October 28, 2011

Fiscal Year ending March 31, 2012
Second Quarter Consolidated Financial Results

Six months: April 1, 2011 – September 30, 2011

Konica Minolta Holdings, Inc.

Stock exchange listings:	Tokyo, Osaka (First Sections)
Local securities code number:	4902
URL:	http://konicaminolta.com
Listed company name:	Konica Minolta Holdings, Inc.
Representative:	Masatoshi Matsuzaki, President and CEO
Inquiries:	Yuji Suzuki, General Manager, Corporate Communications & Branding Division
Telephone number:	(81) 3-6250-2100
Scheduled date for submission of securities report:	November 11, 2011
Scheduled date for dividends payment:	November 25, 2011
Availability of supplementary information:	Yes
Organization of financial result briefing:	Yes (for institutional investors)

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

1. Overview of the 2Q performance (From April 1, 2011 to September 30, 2011)

(1) Business performance

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

[Millions of yen]

	Net sales		Operating income		Ordinary income		Net income	
2Q Mar/2012	378,323	-3.4%	15,604	-31.0%	11,600	-35.2%	3,751	-56.6%
2Q Mar/2011	391,825	-0.4%	22,606	146.8%	17,902	105.1%	8,636	144.3%

Note: Comprehensive income
2Q Mar/2012: ¥ (8,855) million (- %)
2Q Mar/2011: ¥ (2,996) million (- %)

	Net income per share		Net income per share (after full dilution)	
2Q Mar/2012	7.08	yen	6.85	yen
2Q Mar/2011	16.29	Yen	15.77	yen

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)
September 30, 2011	821,312	416,162	50.5%
March 31, 2011	845,453	428,987	50.6%

Notes: Shareholders' equity
As of September 30, 2011: ¥414,777 million
As of March 31, 2011: ¥427,647 million

2. Dividends per share

[yen]

	1Q	2Q	3Q	Year-end	Total annual
FY Mar/2011	-	7.50	-	7.50	15.00
FY Mar/2012	-	7.50			
FY Mar/2012(forecast)			-	7.50	15.00

Note: Change to the latest dividend forecast announced: Yes

3. Consolidated results forecast for fiscal year ending March 31, 2012
(From April 1, 2011 to March 31, 2012)

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

[Millions of yen]

	Net sales	%	Operating income	%	Ordinary income	%	Net income	%	Net income per share
Full-year	780,000	0.3	40,000	-0.1	35,000	5.6	19,000	-26.6	35.83 yen

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

4. Other

(1) Changes in status of material subsidiaries during the quarter under review (Changes to specified subsidiaries accompanying the additional consolidation or removal from consolidation of companies): None

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

Note: For more detailed information, please see the "(1) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements" in the section 2. Summary information on page 13.

(3) Changes in accounting policy, changes in accounting estimates, or restatement due to correction

a. Changes in accounting policy accompanying amendment of accounting principles: None
b. Changes in accounting policy other than “a.”: Yes
c. Changes in accounting estimates: None
d. Restatement due to correction: None

Note: For more detailed information, please see the “(2) Changes in accounting policy, changes in accounting estimates, or restatement due to correction” in the section 2. Summary information on page 13.

(4) Number of outstanding shares（common stock）

a. Outstanding shares at period-end（including treasury stock）

Second quarter of fiscal year ending March 31, 2012:	531,664,337 shares
Fiscal year ended March 31, 2011:	531,664,337 shares

b. Treasury stock at period-end

Second quarter of fiscal year ending March 31, 2012:	1,400,115 shares
Fiscal year ended March 31, 2011:	1,436,447 shares

c. Average number of outstanding shares

Second quarter of fiscal year ending March 31, 2012:	530,238,604 shares
Second quarter of fiscal year ended March 31, 2011:	530,214,641 shares

Presentation of Present Status of Quarterly Review Procedures

This “Second Quarter Consolidated Financial Results” is not subject to quarterly review procedures in accordance with the Financial Instruments and Exchange Law and, as of the date of publication of these quarterly consolidated financial results, the quarterly review procedures for the consolidated quarterly financial statements are currently in progress.

Explanation of Appropriate Use of Performance Projections and Other Special Items

(Note on forward-looking statements)
This document contains projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. There is a possibility that diverse factors may cause actual performance, etc., to differ materially from the projections. Please see the “(3) Outlook for the fiscal year ending March 31, 2012” in the section 1. CONSOLIDATED OPERATING RESULTS on page 12 for more information on points to be remembered in connection with the use of projections.

(How to obtain supplementary information and information on a financial results briefing)
The Group will hold a financial results briefing for institutional investors on Friday, October 28, 2011. Descriptions at the briefing and presentation slides to be used at the briefing will be posted on the website of the Group immediately after the briefing.

Supplementary Information

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1. CONSOLIDATED OPERATING RESULTS

(1) Qualitative Information of Consolidated Performance

1. Overview of Performance

Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)

Six months (Apr–Sep) Year-on-Year [Billions of yen]

		1H Mar 2012	1H Mar 2011	Increase (Decrease)	
Net sales		378.3	391.8	(13.5)	-3.4%
Gross profit		173.6	180.9	(7.2)	-4.0%
Operating income		15.6	22.6	(7.0)	-31.0%
Ordinary income		11.6	17.9	(6.3)	-35.2%
Income before income taxes and minority interests		8.4	11.6	(3.1)	-27.3%
Net income		3.7	8.6	(4.8)	-56.6%
Net income per share	[yen]	7.08	16.29	(9.21)	-56.5%
Capital expenditure		13.7	24.6	(10.8)	-44.2%
Depreciation		23.6	27.4	(3.8)	-14.0%
R & D expenses		36.7	35.3	1.4	4.1%
Free cash flow		15.9	12.5	3.3	27.0%
Number of employees	[persons]	37,007	36,703	304	0.8%
Exchange rates	[yen]				
US dollar		79.80	88.94	(9.14)	-10.3%
Euro		113.78	113.83	(0.05)	-0.0%

Looking at the main businesses of the Konica Minolta Group during the first half of the consolidated fiscal year under review (April 1, 2011 to September 30, 2011), in the Business Technologies Business, sales volumes in both the office field and the production print field for the first half of the fiscal year under review rose from the levels of the previous year, thanks to strong sales of color products in major markets both in Japan and overseas. Meanwhile, difficulties in procuring materials in the wake of the Great East Japan Earthquake had almost been resolved by the middle of the term under review. As a result, procurement and production activities recovered to normal levels. Coupled with these factors, the Company's color products, which have a high level of competitiveness in the office field, and its strong sales bases, especially in Europe and the United States, drove a strong rebound in earnings for this business for the first half of the fiscal year under review. The production print segment maintained robust sales momentum through the term under review, driven by color MFPs, even with the difficulties in procuring materials. In the Optics Business, sales of wide and thin plain TAC films for LCD polarizers (TAC films) remained strong through the term under review. Orders for glass substrates for HDDs, which had been in an adjustment phase, also recovered from the middle of the term. Meanwhile, sales of pickup lenses for optical disks and lens units for cell phones were sluggish. In the Healthcare Business, sales volumes of the digital medical input equipment, driven by the introduction of new products, rose from the year-ago level. Meanwhile, sales volumes of film products continued to struggle, reflecting a sharper fall in demand than expected in advanced countries, especially in Japan.

As a result, the Konica Minolta Group recorded net sales of ¥378.3 billion, a decrease of 3.4% year on year, on a consolidated basis for the first half of the fiscal year under review. It also posted foreign exchange losses of ¥14.0 billion, reflecting the significant appreciation of the yen against the US dollar, with the yen rising approximately ¥9 against the US dollar compared with the exchange rates in the same period of the previous fiscal year.

Operating income was ¥15.6 billion, a decrease of 31.0% from the previous fiscal year. The Group achieved income for the second quarter of the fiscal year under review that was almost on a par with that for the previous year, exceeding the previous forecasts it announced on July 28, 2011, reflecting strong sales of its main products, as described above, in the Business Technologies Business and the Optics business. However, this strong performance still failed to offset a decline in income for the first quarter of the fiscal year under review, which mainly resulted from missing sales opportunities due to the earthquake and the recording of upfront expenses for investments in growth. Ordinary income was ¥11.6 billion, a decrease of 35.2% year on year, due to the recording of net non-operating expenses of ¥4.0 billion. This principally reflected the posting of foreign exchange losses of ¥3.4 billion, given the sharp appreciation of the yen against the euro towards the end of the term under review, in addition to that against the US dollar. Income before income taxes and minority interests for the first half of the fiscal year under review was ¥8.4 billion, a decrease of 27.3% from the previous fiscal year, chiefly reflecting the recording of a loss on valuation of investment securities of ¥2.3 billion, as a result of the weak stock market, and other factors. As a result, net income was ¥3.7 billion, a fall of 56.6% year on year

In this April, the Group established G PLAN 2013, a medium-term management plan for three years from the fiscal year ending March 31, 2012 to the fiscal year ending March 31, 2014. With the keyword “Growth,” the plan has adopted three basic policies, 1) Expanding scale by achieving growth, 2) Changing into a “Global Company,” and 3) Increasing the recognition of the Konica Minolta brand. Facing an uncertain outlook in both Japan and overseas, the Konica Minolta Group is united in its commitment to proceeding steadily with a range of initiatives to achieve the goals set out in “G PLAN 2013”.

2. Overview by Segment

Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)

	Six months (Apr – Sep) Year-on-Year		[Billions of yen]	
	1H Mar 2012	1H Mar 2011	Increase (Decrease)	
Business Technologies				
Net sales - external	268.9	266.0	2.9	1.1%
Operating income	15.2	19.5	(4.3)	-22.0%
Optics				
Net sales - external	63.3	69.1	(5.7)	-8.4%
Operating income	7.2	7.9	(0.7)	-9.9%
Healthcare				
Net sales - external	34.6	44.9	(10.2)	-22.9%
Operating income(loss)	(0.3)	0.5	(0.9)	-%

Business Technologies Business

Office field:

Overall sales volumes of the A3 MFPs of the bizhub series rose year on year, reflecting strong sales of color MFPs in each of the markets of Japan, the United States, and Europe, even though sales of monochrome MFPs remained almost at the same level as those for the previous fiscal year. Meanwhile, in OPS (Optimized Print Services), viewed as a growth area in the office field, the Company achieved steady sales from major global customers, including BMW AG and NASA (the National Aeronautics and Space Administration), who entered multi-year agreements for the Company to undertake the administrative tasks of their office machinery.

Production print field:

The Company started to develop a digital commercial printing field in earnest as it began marketing three new color digital printing systems, the bizhub PRESS C8000/C7000/C6000, in autumn of 2010. Sales volumes of the bizhub PRESS C7000 and C6000, the mid-range machines, in particular, rose significantly in the main markets of the United States and Europe, reflecting strong reputation from customers. Sales volumes in this field for the term under review rose on a year-on-year basis in all markets in Japan, the United States, and Europe, reflecting strong sales of color machines as described above, despite the fact that sales of monochrome machines remained almost on a par with those of the previous fiscal year.

Overall, in line with the Group's "Genre-top" strategy, the Business Technologies Business sought to boost sales of solution services by focusing on competitive color products in the office and the production print fields. Moreover, to strengthen its IT services capability, which will play a key role in developing global OPS, the Company acquired following companies in the United States: Techcare, LLC (headquartered in Illinois) in May 2011, LAN Associates (headquartered in New York) in August 2011, and three companies including PMV Technologies (headquartered in Michigan) in September through All Covered Inc. (headquartered in California) which the Company had acquired in December 2010. The Company also acquired Koneo AB (headquartered in Sweden) in Europe in April 2011.

As a result, net sales of the Business Technologies Business to outside customers stood at ¥268.9 billion, on a par with the level achieved in the previous fiscal year. Meanwhile, the segment posted the negative impact of ¥10.5 billion in exchange rate fluctuations, reflecting the appreciation of the yen against the US dollar and other currencies. Operating income reached ¥15.2 billion. This reflected the fact that the Company achieved an income level for the second quarter of the fiscal year under review almost on a par with that for the previous year, which exceeded its initial forecasts, reflecting strong sales of its mainstay products. However, this strong performance still failed to offset a decline in income for the first quarter of the fiscal year under review, which resulted mainly from missing sales opportunities due to the earthquake and the recording of upfront expenses for investments in growth.

Optics Business

Display materials field:

Sales volumes of VA-TAC films for increasing viewing angle (VA-TAC films) for customers in South Korea and Taiwan increased significantly. Sales volumes of thin plain TAC films also remained steady. Although sales were affected by market's production adjustments since this summer, they generally remained steady through this term under review. As a result, overall sales volumes of TAC films for the first half of the fiscal year under review rose from the previous fiscal year.

Memory devices field:

Sales volumes of pickup lenses for optical disks for both Blu-ray Discs™ and DVD for the term under review declined from the results of the previous fiscal year, attributable to the weak market. Meanwhile, sales volumes of glass substrates for HDDs reached almost on a par with those for the same period of the previous fiscal year, given a recovery in orders from the first half of the fiscal year under review.

Image input/output components field:

Sales volumes of lens units for digital cameras rose from the year-ago level, but sales volumes for cell phones with cameras dropped year on year.

As a result, net sales of the Optics Business to outside customers stood at ¥63.3 billion. Operating income reached ¥7.2 billion, reflecting the effects of the Company's initiatives to bolster income, mainly by improving productivity and cutting expenses, in a bid to offset the negative impact of a decline in revenue, due to lower sales, and a decline in prices.

Healthcare Business

The Company began to sell two new digital medical input equipments, AeroDR, the cassette digital X-ray detector, and REGIUS Σ, the desktop CR (Computed Radiography), in Japan and abroad. With this introduction of new products in addition to its existing offerings, the Company has been able to respond to a wide range of needs at medical organizations. Consequently, sales volumes of digital input equipment for this term under review rose year on year. Meanwhile, sales of film products remained sluggish, reflecting a decline in demand in advanced countries, especially Japan, amid the continued rise in the use of filmless equipment, although the Company sought to expand sales in emerging countries, particularly in China.

As a consequence, net external sales of this Company were ¥34.6 billion. The operating loss stood at ¥0.3 billion, mainly reflecting the surge in prices of silver and other raw materials, in addition to lower profits, as a result of the decline in sales, which could not be offset by cost cutting and other initiatives.

<Reference>

Overview of Performance

Three months ended September 30, 2011 (From July 1, 2011 to September 30, 2011)

	Year-on-Year			[Billions of yen]
	2Q Mar 2012	2Q Mar 2011	Increase (Decrease)	
Net sales	192.1	197.1	(5.0)	-2.6%
Gross profit	90.0	92.4	(2.4)	-2.6%
Operating income	12.3	12.7	(0.4)	-3.4%
Ordinary income	9.0	11.4	(2.4)	-21.0%
Income before income taxes and minority interests	8.0	9.4	(1.3)	-14.5%
Net income	3.8	5.1	(1.2)	-24.9%
Net income per share [yen]	7.28	9.70	(2.42)	-24.9%
Capital expenditure	8.8	13.5	(4.6)	-34.5%
Depreciation	11.9	13.5	(1.6)	-12.2%
R & D expenses	17.7	18.2	(0.4)	-2.5%
Free cash flow	15.3	13.8	1.4	10.7%
Exchange rates [yen]				
US dollar	77.86	85.87	(8.01)	-9.3%
Euro	110.15	110.66	(0.51)	-0.5%

Three months Business Performance by Segment

	Year-on-Year			[Billions of yen]
	2Q Mar 2012	2Q Mar 2011	Increase (Decrease)	
Business Technologies				
Net sales - external	134.9	133.2	1.6	1.2%
Operating income	11.6	11.9	(0.2)	-2.4%
Optics				
Net sales - external	32.2	33.9	(1.7)	-5.2%
Operating income	3.7	2.8	0.9	31.2%
Healthcare				
Net sales - external	19.1	23.8	(4.7)	-19.9%
Operating loss	0.1	0.6	(0.5)	-80.3%

(2) Financial Position

1. Analysis of Financial Position

		As of September 30, 2011	As of March 31, 2011	Increase (Decrease)
Total assets	[Billions of yen]	821.3	845.4	(24.1)
Total liabilities	[Billions of yen]	405.1	416.4	(11.3)
Net assets	[Billions of yen]	416.1	428.9	(12.8)
Equity ratio	[%]	50.5	50.6	(0.1)

Total assets at the end of the second quarter of the consolidated fiscal year under review were down ¥24.1 billion (2.9%) from the previous fiscal year-end, to ¥821.3 billion. Current assets and noncurrent assets fell ¥10.5 billion (2.1%) to ¥491.3 billion (59.8% to total assets), and ¥13.5 billion (4.0%), to ¥329.9 billion (40.2% to total assets), respectively, from the previous fiscal year-end.

With respect to current assets, cash and deposits decreased ¥2.2 billion from the end of the previous fiscal year, to ¥85.6 billion, but securities increased ¥10.3 billion. As a result, cash and cash equivalents increased ¥8.0 billion, to ¥183.2 billion. Meanwhile, notes and accounts receivable-trade declined ¥11.3 billion from the previous fiscal year end, to ¥152.0 billion, and inventories were down ¥2.4 billion from the previous fiscal year end, to ¥97.7 billion. Deferred tax assets also decreased ¥4.9 billion.

With respect to noncurrent assets, property, plant and equipment decreased ¥12.4 billion from the previous fiscal year-end, to ¥178.2 billion, as a result of overall progress in depreciation. Intangible assets also decreased ¥0.7 from the end of the previous fiscal year, to ¥87.6 billion, primarily because of the amortization of goodwill and other intangible assets. Investments and other assets declined ¥0.3 billion, to ¥64.1 billion, mainly reflecting the decline of ¥3.3 billion in the mark-to-market evaluation of investment securities, as a result of a decline in the stock price and other factors, offsetting an increase of ¥3.9 billion in deferred tax assets.

Liabilities decreased ¥11.3 billion (2.7%) from the previous fiscal year-end, to ¥405.1 billion (49.3% to total assets). Accounts payable-other declined ¥3.6 billion, while interest-bearing debt (the sum of short-term loans payable, long-term loans payable, and bonds payable) fell ¥7.3 billion from the previous fiscal year-end, to ¥185.1 billion, mainly reflecting repayments of short-term loans payable.

Net assets were down ¥12.8 billion (3.0%) from the previous fiscal year-end, to ¥416.1 billion (50.7% to total assets). Total accumulated other comprehensive income decreased ¥12.6 billion from the end of the previous fiscal year, as a result of fluctuations in foreign currency translation adjustment, linked to the appreciation of the yen, especially against the US dollar and euro, and other factors.

As a result, the shareholders' equity ratio stood at 50.5%, down 0.1 points from the previous fiscal year-end.

2. Cash Flows

[Billions of yen]

	1H Mar 2012	1H Mar 2011	Increase (Decrease)
Cash flows from operating activities	38.1	31.8	6.3
Cash flows from investing activities	(22.1)	(19.2)	(2.9)
Total (Free cash flow)	15.9	12.5	3.3
Cash flows from financing activities	(8.3)	(7.7)	(0.5)

During the first half of the consolidated fiscal year under review, net cash provided by operating activities was ¥38.1 billion, while net cash used in investing activities, mainly associated with capital investment, totaled ¥22.1 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥15.9 billion.

Net cash used in financing activities was an outflow of ¥8.3 billion.

In addition, cash and cash equivalents at the end of the second quarter of the consolidated fiscal year under review stood at ¥183.2 billion, up ¥8.0 billion from the previous fiscal year-end, reflecting the effect of changes in exchange rates on cash and cash equivalents.

The details of cash flows associated with each activity during the first half of the consolidated fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities reached ¥38.1 billion (¥31.8 billion for the first half of the previous consolidated fiscal year), mainly reflecting the recording of income before income taxes and minority interests of ¥8.4 billion, depreciation of ¥23.6 billion, and an increase in working capital of ¥4.8 billion.

Cash flows from investing activities

Net cash used in investing activities was ¥22.1 billion (compared with outflows of ¥19.2 billion for the first half of the previous consolidated fiscal year). Cash of ¥12.9 billion was used for investments in molding in the Business Technologies Business and in the acquisition of property, plant and equipment and other capital investments in the Optics Business, the Group's strategic business. Other cash outflow includes ¥5.2 billion for the acquisition of shares in subsidiaries for the acquisition of companies in Europe and the United States to strengthen the Company's IT services capabilities in the Business Technologies Business.

As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥15.9 billion (an inflow of ¥12.5 billion in the same period of the previous fiscal year).

Cash flows from financing activities

Net cash used in financing activities was an outflow of ¥8.3 billion (an outflow of ¥7.7 billion in the same period of the previous fiscal year), mainly reflecting a payment of ¥3.9 billion in dividends, and repayments of ¥4.7 billion in short-term loans.

Note: Amounts mentioned above do not include consumption taxes.

(3) Outlook for the fiscal year ending March 31, 2012

The consolidated earnings of the Konica Minolta Group for the first half of the fiscal year under review exceeded the forecasts that the Group had previously announced, thanks to strong sales both in Japan and overseas of color products in both the office field and the production print field in the Business Technologies Business. Meanwhile, taking into account the economic outlook both in Japan and overseas, changes in conditions in the markets in which the Group operates, and trends in exchange rates, among other influential factors in the third quarter of the fiscal year under review and beyond, the Group has revised the full-year operating performance forecasts it announced on May 12, 2011 as follows. With respect to the assumption of foreign exchange rates for the third quarter of the fiscal year under review and beyond, on which the above revision is based, the Group has raised the assumption ¥2 against the U.S. dollar and ¥10 against euro from the previous assumption, to ¥78 against the U.S. dollar, and ¥105 against the euro.

<Outline of revised forecasts>

The Group reduced forecast net sales by ¥30.0 billion from the previous forecast. This principally reflected a decline in sales after conversion into yen, as the Group revised the assumption of internal exchange rates to reflect the further appreciation of the yen, and other risks, including a decrease in sales volumes associated with a decline in demand in all business segments, due to concerns about a slowing economy and deterioration in the market situation. The Group reduced forecast operating income by ¥2.0 billion, taking into account lower sales, reflecting the effects of the appreciation of the yen and external factors described above. It lowered forecast ordinary income by ¥4.0 billion, reflecting foreign exchange losses incurred in this term under review. The Group also cut forecast net income by ¥1.0 billion, as a result of a review that focused mostly on extraordinary items and tax expenses.

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous forecast (A)	810.0	42.0	39.0	20.0	37.72 yen
Revised forecast (B)	780.0	40.0	35.0	19.0	35.83 yen
Increase (Decrease) (B-A)	(30.0)	(2.0)	(4.0)	(1.0)	
Percent Change (%)	-3.7	-4.8	-10.3	-5.0	
(Ref.) Fiscal year ended March 31, 2011	777.9	40.0	33.1	25.8	48.84 yen

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

**Figures in qualitative information sections given as billions of yen have been rounded off by discarding figures less than one billion yen.*

2. Summary information (others)

(1) Adoption of special accounting treatment used in preparation of the consolidated quarterly financial statements

Calculation of Tax Expenses

The effective tax rate on income before income tax for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and that estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses.

(2) Changes in accounting policy, changes in accounting estimates, or restatement due to correction

Change in range of cash within consolidated quarterly cash flow statements

The range of short-term investments included in cash equivalents was changed from short-term investments that are due for redemption in three months or less from the acquisition date to those that are due for redemption in one year or less from the acquisition date, starting at the forth quarter of the previous consolidated fiscal year. As a result, the range of cash for the first half of the previous consolidated fiscal year differs from that for the first half of the consolidated fiscal year under review.

Cash and cash equivalents recorded as at the end of the second quarter of the previous consolidated fiscal year was ¥64.2 million less than the level calculated based on the revised method.

3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Quarterly Balance Sheets

September 30, 2011 and March 31, 2011

[Millions of yen]

	March 31, 2011	September 30, 2011
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	87,886	85,649
Notes and accounts receivable-trade	163,363	152,051
Lease receivables and investment assets	14,327	12,695
Short-term investment securities	87,261	97,575
Inventories	100,243	97,776
Deferred tax assets	30,393	25,427
Accounts receivable-other	10,536	9,041
Other	12,084	14,777
Allowance for doubtful accounts	(4,220)	(3,681)
Total current assets	501,876	491,314
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	69,372	66,496
Machinery, equipment and vehicles, net	51,530	45,003
Tools, furniture and fixtures, net	20,154	20,132
Land	33,777	33,425
Lease assets, net	488	445
Construction in progress	6,589	4,999
Assets for rent, net	8,788	7,716
Total property, plant and equipment	190,701	178,219
Intangible assets		
Goodwill	63,146	62,636
Other	25,225	25,015
Total intangible assets	88,371	87,652
Investments and other assets		
Investment securities	20,893	17,544
Long-term loans receivable	154	130
Long-term prepaid expenses	3,030	2,820
Deferred tax assets	30,404	34,355
Other	10,752	10,074
Allowance for doubtful accounts	(732)	(799)
Total investments and other assets	64,504	64,127
Total noncurrent assets	343,577	329,998
Total assets	845,453	821,312

[Millions of yen]

	March 31, 2011	September 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	74,640	75,152
Short-term loans payable	50,018	41,680
Current portion of long-term loans payable	24,516	31,056
Accounts payable-other	31,490	27,856
Accrued expenses	24,282	23,746
Income taxes payable	5,199	5,345
Provision for bonuses	10,911	10,798
Provision for directors' bonuses	130	125
Provision for product warranties	1,622	1,400
Provision for loss on business liquidation	26	–
Notes payable-facilities	585	1,119
Asset retirement obligations	42	20
Other	19,013	17,491
Total current liabilities	242,480	235,794
Noncurrent liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	48,033	42,456
Deferred tax liabilities for land revaluation	3,733	3,733
Provision for retirement benefits	44,734	46,262
Provision for directors' retirement benefits	329	299
Asset retirement obligations	963	947
Other	6,192	5,656
Total noncurrent liabilities	173,985	169,355
Total liabilities	416,465	405,150
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	211,467	211,210
Treasury stock	(1,670)	(1,623)
Total shareholders' equity	451,457	451,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	478	(190)
Deferred gains or losses on hedges	(94)	59
Foreign currency translation adjustment	(24,193)	(36,338)
Total accumulated other comprehensive income	(23,809)	(36,469)
Subscription rights to shares	658	650
Minority interests	682	734
Total net assets	428,987	416,162
Total liabilities and net assets	845,453	821,312

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

Consolidated Quartely Statements of Income

Six months ended September 30, 2010 and 2011

[Millions of yen]

	April-September 2010	April-September 2011
Net sales	391,825	378,323
Cost of sales	210,923	204,677
Gross profit	180,901	173,646
Selling, general and administrative expenses	158,295	158,041
Operating income	22,606	15,604
Non-operating income		
Interest income	618	532
Dividends income	211	292
Equity in earnings of affiliates	42	18
Other	2,044	1,790
Total non-operating income	2,917	2,633
Non-operating expenses		
Interest expenses	1,490	1,347
Foreign exchange losses	3,310	3,475
Other	2,819	1,815
Total non-operating expenses	7,620	6,638
Ordinary income	17,902	11,600
Extraordinary income		
Gain on sales of noncurrent assets	144	49
Gain on sales of investment securities	0	1
Reversal of provision for loss on business liquidation	173	19
Other extraordinary income of foreign subsidiaries	368	–
Total extraordinary income	686	71
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	992	775
Loss on valuation of investment securities	1,559	2,371
Impairment loss	53	33
Business structure improvement expenses	3,398	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	983	–
Loss on disaster	–	57
Total extraordinary losses	6,987	3,238
Income before income taxes and minority interests	11,601	8,433
Iincome taxes	2,942	4,647
Income before minority interests	8,658	3,785
Minority interests in income	22	33
Net income	8,636	3,751

Consolidated Quartely Statements of Comprehensive Income
Six months ended September 30, 2010 and 2011

[Millions of yen]

	April-September 2010	April-September 2011
Income before minority interests	8,658	3,785
Other comprehensive income		
Valuation difference on available-for-sale securities	(378)	(668)
Deferred gains or losses on hedges	(221)	154
Foreign currency translation adjustment	(11,052)	(12,124)
Share of other comprehensive income of associates accounted for using equity method	(2)	(1)
Total other comprehensive income	(11,655)	(12,640)
Comprehensive income	(2,996)	(8,855)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(2,971)	(8,907)
Comprehensive income attributable to minority interests	(25)	52

Consolidated Quartely Statements of Income

Three months ended September 30, 2010 and 2011

[Millions of yen]

	July-September 2010	July-September 2011
Net sales	197,168	192,117
Cost of sales	104,705	102,081
Gross profit	92,462	90,035
Selling, general and administrative expenses	79,700	77,702
Operating income	12,761	12,333
Non-operating income		
Interest income	375	260
Dividends income	12	25
Equity in earnings of affiliates	–	31
Other	1,080	897
Total non-operating income	1,468	1,215
Non-operating expenses		
Interest expenses	748	700
Equity in losses of affiliates	6	–
Foreign exchange losses	706	2,815
Other	1,288	968
Total non-operating expenses	2,749	4,484
Ordinary income	11,480	9,064
Extraordinary income		
Gain on sales of noncurrent assets	119	11
Gain on reversal of loss on valuation of investment securities	–	647
Reversal of provision for loss on business liquidation	169	19
Other	–	38
Total extraordinary income	289	718
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	717	538
Loss on valuation of investment securities	576	1,201
Impairment loss	51	–
Business structure improvement expenses	1,020	–
Total extraordinary losses	2,365	1,739
Income before income taxes and minority interests	9,403	8,043
Income taxes	4,238	4,152
Income before minority interests	5,164	3,890
Minority interests in income	19	28
Net income	5,145	3,862

Consolidated Quartely Statements of Comprehensive Income
Three months ended September 30, 2010 and 2011

[Millions of yen]

	July-September 2010	July-September 2011
Income before minority interests	5,164	3,890
Other comprehensive income		
Valuation difference on available-for-sale securities	(273)	(841)
Deferred gains or losses on hedges	(257)	87
Foreign currency translation adjustment	(348)	(10,090)
Share of other comprehensive income of associates accounted for using equity method	0	(1)
Total other comprehensive income	(879)	(10,846)
Comprehensive income	4,285	(6,955)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,304	(6,982)
Comprehensive income attributable to minority interests	(18)	27

(3) Consolidated Quartely Statements of Cash Flow

Six months ended September 30, 2010 and 2011

[Millions of yen]

	April-September 2010	April-September 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	11,601	8,433
Depreciation and amortization	27,455	23,613
Impairment loss	53	33
Amortization of goodwill	4,283	4,426
Interest and dividends income	(829)	(824)
Interest expenses	1,490	1,347
Loss (gain) on sales and retirement of noncurrent assets	847	726
Loss (gain) on sales and valuation of investment securities	1,559	2,369
Increase (decrease) in provision for retirement benefits	(5,906)	2,590
Increase (decrease) in provision for loss on business liquidation	(779)	(26)
Decrease (increase) in notes and accounts receivable-trade	3,479	(1,124)
Decrease (increase) in inventories	(14,189)	(3,472)
Increase (decrease) in notes and accounts payable-trade	12,441	9,477
Transfer of assets for rent	(2,934)	(1,860)
Decrease (increase) in accounts receivable-other	(3,063)	(1,892)
Increase (decrease) in accounts payable-other and accrued expenses	1,769	204
Decrease/increase in consumption taxes receivable/payable	(532)	1,331
Other, net	(1,179)	(5,472)
Subtotal	35,567	39,879
Interest and dividends income received	818	737
Interest expenses paid	(1,445)	(1,352)
Income taxes (paid) refund	(3,126)	(1,147)
Net cash provided by (used in) operating activities	31,814	38,118
Net cash provided by (used in) operating activities		
Purchase of property, plant and equipment	(16,870)	(12,983)
Proceeds from sales of property, plant and equipment	572	298
Purchase of intangible assets	(2,511)	(2,547)
Payments for transfer of business	–	(1,247)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–	(5,267)
Payments of loans receivable	(334)	(121)
Collection of loans receivable	82	51
Purchase of investment securities	(3)	(3)
Proceeds from sales of investment securities	0	1
Payments of valuation of other investments	(558)	(410)
Other, net	385	79
Net cash provided by (used in) investing activities	(19,237)	(22,150)

[Millions of yen]

	April-June 2010	April-June 2011
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(3,019)	(4,736)
Proceeds from long-term loans payable	–	6,301
Repayment of long-term loans payable	(54)	(5,178)
Repayments of lease obligations	(711)	(762)
Proceeds from sales of treasury stock	2	2
Purchase of treasury stock	(56)	(6)
Cash dividends paid	(3,968)	(3,970)
Proceeds from stock issuance to minority shareholders	51	–
Net cash provided by (used in) financing activities	(7,755)	(8,351)
Effect of exchange rate change on cash and cash equivalents	522	460
Net increase (decrease) in cash and cash equivalents	5,342	8,076
Cash and cash equivalents at beginning of period	164,146	175,148
Cash and cash equivalents at end of period	169,488	183,225

(4) Notes Regarding Going Concern Assumptions

None

(5) Segment Information

[1] Six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Optics	Medical and Graphic	Total		
Sales						
External	266,051	69,157	44,916	380,125	11,700	391,825
Intersegment	2,014	361	698	3,074	26,836	29,910
Total	268,065	69,519	45,615	383,199	38,536	421,736
Segment incomes	19,595	7,991	581	28,168	2,482	30,651

Notes:
1. “Other” consists of business segments such as sensing business and industrial inkjet business.
2. This information is based on the amount reported to management, and the figures were calculated based on the reportable segments, before they were changed in the third quarter of the consolidated fiscal year. The related information is presented in in the section [2] Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011). “3.Matters associated with changes in reportable segments”

2. Difference between the total of the reportable segments’ measures of profit or loss and income according to consolidated quarterly statements of income, and the main components of the difference (matters related to adjustment of difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	28,168
Operating income categorized in “Other”	2,482
Intersegment - eliminations	(2,692)
Corporate expenses	(5,352)
Operating income reported on quarterly statements of income	22,606

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

[2] Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Optics	Healthcare	Total		
Sales						
External	268,976	63,365	34,650	366,992	11,330	378,323
Intersegment	919	359	418	1,696	23,741	25,438
Total	269,895	63,724	35,068	368,689	35,072	403,761
Segment incomes (loss)	15,285	7,200	(378)	22,107	2,628	24,735

Notes: “Other” consists of business segments such as sensing business and industrial inkjet business

2. Difference between the total of the reportable segments’ measures of profit or loss and income according to consolidated quarterly statements of income, and the main components of the difference (matters related to adjustment of difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	22,107
Operating income categorized in “Other”	2,628
Intersegment - eliminations	(2,954)
Corporate expenses	(6,176)
Operating income reported on quarterly statements of income	15,604

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

3. Matters associated with changes in reportable segments

To further strengthen the competitiveness and operations of the production print field, since the third quarter of the previous consolidated fiscal year, the Group has restructured its operations 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 integrated the Graphic Imaging Business in the Medical & Graphic Imaging Business into the Business Technologies Business.

As a result of restructuring as described above, the main products and the types of services of the Medical & Graphic Imaging Business have changed from the production and sale of medical, printing, and other related products to the production and sale of medical and other related products.

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

Tracing and obtaining information necessary for preparing segment information for the first half of the previous consolidated fiscal year in accordance with the reportable segments for the first half of the consolidated fiscal year under review is difficult, and preparing segment information in the ways described above imposes an excessive burden. Moreover, no such segment information has been reported to management. For those reasons and given the utility of such segment information, we do not disclose it, with the exception of sales to external customers.

If we prepare segment information for the first half of the previous consolidated fiscal year in accordance with the segments for the first half of the consolidated fiscal year under review, sales to external customers in the Business Technologies Business are ¥270,918 million, and those in the Healthcare Business are ¥40,048 million. The figure of the Business Technologies Business includes ¥4,867 million from the former Graphic Imaging Business.

[3] Three months ended September 30, 2010 (From July 1, 2010 to September 30, 2010)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Optics	Medical and Graphic e	Total		
Sales						
External	133,270	33,983	23,892	191,146	6,021	197,168
Intersegment	968	205	383	1,556	14,654	16,211
Total	134,238	34,189	24,276	192,703	20,676	213,379
Segment incomes	11,948	2,893	667	15,509	1,498	17,007

Notes:
1. “Other” consists of business segments such as sensing business and industrial inkjet business.
2. This information is based on the amount reported to management, and the figures were calculated based on the reportable segments, before they were changed in the third quarter of the consolidated fiscal year. The related information is presented in the section [2] Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011) “3.Matters associated with changes in reportable segments” and in the section [4] Three months ended September 30, 2011 (From July 1, 2011 to September 30, 2011) “3.Matters associated with changes in reportable segments”.

2. Difference between the total of the reportable segments’ measures of profit or loss and income according to consolidated quarterly statements of income, and the main components of the difference (matters related to adjustment of difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	15,509
Operating income categorized in “Other”	1,498
Intersegment - eliminations	(1,624)
Corporate expenses	(2,621)
Operating income reported on quarterly statements of income	12,761

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

[4] Three months ended September 30, 2011 (From July 1, 2011 to September 30, 2011)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Optics	Healthcare	Total		
Sales						
External	134,907	32,224	19,144	186,276	5,841	192,117
Intersegment	429	186	220	836	12,557	13,393
Total	135,336	32,410	19,365	187,112	18,398	205,510
Segment incomes	11,656	3,797	131	15,585	1,579	17,164

Notes: “Other” consists of business segments such as sensing business and industrial inkjet business

2. Difference between the total of the reportable segments’ measures of profit or loss and income according to consolidated quarterly statements of income, and the main components of the difference (matters related to adjustment of difference)

[Millions of yen]

Item	Amount
Total operating income of reportable segments	15,585
Operating income categorized in “Other”	1,579
Intersegment - eliminations	(1,654)
Corporate expenses	(3,176)
Operating income reported on quarterly statements of income	12,333

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

3. Matters associated with changes in reportable segments

Since the third quarter of the previous consolidated fiscal year, the Group has changed the method by which it categorizes its reportable segments. For the details, please refer to [2]. First half of the consolidated fiscal year under review (from April 1, 2011 to September 30, 2011), 3. Matters associated with changes in reportable segments.

Tracing and obtaining information necessary for preparing segment information for the first half of the previous consolidated fiscal year in accordance with the reportable segments for the first half of the consolidated fiscal year under review is difficult, and preparing segment information in the ways described above imposes an excessive burden. Moreover, no such segment information has been reported to management. For those reasons and given the utility of such segment information, we do not disclose it, with the exception of sales to external customers.

If we prepare segment information for the first half of the previous consolidated fiscal year in accordance with the segments for the first half of the consolidated fiscal year under review, sales to external customers in the Business Technologies Business are ¥136,054 million, and those in the Healthcare Business are ¥21,108 million. The figure of the Business Technologies Business includes ¥2,784 million from the former Graphic Imaging Business.

(6) Notes to any Significant Changes in Shareholders' Equity

None