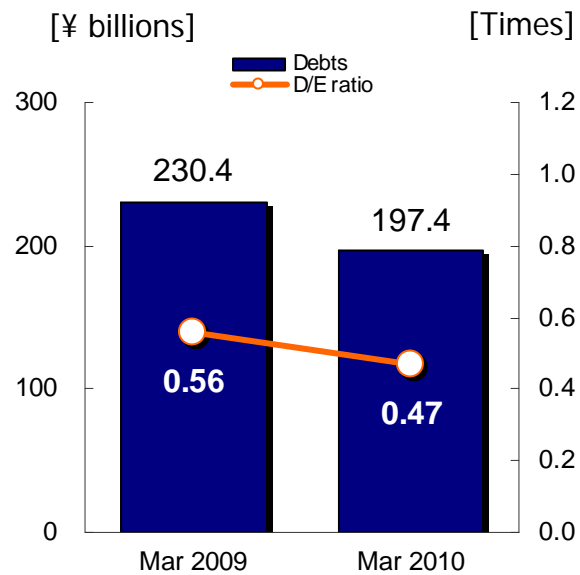
# B/S – Main indicators

## Equity ratio



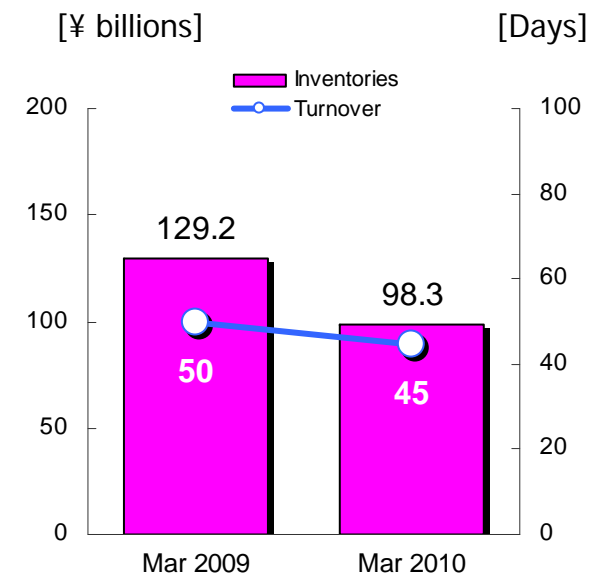
Equity ratio = Equity / Total assets  
 Equity = Shareholder's equity +  
 Total revaluation and translation adjustments

## Interest-bearing debts



D/E ratio = Interest-bearing  
 debts at year-end /  
 Shareholders' equity at year-end

## Inventories and inventory turnover



Inventory turnover (days) = Inventories  
 at year-end / Average sales per day

# Cash flows



	[Billions of yen]					
	Mar10	Mar09	YoY	4Q Mar10	4Q Mar09	YoY
Income before income taxes and minority interests	36.1	33.2	2.9	18.5	-17.4	35.9
Depreciation and amortization	61.2	70.2	-9.0	15.1	18.5	-3.3
Income taxes paid	-1.6	-34.7	33.1	-2.0	-0.5	-1.5
Change in working capital	17.7	38.8	-21.1	-6.8	24.4	-31.1
<b>I. Net cash provided by operating</b>	<b>113.4</b>	<b>107.6</b>	<b>5.8</b>	<b>24.9</b>	<b>25.0</b>	<b>-0.1</b>
<b>II. Net cash used in investing activities</b>	<b>-40.5</b>	<b>-90.2</b>	<b>49.7</b>	<b>-9.7</b>	<b>-14.0</b>	<b>4.3</b>
<b>I.+ II. Free cash flow</b>	<b>72.9</b>	<b>17.4</b>	<b>55.5</b>	<b>15.2</b>	<b>11.0</b>	<b>4.2</b>
Change in debts and bonds	-32.5	16.9	-49.4	-6.2	23.7	-29.9
Cash dividends paid	-9.3	-9.3	0.0	-0.1	-0.1	0.0
Other	-2.0	-2.7	0.7	-0.7	-0.3	-0.3
<b>III. Net cash used in financing activities</b>	<b>-43.8</b>	<b>5.0</b>	<b>-48.8</b>	<b>-7.0</b>	<b>23.2</b>	<b>-30.2</b>

*Cautionary Statement:*

*The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.*

*Remarks:*

*Yen amounts are rounded to the nearest 100 million.*