January 31, 2012

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

Nine months: April 1, 2011 – December 31, 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:	February 13, 2012
Scheduled date for dividends payment:	-
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 3Q performance (From April 1, 2011 to December 31, 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	
3Q Mar/2012	560,372	-2.6%	23,285	-17.6%	18,898	-15.2%	5,399	-50.0%
3Q Mar/2011	575,280	-2.3%	28,251	33.2%	22,274	16.4%	10,790	19.8%

Note: Comprehensive income
3Q Mar/2012: ¥ (7,576) million (- %)
3Q Mar/2011: ¥ (4,704) million (- %)

	Net income per share		Net income per share (after full dilution)	
3Q Mar/2012	10.18	yen	9.86	yen
3Q Mar/2011	20.35	Yen	19.70	yen

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)
December 31, 2011	854,230	413,490	48.3%
March 31, 2011	845,453	428,987	50.6%

Notes: Shareholders' equity
As of December 31, 2011: ¥ 412,190 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: None

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: None

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）

Third 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

Third quarter of fiscal year ending March 31, 2012:	1,404,022 shares
Fiscal year ended March 31, 2011:	1,436,447 shares

c. Average number of outstanding shares

Third quarter of fiscal year ending March 31, 2012:	530,246,363 shares
Third quarter of fiscal year ended March 31, 2011:	530,221,078 shares

Presentation of Present Status of Quarterly Review Procedures

This “Third 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 Tuesday, January 31, 2012. 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

Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

Nine months (Apr–Dec) Year-on-Year [Billions of yen]

	Apr-Dec /Mar 2012	Apr-Dec /Mar 2011	Increase (Decrease)	
Net sales	560.3	575.2	(14.9)	-2.6%
Gross profit	260.0	264.5	(4.5)	-1.7%
Operating income	23.2	28.2	(4.9)	-17.6%
Ordinary income	18.8	22.2	(3.3)	-15.2%
Income before income taxes and minority interests	14.0	16.2	(2.2)	-13.6%
Net income	5.3	10.7	(5.3)	-50.0%
Net income per share [yen]	10.18	20.35	(10.17)	-50.0%
Capital expenditure	22.3	33.1	(10.7)	-32.5%
Depreciation	36.0	41.1	(5.1)	-12.4%
R & D expenses	55.4	54.1	1.3	2.6%
Free cash flow	17.7	5.7	11.9	208.3%
Number of employees [persons]	37,531	35,714	1,817	5.1%
Exchange rates [yen]				
US dollar	78.99	86.84	(7.85)	-9.0%
Euro	110.61	113.30	(2.69)	-2.4%

Looking at the main businesses of the Konica Minolta Group during the first three quarters of the consolidated fiscal year under review (April 1, 2011 to December 31, 2011), in the Business Technologies Business, sales volumes of A3 MFPs (Multi-functional peripherals) for office and digital printing systems for production print rose from the levels of the previous year. In particular, sales volumes of color products, in which the Company has a competitive edge, in both fields grew in Japan, the United States, Europe, and Other regions. During the period under review, the Company faced a severe business environment, with difficulties in procuring certain materials and components in the wake of the Great East Japan earthquake and large-scale flooding in Thailand, sluggish demand in some markets reflecting the effects of the debt crisis in Europe, and the persistent strength of the yen, among other challenging developments. Despite these adverse conditions, the Business Technologies Business achieved a strong performance, as described above, as all divisions of development, procurement, production, and sales were united in their focus on priority initiatives to continue production and bolster sales. In the Optics Business, overall sales volumes including those of thin and extra-wide plain TAC films for LCD polarizers rose from the same period of the previous fiscal year, reflecting strong sales throughout the period of VA-TAC films for increasing viewing angle, which introduced new products. Meanwhile, sales of glass substrates for HDDs, pickup lenses for optical disks, and lens units for digital cameras were generally sluggish, given the impact of customers' production adjustments that started during the summer of 2011 and flooding in Thailand. In the Healthcare Business, sales volumes of the digital medical input equipment rose year on year, driven by the introduction of new products. Meanwhile, sales volumes of film products declined from the same period of the previous fiscal year, particularly reflecting a fall in demand in Japan.

As a result, the Konica Minolta Group recorded net sales of ¥560.3 billion on a consolidated basis, a small year-on-year decline, for the first three quarters of the fiscal year under review. It included the negative impact of foreign exchange of ¥22.4 billion, reflecting the fact that the yen appreciated against both the US dollar and the euro from the same period of the previous fiscal year. Excluding the impact of the strong yen, net sales rose 1.3% year on year.

Operating income was ¥23.2 billion, a decrease of 17.6% from the same period of the previous fiscal year. The Group continued to maintain the strong earnings momentum that started in the second quarter of the fiscal year under review, reflecting strong sales of its mainstay products, as described above, in the Business Technologies Business and the Optics business. Moreover, the Group recorded higher operating income for the third quarter of the fiscal year under review, compared with the figure for the previous year, despite the adverse effects of flooding in Thailand. However, this strong performance was unable to offset a decline in income for the first quarter of the fiscal year under review, which mainly reflected the effects of missed sales opportunities and a hike in costs in the wake of the earthquake. Ordinary income was ¥18.8 billion, a decrease of 15.2% year on year, due to the recording of net non-operating expenses of ¥4.3 billion. This principally reflected the posting of foreign exchange losses, given the sharp appreciation of the yen. Income before income taxes and minority interests for the first three quarters of the fiscal year under review was ¥14.0 billion, a decrease of 13.6% from the previous fiscal year. This mainly reflected the recording of a loss on the valuation of investment securities and expenses related to the structural reforms of the domestic sales division of the Business Technologies Business and the domestic production division of the Optics Business.

Net income stood at ¥5.3 billion, a fall of 50.0% year on year, including the effect of the reduction of the corporate tax rate of ¥1.5 billion.

2. Overview by Segment

Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

	Nine months (Apr – Dec) Year-on-Year			[Billions of yen]
	Apr-Dec /Mar 2012	Apr-Dec /Mar 2011	Increase (Decrease)	
Business Technologies				
Net sales - external	400.8	396.3	4.5	1.1%
Operating income	24.6	25.9	(1.3)	-5.2%
Optics				
Net sales - external	91.1	99.4	(8.2)	-8.3%
Operating income	9.6	10.0	(0.3)	-3.5%
Healthcare				
Net sales - external	51.9	62.5	(10.6)	-17.0%
Operating income(loss)	(0.5)	0.5	(1.1)	-%

Business Technologies Business

Office field:

Overall sales volumes of the A3 MFPs of the bizhub series for the period under review rose year on year, reflecting strong sales of color MFPs in Japan, the United States, Europe, and Other regions, despite a small year-on-year decline in sales of monochrome MFPs. Meanwhile, in OPS (Optimized Print Services), where it is seeking to strengthen its sales capabilities, the Company steadily executed initiatives during the third quarter under review to attract major customers operating global businesses. For example, the Company successfully concluded multi-year global contracts with Moet Hennessy Louis Vuitton (LVMH), a luxury brand retailer, and other companies for the management and the maintenance of office equipment at their offices. Moreover, to strengthen its IT service capability, which is to play a key role in a global OPS structure, the Company is working to acquire IT service providers in Europe and the United States. During the third quarter under review, the Company also acquired U.S. firm ColdCypress, LLC (headquartered in Pennsylvania). With these initiatives, the Company, through All Covered Inc., which became a member of the Konica Minolta Group in December 2010, sought to expand the IT service network in North America.

Production print field:

Sales volumes of color equipment for production printing systems for the period under review rose significantly from the year-ago period in Japan, the United States, Europe, and Other regions. This performance reflected strong sales of three new color digital printing systems, the bizhub PRESS C8000/C7000/C6000, which are used in in-house printing and commercial printing. Sales volumes of monochrome equipment also rose from the previous fiscal year in the overseas market. As a result, overall sales volumes in this field remained robust throughout the period under review.

During the first three quarters of the fiscal year under review, in the wake of large-scale natural disasters such as the Great East Japan Earthquake and the flooding in Thailand, the Company faced difficulties in procuring certain materials and components. In response, it took steps to minimize the effect on sales by strengthening cooperation among its development, procurement, and production divisions. As a result, net sales of the Business Technologies Business to outside customers rose from the level of the same period in the previous fiscal year, to ¥400.8 billion. Excluding the negative effects of ¥17.8 billion on sales attributable to exchange rate fluctuations, reflecting the appreciation of the yen, net sales rose 5.6% year on year. Operating income fell slightly from the previous fiscal year, to ¥24.6 billion. The Company performed somewhat sluggishly in the first quarter of the fiscal year under review, mainly reflecting missing sales opportunities due to the earthquake and expenses incurred in dealing with the aftermath of the disaster. However, it sustained a recovery in earnings momentum in this business segment in the second quarter and third quarters, thanks to strong sales of mainstay products.

Optics Business

Display materials field:

Sales volumes of VA-TAC films, which introduced new products, remained steady in South Korea and Taiwan during the period under review, although sales were affected by customers' production adjustments from last summer. Sales volumes of thin plain TAC films and extra-wide plain TAC films also remained robust. As a result, overall sales volumes of TAC films including these products for the first three quarters of the fiscal year under review moved higher from the year-ago period.

Memory devices field:

Sales volumes of glass substrates for HDDs, which benefited from an improvement in market conditions in the middle of the period under review, failed to reach the level achieved in the year-ago period, reflecting production adjustments adopted by PC manufacturers, in addition to the effects of damages HDD set manufacturers suffered due to the flooding in Thailand. Sales volumes of pickup lenses for optical disks for the period under review declined from the level of the previous fiscal year, as the markets for both Blu-ray Discs™ and DVDs failed to recover.

Image input/output components field:

Sales volumes of lens units for digital and video cameras, which started to pick up from the summer of 2011, were on a par with the level of the previous fiscal year, given stagnant orders from certain customers that were affected by flooding in Thailand. Meanwhile, sales volumes for optical units for cell phones with cameras fell significantly year on year, as demand for conventional cell phones failed to increase, given the effects of the rising popularity of smartphones.

As a result, net sales of the Optics Business to outside customers stood at ¥91.1 billion. Operating income was ¥9.6 billion, almost on a par with the results of the same period of the previous fiscal year, as the Company carried out initiatives including activities to lower costs and expenses, to offset negative effects on income from lower sales and a decline in market prices.

Healthcare Business

In the Healthcare Business, the Company continued to expand sales areas by launching two models of new digital medical input equipment, AeroDR, the cassette digital X-ray detector, and REGIUS Σ, the desktop CR (Computed Radiography). These new products have been steadily receiving good responses and evaluation from medical organizations both in Japan and overseas. The Company sought to bolster sales, especially of AeroDR in the hospital market and REGIUS Σ in the clinic market. As a result, sales volumes of digital equipment rose year on year.

In film products, which have been dealing with a sustained decline in demand in Japan and other developed countries, the Company sought to expand sales in emerging economies, particularly China. However, as the rising use of filmless equipment could not be halted, sales volumes of film products for the first three quarters of the fiscal year under review declined year on year.

As a result of the factors as described above, as well as the effects of the strong yen and lower market prices, net external sales of this Company stood at ¥51.9 billion. The operating loss stood at ¥0.5 billion, mainly reflecting the negative effects on income from lower sales and the surge in prices of silver and other raw materials, which could not be offset by cutting cost and reducing expenses.

<Reference>

Overview of Performance

Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011)

Year-on-Year [Billions of yen]

	3Q /Mar 2012	3Q /Mar 2011	Increase (Decrease)	
Net sales	182.0	183.4	(1.4)	-0.8%
Gross profit	86.3	83.6	2.7	3.3%
Operating income	7.6	5.6	2.0	36.0%
Ordinary income	7.3	4.3	2.9	67.0%
Income before income taxes and minority interests	5.6	4.6	0.9	20.7%
Net income	1.6	2.1	(0.5)	-23.5%
Net income per share [yen]	3.11	4.06	(0.96)	-23.5%
Capital expenditure	8.6	8.5	0.1	1.2%
Depreciation	12.4	13.6	(1.2)	-9.2%
R & D expenses	18.7	18.7	(0.0)	-0.3%
Free cash flow	1.7	(6.8)	8.5	-%
Exchange rates [yen]				
US dollar	77.38	82.64	(5.26)	-6.4%
Euro	104.29	112.23	(7.94)	-7.1%

Three months Business Performance by Segment

Year-on-Year [Billions of yen]

	3Q /Mar 2012	3Q /Mar 2011	Increase (Decrease)	
Business Technologies				
Net sales - external	131.9	130.2	1.6	1.2%
Operating income	9.3	6.3	2.9	46.3%
Optics				
Net sales - external	27.7	30.2	(2.5)	-8.3%
Operating income	2.4	2.0	0.4	21.6%
Healthcare				
Net sales - external	17.2	17.5	(0.3)	-1.9%
Operating loss	(0.2)	0.0	(0.2)	-%

(2) Financial Position

1. Analysis of Financial Position

		As of December 31, 2011	As of March 31, 2011	Increase (Decrease)
Total assets	[Billions of yen]	854.2	845.4	8.7
Total liabilities	[Billions of yen]	440.7	416.4	24.2
Net assets	[Billions of yen]	413.4	428.9	(15.4)
Equity ratio	[%]	48.3	50.6	(2.3)

Total assets at the end of the third quarter of the consolidated fiscal year under review were up ¥8.7 billion (1.0%) from the previous fiscal year-end, to ¥854.2 billion. Current assets rose ¥25.7 billion (5.1%), to ¥527.6 billion (61.8% to total assets), while noncurrent assets fell ¥16.9 billion (4.9%) to ¥326.5 billion (38.2% to total assets) from the previous fiscal year-end.

With respect to current assets, cash and deposits increased ¥0.5 billion from the end of the previous fiscal year, to ¥88.4 billion, and short-term investment securities increased ¥40.2 billion. As a result, cash and cash equivalents increased ¥40.7 billion, to ¥215.8 billion. Also, inventories were up ¥3.7 billion from the previous fiscal year-end, to ¥104.0 billion. Meanwhile, notes and accounts receivable-trade declined ¥12.0 billion from the previous fiscal year-end, to ¥151.3 billion. Deferred tax assets also decreased ¥7.0 billion.

With respect to noncurrent assets, property, plant and equipment decreased ¥14.7 billion from the previous fiscal year-end, to ¥175.9 billion, as a result of overall progress in depreciation. Intangible assets also decreased ¥1.7 billion from the end of the previous fiscal year, to ¥86.6 billion, primarily because of the amortization of goodwill and other intangible assets. Investments and other assets declined ¥0.5 billion, to ¥63.9 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 ¥3.6 billion in deferred tax assets.

Liabilities increased ¥24.2 billion (5.8%) from the previous fiscal year-end, to ¥440.7 billion (51.6% to total assets). Interest-bearing debt (the sum of short-term loans payable, long-term loans payable, and bonds payable) rose ¥28.5 billion from the previous fiscal year-end, to ¥221.1 billion, mainly reflecting the issuing of corporate bonds.

Net assets were down ¥15.4 billion (3.6%) from the previous fiscal year-end, to ¥413.4 billion (48.4% to total assets). Total accumulated other comprehensive income decreased ¥12.9 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 48.3%, down 2.3 points from the previous fiscal year-end.

2. Cash Flows

[Billions of yen]

	Apr-Dec /Mar 2012	Apr-Dec /Mar 2011	Increase (Decrease)
Cash flows from operating activities	49.0	39.4	9.5
Cash flows from investing activities	(31.2)	(33.7)	2.4
Total (Free cash flow)	17.7	5.7	11.9
Cash flows from financing activities	22.5	22.0	0.5

During the first three quarters of the consolidated fiscal year under review, net cash provided by operating activities was ¥49.0 billion, while net cash used in investing activities, mainly associated with capital investment, totaled ¥31.2 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥17.7 billion.

Net cash provided by financing activities was ¥22.5 billion.

In addition, cash and cash equivalents at the end of the third quarter of the consolidated fiscal year under review stood at ¥215.8 billion, up ¥40.7 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 three quarters of the consolidated fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities reached ¥49.0 billion (¥39.4 billion for the same period of the previous consolidated fiscal year), mainly reflecting inflows of cash from the recording of income before income taxes and minority interests of ¥14.0 billion, depreciation of ¥36.0 billion, and amortization of goodwill of ¥6.5 billion, offsetting outflows of cash mainly from a decline in the provision for bonuses of ¥5.2 billion and the payment of ¥4.2 billion for income taxes.

Cash flows from investing activities

Net cash used in investing activities was ¥31.2 billion (¥33.7 billion for the same period of the previous consolidated fiscal year). Cash of ¥19.8 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 included ¥5.5 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 and direct sales in the Business Technologies Business.

As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥17.7 billion (an inflow of ¥5.7 billion in the same period of the previous fiscal year).

Cash flows from financing activities

Net cash provided by financing activities was ¥22.5 billion (¥22.0 billion for the same period of the previous consolidated fiscal year), mainly reflecting proceeds of ¥40.0 billion from the issuing of corporate bonds, cash dividends paid of ¥7.8 billion, and a fall of ¥7.3 billion in short-term loans.

Note: Amounts mentioned above do not include consumption taxes.

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

The Konica Minolta Group understands that the outlook of the business environment that surrounds the Group is becoming increasingly uncertain, in the face of the sovereign debt crisis in Europe, concerns over a downturn in the global economy, induced by the crises, and the persistent appreciation of the yen against the US dollar and the euro, among other adverse factors. Nevertheless, the Group generally recorded steady results for the first three quarters of the consolidated fiscal year under review, offsetting the negative impact of the Great East Japan Earthquake and the widespread flooding in Thailand. In light of this development, the Group has decided to retain the full-year operating performance forecasts it announced on October 28, 2011.

With respect to the assumption of foreign exchange rates for the forth quarter of the fiscal year under review, the Group has raised the assumption ¥5 against the euro from the previous assumption, to ¥78 against the US dollar, and ¥100 against the euro.

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 three quarters of the previous consolidated fiscal year differs from that for the first three quarters of the consolidated fiscal year under review.

Cash and cash equivalents recorded as at the end of the third quarter of the previous consolidated fiscal year was ¥442 million less than the level calculated based on the revised method.

3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Quarterly Balance Sheets

December 31, 2011 and March 31, 2011

[Millions of yen]

	March 31, 2011	December 31, 2011
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	87,886	88,418
Notes and accounts receivable-trade	163,363	151,363
Lease receivables and investment assets	14,327	12,221
Short-term investment securities	87,261	127,466
Inventories	100,243	104,016
Deferred tax assets	30,393	23,330
Accounts receivable-other	10,536	10,399
Other	12,084	14,505
Allowance for doubtful accounts	(4,220)	(4,071)
Total current assets	501,876	527,651
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	69,372	66,222
Machinery, equipment and vehicles, net	51,530	41,271
Tools, furniture and fixtures, net	20,154	20,675
Land	33,777	33,414
Lease assets, net	488	417
Construction in progress	6,589	6,695
Assets for rent, net	8,788	7,277
Total property, plant and equipment	190,701	175,974
Intangible assets		
Goodwill	63,146	60,946
Other	25,225	25,707
Total intangible assets	88,371	86,654
Investments and other assets		
Investment securities	20,893	17,558
Long-term loans receivable	154	166
Long-term prepaid expenses	3,030	2,730
Deferred tax assets	30,404	34,098
Other	10,752	10,184
Allowance for doubtful accounts	(732)	(788)
Total investments and other assets	64,504	63,949
Total noncurrent assets	343,577	326,579
Total assets	845,453	854,230

[Millions of yen]

	March 31, 2011	December 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	74,640	76,210
Short-term loans payable	50,018	39,768
Current portion of long-term loans payable	24,516	25,061
Accounts payable-other	31,490	30,237
Accrued expenses	24,282	24,259
Income taxes payable	5,199	5,349
Provision for bonuses	10,911	5,584
Provision for directors' bonuses	130	164
Provision for product warranties	1,622	1,314
Provision for loss on business liquidation	26	–
Notes payable-facilities	585	805
Asset retirement obligations	42	34
Other	19,013	18,370
Total current liabilities	242,480	227,159
Noncurrent liabilities		
Bonds payable	70,000	110,000
Long-term loans payable	48,033	46,304
Deferred tax liabilities for land revaluation	3,733	3,269
Provision for retirement benefits	44,734	47,121
Provision for directors' retirement benefits	329	316
Asset retirement obligations	963	931
Other	6,192	5,636
Total noncurrent liabilities	173,985	213,580
Total liabilities	416,465	440,740
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	211,467	208,880
Treasury stock	(1,670)	(1,625)
Total shareholders' equity	451,457	448,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	478	(131)
Deferred gains or losses on hedges	(94)	237
Foreign currency translation adjustment	(24,193)	(36,831)
Total accumulated other comprehensive income	(23,809)	(36,724)
Subscription rights to shares	658	678
Minority interests	682	621
Total net assets	428,987	413,490
Total liabilities and net assets	845,453	854,230

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

Consolidated Quarterly Statements of Income

Nine months ended December 31, 2010 and 2011

[Millions of yen]

	April-December 2010	April-December 2011
Net sales	575,280	560,372
Cost of sales	310,714	300,328
Gross profit	264,566	260,043
Selling, general and administrative expenses	236,314	236,757
Operating income	28,251	23,285
Non-operating income		
Interest income	956	844
Dividends income	357	456
Equity in earnings of affiliates	73	31
Other	2,826	2,718
Total non-operating income	4,213	4,051
Non-operating expenses		
Interest expenses	2,295	1,908
Foreign exchange losses	3,909	2,945
Other	3,987	3,584
Total non-operating expenses	10,191	8,438
Ordinary income	22,274	18,898
Extraordinary income		
Gain on sales of noncurrent assets	183	69
Gain on sales of investment securities	0	2
Reversal of provision for loss on business liquidation	183	19
Other extraordinary income of foreign subsidiaries	368	102
Total extraordinary income	735	194
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,354	1,318
Loss on sales of investment securities	2	–
Loss on valuation of investment securities	1,024	2,381
Impairment loss	59	84
Business structure improvement expenses	3,326	1,198
Loss on adjustment for changes of accounting standard for asset retirement obligations	983	–
Loss on disaster	–	57
Total extraordinary losses	6,750	5,039
Income before income taxes and minority interests	16,259	14,053
Income taxes	5,443	8,602
Income before minority interests	10,815	5,451
Minority interests in income	25	52
Net income	10,790	5,399

Consolidated Quarterly Statements of Income

Three months ended December 31, 2010 and 2011

[Millions of yen]

	October-December 2010	October-December 2011
Net sales	183,455	182,049
Cost of sales	99,790	95,651
Gross profit	83,664	86,397
Selling, general and administrative expenses	78,018	78,716
Operating income	5,645	7,680
Non-operating income		
Interest income	337	312
Dividends income	146	164
Equity in earnings of affiliates	31	12
Foreign exchange gains	–	530
Other	781	931
Total non-operating income	1,296	1,951
Non-operating expenses		
Interest expenses	805	561
Foreign exchange losses	598	–
Termination expenses on manufacturing consignment	–	544
Other	1,167	1,224
Total non-operating expenses	2,571	2,331
Ordinary income	4,371	7,301
Extraordinary income		
Gain on sales of noncurrent assets	39	20
Gain on sales of investment securities	0	0
Gain on reversal of loss on valuation of investment securities	606	18
Reversal of provision for loss on business liquidation	9	–
Other extraordinary income of foreign subsidiaries	–	102
Other	131	–
Total extraordinary income	787	142
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	361	542
Loss on sales of investment securities	2	–
Loss on valuation of investment securities	70	28
Impairment loss	5	53
Business structure improvement expenses	59	1,198
Total extraordinary losses	501	1,822
Income before income taxes and minority interests	4,657	5,620
Income taxes	2,500	3,954
Income before minority interests	2,157	1,666
Minority interests in income	3	18
Net income	2,153	1,647

Consolidated Quarterly Statements of Comprehensive Income

Nine months ended December 31, 2010 and 2011

[Millions of yen]

	April-December 2010	April-December 2011
Income before minority interests	10,815	5,451
Other comprehensive income		
Valuation difference on available-for-sale securities	(67)	(608)
Deferred gains or losses on hedges	(8)	332
Foreign currency translation adjustment	(15,440)	(12,748)
Share of other comprehensive income of associates accounted for using equity method	(4)	(3)
Total other comprehensive income	(15,520)	(13,027)
Comprehensive income	(4,704)	(7,576)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(4,686)	(7,515)
Comprehensive income attributable to minority interests	(18)	(60)

Consolidated Quarterly Statements of Comprehensive Income

Three months ended December 31, 2010 and 2011

[Millions of yen]

	October-December 2010	October-December 2011
Income before minority interests	2,157	1,666
Other comprehensive income		
Valuation difference on available-for-sale securities	311	60
Deferred gains or losses on hedges	213	177
Foreign currency translation adjustment	(4,387)	(623)
Share of other comprehensive income of associates accounted for using equity method	(2)	(2)
Total other comprehensive income	(3,865)	(387)
Comprehensive income	(1,708)	1,278
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,715)	1,391
Comprehensive income attributable to minority interests	7	(112)

(3) Consolidated Quarterly Statements of Cash Flow

Nine months ended December 31, 2010 and 2011

[Millions of yen]

	April-December 2010	April-December 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	16,259	14,053
Depreciation and amortization	41,140	36,034
Impairment loss	59	84
Amortization of goodwill	6,327	6,596
Interest and dividends income	(1,313)	(1,301)
Interest expenses	2,295	1,908
Loss (gain) on sales and retirement of noncurrent assets	1,170	1,248
Loss (gain) on sales and valuation of investment securities	1,026	2,377
Increase (decrease) in provision for bonuses	(5,349)	(5,228)
Increase (decrease) in provision for retirement benefits	(4,552)	3,446
Increase (decrease) in provision for loss on business liquidation	(1,107)	(26)
Decrease (increase) in notes and accounts receivable-trade	6,105	(1,457)
Decrease (increase) in inventories	(16,536)	(10,106)
Increase (decrease) in notes and accounts payable-trade	6,940	11,048
Transfer of assets for rent	(3,931)	(2,820)
Decrease (increase) in accounts receivable-other	(3,004)	(1,996)
Increase (decrease) in accounts payable-other and accrued expenses	2,618	2,847
Increase (decrease) in deposits received	1,406	1,511
Decrease/increase in consumption taxes receivable/payable	(481)	937
Other, net	(2,290)	(5,201)
Subtotal	46,781	53,954
Interest and dividends income received	1,347	1,228
Interest expenses paid	(2,280)	(1,890)
Income taxes (paid) refund	(6,391)	(4,284)
Net cash provided by (used in) operating activities	39,457	49,006
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(28,067)	(19,889)
Proceeds from sales of property, plant and equipment	700	325
Purchase of intangible assets	(3,582)	(4,023)
Proceeds from transfer of business	468	–
Payments for transfer of business	–	(1,479)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,114)	(5,506)
Payments of loans receivable	(457)	(207)
Collection of loans receivable	117	68
Purchase of investment securities	(94)	(5)
Proceeds from sales of investment securities	11	2
Payments for other investments	(957)	(663)
Other, net	275	115
Net cash provided by (used in) investing activities	(33,701)	(31,262)

[Millions of yen]

	April-December 2010	April-December 2011
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	11,091	(7,323)
Proceeds from long-term loans payable	–	10,304
Repayment of long-term loans payable	(10,057)	(11,333)
Proceeds from issuance of bonds	30,000	40,000
Repayments of lease obligations	(1,130)	(1,250)
Proceeds from sales of treasury stock	3	2
Purchase of treasury stock	(71)	(9)
Cash dividends paid	(7,828)	(7,803)
Proceeds from stock issuance to minority shareholders	51	–
Net cash provided by (used in) financing activities	22,059	22,586
Effect of exchange rate change on cash and cash equivalents	512	407
Net increase (decrease) in cash and cash equivalents	28,326	40,737
Cash and cash equivalents at beginning of period	164,146	175,148
Cash and cash equivalents at end of period	192,472	215,885

(4) Notes Regarding Going Concern Assumptions

None

(5) Segment Information

[1] Nine months ended December 31, 2010 (From April 1, 2010 to December 31, 2010)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*1	Total
	Business Technologies	Optics	Healthcare*2	Total		
Sales						
External	396,340	99,407	62,514	558,262	17,017	575,280
Intersegment	2,542	650	1,087	4,280	37,736	42,016
Total	398,883	100,058	63,601	562,543	54,754	617,297
Segment incomes	25,988	10,043	592	36,625	3,699	40,324

Notes:

1. "Other" consists of business segments such as sensing business and industrial inkjet business.
2. The business segment that was reported as the "Medical & Graphic Business" until the first half of the consolidated fiscal year under review has been renamed as a new reportable segment, the "Healthcare Business", starting the third quarter of the consolidated fiscal year under review. Information in this segment information is based on the amount reported to management, and the figures of the Healthcare Business include those of the Medical & Graphic Business for the first half of the consolidated fiscal year under review. The related information is presented in the section [2] Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 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	36,625
Operating income categorized in "Other"	3,699
Intersegment - eliminations	(3,923)
Corporate expenses	(8,149)
Operating income reported on quarterly statements of income	28,251

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

[2] Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment					
	Business Technologies	Optics	Healthcare	Total	Other*	Total
Sales						
External	400,882	91,112	51,906	543,902	16,469	560,372
Intersegment	1,412	562	1,150	3,126	34,979	38,105
Total	402,295	91,675	53,057	547,029	51,449	598,478
Segment incomes (loss)	24,641	9,696	(598)	33,738	3,566	37,305

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	33,738
Operating income categorized in “Other”	3,566
Intersegment - eliminations	(4,190)
Corporate expenses	(9,829)
Operating income reported on quarterly statements of income	23,285

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 three quarters of the previous consolidated fiscal year in accordance with the reportable segments for the first three quarters 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 three quarters of the previous consolidated fiscal year in accordance with the segments for the first three quarters of the consolidated fiscal year under review, sales to external customers in the Business Technologies Business are ¥401,208 million, and those in the Healthcare Business are ¥57,646 million. The figure of the Business Technologies Business includes ¥4,867 million from the former Graphic Imaging Business.

[3] Three months ended December 31, 2010 (From October 1, 2010 to December 31, 2010)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Optics	Healthcare	Total		
Sales						
External	130,289	30,249	17,598	178,137	5,317	183,455
Intersegment	528	289	388	1,205	10,900	12,105
Total	130,817	30,538	17,986	179,343	16,217	195,561
Segment incomes	6,393	2,051	11	8,456	1,217	9,673

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	8,456
Operating income categorized in "Other"	1,217
Intersegment - eliminations	(1,230)
Corporate expenses	(2,797)
Operating income reported on quarterly statements of income	5,645

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

[4] Three months ended December 31, 2011 (From October 1, 2011 to December 31, 2011)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Optics	Healthcare	Total		
Sales						
External	131,906	27,747	17,256	176,910	5,138	182,049
Intersegment	493	203	732	1,429	11,237	12,667
Total	132,399	27,951	17,989	178,340	16,376	194,716
Segment incomes (loss)	9,355	2,496	(220)	11,631	937	12,569

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	11,631
Operating income categorized in “Other”	937
Intersegment - eliminations	(1,235)
Corporate expenses	(3,652)
Operating income reported on quarterly statements of income	7,680

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

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

None

(7) Notes Regarding Effects of Changes in Corporate Tax Rates

Starting from consolidated fiscal years which begin on or after April 1, 2012, corporate tax rates will be lowered and special reconstruction corporate taxes will be applied, following the issuing of "a partial amendment to income tax law to develop a tax system that responds to changes in the structure of the economy" (Act No. 114 of 2011) and "a reconstruction funding law in the aftermath of the Great East Japan Earthquake" (Act No. 117 of 2011) on December 2, 2011. As a result, the legal effective tax rates will be 38.01% for the consolidated fiscal years starting between April 1, 2012 and April 1, 2014, and 35.64% for the consolidated fiscal years starting from April 1, 2015, down from the current 40.69%.

As a result of these changes, net income for the first three quarters of the consolidated fiscal year under review declined ¥1,533 million, and comprehensive income declined ¥1,558 million.