May 10, 2013

Consolidated Financial Results

Fiscal Year ended March 31, 2013
April 1, 2012 – March 31, 2013

Konica Minolta, Inc.

Stock exchange listings:	Tokyo, Osaka (First Sections)
Local securities code number:	4902
URL:	http://konicaminolta.com
Listed company name:	Konica Minolta, Inc.
Representative:	Masatoshi Matsuzaki, President and CEO, Representative Executive Officer
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Scheduled date for Ordinary General Meeting of Shareholders:	June 19, 2013
Scheduled date for dividends payment:	May 27, 2013
Scheduled date for submission of securities report:	June 20, 2013
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 performance (From April 1, 2012 to March 31, 2013)

(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	
FY Mar/2013	813,073	5.9%	40,659	0.8%	38,901	11.9%	15,124	-25.9%
FY Mar/2012	767,879	-1.3%	40,346	0.8%	34,758	4.8%	20,424	-21.1%

Note: Comprehensive income
Fiscal year ended March 31, 2013: ¥39,495 million (164.3%)
Fiscal year ended March 31, 2012: ¥14,943 million (-8.1%)

	Net income per share	Net income per share (after full dilution)
FY Mar/2013	28.52 yen	27.86 yen
FY Mar/2012	38.52 yen	37.28 yen

	Net income to shareholders' equity	Ordinary income to total asset	Operating income to net sales
FY Mar/2013	3.4 %	4.2 %	5.0 %
FY Mar/2012	4.7 %	4.0 %	5.3 %

Note: Equity in profit (loss) of unconsolidated subsidiaries and affiliates:
Fiscal year ended March 31, 2013: ¥ 61 million
Fiscal year ended March 31, 2012: ¥ 67 million

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)	Net assets per share
March 31, 2013	940,553	466,416	49.4%	876.65 yen
March 31, 2012	902,052	434,987	48.1%	817.81 yen

Notes: Shareholders' equity
As of March 31, 2013: ¥ 464,904 million
As of March 31, 2012: ¥ 433,669 million

(3) Cash flows

[Millions of yen]

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents balance at the end of period
FY Mar/2013	66,467	-63,442	-24,596	213,914
FY Mar/2012	72,367	-42,757	26,390	231,933

2. Dividends per share

[yen]

	1Q	2Q	3Q	Year-end	Total annual
FY Mar/2012	-	7.50	-	7.50	15.00
FY Mar/2013	-	7.50	-	7.50	15.00
FY Mar/2014 (forecast)	-	10.00	-	7.50	17.50

	Total dividends (annual) [millions of yen]	Dividend pay-out ratio (consolidated) [%]	Net asset-to-dividend ratio (consolidated) [%]
FY Mar/2012	7,954	38.9	1.8
FY Mar/2013	7,954	52.6	1.8
FY Mar/2014 (forecast)		35.7	

Note: Breakdown for dividends of 2Q Mar/2014 (forecast)
Common stock: ¥ 7.50
Commemorative dividend: ¥ 2.50

3. Consolidated results forecast for fiscal year ending March 31, 2014
(From April 1, 2013 to March 31, 2014)

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	900,000	10.7	55,000	35.3	53,000	36.2	26,000	71.9	49.03 yen

■ Notes

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

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

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

Note: For more detailed information, please see the “(5) Important Notes in the Basis of Presenting Consolidated Financial Statements, [Changes in Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements], Changes in accounting policy” in the section 4. CONSOLIDATED FINANCIAL STATEMENTS on page 32.

(3) Number of outstanding shares（common stock）

a. Outstanding shares at period-end（including treasury stock）
As of March 31, 2013: 531,664,337 shares
As of March 31, 2012: 531,664,337 shares

b. Treasury stock at period-end
As of March 31, 2013: 1,346,048 shares
As of March 31, 2012: 1,381,591 shares

c. Average number of outstanding shares during the period
As of March 31, 2013: 530,292,924 shares
As of March 31, 2012: 530,254,610 shares

■ Presentation of Present Status of Audit Procedures

This “Consolidated Financial Results” are exempt from audit procedures under the Financial Instruments and Exchange Act. Audit procedures for the financial statements are being performed when the Consolidated Financial Results are announced.

■ 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 "(1) Business Performance Analysis, 3.Outlook for the Fiscal Year Ending March 31, 2014" in the section 1. ANALYSIS of BUSINESS PERFORMANCE and FINANCIAL POSITION 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, May 10, 2013. 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. ANALYSIS of BUSINESS PERFORMANCE and FINANCIAL POSITION

(1) Business Performance Analysis

1. Overview of Performance

Fiscal year ended March 31 [Billions of yen]

	2013	2012	Increase (Decrease)	
Net sales	813.0	767.8	45.1	5.9%
Gross profit	375.5	355.3	20.2	5.7%
Operating income	40.6	40.3	0.3	0.8%
Ordinary income	38.9	34.7	4.1	11.9%
Income before income taxes and minority interests	33.8	32.8	1.0	3.1%
Net income	15.1	20.4	(5.2)	-25.9%
Net income per share [yen]	28.52	38.52	(10.00)	-26.0%
Capital expenditure	38.4	34.0	4.4	13.0%
Depreciation	45.9	49.2	(3.2)	-6.6%
R & D expenses	71.5	72.5	(0.9)	-1.4%
Free cash flow	3.0	29.6	(26.5)	-89.8%
Number of employees [persons]	41,844	38,206	3,638	9.5%
Exchange rates [yen]				
US dollar	83.10	79.07	4.03	5.1%
Euro	107.14	108.96	(1.82)	-1.7%

Looking back on the business environment in the consolidated fiscal year under review, the Euro zone economy saw negative growth due to the impact of the European debt crisis, and further to this, economies in emerging countries stagnated despite having led growth in the global economy. In the U.S. economy, improvement in the employment environment and an increase in asset value pushed up consumption, driving a recovery trend. In the Japanese economy, post-earthquake demand returned to normal in the first half of the fiscal year while a multitude of factors such as the yen's appreciation put downward pressure on business activity. Although difficult conditions persisted in the manufacturing industry, corrections continued to be made to the strong yen from the end of 2012 along with a change of government which is heightening expectations for the future business environment.

Looking at the main businesses in the consolidated fiscal year under review, in the Business Technologies Business, sales were strong for the new series of A3 color MFPs (Multi-functional peripherals) for the office under the "bizhub" brand, and sales volumes of color MFPs for the fiscal year increased compared with the previous fiscal year in all regions worldwide, including Japan, the U.S., and Europe, and Other regions. In the production print field, sales volumes exceeded the previous fiscal year due in part to an increase in sales of color units in the key areas of Japan, the U.S. and Europe, and to the introduction of new products in the monochrome range. In the Industrial Business, while sales were soft for glass substrates for HDDs and pickup lenses for optical disks due to deterioration in market conditions and the impact of inventory adjustments, sales of thin plain TAC films for LCD polarizers ("TAC films for LCD polarizers" hereinafter referred to as "TAC films") and VA-TAC films for increasing the viewing angles (hereinafter referred to as "VA-TAC films") were strong, and sales volumes were up year on year for replacement lenses for DSLR cameras and light meters. In the Healthcare Business, sales were strong for digital radiography systems such as the "AeroDR".

Also, we implemented a variety of initiatives in accord with the growth strategy of our Medium Term

Business Plan, "G PLAN 2013," which commenced in 2011 based on the keyword "Growth." In the Business Technologies Business, we pushed ahead vigorously with M&As in the production print field. In the office field, we promoted the acquisition of IT businesses in Europe and the U.S. with the aim of shifting to a business model that provides high value-added services such as improved business processes for customers through IT. In the Industrial Business, we conducted M&As in the sensing field aimed at decreasing dependency as a supplier of parts and components for digital consumer electronics and the shift to business units that can maintain stable, higher profitability in markets with future growth potential.

As a result, Konica Minolta's consolidated net sales for the fiscal year under review amounted to ¥813.0 billion, an increase of 5.9% year on year. In addition to the trend of corrections to the high yen since the end of last year, we successfully strengthened sales of main products in each business and proceeded with M&A, which culminated in an increase in sales compared with the previous fiscal year.

Operating income was ¥40.6 billion, an increase of 0.8% year on year. Profits were down in the Business Technologies Business due to a delay in achieving cost reduction plans for certain new products and the impact of deterioration in market conditions in Europe. On the other hand, in the Industrial Business and the Healthcare Business, profits increased year on year due to increased sales and initiatives to improve profitability.

Ordinary income was ¥38.9 billion, an increase of 11.9% year on year, as a result of factors including foreign currency transaction gain in line with corrections to the high yen. Income before income taxes and minority interests was ¥33.8 billion, up 3.1% year on year, primarily attributable to a loss on sales and retirement of noncurrent assets and impairment loss of ¥4.7 billion associated with a portion of production equipment. Net income amounted to ¥15.1 billion, a decrease of 25.9% year on year, due to an increase in total income tax compared with the previous fiscal year.

[Konica Minolta Awarded with Gold Class in CSR Rating from SRI Rating Agency RobecoSAM]

Konica Minolta was awarded with the Gold Class for the first time from RobecoSAM, one of the world's leading research and rating organizations in the field of socially responsible investing (SRI).

RobecoSAM evaluates over 3,000 of the world's largest companies on corporate sustainability in terms of economic, environmental and social issues, and awards the Gold Class to those companies demonstrating particularly exceptional performance. In 2013, 67 companies worldwide were awarded with Gold Class. Three Japanese companies were bestowed with this award, including Konica Minolta.

Konica Minolta regards corporate social responsibility (CSR) efforts as an integral part of the Group's management and, while globally driving strong growth, aims at pursuing and creating new "values" sought by society through integration of its business and CSR activities.

The Company's group-wide efforts, including mid- to long-term initiatives to reduce environmental impact, implementation of high-level compliance across the board and commitment to address social challenges based on its innovations, have received global recognition as a top-class company that contributes to sustainable earth and society.

Besides RobecoSAM Gold Class, Konica Minolta has been included in Dow Jones Sustainability World Index by Dow Jones and RobecoSAM, FTSE4Good Global Index of the UK-based FTSE International Limited, and Japan-based Morningstar Socially Responsible Investment Index.

2. Overview by Segment

Fiscal year ended March 31 [Billions of yen]

	2013	2012	Increase (Decrease)	
Business Technologies				
Net sales - external	581.6	547.5	34.0	6.2%
Operating income	31.6	39.4	(7.8)	-19.8%
Industrial Business				
Net sales - external	146.7	124.3	-	-
Operating income	23.6	14.0	-	-
Healthcare				
Net sales - external	72.7	73.0	(0.2)	-0.4%
Operating income	3.3	0.0	3.2	-

Note: Figures in Industrial Business for the fiscal year ended March 2012 are the figures of former Optics Business.

Business Technologies Business

Office field:

Sales volumes of A3 color MFPs for the fiscal year under review increased compared with the previous fiscal year due to the effects of new model introductions. Although sales volumes of A3 monochrome MFPs decreased in key markets such as Europe due to continued market maturation, sales volumes of A3 MFPs overall increased year on year.

Production print field:

Sales of color units increased in the United States and Japan amid a challenging market environment while performance was solid for monochrome units thanks to the successful introduction of new digital printing systems from the first half of the year, such as the "bizhub PRO 951," "bizhub PRESS 1250" and "bizhub PRESS 1052." As a result, sales volumes grew year on year for both color units and monochrome units.

We are pushing ahead strongly with M&As in the Business Technologies Business aimed at expanding sales of output equipment such as MFPs and solution services as well as transforming our business portfolio in the future.

In the office field, the Company acquired IT service providers Serians S.A.S. (headquartered in France) in June and Raber+Märcker GmbH (headquartered in Germany) in December of last year, to bolster IT services to serve as the focal point in improving business processes along with the development of OPS (Optimized Print Services). That enabled us to enhance the attractiveness of our proposals to small- and medium-size customers in terms of improving business processes. Furthermore, five companies were similarly acquired in the U.S. through M&As (coming into effect in the fiscal year under review). In sales to major clients on a global level, the number of customers was expanded from the previous fiscal year, including the conclusion of a global contract with a major European energy company.

In the production print field, the Company acquired FedEx Kinko's Japan Co., Ltd. (headquartered in Tokyo), one of Japan's largest on-demand printing providers, in May of last year, and FedEx Kinko's Korea Ltd. in January of this year to enhance sales, service and solution proposal capabilities in the in-house printing market. In Europe, we acquired Charterhouse PM Limited (headquartered in the UK), a leading marketing service production company with proven performance in developing business in 18 countries throughout Europe, in December of last year. This company specializes in optimization of materials and costs related to the production of customers' printed documents as well as in marketing planning.

As a result, net sales of the Business Technologies Business to outside customers stood at ¥581.6 billion, up 6.2% year on year, and operating income was ¥31.6 billion, down 19.8% year on year. Net sales were up year on year due to an increase in sales volumes of new color MFPs as well as production print units and to the effects of M&As. Operating income fell year on year due to a delay in achieving cost reduction plans for new products and to the impact of deterioration in market conditions in Europe.

Industrial Business

Display materials field:

Sales of our core thin film products such as TAC film with a thickness of 40 µm and VA-TAC film for large TVs as well as TAC film with a thickness of 60 µm were strong, and sales volumes of these products exceeded those of the previous fiscal year. Furthermore, the Company made the industry-pioneering move of commencing mass production of ultra-thin TAC film with a thickness of 25 µm for the mobile market in November of last year, which further heightened the competitiveness of thin film products.

Optical products field:

While sales were soft for glass substrates for HDDs and pickup lenses for optical disks due to deterioration in market conditions, the application of the Company's projector lenses for digital cinemas, replacement lenses for DSLR cameras and zoom lens units for compact digital cameras has increased. Shipping of lens units for smartphones commenced from the beginning of last year and sales volumes were up year on year for each of these products.

Sensing field:

Large orders were acquired for light meters, including the "CL-200A Chroma Meter" and the "CA-310 Color Analyzer," which are used for quality control in the manufacturing process for displays, such as those for smartphones, and LED lighting, and as a result sales volumes were up year on year. With the aim of strengthening competitiveness in this light measurement segment, Instrument Systems GmbH (headquartered in Germany), which has a particularly high market share of top segment products, was acquired in November of last year.

As a result, net sales of the Industrial Business to outside customers and operating income stood at ¥146.7 billion and ¥23.6 billion, respectively. Both sales and profits grew year on year due to an increase in overall sales volumes for major products, excluding some products such as those in the field of optics.

Note that the reportable segments have changed as of the first quarter accounting period. For details, refer to "(5) Important Notes in the Basis of Presenting Consolidated Financial Statements, [Segment Information] a. Segment Information [1] Summary of Reportable Segments" in the section 4. CONSOLIDATED FINANCIAL STATEMENTS.

Healthcare Business

In the Healthcare Business, the Company focused on increasing sales of digital X-ray diagnostic imaging systems to medical facilities in Japan and overseas. Sales are expanding further for "AeroDR," a cassette-type digital radiography system, particularly in general X-ray systems and nursing carts. "AeroDR" is equipped with a high resolution scintillator developed and manufactured in-house and realizes low radiation emissions and high image quality despite being small and the world's lightest cassette-type digital radiography system. This offset the impact of a decline in sales of film products, particularly in developed countries.

As a result of these factors, net sales to outside customers stood at ¥72.7 billion, down 0.4% year on year. An increase in gross profit in line with growth in sales of digital radiography systems and the effect of initiatives to enhance profitability led to a significant increase in operating income from ¥90 million in the previous fiscal year to ¥3.3 billion.

<Reference>

Overview of Performance

Three Months ended March 31, 2013 (From January 1, 2013 to March 31, 2013)

Year-on-Year [Billions of yen]

	4Q /Mar 2013	4Q /Mar 2012	Increase (Decrease)	
Net sales	235.3	207.5	27.8	13.4%
Gross profit	105.8	95.2	10.5	11.1%
Operating income	13.5	17.0	(3.4)	-20.5%
Ordinary income	12.7	15.8	(3.0)	-19.4%
Income before income taxes and minority interests	10.9	18.7	(7.8)	-41.8%
Net income	4.8	15.0	(10.2)	-68.0%
Net income per share [yen]	9.07	28.33	(19.27)	-68.0%
Capital expenditure	13.5	11.6	1.8	16.1%
Depreciation	12.7	13.2	(0.4)	-3.7%
R & D expenses	18.1	17.0	1.1	6.5%
Free cash flow	16.7	11.8	4.8	41.2%
Exchange rates [yen]				
US dollar	92.42	79.28	13.14	16.6%
Euro	122.04	103.99	18.05	17.4%

Three Months Business Performance by Segment

Year-on-Year [Billions of yen]

	4Q /Mar 2013	4Q /Mar 2012	Increase (Decrease)	
Business Technologies				
Net sales - external	176.4	146.6	29.7	20.3%
Operating income	13.2	14.8	(1.5)	-10.7%
Industrial Business				
Net sales - external	32.3	33.2	-	-
Operating income	2.1	4.3	-	-
Healthcare				
Net sales - external	22.6	21.1	1.5	7.3%
Operating income	2.1	0.6	1.4	214.5%

Note: Figures in Industrial Business for 4Q/Mar 2012 are the figures of former Optics Business.

3. Outlook for the Fiscal Year Ending March 31, 2014

Looking at the global economic conditions surrounding the Group, the outlook for the European economy remains uncertain due to its fiscal problems. We expect that in the United States, economic recovery in personal consumption supported by an improvement in the employment situation and asset value will provide momentum to business. In emerging countries, although it is necessary to continue keeping a close watch on the Chinese economy, where there were signs of a decline in the second half of 2012, we expect ASEAN economies to maintain high economic growth. In Japan, personal consumption is expected to recover due to corrections to the high yen and in anticipation of a rise in commodity prices. As such, we forecast strong economic growth from the second half of the year.

As for the outlook for demand in the Group's related markets, in the Business Technologies Business, we expect that demand for color units will continue expanding in both the office field and the production print field in developed countries. Demand is also expected to increase in emerging countries in line with growth in GDP. In the Industrial Business, demand is expected to expand in line with growth in the small- and medium-size LCD market for such products as tablets while growth has stagnated in the TV market and negative growth is expected for PCs. Overall demand for TAC films is therefore forecast to grow moderately. In the Healthcare Business, we anticipate a continued high growth rate in demand for the cassette-type digital radiography system mainly in Japan, North, Central and South America, and Asia.

Considering the situation described above, we have made the following forecasts for the fiscal year ending March 31, 2014.
We assume exchange rates of 93 yen against the US dollar and 123 yen against the euro.

[Billions of yen]

	FY/Mar 2014 forecast	FY/Mar 2013	Increase
Net sales	900.0	813.0	86.9
Operating income	55.0	40.6	14.3
Ordinary income	53.0	38.9	14.0
Net income	26.0	15.1	10.8

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

(2) Financial Position

1. Analysis of Financial Position

		As of March 31, 2013	As of March 31, 2012	Increase
Total assets	[Billions of yen]	940.5	902.0	38.5
Net assets	[Billions of yen]	466.4	434.9	31.4
Net assets per share	[yen]	876.65	817.81	58.84
Equity ratio	[%]	49.4	48.1	1.4

At fiscal year-end, total assets were up ¥38.5 billion (4.3%) from the previous fiscal year-end to ¥940.5 billion. Current assets rose ¥13.6 billion (2.4%) to ¥579.5 billion (61.6% to total assets) and noncurrent assets rose ¥24.8 billion (7.4%) to ¥360.9 billion (38.4% to total assets).

With respect to current assets, cash and deposits increased ¥2.7 billion from the previous fiscal year-end to ¥93.4 billion but securities decreased ¥20.7 billion to ¥120.5 billion, cash and cash equivalents decreased ¥18.0 billion to ¥213.9 billion. Meanwhile, notes and accounts receivable-trade increased ¥19.8 billion to ¥194.0 billion and inventories increased ¥7.3 billion to ¥112.4 billion.

With respect to noncurrent assets, property, plant and equipment increased ¥0.9 billion from the previous fiscal year-end to ¥179.9 billion due primarily to capital investment in the Business Technologies Business despite progress in depreciation on the whole. Intangible assets increased ¥23.5 billion to ¥110.9 billion as a result of an increase in goodwill accompanying the M&As in the Business Technologies Business and the Industrial Business. Investments and other assets also increased by ¥0.3 billion to ¥70.1 billion.

With regard to liabilities, notes and accounts payable-trade declined ¥2.7 billion to ¥85.4 billion while interest-bearing debt (the sum of short-term loans payable, long-term loans payable and bonds payable) decreased ¥3.0 billion to ¥224.8 billion. Total liabilities stood at ¥474.1 billion due to an increase in accounts payable-other and accrued expenses, in particular.

Net assets increased ¥31.4 billion (7.2%) from the previous fiscal year-end to ¥466.4 billion. In accumulated other comprehensive income, valuation difference on available-for-sale securities increased ¥2.1 billion due to the impact of stock market prices. The foreign currency translation adjustment rose by ¥21.9 billion due to fluctuations in foreign currency translation adjustments brought about by corrections to the high yen, mainly against the US dollar and the euro.

As a result, net assets per share came to ¥876.65 and the shareholders' equity ratio increased 1.4 percentage points from the end of the previous fiscal year to 49.4%.

2. Cash Flows

	Fiscal year ended March 31		[Billions of yen]
	2013	2012	(Decrease)
Cash flows from operating activities	66.4	72.3	(5.8)
Cash flows from investing activities	(63.4)	(42.7)	(20.6)
Total (Free cash flow)	3.0	29.6	(26.5)
Cash flows from financing activities	(24.5)	26.3	(50.9)

During the fiscal year under review, net cash provided by operating activities was ¥66.4 billion, while net cash used in investing activities, mainly associated with capital investment and M&As, totaled ¥63.4 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥3.0 billion.

Net cash provided by financing activities was ¥24.5 billion.

In addition, the effect of exchange rate changes increased cash and cash equivalents by ¥3.5 billion. As a result, cash and cash equivalents at the end of the fiscal year under review stood at ¥213.9 billion, declining ¥18.0 billion from the previous consolidated fiscal year-end.

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

Cash flows from operating activities

Net cash provided by operating activities stood at ¥66.4 billion (compared with net cash provided of ¥72.3 billion in the previous fiscal year). Although the Group reported a decrease in working capital of ¥11.1 billion and a payment of ¥13.5 billion for income taxes, these amounts were offset by income before income taxes and minority interests of ¥33.8 billion, depreciation of ¥45.9 billion and amortization of goodwill of ¥9.8 billion.

Cash flows from investing activities

Net cash used in investing activities was ¥63.4 billion (compared with an outflow of ¥42.7 billion in the same period in the previous fiscal year). Cash of ¥31.0 billion was used for investments in molding in the Business Technologies Business and in the acquisition of property, plant and equipment relating to new businesses and the reinforcement of production capacities in the Industrial Business. Other cash outflow of ¥23.1 billion includes the acquisition of shares in subsidiaries for the acquisition of companies in Japan, Europe, the U.S. and Asia, as well as business transfer to strengthen the production print business and IT services capabilities in the Business Technologies Business and investments in subsidiaries in the Industrial Business.

As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥3.0 billion (an inflow of ¥29.6 billion in the same period of the previous fiscal year).

Cash flows from financing activities

Net cash used in financing activities was ¥24.5 billion (compared with ¥26.3 billion provided in the same period of the previous fiscal year), mainly reflecting an expenditure of ¥40.0 billion for the redemption of bonds, a payment of ¥7.9 billion in dividends, and a net increase of ¥25.0 billion in short and long-term loans.

[Cash flow indicators]

	Fiscal year ended March 31				
	2009	2010	2011	2012	2013
Shareholders' equity ratio [%]	45.0	48.5	50.6	48.1	49.4
Market price-based shareholders' equity ratio [%]	48.4	66.8	43.7	42.5	38.8
Debt redemption period [years]	2.1	1.7	2.8	3.1	3.4
Interest coverage ratio	23.4	29.3	21.9	30.0	25.6

Notes:

Shareholders' equity ratio:	Shareholders' equity / Total assets
Market price-based shareholders' equity ratio:	Market capitalization / Total assets
Debt redemption period:	Interest-bearing debt / Cash flow from operating activities
Interest coverage ratio:	Cash flow from operating activities / Interest payments

Market capitalization is calculated as the share price at period-end multiplied by the number of shares outstanding at period-end (excluding treasury stock). Net cash flow from operating activities figures are those stated in the consolidated statements of cash flows. Interest-bearing debt is all liabilities reflected on the consolidated balance sheets that are subject to bonds payable and loans payable. Interest payments are those stated in the consolidated statements of cash flows.

Cash flow outlook for the fiscal year ending March 31, 2014

The Konica Minolta Group expect that free cash flow (the sum of operating and investing activities) will be an inflow of ¥2.5 billion in the fiscal year ending March 31, 2014, primarily reflecting aggressive investment activities.

(3) Basic Policy Regarding Profit Distribution, Dividends for the Fiscal Year Under Review, and Projected Dividends for the Current Fiscal Year

1. Basic policy regarding profit distribution

The policy regarding the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance and funding requirements to promote strategic investments in growth fields while seeking to sustain shareholder returns. As for a specific dividend target, the Group is aiming to sustain a dividend payout ratio of 25% or more over the medium to long term.

With respect to the acquisition of treasury stock, the Group intends to make appropriate decisions by viewing it as a means of profit distribution while giving due attention to such factors as the Group's financial situation and stock price trends.

2. Dividends for the fiscal year under review and the current fiscal year

With respect to dividends from retained earnings for the fiscal year under review, the Group will distribute a year-end dividend of 7.5 yen per share, the same amount as the previous year-end. Combined with the dividend of 7.5 yen per share already paid at the end of the second quarter, the total annual dividend will be 15.0 yen per share.

With respect to ordinary dividends for the fiscal year ending March 31, 2014, the Group plans to distribute dividends of 7.5 yen per share at the end of the second quarter as well as at year-end, assuming we achieve the results forecasts outlined above.

In August of this year, the Group will mark 10 years since the management integration of Konica and Minolta in 2003. Accordingly, we will distribute a commemorative dividend of 2.5 yen per share as part of the dividend at the end of the second quarter for the fiscal year ending March 31, 2014 in gratitude for the support we have received from all our shareholders. Combined with the ordinary interim dividend of 7.5 yen per share, we plan to distribute a dividend of 10.0 yen per share for the interim period. As a result, we plan to distribute a total annual dividend of 17.5 yen per share.

** Units of less than 100 million yen in "1. ANALYSIS of BUSINESS PERFORMANCE and FINANCIAL POSITION" have been omitted.*

2. GROUP OVERVIEW

The Group comprises the parent company, 112 consolidated subsidiaries, 16 unconsolidated subsidiaries, and 4 affiliates. A chart detailing the business structure follows.

Konica Minolta Holdings, Inc.

Business Technologies Business: 94
(Consolidated Subsidiaries: 77, Unconsolidated Subsidiaries: 15, Affiliates: 2)

Production: 10
- Konica Minolta Supplies Manufacturing Co., Ltd. (Japan)
- Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong)
- Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China)
- Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)
- Other Companies: 6

Konica Minolta Business Technologies, Inc.

Sales & Service: 83
- Konica Minolta Business Solutions Japan Co., Ltd. (Japan)
- Kinko's Japan Co., Ltd. (Japan)
- Konica Minolta Business Solutions U.S.A., Inc. (U.S.A.)
- Konica Minolta Business Solutions Europe GmbH (Germany)
- Konica Minolta Business Solutions Deutschland GmbH (Germany)
- Konica Minolta Business Solutions (UK) Ltd. (U.K.)
- Charterhouse PM Limited (U.K.)
- Konica Minolta Business Solutions France S.A.S. (France)
- Konica Minolta Business Solutions Australia Pty. Ltd. (Australia)
- Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)
- Other Companies: 73

Industrial Business: 14
(Consolidated Subsidiaries: 14)

Production: 7
- Konica Minolta Opto Products Co., Ltd. (Japan)
- Konica Minolta Opto (DALIAN) Co., Ltd. (China)
- Konica Minolta Optical Products (SHANGHAI) Co., Ltd. (China)
- Konica Minolta Glass Tech Malaysia Sdn. Bhd. (Malaysia)
- Other Companies: 3

Konica Minolta Optics, Inc. | **Konica Minolta Advanced Layers, Inc.**

Sales & Service: 5
- Instrument Systems GmbH (Germany)
- Konica Minolta Opto (SHANGHAI) Co., Ltd. (China)
- Konica Minolta Sensing Americas, Inc. (U.S.A.)
- Konica Minolta Sensing Europe B.V. (Netherlands)
- Konica Minolta Sensing Singapore Pte. Ltd. (Singapore)

Healthcare Business: 11
(Consolidated Subsidiaries: 9, Unconsolidated Subsidiaries: 1, Affiliates: 1)

Production: 2
- Konica Minolta Technoproducts Co., Ltd. (Japan)
- Other Companies: 1

Konica Minolta Medical & Graphic, Inc.

Sales & Service: 8
- Konica Minolta Health Care Co., Ltd. (Japan)
- Konica Minolta Medical Imaging U.S.A., Inc. (U.S.A.)
- Konica Minolta Medical & Graphic (SHANGHAI) Co., Ltd. (China)
- Other Companies: 5

Others: 13
(Consolidated Subsidiaries: 12, Affiliates: 1)

- Konica Minolta IJ Technologies, Inc. (Japan)
- Konica Minolta Planetarium Co., Ltd. (Japan)
- Konica Minolta Technology Center, Inc. (Japan)
- Konica Minolta Business Expert, Inc. (Japan)
- Konica Minolta Sogo Service Co., Ltd. (Japan)
- Konica Minolta Engineering Co., Ltd. (Japan)
- Konica Minolta Information System Co., Ltd. (Japan)
- Other Companies: 6

Notes:
Organization chart is as March 31, 2013.
Only major consolidated subsidiaries are shown.

3. MANAGEMENT POLICY

(1) Basic Management Policy

The fundamental management policy of the Konica Minolta Group is to aim to realize a better society by creating and providing unique "new value" for customers and the community through its daily corporate activities based on the management philosophy, "The Creation of New Value."

(2) Target Management Indices

The Group formulated the Medium Term Business Plan, "G PLAN 2013," which runs for three years from the fiscal year ended March 31, 2012. Net sales, operating income ratio and ROE are emphasized as target management indices expressing the results of the Group's business activities.

During the two-year period from the fiscal year ended March 31, 2012 to the fiscal year ended March 31, 2013, we worked to expand business in existing fields and actively promoted investment in growth fields and M&As toward our goal of "achieving growth, expanding business scale," which is the top priority of this plan. Due to various changes in the business environment, however, such as economic stagnation in Europe in line with the debt crisis, weaker demand caused by a slowdown in emerging economies and significant currency rate fluctuations, we recognize that there is a gap between the key indices initially targeted in the final year of the plan and the results forecast for the fiscal year ending March 31, 2014 announced today. We will implement a variety of measures outlined below to minimize this gap.

(3) Medium-to Long-term Management Strategies and Pending Issues

<Reorganization in the Group Management System>

The business environment has changed abruptly, characterized by a shift in economic and corporate activities along with rapid expansion of digital networks, borderless information communication and growing concerns over resources and energy. Against this backdrop, companies are required to conduct business faster than ever before.

The Konica Minolta Group executed reorganization of its management system from the foundations in order to enable flexible response to such environmental changes, continue outstripping the global competition and retain dynamic growth. Konica Minolta Holdings, Inc., a pure holding company, absorbed seven group companies that were under its umbrella and became a company engaging directly in business operations as well as group management. In line with this move, the Company's trade name was changed to Konica Minolta, Inc., and a new start was made on April 1, 2013. The following three points outline the goals of the reorganization.

1. Innovative management capabilities in the Business Technologies Business

   The Business Technologies Business, which accounts for about 70 percent of the Group's net sales, strengthened its innovative ability to upgrade the quality of business processes and administrative efficiency by integrating the Company and the Business Technologies Business, Inc. so that it will keep transforming the portfolio of business, while driving growth and profitability.

2. Strategic and agile utilization of management resources

   This reorganization clears a path for a system to align organizations and assign human resources strategically and with higher agility. That will help accelerate growth in emerging and promising fields such as functional films, including Organic Light Emitting Diode (OLED) lighting, and industrial inkjet businesses, as well as stepping up efforts to implement changes in segments that need to drive profitability growth.

3. Creation of systems to support efficient operation

While keeping the merits of the split-business structure by employing an in-house company system, the reorganization will consolidate corporate functions to enable more efficient operational support.

<Konica Minolta Group Medium Term Business Plan>

The fiscal year ending March 31, 2014 is the final year of our Medium Term Business Plan, "G PLAN 2013." Under the new management system, we will steadily promote the following three fundamental policies stated in the plan and proactively aim to achieve enhanced sales and profits.

1. Achieving growth, expanding business scale

We will swiftly create an earnings structure in each business field that can achieve strong growth and leverage the effects of past M&As to drive increases in sales and profits. Corporate divisions strengthened through the reorganization will take the lead in promoting investment of management resources into growth fields.

2. Changing into a "Global Company"

We aim to shift away from the idea of suboptimization of each group company and pursue optimization as an overall group to produce the best results based on a global perspective.

To achieve this, we will continue to promote measures for global human resources.

3. Increasing the recognition of the Konica Minolta brand

The group reorganization has provided us with an opportunity to work toward the realization of our management philosophy, "The Creation of New Value," across the organization. By doing so, we can provide attractive products, services and solutions to customers and make Konica Minolta even more appealing.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

Fiscal year ended March 31, 2012 and 2013

[Millions of yen]

	March 31, 2012	March 31, 2013
Assets		
Current assets		
Cash and deposits	90,640	93,413
Notes and accounts receivable-trade	174,193	194,038
Lease receivables and investment assets	13,775	16,007
Securities	141,293	120,501
Inventories	105,080	112,479
Deferred tax assets	20,100	20,259
Accounts receivable-other	13,467	12,602
Other	11,759	14,860
Allowance for doubtful accounts	(4,385)	(4,568)
Total current assets	565,923	579,593
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	66,874	68,601
Machinery, equipment and vehicles, net	39,773	33,900
Tools, furniture and fixtures, net	22,407	24,584
Land	33,609	34,013
Lease assets, net	415	480
Construction in progress	7,817	6,969
Assets for rent, net	8,101	11,354
Total property, plant and equipment	178,999	179,903
Intangible assets		
Goodwill	59,727	69,465
Other	27,613	41,472
Total intangible assets	87,341	110,937
Investments and other assets		
Investment securities	19,073	23,236
Long-term loans receivable	133	126
Long-term prepaid expenses	2,650	2,387
Deferred tax assets	38,281	33,000
Other	10,355	12,735
Allowance for doubtful accounts	(706)	(1,366)
Total investments and other assets	69,788	70,118
Total noncurrent assets	336,128	360,960
Total assets	902,052	940,553

[Millions of yen]

	March 31, 2012	March 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	88,129	85,424
Short-term loans payable	32,913	67,398
Current portion of long-term loans payable	11,994	23,990
Accounts payable-other	30,295	32,462
Accrued expenses	25,305	28,993
Income taxes payable	6,908	7,376
Provision for bonuses	10,826	10,841
Provision for directors' bonuses	203	229
Provision for product warranties	1,050	1,199
Notes payable-facilities	1,062	975
Asset retirement obligations	146	33
Other	20,124	23,745
Total current liabilities	228,958	282,671
Noncurrent liabilities		
Bonds payable	110,000	70,000
Long-term loans payable	73,025	63,507
Deferred tax liabilities for land revaluation	3,269	3,269
Provision for retirement benefits	44,545	43,754
Provision for directors' retirement benefits	341	282
Asset retirement obligations	931	981
Other	5,992	9,669
Total noncurrent liabilities	238,105	191,465
Total liabilities	467,064	474,136
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,142	204,140
Retained earnings	222,848	229,713
Treasury stock	(1,597)	(1,548)
Total shareholders' equity	462,913	469,825
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,183	3,345
Deferred gains or losses on hedges	(228)	2
Foreign currency translation adjustment	(30,199)	(8,268)
Total accumulated other comprehensive income	(29,243)	(4,920)
Subscription rights to shares	682	764
Minority interests	635	747
Total net assets	434,987	466,416
Total liabilities and net assets	902,052	940,553

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

Consolidated Statements of Income
Fiscal year ended March 31, 2012 and 2013

[Millions of yen]

	March 31, 2012	March 31, 2013
Net sales	767,879	813,073
Cost of sales	412,562	437,487
Gross profit	355,317	375,585
Selling, general and administrative expenses	314,971	334,926
Operating income	40,346	40,659
Non-operating income		
Interest income	1,095	1,051
Dividends income	468	424
Equity in earnings of affiliates	67	61
Foreign exchange gains	—	1,508
Other	3,800	4,674
Total non-operating income	5,431	7,720
Non-operating expenses		
Interest expenses	2,519	2,499
Foreign exchange losses	2,567	—
Other	5,932	6,978
Total non-operating expenses	11,018	9,478
Ordinary income	34,758	38,901
Extraordinary income		
Gain on sales of noncurrent assets	120	211
Gain on sales of investment securities	2	55
Gain on sales of investments in capital	604	—
Reversal of provision for loss on business liquidation	19	—
Gain on reversal of foreign currency translation adjustment	3,730	—
Other extraordinary income of foreign subsidiaries	241	95
Other	—	25
Total extraordinary income	4,719	388
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,813	1,873
Loss on valuation of investment securities	2,700	2
Impairment loss	893	2,902
Business structure improvement expenses	1,198	379
Group restructuring expenses	—	296
Loss on disaster	57	—
Total extraordinary losses	6,663	5,454
Income before income taxes and minority interests	32,815	33,836
Income taxes-current	9,553	11,745
Income taxes-deferred	2,776	6,934
Total income taxes	12,330	18,680
Income before minority interests	20,484	15,155
Minority interests in income	60	30
Net income	20,424	15,124

Consolidated Statements of Comprehensive Income
Fiscal year ended March 31, 2012 and 2013

[Millions of yen]

	March 31, 2012	March 31, 2013
Income before minority interests	20,484	15,155
Other comprehensive income		
Valuation difference on available-for-sale securities	716	2,156
Deferred gains or losses on hedges	(133)	230
Foreign currency translation adjustment	(6,112)	21,939
Share of other comprehensive income of associates accounted for using equity method	(12)	13
Total other comprehensive income	(5,541)	24,340
Comprehensive income	14,943	39,495
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	14,990	39,448
Comprehensive income attributable to minority interests	(46)	47

(3) Consolidated Statements of Changes in Net Assets
Fiscal year ended March 31, 2012 and 2013

[Millions of yen]

	March 31, 2012	March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	37,519	37,519
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	37,519	37,519
Capital surplus		
Balance at the beginning of current period	204,140	204,142
Changes of items during the period		
Disposal of treasury stock	1	(1)
Total changes of items during the period	1	(1)
Balance at the end of current period	204,142	204,140
Retained earnings		
Balance at the beginning of current period	211,467	222,848
Changes of items during the period		
Dividends from surplus	(7,953)	(7,954)
Net income	20,424	15,124
Change of scope of consolidation	(38)	—
Disposal of treasury stock	—	(4)
Amortization of net retirement benefit obligation in foreign subsidiaries	(1,050)	(301)
Total changes of items during the period	11,381	6,865
Balance at the end of current period	222,848	229,713
Treasury stock		
Balance at the beginning of current period	(1,670)	(1,597)
Changes of items during the period		
Purchase of treasury stock	(11)	(9)
Disposal of treasury stock	84	58
Total changes of items during the period	73	48
Balance at the end of current period	(1,597)	(1,548)
Total shareholders' equity		
Balance at the beginning of current period	451,457	462,913
Changes of items during the period		
Dividends from surplus	(7,953)	(7,954)
Net income	20,424	15,124
Change of scope of consolidation	(38)	—
Purchase of treasury stock	(11)	(9)
Disposal of treasury stock	86	52
Amortization of net retirement benefit obligation in foreign subsidiaries	(1,050)	(301)
Total changes of items during the period	11,456	6,912
Balance at the end of current period	462,913	469,825

[Millions of yen]

	March 31, 2012	March 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	478	1,183
Changes of items during the period		
Net changes of items other than shareholders' equity	704	2,162
Total changes of items during the period	704	2,162
Balance at the end of current period	1,183	3,345
Deferred gains or losses on hedges		
Balance at the beginning of current period	(94)	(228)
Changes of items during the period		
Net changes of items other than shareholders' equity	(133)	230
Total changes of items during the period	(133)	230
Balance at the end of current period	(228)	2
Foreign currency translation adjustment		
Balance at the beginning of current period	(24,193)	(30,199)
Changes of items during the period		
Net changes of items other than shareholders' equity	(6,005)	21,930
Total changes of items during the period	(6,005)	21,930
Balance at the end of current period	(30,199)	(8,268)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(23,809)	(29,243)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,434)	24,323
Total changes of items during the period	(5,434)	24,323
Balance at the end of current period	(29,243)	(4,920)
Subscription rights to shares		
Balance at the beginning of current period	658	682
Changes of items during the period		
Net changes of items other than shareholders' equity	24	82
Total changes of items during the period	24	82
Balance at the end of current period	682	764
Minority interests		
Balance at the beginning of current period	682	635
Changes of items during the period		
Net changes of items other than shareholders' equity	(46)	111
Total changes of items during the period	(46)	111
Balance at the end of current period	635	747
Total net assets		
Balance at the beginning of current period	428,987	434,987
Changes of items during the period		
Dividends from surplus	(7,953)	(7,954)
Net income	20,424	15,124
Change of scope of consolidation	(38)	
Purchase of treasury stock	(11)	(9)
Disposal of treasury stock	86	52
Amortization of net retirement benefit obligation in foreign subsidiaries	(1,050)	(301)
Net changes of items other than shareholders' equity	(5,456)	24,517
Total changes of items during the period	5,999	31,429
Balance at the end of current period	434,987	466,416

(4) Consolidated Statements of Cash Flow
Fiscal year ended March 31, 2012 and 2013

[Millions of yen]

	March 31, 2012	March 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	32,815	33,836
Depreciation and amortization	49,239	45,999
Impairment loss	893	2,902
Amortization of goodwill	8,804	9,863
Interest and dividends income	(1,563)	(1,476)
Interest expenses	2,519	2,499
Loss (gain) on sales and retirement of noncurrent assets	1,693	1,661
Loss (gain) on sales and valuation of investment securities	2,698	(53)
Loss (gain) on sales and valuation of investments in capital	(604)	—
Gain on reversal of foreign currency translation adjustment	(3,730)	—
Increase (decrease) in provision for bonuses	(85)	(178)
Increase (decrease) in provision for retirement benefits	359	(1,789)
Increase (decrease) in provision for loss on business liquidation	(26)	—
Decrease (increase) in notes and accounts receivable-trade	(13,442)	4,958
Decrease (increase) in inventories	(6,268)	4,963
Increase (decrease) in notes and accounts payable-trade	14,715	(21,095)
Transfer of assets for rent	(4,700)	(6,169)
Decrease (increase) in accounts receivable-other	(4,449)	1,749
Increase (decrease) in accounts payable-other and accrued expenses	866	855
Decrease/increase in consumption taxes receivable/payable	1,249	(473)
Other, net	(1,543)	2,986
Subtotal	79,439	81,040
Interest and dividends income received	1,534	1,530
Interest expenses paid	(2,414)	(2,597)
Income taxes (paid) refund	(6,192)	(13,506)
Net cash provided by (used in) operating activities	72,367	66,467
Net cash provided by (used in) operating activities		
Purchase of property, plant and equipment	(29,104)	(31,015)
Proceeds from sales of property, plant and equipment	504	987
Purchase of intangible assets	(5,862)	(8,092)
Payments for transfer of business	(2,393)	(2,199)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(5,506)	(9,974)
Purchase of investments in subsidiaries' equity resulting in change	—	(10,336)
Payments of loans receivable	(248)	(301)
Collection of loans receivable	138	96
Purchase of investment securities	(6)	(744)
Proceeds from sales of investment securities	2	298
Proceeds from sales of investments in capital	1,315	0
Purchase of investments in subsidiaries	—	(607)
Payments of valuation of other investments	(1,773)	(2,347)
Other, net	177	795
Net cash provided by (used in) investing activities	(42,757)	(63,442)

[Millions of yen]

	March 31, 2012	March 31, 2013
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(16,439)	22,701
Proceeds from long-term loans payable	38,304	14,504
Repayment of long-term loans payable	(25,805)	(12,174)
Proceeds from issuance of bonds	40,000	—
Redemption of bonds	—	(40,000)
Repayments of lease obligations	(1,715)	(1,661)
Proceeds from sales of treasury stock	3	1
Purchase of treasury stock	(11)	(9)
Cash dividends paid	(7,945)	(7,957)
Net cash provided by (used in) financing activities	26,390	(24,596)
Effect of exchange rate change on cash and cash equivalents	785	3,552
Net increase (decrease) in cash and cash equivalents	56,785	(18,018)
Cash and cash equivalents at beginning of period	175,148	231,933
Cash and cash equivalents at end of period	231,933	213,914

(5) Important Notes in the Basis of Presenting Consolidated Financial Statements

[Notes Regarding Going Concern Assumptions]

None.

[Basis of Presenting Consolidated Financial Statements]

[1] Scope of Consolidation

1) Number of consolidated subsidiaries: 112

Principal consolidated subsidiaries:

Konica Minolta Business Technologies, Inc.
Konica Minolta Advanced Layers, Inc.
Konica Minolta Optics, Inc.
Konica Minolta Medical & Graphic, Inc.
Konica Minolta Technology Center, Inc.
Konica Minolta Business Expert, Inc.
Konica Minolta IJ Technologies, Inc.
Konica Minolta Business Solutions Japan Co., Ltd.
Konica Minolta Healthcare Co., Ltd.
Konica Minolta Supplies Manufacturing Co., Ltd.
Konica Minolta Business Solutions U.S.A., Inc.
Konica Minolta Business Solutions Europe GmbH
Konica Minolta Business Solutions Deutschland GmbH
Konica Minolta Business Technologies Manufacturing (HK) Ltd.
Konica Minolta Business Technologies (WUXI) Co., Ltd.
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.

Note:

1. Konica Minolta Advanced Layers, Inc.;
   Former trade name was Konica Minolta Opto, Inc., which was changed on April 1, 2012.
2. Konica Minolta Optics, Inc.;
   Former trade name was Konica Minolta Sensing, Inc., which was changed on April 1, 2012.

Changes in consolidated subsidiaries:

(Increase due to acquisition of shares or equity interest)

Konica Minolta Turkey Business Technologies A.S.
Serians S.A.S. and its subsidiary
Kinko's Japan Co., Ltd.
Konica Minolta Business Solutions Roma srl
Instrument Systems GmbH
Charterhouse PM Limited and its 7 subsidiaries
DocuSource LLC
Raber+Märcker GmbH and its 5 subsidiaries
R+M Graphik GmbH and its subsidiary
Kinko's Korea Ltd.

(Decrease due to company liquidation)

Konica Minolta Printing Solutions (Japan) Ltd.

(Decrease due to merger)
Robinco CS a.s.
OfficeWare Inc.
Develop GmbH

2) Principal unconsolidated subsidiaries: Konica Minolta Business Solutions India Private Ltd.

Unconsolidated subsidiaries have not been included in consolidation because they are relatively small and their assets, sales, net income, and retained earnings (in proportion to scale of equity ownership) do not have no material influence on consolidated financial statement.

[2] Scope of the Use of Equity Method

1) Equity method is employed for investments in 2 unconsolidated subsidiaries and 2 important affiliates.

Major subsidiaries and affiliates accounted for by the equity method:

Unconsolidated subsidiary:	ECS Buero-und Datentechnik GmbH
Affiliate:	Toho Chemical Laboratory Co., Ltd.

2) Unconsolidated subsidiaries that are not accounted for by the equity method (including Konica Minolta Business Solutions India Private Ltd.) and affiliates that are not accounted for by the equity method (including Konica Minolta Business Support Aichi Co., Ltd.) are excluded from the scope of application of the equity method, because they have little impact on net income (loss) or retained earnings, and their significance as a whole is minor.

[3] Changes Regarding Consolidated Subsidiaries during the Fiscal Year under Review

Some consolidated subsidiaries have fiscal years ending on December 31, and consolidated financial statements are prepared using the financial statements of those companies as of that fiscal year-end date.

Adjustments are made to consolidated accounts to account for important transactions involving those companies that occur between the end of those companies' fiscal year-end date and the end of the consolidated fiscal year.

(Consolidated Subsidiaries with Fiscal Years Ending on December 31)
Konica Minolta Business Solutions (Shenzhen) Co., Ltd.
Konica Minolta Business Solutions do Brazil Ltda.
Konica Minolta Business Solutions de Mexico SA de CV.
Konica Minolta Business Solutions Romania s.r.l.
Konica Minolta Business Solutions Russia LLC
Konica Minolta Medical Systems Russia LLC

[4] Accounting Standards and Methods

1) Asset valuation

1. Securities

Bonds held to maturity:

Bonds held to maturity are recorded by the amortized cost method (straight-line method).

Other securities:

Securities with fair market value are stated using the mark-to-market method based on the market price at the balance sheet date. (Total net unrealized gains or losses after tax effect adjustments are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.)

Other securities that do not have fair market values are primarily stated at cost using the moving value average.

2. Derivatives

Derivatives are stated using the mark-to-market method.

3. Inventories

Domestic consolidated subsidiaries' inventories are, in the main, recorded at cost as determined by the periodic-average method (method of reducing book value when the contribution of inventories to profitability declines). Overseas consolidated subsidiaries' inventories are, in the main, recorded at the lower of cost or market value, with cost determined by the first-in, first-out method.

2) Amortization method for important depreciable assets

1. Tangible fixed assets (excluding lease assets)

The depreciable assets of the Company and its domestic consolidated subsidiaries are depreciated using the declining-balance method. Overseas consolidated subsidiaries adopt the straight-line method. However, the Company and its domestic consolidated subsidiaries have used the straight-line method for their buildings (excluding annexed structures) acquired since April 1, 1998.

2. Intangible fixed assets (excluding lease assets)

We have adopted the straight-line method based on an estimated in-house working life of five years for the software we use.

3. Lease Assets

Lease assets arising from finance lease transactions that do not transfer of ownership

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero. Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

3) Standards for key allowances

1. Allowance for doubtful accounts

To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectable. For specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.

2. Allowance for bonuses

To prepare for the payment of employee bonuses, an amount corresponding to the current portion of estimated bonus payments to employees is recorded.

3. Allowance for director's bonus

To prepare for the payment of directors' bonuses, an amount corresponding to the projected value of bonus payments to directors for the fiscal year under review is recorded.

4. Allowance for product warranty

The provisioning of free after-sales service for products is recorded based on past after-sales service expenses as a percentage of net sales.

5. Reserve for retirement benefits and pension plans

In order to provide employee retirement benefits, the Company records an amount based on projected benefit obligations and pension assets at the end of the consolidated fiscal year under review. Prior service cost is being amortized as incurred by the straight-line method over certain periods (principally 10 years) which are shorter than the average remaining years of service of the employees at the time when the service cost is generated. Actuarial gains and losses are being amortized in the fiscal year following the fiscal year in which the gains or losses are recognized, by the straight line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees at the time when they are generated.

6. Reserve for directors' retirement benefits

Consolidated subsidiaries, to provide for the payment of directors' retirement benefits, record reserve for benefits for retired directors and auditors in an actual amount equal to the need at the end of the year period under review based on the Company's regulations.

4) Principal accounting methods for hedge transactions

1. Hedge accounting methods

The deferred hedge method is used. Special accounting methods are used for interest rate swaps.

2. Hedge methods and hedge targets

The hedge methods are forward exchange contracts, currency option transactions, currency swap transaction and interest rate swaps. The hedge targets are scheduled foreign currency denominated transactions, and borrowings.

3. Hedge policy

The Company and consolidated subsidiaries enter into forward foreign exchange contracts and currency option transactions as hedging instruments only, not for trading purpose to make profits, within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates.

In addition, the Company and consolidated subsidiaries enter into currency swap transaction and interest rate swaps to make interest rates on bonds and borrowings stable or reduce costs fluctuations for future capital procurement, both as hedging instruments only, not for speculation purpose, within the limit of actual financial or operating transactions.

4. Methods for evaluating the effectiveness of hedges

Verification is made to ascertain a high correlation between value fluctuations of cash flows and hedging instruments.

5) Methods and period for amortization of consolidation goodwill

Amortization of goodwill is carried out separately for each goodwill item over a rational time period of 20 years or less.

6) Range of cash within consolidated cash flow statements

Cash (cash and cash equivalents) in the consolidated cash flow statements comprises cash on hand, deposits that can be withdrawn as needed, and short-term investments that are due for redemption in one year or less from the date of acquisition and that are easily converted into cash with little risk from a change in value.

7) Other important items regarding the preparation of consolidated financial statements

1. Consumption tax

The tax-exclusion method is used to account for consumption taxes. In addition, asset-related consumption tax that cannot be excluded is accounted for as deferred consumption taxes, etc., in the long-term prepaid expenses item and amortized over a five-year period by the straight-line method.

2. Consolidated tax payment system

The consolidated tax payment system is applied.

[Changes in Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements]

Changes in Accounting Policy

<Change in depreciation method>

Starting this fiscal year under review, with the revision of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries are depreciating property, plant and equipment acquired on or after April 1, 2012 under the revised Corporation Tax Law.

Because of the change, operating income increased ¥646 million while ordinary income and income before income taxes and minority interests for the fiscal year under review each increased ¥647 million compared with the amount calculated by the previous method.

[Consolidated Balance Sheet Items]

1. Accumulated depreciation directly deducted from tangible fixed assets: ¥479,704 million

2. Investments in securities of unconsolidated subsidiaries and affiliated companies are as follows.

Investment securities (stocks)	¥3,306 million

3. Breakdown of inventories

Merchandise and finished goods	¥82,788 million
Work in process	¥10,610 million
Raw materials and stores	¥19,080 million

4. Guaranteed obligations

The Company guarantees bank loans and lease obligations etc. of unconsolidated companies, etc. amounting to ¥456 million.

5. Pledged assets

Notes receivables of ¥31 million are pledged as security for short-term loans payable of ¥31 million.

6. Notes due at the end of the consolidated fiscal year are settled on the date of clearing. Since the end of the consolidated fiscal year under review fell on a bank holiday, the following notes due at the end of the fiscal year are included in the balance at the end of the fiscal year.

Notes receivable-trade	¥870 million
Notes payable-trade	¥879 million
Notes payable-equipment	¥5 million

[Consolidated Statements of Income Items]

1. Main expense items and amounts of selling, general and administrative expenses are as follows.

Selling	¥12,865 million
Transport and storage	¥18,615 million
Advertising	¥12,726 million
Salaries and wages	¥81,720 million
Provision for reserve for bonuses	¥5,170 million
Research and development	¥71,533 million
Depreciation and amortization	¥15,353 million
Retirement benefits	¥5,385 million
Provision for allowance for doubtful accounts	¥923 million

2. The cost of sales includes the cut-down of book values by ¥979 million, reflecting reduced profitability of inventory held for normal sales purposes.

3. Other extraordinary profit represents the reduction in refund obligation, etc. in accordance with US State laws at a U.S. sales subsidiary.

4. Impairment losses mainly represent the reduction of book values to recoverable values with respect to manufacturing facilities etc, in the Industrial Business and Healthcare Business.

5. Restructuring expenses refer to expenses associated with the discontinuation of production and sale of lenses and prisms using glass molds in the Industrial Business.

6. Group restructuring expenses refer to expenses associated with the reorganization of the Group's management system conducted on April 1, 2013.

[Consolidated Statements of Comprehensive Income]

Recycling and tax effect relating to other comprehensive income

[millions of yen]

	Fiscal year ended March 31	
	2012	2013
Valuation difference on available-for-sale securities		
Amount arising during fiscal year under review	(247)	3,241
Recycling	1,104	(53)
Before tax effect adjustment	856	3,188
Tax effect	(140)	(1,031)
Valuation difference on available-for-sale securities	716	2,156
Deferred gains or losses on hedges		
Amount arising during fiscal year under review	161	(1,297)
Recycling	(369)	1,683
Before tax effect adjustment	(207)	385
Tax effect	74	(155)
Deferred gains or losses on hedges	(133)	230
Foreign currency translation adjustment		
Amount arising during fiscal year under review	(2,381)	21,939
Recycling	(3,730)	-
Foreign currency translation adjustment	(6,112)	21,939
Share of other comprehensive income of associates accounted for using equity method		
Amount arising during fiscal year under review	(12)	13
Total other comprehensive income	(5,541)	24,340

[Consolidated Statements of Changes in Shareholder’s Equity Items]

The figures for provision of retirement allowance debt of overseas subsidiaries stems from provisions for the accounting treatment of retirement benefit payments that affect a portion of consolidated subsidiaries in the United States.

[Segment Information]

a. Segment Information

[1] Summary of Reportable Segments

1) Method of determining segments

The Konica Minolta Group's reportable segments are components of the Group about which separate financial information is available that is evaluated regularly by the management in deciding how to allocate resources and in assessing performance.

The Group has Business Companies for different products and services in Japan, and each Business Company draws up comprehensive domestic and overseas strategies for their products and services, and conduct business activities accordingly.

Consequently, the Group is made up of segments for different products and services with a Business Company at the center of each and has three reportable segments: Business Technologies, Industrial and Healthcare. Business segments are aggregated if they have generally similar economic characteristics.

2) Type of product and service belonging to each segment

The Business Technologies manufactures and sells MFPs, printers, and equipment for production printing systems and graphic arts, and providing related solution services. The Industrial Business manufactures and sells electronic materials (TAC films, etc.), performance materials, optical products (pickup lenses, etc.), and measuring instruments for industrial and healthcare applications. The Healthcare Business manufactures and sells consumables and equipments for healthcare systems.

3) Items related to change in segments, etc.

With the reorganization of the Group, the reportable segments are the Business Technologies Business, Industrial Business, and Healthcare Business from the first quarter of the consolidated fiscal year under review, instead of the Business Technologies Business, Optics Business, and Healthcare Business, which were reportable segments until the previous fiscal year.

Main products and type of services were also changed. Manufacturing and sale of optical products (pickup lenses, etc.) and electronic materials (TAC films, etc.) as in the Optics Business were changed to manufacturing and sale of electronic materials (TAC films, etc.), performance materials, optical products (pickup lenses, etc.), and measuring instruments for industrial and healthcare applications as in the Industrial Business. Meanwhile main products and type of services both in Business Technologies Business and Healthcare Business were not changed.

Segment information for the previous fiscal year in accordance with the reportable segments for this fiscal year is not disclosed except for external sales, amortization of goodwill and investment in equity method affiliates because of the practical difficulty in accurately calculating cost of sales, selling, general and administrative expenses, assets and liabilities retroactively. Also, segment information for this fiscal year in accordance with the reportable segments for the previous fiscal year is not disclosed because of the practical difficulty in obtaining the necessary information and is not reported to management in consideration of the usefulness of the information.

If we prepare segment information for the previous fiscal year in accordance with the segments for the fiscal year under review, external sales are ¥135,117 million in the Industrial Business and ¥12,139 million in Other. Also, amortization of goodwill is ¥492 million in the Industrial Business while not arising in Other, and unamortized goodwill is ¥5,032 million in the Industrial Business while not arising in Other. In addition, investment in equity method affiliates is zero in the Industrial Business and Other.

[2] Methods of Calculating Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

Accounting methods for reportable segments are mostly the same as the accounting methods described in "Basis of presenting consolidated financial statements."

Income by reportable segment is operating income. Intersegment sales and transfers are based on market values.

<Change in depreciation method>

Starting this fiscal year under review, with the revision of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries are depreciating property, plant and equipment acquired on or after April 1, 2012 under the revised Corporation Tax Law.

Because of the change, segment profit for the fiscal year increased ¥112 million in the Business Technologies Business, ¥386 million in the Industrial Business, ¥31 million in the Healthcare Business and ¥116 million in Other compared to the amounts calculated by the previous method.

[3] Information on Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Optics	Healthcare	Total		
Sales						
External	547,576	124,313	73,046	744,936	22,943	767,879
Intersegment	1,853	755	1,930	4,539	48,206	52,745
Total	549,430	125,068	74,976	749,475	71,149	820,625
Segment incomes	39,479	14,038	91	53,608	5,554	59,163
Segment assets	399,754	118,864	65,000	583,620	56,593	640,213
Segment liabilities	195,304	66,401	41,020	302,727	25,728	328,455
Other items						
Depreciation and amortization	21,377	16,657	3,105	41,140	3,846	44,987
Amortization of goodwill	8,312	347	—	8,659	145	8,804
Investments in equity-method associates	3	—	734	737	—	737
Increases in property, plant and equipment and intangible assets	17,781	6,606	2,351	26,739	5,946	32,685

Note:

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 first quarter of the consolidated fiscal year under review. The related information is presented in "3) Items related to change in segments, etc. in the section [1] Summary of Reportable Segments."

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	581,639	146,792	72,753	801,184	11,889	813,073
Intersegment	1,936	2,436	2,652	7,026	52,303	59,330
Total	583,576	149,229	75,406	808,211	64,192	872,404
Segment incomes	31,658	23,667	3,348	58,675	4,475	63,151
Segment assets	465,389	150,007	66,081	681,479	51,590	733,069
Segment liabilities	239,068	83,172	41,933	364,174	22,275	386,449
Other items						
Depreciation	23,650	13,933	2,453	40,037	1,873	41,910
Amortization of goodwill	9,281	582	—	9,863	—	9,863
Investments in equity-method associates	3	—	499	503	—	503
Increases in property, plant and equipment and intangible assets	22,017	9,465	1,570	33,053	2,401	35,454

Note:

1. "Other" consists of business segments such as Industrial Inkjet Business.

[4] Differences between the Totals of Amounts for Reportable Segments and the Amounts on the Consolidated Financial Statements and the Major Factors of the Differences (Adjustments of Differences)

[Millions of yen]

Net Sales	Fiscal year ended March 31 2012	2013
Total of reportable segment	749,475	808,211
Sales categorized in "Other"	71,149	64,192
Intersegment - eliminations	(52,745)	(59,330)
Net sales reported on the consolidated financial statements	767,879	813,073

[Millions of yen]

Segment income	Fiscal year ended March 31 2012	2013
Total operating income of reportable segments	53,608	58,675
Operating income categorized in "Other"	5,554	4,475
Intersegment - eliminations	(5,311)	(6,091)
Corporate expenses	(13,505)	(16,400)
Operating income reported on the consolidated financial statements	40,346	40,659

Note: Corporate expenses are mainly general administration expenses and R&D expenses that do not belong to any reportable segment.

Segment Assets	Fiscal year ended March 31 [Millions of yen]]	
	2012	2013
Total assets of reportable segments	583,620	681,479
Assets categorized in "Other"	56,593	51,590
Intersegment - eliminations	(48,363)	(63,201)
Corporate expenses	310,202	270,685
Assets reported on the consolidated financial statements	902,052	940,553

Note: Corporate assets are primarily surplus funds of the holding company (cash and deposits and securities), long-term investment funds (investment securities), and assets owned by the holding company that do not belong to any reportable segment.

Segment Liabilities	Fiscal year ended March 31 [Millions of yen]	
	2012	2013
Total liabilities of reportable segments	302,727	364,174
Liabilities categorized in "Other"	25,728	22,275
Intersegment - eliminations	(27,425)	(32,960)
Corporate liabilities	166,034	120,648
Liabilities reported on the consolidated financial statements	467,064	474,136

Note: Corporate liabilities are primarily interest-bearing debt (including loans payable and bonds payable) and liabilities relating to the holding company that do not belong to any reportable segment.

Other items	Fiscal year ended March 31						[Millions of yen]	
	Total of reportable segments		Others		Adjustments		Total amounts reported on the consolidated financial statements	
	2012	2013	2012	2013	2012	2013	2012	2013
Depreciation	41,140	40,037	3,846	1,873	4,252	4,088	49,239	45,999
Amortization of goodwill	8,659	9,863	145	—	—	—	8,804	9,863
Investments in equity-method associates	737	503	—	—	985	990	1,722	1,494
Increases in property, plant and equipment and intangible assets	26,739	33,053	5,946	2,401	1,347	2,989	34,033	38,444

Note: Depreciation adjustments are primarily depreciation of buildings of the holding company.
Adjustments of investments in equity method affiliates are chiefly investments by the holding company in equity method affiliates.
Adjustments of increases in property, plant and equipment and intangible assets are mainly capital expenditure on buildings of the holding company.

b. Related Information

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

[1] Information by Product or Service

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

[2] Information by Geographical Area

1) Sales

[Millions of yen]

Japan	U.S.A.	Europe	Asia	Other	Total
214,776	149,540	211,272	129,531	62,757	767,879

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

2) Property, plant, and equipment

[Millions of yen]

Japan	China	Malaysia	Other	Total
121,757	18,013	17,767	21,460	178,999

[3] Information by Major Customer

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

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

[1] Information by Product or Service

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

[2] Information by Geographical Area

1) Sales

[Millions of yen]

Japan	U.S.A.	Europe	Asia	Other	Total
226,227	165,755	224,817	132,678	63,596	813,073

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

2) Property, Plant, and Equipment

[Millions of yen]

Japan	China	Malaysia	Other	Total
115,569	19,286	16,708	28,340	179,903

[3] Information by Major Customer

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

c. Information on Impairment Losses for Noncurrent Assets by Reportable Segment

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

[Millions of yen]

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies	Optics	Healthcare	Total			
Impairment losses	227	603	—	830	—	62	893

Note:

1. The amount for "Eliminations and Corporate" was an impairment loss for noncurrent assets of the holding company.
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 first quarter of the consolidated fiscal year under review. The related information is presented in "3) Items related to change in segments, etc., [1] Summary of Reportable Segments in the section a. Segment Information."

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

[Millions of yen]

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies	Industrial Business	Healthcare	Total			
Impairment losses	90	1,752	1,058	2,902	—	—	2,902

d. Information on Amortization of Goodwill and Unamortized balance by Reportable Segment

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

[Millions of yen]

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies	Optics	Healthcare	Total			
Amortization for the fiscal year under review	8,312	347	—	8,659	145	—	8,804
Balance at the end of the fiscal year under review	54,694	3,355	—	58,050	1,677	—	59,727

Note:

1. "Other" consists of business segments not included in reporting segments such as Sensing 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 first quarter of the consolidated fiscal year under review. The related information is presented in "3) Items related to change in segments, etc., [1] Summary of Reportable Segments in the section a. Segment Information."

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

[Millions of yen]

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies	Industrial Business	Healthcare	Total			
Amortization for the fiscal year under review	9,281	582	—	9,863	—	—	9,863
Balance at the end of the fiscal year under review	59,863	9,601	—	69,465	—	—	69,465

e. Information on Gain on Negative Goodwill by Reportable Segment

None.

[Per Share Information]

[yen]

Fiscal year ended March 31			
2012		2013	
Net assets per share	817.81	Net assets per share	876.65
Net income per share	38.52	Net income per share	28.52
Fully diluted net income per share	37.28	Diluted net income per share	27.86

Notes: Bases of calculations

[1] Net Assets per Share

		As of March 31, 2012	As of March 31, 2013
Total net assets in consolidated balance sheets	[millions of yen]	434,987	466,416
Net assets applicable to common stock	[millions of yen]	433,669	464,904
Principal factors underlying difference	[millions of yen]		
Subscription rights to shares		682	764
Minority interests		635	747
Common stock outstanding	[thousands of shares]	531,664	531,664
Treasury stock	[thousands of shares]	1,381	1,346
Common stock used to calculate net assets per share	[thousands of shares]	530,282	530,318

[2] Net Income per Share and Fully Diluted Net Income per Share

[Millions of yen]

		Fiscal year ended March 31 2012	Fiscal year ended March 31 2013
Total net income in consolidated statements of income	[millions of yen]	20,424	15,124
Value not attributable to common stock	[millions of yen]	—	—
Net income applicable to common stock	[millions of yen]	20,424	15,124
Average number of shares outstanding during the year	[thousands of shares]	530,254	530,292
Main net income adjustment items used to calculate diluted net income figure	[millions of yen]	—	—
Adjustment of net income	[millions of yen]	—	—
Main common stock change items used to calculate diluted net income figure	[thousands of shares]		
Convertible bonds with subscription rights		16,785	11,546
Subscription rights to shares		856	1,066
Change in shares outstanding	[thousands of shares]	17,642	12,612
Summary of potential shares not included in calculation of diluted EPS because they are anti-dilutive		―――――	―――――

Note: The major breakdown of the increase in common stock stems from convertible bonds, which are euro yen zero-coupon convertible bonds due in 2016. A total of ¥39,950 million and ¥50 million worth of such bonds were redeemed prior to maturity on December 7, 2012 and January 31, 2013, respectively.

[Important Subsequent Events]

< Reorganization in the Group management system >

Konica Minolta Holdings, Inc. absorbed seven group companies, including Konica Minolta Business Technologies, Inc. on April 1, 2013.

[I] Purpose of Business Combination

This reorganization of the Group's management system will further speed up various initiatives to increase corporate value and is designed to achieve "innovative management capabilities in the Business Technologies Business," "strategic and agile utilization of management resources," and "systems to support efficient operation."

[II] Legal Form of the Business Combination

1. Method of absorption-type merger

An absorption-type merger was conducted with the Company as the surviving entity and the seven group companies were terminated.

2. Contents of allocations and contracts related to the absorption-type merger

Because the seven Group companies are the Company's wholly-owned subsidiaries, no issuance of new shares, capital increases, or deliveries of money due to the merger will accompany the merger.

[III] Overview of Merging Companies (Non-consolidated, Fiscal year ended March 31, 2013)

i) Trade name	**Konica Minolta Business Technologies, Inc.**
ii) Description of business	Manufacturing and sale of multi-functional peripherals (MFP), printers, and equipment for production printing systems and graphic arts, and providing related solution services
iii) Capital	¥400 million
iv) Net assets	¥140,744 million
v) Total assets	¥203,548 million

i) Trade name	**Konica Minolta Advanced Layers, Inc.** (Former trade name: Konica Minolta Opto, Inc.) (The trade name was changed on April 1, 2012.)
ii) Description of business	Manufacturing and sale of electronic materials (TAC films etc.), lighting source panels, and performance materials (including heat insulating films) (On April 1, 2012, its optical products (including pickup lenses) business was split and transferred to Konica Minolta Optics, Inc.)
iii) Capital	¥400 million
iv) Net assets	¥37,922 million
v) Total assets	¥62,257 million

i)	Trade name	**Konica Minolta Optics, Inc.** (Former trade name: Konica Minolta Sensing, Inc.) (The trade name was changed on April 1, 2012.)
ii)	Description of business	Manufacturing and sale of optical products (including pickup lenses) and measuring instruments for industrial and healthcare applications (On April 1, 2012, optical products (including pickup lenses) was transferred from Konica Minolta Opto., Inc.)
iii)	Capital	¥400 million
iv)	Net assets	¥11,207 million
v)	Total assets	¥51,430 million

i)	Trade name	**Konica Minolta Medical & Graphic, Inc.**
ii)	Description of business	Manufacturing and sale of consumables and equipment for healthcare systems
iii)	Capital	¥400 million
iv)	Net assets	¥21,726 million
v)	Total assets	¥47,653 million

i)	Trade name	**Konica Minolta IJ Technologies, Inc.**
ii)	Description of business	Manufacturing and sale of inkjet printheads, inks and textile printers for industrial use
iii)	Capital	¥10 million
iv)	Net assets	¥5,582 million
v)	Total assets	¥9,329 million

i)	Trade name	**Konica Minolta Technology Center, Inc.**
ii)	Description of business	R&D, customized product design, and management of intellectual property assets
iii)	Capital	¥50 million
iv)	Net assets	¥2,895 million
v)	Total assets	¥9,161 million

i)	Trade name	**Konica Minolta Business Expert, Inc.**
ii)	Description of business	Provision of various shared services for the Group in the fields of engineering, logistics, environment, safety and others
iii)	Capital	¥495 million
iv)	Net assets	¥6,683 million
v)	Total assets	¥9,498 million

[IV] Status after the Merger

1. Trade name; Konica Minolta, Inc.

2. Location of head office; 2-7-2, Marunouchi, Chiyoda-ku, Tokyo

3. Title and name of representative; Masatoshi Matsuzaki, President and CEO

4. Description of business;

・Development, manufacture, and sales of products including MFPs, printers, equipment for production printing systems, equipment for healthcare systems, measuring instruments for industrial and healthcare applications, inkjet printheads and textile printers for industrial use, and providing related consumables and solution services, etc.

・Development, manufacture, and sales of electronic materials (TAC films, etc.), lighting source panels, functional films (thermal heat insulation films, etc.), and optical products (lens units, etc.)

5. Capital; ¥37,519 million

[V] Outline of Accounting Treatment

Accounting treatment is applied as transactions under common control based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008) and the Guidance on Accounting Standard for Business Combinations and Implementation Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).