## 1. Consolidated Operating Results

### (1) Overview of Performance

### Three months ended September 30, 2009 (From July 1, 2009 to September 30, 2009)

[Billions of yen]

| | Year-on-Year | | | | [Ref.] Quarter-on-Quarter (1Q vs. 2Q) | | |
|---|---|---|---|---|---|---|---|
| | 2Q Mar/2010 | 2Q Mar/2009 | Increase (Decrease) | | 1Q Mar/2010 | Increase (Decrease) | |
| Net sales | 203.9 | 277.8 | (73.9) | -26.6% | 189.4 | 14.4 | 7.6% |
| Gross profit | 89.2 | 123.2 | (34.0) | -27.6% | 79.6 | 9.5 | 12.0% |
| Operating income (loss) | 9.7 | 24.1 | (14.4) | -59.7% | (0.5) | 10.3 | - |
| Ordinary income | 8.1 | 19.9 | (11.8) | -59.2% | 0.6 | 7.5 | - |
| Income before income taxes and minority interests | 6.5 | 19.1 | (12.5) | -65.9% | 0.4 | 6.1 | - |
| Net income | 3.2 | 11.6 | (8.4) | -72.2% | 0.2 | 2.9 | 981.2% |
| Net income per share [yen] | 6.10 | 21.96 | (15.86) | - | 0.56 | 5.54 | - |
| Capital expenditure | 9.9 | 17.5 | (7.6) | -43.4% | 7.4 | 2.4 | 33.4% |
| Depreciation | 15.5 | 17.7 | (2.2) | -12.5% | 15.3 | 0.1 | 1.3% |
| R & D expenses | 17.6 | 21.0 | (3.4) | -16.2% | 17.6 | (0.0) | -0.2% |
| Free cash flow | 26.9 | 20.0 | 6.8 | 34.1% | 5.1 | 21.8 | 424.1% |
| Number of employees [persons] | 36,008 | 37,876 | (1,868) | -4.9% | 36,264 | (256) | -0.7% |
| Exchange rates [yen] | | | | | | | |
| US dollar | 93.65 | 107.66 | (14.01) | -13.0% | 97.32 | (3.67) | -3.8% |
| Euro | 133.74 | 161.93 | (28.19) | -17.4% | 132.57 | 1.17 | 0.9% |

The Konica Minolta Group's net sales for the second quarter under review (July 1, 2009 to September 30, 2009) declined ¥73.9 billion (26.6%) from a year ago, to ¥203.9 billion. Although there were signs of a recovery in demand in certain areas after the first quarter (April 1, 2009 to June 30, 2009), sales have been down sharply in all businesses since the second half of the previous year, reflecting the global business downturn. A foreign exchange translation of about ¥23.8 billion associated with the appreciation of the yen was another factor in the sales decline.

Operating income fell ¥14.4 billion (down 59.7% year on year), to ¥9.7 billion, despite efforts across the Group to reduce fixed costs and additional cost cutting made to offset the fall in net sales and the decline in gross profit linked to the stronger yen. Ordinary income stood at ¥8.1 billion (down 59.2%), thanks to an improvement of ¥2.6 billion associated with the decrease in the exchange loss in non-operating income.

Income before income taxes and minority interests for the second quarter under review was ¥6.5 billion (down 65.9%), attributable to a loss on the disposal of fixed assets relating to the Optics Business, which was posted as an extraordinary loss, among other factors. Net income after income taxes and minority interests was ¥3.2 billion (down 72.2%).

<Reference>

Comparison with the first quarter ended June 30, 2009 (three months from April 1, 2009 to June 30, 2009)

The Company is adding the following explanation as a reference for comparing results for the second quarter under review with the outcomes for the preceding quarter (April 1, 2009 – June 30, 2009). The preceding quarter is considered more reasonable in terms of continuity than the second quarter of the previous fiscal year (July 1, 2008 – September 30, 2008) for comparison with the second quarter under review, given the radical changes in the economic situation and business environment seen since last fall.

Net sales for the second quarter under review rose ¥14.4 billion (7.6%) from the preceding quarter. In the Optics Business, we saw a recovery in demand, especially demand for TAC films (protective films for polarizing plates used for liquid crystal displays (LCDs)), which was solid from the preceding quarter. Net sales in the Business Technologies Business and Medical and Graphic Imaging Business were recovering, reflecting launches of new products and our sales initiatives, despite demand weakness as customers responded to the economic downturn by continuing to slash capital spending.

Operating income improved ¥10.3 billion from the preceding quarter (operating loss of ¥0.5 billion), driven by a recovery in earnings in the Business Technologies Business. Ordinary income was up ¥7.5 billion from the preceding quarter (¥0.6 billion). Income before income taxes and minority interests rose ¥6.1 billion from the preceding quarter (¥0.4 billion), despite extraordinary losses including a loss on the disposal of fixed assets for the soundness of assets relating to the Optics Business. Net income climbed ¥2.9 billion from the preceding quarter (¥0.2 billion).

Overall, earnings improved in almost all businesses in the second quarter under review, and operating income/loss moved into the black for the first time in two quarters. Incomes from ordinary income to net income all rose.

## (2) Overview by Segment

[Billions of yen]

| | Year-on-Year | | | | [Ref.] Quarter-on-Quarter (1Q vs. 2Q) | | |
|---|---|---|---|---|---|---|---|
| | 2Q Mar/2010 | 2Q Mar/2009 | Increase (Decrease) | | 1Q Mar/2010 | Increase (Decrease) | |
| **Business Technologies** | | | | | | | |
| Net sales - external | 132.7 | 177.0 | (44.3) | -25.0% | 127.2 | 5.5 | 4.3% |
| Operating income | 7.6 | 15.1 | (7.5) | -49.6% | 0.2 | 7.3 | - |
| **Optics** | | | | | | | |
| Net sales - external | 36.4 | 58.3 | (21.8) | -37.5% | 33.9 | 2.4 | 7.3% |
| Operating income | 4.4 | 10.1 | (5.6) | -55.9% | 1.6 | 2.7 | 168.2% |
| **Medical & Graphic** | | | | | | | |
| Net sales - external | 29.2 | 34.9 | (5.7) | -16.4% | 23.7 | 5.4 | 23.1% |
| Operating income | 0.9 | 1.4 | (0.4) | -33.1% | 0.8 | 0.1 | 15.9% |
| **Sensing** | | | | | | | |
| Net sales - external | 1.6 | 2.5 | (0.9) | -36.3% | 1.4 | 0.2 | 16.1% |
| Operating income (loss) | (0.1) | 0.3 | (0.4) | - | (0.2) | 0.0 | - |

### Business Technologies Business
### [Multifunctional peripherals (MFPs), laser printers (LBPs), etc.]

Konica Minolta released four models of color MFPs (multifunctional peripherals) for offices, namely the *bizhub C452, 360, 280,* and *220*. With the *bizhub C652* and *552*, which were launched in the preceding quarter, we modified the bizhub series and strengthened its competitiveness. These new products are designed to reduce total cost of ownership (TCO) for customers by slashing power consumption compared with conventional models and using more durable components. We have earned high marks from the market for our design policy of helping customers boost productivity and reduce energy consumption. We pursue this policy through high image quality with the use of our proprietary polymerized toner, cutting-edge network and security functions, and lower decibel level in machine operation noise for improved user environments. Sales volumes of office color MFPs in the quarter under review declined from the year-ago level in both the domestic and overseas markets, given the serious state of the global economy from the second half of the last year. However, volumes rose sharply from the immediately preceding quarter, partly thanks to the new products. Sales volumes of monochrome MFPs for offices were solid, exceeding the year-ago level, in the North American market due to large-lot orders and other factors, but were below the year-ago level in other markets.

In the production printing field, we launched the *bizhub PRO 1051/1200* high-speed, monochrome MFPs to bolster our product lineup. Partly thanks to these new products, sales volumes of monochrome MFPs for production printing were relatively solid, recovering almost to the year-ago level in Japan and North America. Demand for color MFPs for production printing was weak, reflecting recessions in Japan and overseas. Overall sales volumes of MFPs for production printing were down from a year ago, but sales volumes of both color and monochrome models rose from the preceding quarter.

In the printer field, we stepped up our efforts to sell A4 tandem printers and A4 color MFPs for office use. Sales volumes of printers far exceeded the levels of the corresponding quarter in the previous fiscal year, reflecting solid sales of color products in overseas markets, especially in Europe and North America.

Overall, our Business Technologies Business focused on sales of color MFPs for offices and high-speed MFPs for production printing in line with our “genre-top strategy.” Despite these efforts, sales of MFPs remained generally sluggish in a tough business environment, marked by reduced corporate capital spending, cost cutting, and tighter credit controls for leases associated with financial insecurity, driven by a lingering global recession. Sales of the Business Technologies Business to external customers fell to ¥132.7 billion (down 25.0% year on year), owing partly to the impact of the stronger yen. Operating income fell sharply to ¥7.6 billion (down 49.6%), reflecting lower sales volumes, lowering prices, and the stronger yen, despite efforts to lower the breakeven point through structural reforms and cost cutting, especially at our overseas sales companies, as we took steps to build an earnings structure to respond to the difficult business environment.

On a quarter-on-quarter basis, net sales rose ¥5.5 billion (4.3%) from the preceding quarter. Sales promotions from June to encourage the replacement of old products with new items were successful, and facilitated the introduction of new products in a number of markets. Sales of MFPs gained momentum, especially in North America. Operating income rose ¥7.3 billion from the preceding quarter (¥0.2 billion) with the higher sales volumes, a turnaround in earnings on manufacturing recovering from temporary slowdown due to production adjustments in the immediately preceding quarter, the acceleration of structural reform, and cost cutting.

## Optics Business
## [Optical devices, electronic materials, etc.]

### Display materials field

The Group sought to boost sales, especially of VA-TAC films (viewing angle expansion films) and 40μ thin films, such areas in which it excels. Sales volumes recovered to the year-ago level, backed by a recovery in production by manufacturers of liquid crystal panels in response to growing demand for large LCD televisions and laptop computers.

### Memory related product field

The Group strengthened sales of optical pickup lenses for Blu-ray Discs, one of our mainstay items. Although demand for optical pickup lenses for personal computers remains weak, demand from consumer electric appliance makers for game machines and audio-video equipment recovered. Overall sales volumes of optical pickup lenses including those for CDs and DVDs recovered to approach the year-ago levels. Sales volumes of glass HD substrates, backed by a strong recovery in demand, especially for substrates for laptop computers, rose sharply from the immediately preceding quarter though figures were still down from a year ago.

### Image input/output component field

Although sales volumes of components for digital cameras rose from the previous year, sales of optical components for camcorders and for cell phones with cameras were low overall, reflecting weak market demand.

The bottoming out of the rapid contraction in production of digital electric appliances in the fourth quarter of the previous fiscal year produced a noticeable impact on our Optics Business. Sales volumes of TAC films and optical pickup lenses recovered to the year-ago level. However, sales volumes were still below the year-ago level in certain product fields. Prices fell further in all fields. As a result, net sales of the Optics Business to outside customers declined to ¥36.4 billion (down 37.5% year on year), and operating income fell to ¥4.4 billion (down 55.9%).

On a quarter-on-quarter basis, net sales of the Optics Business rose ¥2.4 billion (up 7.3%), with solid results in all fields except the image input/output component field, backed by a market recovery. Operating income increased ¥2.7 billion (from ¥1.6 billion in the preceding quarter) with the rise in sales volumes and improved profitability associated with an increase in the operating ratio.

## Medical and Graphic Imaging Business
## [Medical and graphic products, etc.]

### Medical/healthcare field

Konica Minolta sought to boost sales of digital equipment, including *PLAUDR* high-quality-image digital radiography (DR) systems, *REGIUS* x-ray image input/output systems, *REGIUS Unitea* diagnostic imaging workstation and *I-PACS EX* network systems. Meanwhile, we stepped up work on the development of *Infomity*, a product combining remote maintenance, management assistance, and network services. These initiatives amounted to an aggressive effort to bolster our digital solutions business, to promote the use of IT in large hospitals and in smaller medical facilities. Capital investment at hospitals increased in the domestic market, reflecting revisions in medical treatment fees, and so sales volumes of our main REGIUS products exceeded their year-ago levels. However, sales were sluggish in overseas markets because of economic stagnation, and overall were down year on year. Demand for film products continued to fall in both domestic and overseas markets. Sales quantities were below the year-earlier level.

### Graphic imaging field

Konica Minolta focused on sales of digital printing equipment, including digital color proof systems and on-demand printing systems. However, the printing industry was struggling in Japan and overseas, with the exception of certain markets such as China. Challenges included reduced capital investment associated with the prolonged economic stagnation. As a result, sales volumes of digital equipment fell below the year-ago level.

As noted, our Medical & Graphic Imaging Business focused on digital equipment, systems, and solutions in response to filmless operations. However, overall sales quantities declined from a year ago, partly a reflection of global economic sluggishness. As a consequence, sales in this business to outside customers fell to ¥29.2 billion (down 16.4% year on year). Although we took comprehensive action to reduce fixed costs in line with the profit declines associated with lower sales volumes, operating income fell to ¥900 million (down 33.1%).

On a quarter-on-quarter basis, sales volumes of both digital systems and film products rose overall. As a result, sales of the Medical & Graphic Business for the second quarter increased by ¥5.4 billion (23.1%). Operating income climbed ¥100 million (15.9%).

## Sensing Business
## [Colorimeters, 3D digitizers, etc.]

In the Sensing Business, we released *RANGE 5*, a new non-contact 3D digitizer and *PALSOX-1* in the medical measurement field, and sought to expand sales of those products as well as the products in our principal industrial measuring segments of color sensing

Despite a focus on strengthening its product lineup and bolstering sales in each field, sales volumes struggled in industrialized markets, including Japan, as manufacturers have continued to freeze or scale back capital spending to respond to the downturn from the second half of last year. As a result, sales of the Sensing Business to outside customers declined to ¥1.6 billion (down 36.3% year on year), and the operating loss stood at ¥100 million (compared with an operating income of ¥300 million in the year-ago period).

On a quarter-on-quarter basis, net sales for the second quarter under review increased ¥200 million (16.1%) due to a rise in sales in the Chinese market, among other factors. The operating loss improved slightly.

### (3) Six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

[Billions of yen]

| | Six months (Apr – Sep) Year-on-Year | | | |
|---|---|---|---|---|
| | Apr-Sep 2009 | Apr-Sep 2008 | Increase (Decrease) | |
| Net sales | 393.3 | 532.9 | (139.6) | -26.2% |
| Gross profit | 168.8 | 243.2 | (74.3) | -30.6% |
| Operating income | 9.1 | 48.6 | (39.5) | -81.2% |
| Ordinary income | 8.7 | 47.8 | (39.1) | -81.8% |
| Income before income taxes and minority interests | 6.9 | 49.8 | (42.9) | -86.1% |
| Net income | 3.5 | 29.2 | (25.7) | -87.9% |
| Net income per share [yen] | 6.67 | 55.19 | (48.52) | - |
| Capital expenditure | 17.4 | 31.2 | (13.8) | -44.3% |
| Depreciation | 30.8 | 33.9 | (3.0) | -8.9% |
| R & D expenses | 35.3 | 41.9 | (6.6) | -15.8% |
| Free cash flow | 32.0 | 10.8 | 21.2 | 197.0% |
| Exchange rates [yen] | | | | |
| US dollar | 95.49 | 106.11 | (10.62) | -10.0% |
| Euro | 133.16 | 162.68 | (29.52) | -18.1% |

### [Reference] Six month Business Performance by Segment

[Billions of yen]

| | Six months (Apr – Sep) Year-on-Year | | | |
|---|---|---|---|---|
| | Apr-Sep 2009 | Apr-Sep 2008 | Increase (Decrease) | |
| **Business Technologies** | | | | |
| Net sales - external | 259.9 | 343.7 | (83.8) | -24.4% |
| Operating income | 7.8 | 32.3 | (24.4) | -75.6% |
| **Optics** | | | | |
| Net sales - external | 70.4 | 109.4 | (38.9) | -35.6% |
| Operating income | 6.1 | 18.9 | (12.8) | -67.7% |
| **Medical & Graphic** | | | | |
| Net sales - external | 52.9 | 66.2 | (13.3) | -20.1% |
| Operating income | 1.7 | 2.8 | (1.0) | -37.2% |
| **Sensing** | | | | |
| Net sales - external | 3.0 | 4.9 | (1.8) | -38.2% |
| Operating income (loss) | (0.3) | 0.5 | (0.8) | - |

The performance in the first quarter (from April 1, 2009 to June 30, 2009) of the fiscal year ending March 31, 2010 was reported in the "Fiscal Year Ending March 31, 2010 First Quarter Consolidated Financial Results April 1, 2009 – June 30, 2009" (dated August 6, 2009).

## 2. Financial Position

### (1) Analysis of Financial Position

| | | As of September 30, 2009 | As of March 31, 2009 | Increase (Decrease) |
|---|---|---|---|---|
| Total assets | [Billions of yen] | 894.5 | 918.0 | (23.4) |
| Total liabilities | [Billions of yen] | 484.7 | 503.7 | (19.0) |
| Net assets | [Billions of yen] | 409.8 | 414.2 | (4.4) |
| Net assets per share | [yen] | 770.92 | 779.53 | - |
| Equity ratio | [%] | 45.7 | 45.0 | 0.7 |

Total assets at the end of the second quarter under review decreased ¥23.4 billion (2.6%) from the previous fiscal year-end, to ¥894.5 billion. Current assets fell ¥1.7 billion (0.4%), to ¥503.1 billion (56.2% to total assets), while noncurrent assets decreased ¥21.6 billion (5.2%), to ¥391.4 billion (43.8% to total assets).

With respect to current assets, cash and deposits increased ¥1.6 billion from the previous fiscal year-end, to ¥87.3 billion. Short-term investments securities rose ¥39.5 billion, to ¥87.5 billion. Cash reserves then increased. Meanwhile, notes and accounts receivable-trade decreased ¥4.3 billion from the previous fiscal year-end, to ¥167.4 billion. Inventories fell ¥28.1 billion, to ¥100.9 billion, as a result of our efforts to reduce them.

Noncurrent assets decreased ¥12.2 billion from the previous fiscal year-end, to ¥215.6 billion, reflecting the impact of a scaling back of capital investment in tangible assets. Intangible assets were down ¥8.6 billion, to ¥103.0 billion, with progress in amortization. Investments and other assets declined ¥0.8 billion, to ¥72.8 billion, primarily because of an increase of ¥2.6 billion, to ¥20.7 billion in investment securities offset by a decrease of ¥2.3 billion in deferred tax assets.

Liabilities at the end of the second quarter under review declined ¥19.0 billion (3.8%) from the previous consolidated fiscal year-end, to ¥484.7 billion (54.2% to total assets). Current liabilities fell ¥35.8 billion (11.5%), to ¥275.0 billion (30.8% to total assets), while noncurrent liabilities rose ¥16.7 billion (8.7%), to ¥209.6 billion (23.4% to total assets).

Interest-bearing debt (the total of short- and long-term loans and bonds) rose ¥13.3 billion, to ¥243.7 billion, partly because funds on hand were kept at a high level. Notes and accounts payable-trade, accounts payable-other, and accrued expenses slipped ¥14.8 billion, ¥7.4 billion, and ¥3.2 billion, respectively, from the previous fiscal year-end, primarily a reflection of more focused production and cost-cutting measures. Pprovision for loss on business liquidation (for the Photo Imaging Business) declined ¥1.2 billion, to ¥6.0 billion, reflecting progress in dealing with the loss.

Net assets at the end of the second quarter under review were down ¥4.4 billion (1.1%) from the previous fiscal year-end, to ¥409.8 billion (45.8% to total assets).
Retained earnings decreased ¥1.7 billion, to ¥183.6 billion, as ¥5.3 billion in dividends outweighed net income of ¥3.5 billion posted for the six-month period to September 30, 2009.

Valuation and translation adjustments declined ¥2.7 billion, attributable to changes in the valuation difference on available-for-sale securities associated with a recovery in the stock price and in the foreign currency translation adjustment reflecting a stronger yen against the U.S dollar.

As a result, net assets per share at the end of the second quarter under review were down to ¥770.92. The equity ratio improved by 0.7 percentage point, to 45.7%, with the decline in total assets.

## (2) Cash Flows

[Billions of yen]

| | Six months to Sep. 30, 2009 | Six months to Sep. 30, 2008 | Increase (Decrease) |
|---|---|---|---|
| Cash flows from operating activities | 54.0 | 63.9 | (9.8) |
| Cash flows from investing activities | (22.0) | (53.1) | 31.1 |
| Total [Free cash flow] | 32.0 | 10.8 | 21.2 |
| Cash flows from financing activities | 7.3 | (25.5) | 32.9 |

During the six-month period (April 1, 2009 – September 30, 2009) under review, net cash provided by operations was ¥54.0 billion, while net cash used for investing activities, mainly associated with capital investment, totaled ¥22.0 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥32.0 billion. Net cash generated from financing activities was ¥7.3 billion.

In addition, the effect of exchange rate changes reduced cash and cash equivalents by ¥1.1 billion. As a result, cash and cash equivalents at the end of the second quarter under review stood at ¥174.3 billion, up ¥40.6 billion from the consolidated previous fiscal year-end.

**Cash flows from operating activities**

Net cash provided by operations reached ¥54.0 billion (a decrease of ¥9.8 billion from the same period in the previous consolidated fiscal year). Although the Group reported income before income taxes and minority interests of ¥6.9 billion, depreciation of ¥30.8 billion, an improvement of working capital of ¥15.3 billion, and an income tax refund of ¥6.2 billion, these amounts were partly offset by ¥6.2 billion in accounts payable and accrued expenses, and other factors.

**Cash flows from investing activities**

Net cash used in investing activities was ¥22.0 billion (a decrease of ¥31.1 billion from the same period of the previous fiscal year). Cash of ¥19.8 billion was used for investments in molding for new products in the Business Technologies Business and in the acquisition of tangible fixed assets relating to the reinforcement of production capacities in the Optics Business, our strategic business.

As a result, free cash flow (the sum of operating and investing cash flows) was an inflow of ¥32.0 billion (an increase of ¥21.2 billion from the same period of the previous fiscal year).

**Cash flows from financing activities**

Net cash provided by financing activities was ¥7.3 billion (an increase of ¥32.9 billion from the same period of the previous fiscal year), with major factors including dividend payments of ¥5.2 billion and borrowings to retain funds on hand.

(Note) Amounts mentioned above do not include consumption taxes.

## 3. Outlook for the Fiscal Year Ending March 31, 2010

| | [Billions of yen] |
|---|---|
| | FY ending March 2010 |
| Net sales | 817.0 |
| Operating income | 34.0 |
| Ordinary income | 32.5 |
| Net income | 10.0 |

The presumed currency exchange rates for the third quarter and subsequent quarters of the current fiscal year are US$1 = ¥90 and €1 = ¥130.

The dividend forecast (an interim dividend per share of ¥7.5 and an annual dividend—being the sum of the interim dividend and the year-end dividend—of ¥15) announced on May 14, 2009 has not changed.

Note: The above operating performance forecasts are based on future-related suppositions, outlooks, and plans at the time this report was released, and they involve risks and uncertainties. It should be noted that actual results may differ significantly from these forecasts due to various important factors, such as changes in economic conditions, market trends, and currency exchange rates.

▪ Figures in qualitative information sections (1 and 2) given as billions of yen have been rounded off by discarding figures less than one billion yen.

## 4. Others

(1) Changes in the state of material subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

(2) Adoption of simplified accounting methods and/or special accounting treatment for the quarterly consolidated financial statements

I. Simplified accounting methods

**Method for calculating the estimated reserve for general accounts receivable**
In calculating the estimated reserve for general accounts receivable at the end of the second quarter, as noteworthy changes in the bad debt rate are not recognized, the rate at the end of the previous fiscal year is employed.

**Method for assessing the value of inventories**
Only for those inventories that are clearly losing their capacity to contribute to profitability, the accounting method employed is to estimate their net sale value and reduce their book value to the net sale value level.

**Method for calculating the deferred tax assets and liabilities**
In judging the possibility of recovering deferred tax assets, as severe and major changes in the operating environment and major temporary differences following the close of the previous consolidated fiscal year are not recognized, the future business forecasts and tax planning documents that were used for making such judgments related to the previous fiscal year are used.

II. Special accounting treatment used in preparation of the quarterly consolidated financial statements

**Calculation of Tax Expenses**
The effective tax rate on income before income tax for the consolidated fiscal year after the application of tax effect accounting is rationally estimated, and that estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses. In addition, adjustments of income tax is included in income tax expenses.

(3) Changes to principles, procedures, and methods of presentation, etc., in the preparation of the quarterly consolidated financial statements: None