January 30, 2014

Fiscal Year ending March 31, 2014
Third Quarter Consolidated Financial Results

Nine months: April 1, 2013 – December 31, 2013

Konica Minolta, Inc.

Stock exchange listings: Tokyo (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 submission of securities report: February 7, 2014
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, 2013 to December 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	
3Q Mar/2014	682,876	18.2%	38,905	43.6%	36,736	40.7%	10,811	4.8%
3Q Mar/2013	577,727	3.1%	27,090	16.3%	26,117	38.2%	10,317	91.1%

Note: Comprehensive income
3Q Mar/2014: ¥41,218 million 135.3%
3Q Mar/2013: ¥17,520 million — %

	Net income per share		Net income per share (after full dilution)	
3Q Mar/2014	20.39	yen	20.34	yen
3Q Mar/2013	19.46	yen	18.87	yen

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)
December 31, 2013	997,683	498,618	49.8%
March 31, 2013	940,553	466,416	49.4%

Notes: Shareholders' equity
As of December 31, 2013: ¥ 496,886 million
As of March 31, 2013: ¥ 464,904 million

2. Dividends per share

[yen]

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

Note: Change to the latest dividend forecast announced: None
Breakdown for dividends of 2Q Mar/2014
Common dividend: ¥ 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	930,000	14.4	58,000	42.6	54,000	38.8	18,000	19.0	33.94 yen

Note: Change to the latest consolidated results forecast announced: None

■ Notes

(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): Yes
Excluded three subsidiaries: Konica Minolta Business Technologies, Inc.
Konica Minolta Advanced Layers, Inc.
Konica Minolta Technology Center, Inc.
Note: For more detailed information, please see "(1) Changes in Status of Material Subsidiaries during the Quarter under Review" in section 2. SUMMARY INFORMATION (NOTES) on page 12.

(2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements: Yes
Note: For more detailed information, please see the "(2) Adoption of Special Accounting Treatment Used in Preparation of the Consolidated Quarterly Financial Statements" in the section 2. SUMMARY INFORMATION (NOTES) on page 12.

(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.”: None
c. Changes in accounting estimates: None
d. Restatement due to correction: None

(4) Number of outstanding shares (common stock)

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

Third quarter of fiscal year ending March 31, 2014:	531,664,337 shares
Fiscal year ended March 31, 2013:	531,664,337 shares

b. Treasury stock at period-end

Third quarter of fiscal year ending March 31, 2014:	1,354,332 shares
Fiscal year ended March 31, 2013:	1,346,048 shares

c. Average number of outstanding shares

Third quarter of fiscal year ending March 31, 2014:	530,319,121 shares
Third quarter of fiscal year ended March 31, 2013:	530,287,023 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. The Group makes no warranty as to the achievability of the projections. There is a possibility that diverse factors may cause actual performance, etc. to differ materially from the projections. Please see “(3) Outlook for the Fiscal Year Ending March 31, 2014” in the section 1. CONSOLIDATED OPERATING RESULTS on page 12 for more information on points to be remembered in connection with assumptions for projections and 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 Thursday, January 30, 2014. 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, 2013 (From April 1, 2013 to December 31, 2013)

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

	Apr-Dec / Mar 2014	Apr-Dec / Mar 2013	Increase (Decrease)	
Net sales	682.8	577.7	105.1	18.2%
Gross profit	327.7	269.7	57.9	21.5%
Operating income	38.9	27.0	11.8	43.6%
Ordinary income	36.7	26.1	10.6	40.7%
Income before income taxes and minority interests	13.9	22.9	(8.9)	-39.3%
Net income	10.8	10.3	0.4	4.8%
Net income per share [yen]	20.39	19.46	0.93	4.8%
Capital expenditure	31.3	24.9	6.4	25.8%
Depreciation	35.1	33.2	1.8	5.6%
R & D expenses	52.5	53.3	(0.8)	-1.7%
Free cash flow	23.7	(13.7)	37.5	-%
Number of employees [persons]	41,042	41,476	(434)	-1.0%
Exchange rates [yen]				
US dollar	99.39	80.00	19.39	24.2%
Euro	132.23	102.17	30.06	29.4%

Reviewing the main business of the Konica Minolta Group during the first three quarters of the consolidated fiscal year under review (April 1, 2013 to December 31, 2013), in the Business Technologies Business, solid sales of core A3 color MFPs (Multi-functional peripherals) were maintained in the office field while the effect of new product sales for monochrome units also helped put the brakes on a downward trend in sales volumes. In addition, hybrid-type sales models that combine various business solution services with MFPs continued to penetrate the market and also contributed to sales growth of MFPs. In the production print field, sales volumes of color units and monochrome units exceeded the same period of the previous fiscal year.

In the Industrial Business, sales volumes of TAC films for LCD polarizers and VA-TAC films for increasing the viewing angle were down on the same period of the previous fiscal year in the display materials field due to deterioration in market conditions for notebook PCs and the impact of inventory adjustments and diversification in components and materials used for TVs. Net sales and profit surpassed the same period of the previous fiscal year in the sensing field due to the effects of M&As. In the optical products field, sales of high-market-share pickup lenses for Blu-ray Discs™ were strong.

In the Healthcare Business, sales of digital products increased, particularly digital X-ray diagnostic imaging systems such as cassette-type Digital Radiography (DR) systems.

As a result, the Konica Minolta Group recorded consolidated net sales of ¥682.8 billion, an increase of 18.2% year on year, for the first three quarters of the fiscal year under review. In addition to the positive effect of foreign exchange rates due to continued yen depreciation, sales growth of core products in the Business Technologies Business, a favorable turn in product composition and the effect of M&As drove higher sales.

Operating income amounted to ¥38.9 billion, an increase of 43.6% year on year, despite a decline in profit in the Industrial Business, due to a significant increase in earning capacity in the Business Technologies Business since the previous fiscal year. Ordinary income was ¥36.7 billion, up 40.7% year on year. Income before income taxes and minority interests was ¥13.9 billion, down 39.3% year on year, due primarily to the recording of loss on business withdrawal from the glass substrates for HDDs business and the recording of impairment loss for certain production facilities associated with lens units for mobile phones. Net income totaled ¥10.8 billion, up 4.8% year on year, after factoring in tax effects related to a review of deferred tax assets in line with the Group reorganization implemented in April 2013.

Note: Blu-ray Disc™ is a trademark of Blu-ray Disc Association

2. Overview by Segment

Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)

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

	Apr-Dec / Mar 2014	Apr-Dec / Mar 2013	Increase (Decrease)	
Business Technologies				
Net sales - external	526.2	405.1	121.0	29.9%
Operating income	43.5	18.4	25.1	136.5%
Industrial Business				
Net sales - external	90.3	114.4	(24.0)	-21.0%
Operating income	12.3	21.5	(9.1)	-42.5%
Healthcare				
Net sales - external	55.1	50.0	5.1	10.2%
Operating income	2.3	1.1	1.1	98.7%

Business Technologies Business

Office Field:

Sales of A3 color MFPs remained strong and sales volumes increased significantly in all regions, including Japan, the United States and Europe, while the composition ratio of high-segment models increased, thereby contributing to sales expansion. A new series of A3 monochrome units with the same user interface as color units was well received by the market and sales volumes turned around from a persistent downward trend to a year-on-year increase. Also, we expanded business foundations for OPS (Optimized Print Services), where we are strengthening systems on a global scale and pursuing differentiation in the business solution services, by securing large orders, particularly in Europe and the Asia-Pacific region.

Production Print Field:

Sales volumes of color units and monochrome units exceeded the same period of the previous fiscal year. In addition, we expanded business for on-demand print services for a wide variety of small-volume documents as well as production and print services for sales promotion materials by utilizing Kinko's Japan and Charterhouse PM Limited, which we acquired in the previous fiscal year.

As a result, net sales of the Business Technologies Business to external customers stood at ¥526.2 billion, up 29.9% year on year. This was due to sales growth of core products, particularly color units, and a positive turnaround in product composition in addition to M&As and the effect of continued yen depreciation on foreign exchange rates. Operating income amounted to ¥43.5 billion, up 136.5% year on year. Contributing factors to this significant year-on-year gain were an increase in gross profit due to an increase in sales composition of high-value-added products and the effect of foreign exchange rates in line with continued yen depreciation coupled with the positive effect of measures to reduce costs in the production division.

Industrial Business

Display Materials Field:

Sales volumes of TAC films for LCD polarizers and VA-TAC films for increasing the viewing angle both decreased compared with the same period of the previous fiscal year due to deterioration in the market for notebook PCs as well as diversification and prolonged inventory adjustments in components and materials used for TVs.

Sensing Field:

Sales at Instrument Systems GmbH, which was acquired in the previous fiscal year, were solid and contributed to net sales and profit growth.

Optical Products Field:

Although sales of pickup lenses for Blu-ray Discs and lenses for large projectors were strong, lenses for cameras weakened on account of a decline in demand. We terminated production and sales of glass substrates for HDDs in December 2013 in line with our plans for business withdrawal.

As a result, net sales of the Industrial Business to external customers and operating income stood at ¥90.3 billion, down 21.0% year on year and ¥12.3 billion, down 42.5% year on year, respectively.

Healthcare Business

In the Healthcare Business, sales of the cassette-type Digital Radiography system “AeroDR” remained strong and sales volumes expanded in Japan and the United States, while we are steadily increasing introductions of this product at large-scale medical institutions. In Europe and the United States, we strengthened the sales channels by collaborating with leading sales partners. In film products, we improved profitability by switching to consignment production and expanded sales volumes to emerging countries, driving sales gains over the same period of the previous fiscal year.

In addition, we established an integrated system from development to production and sales for ultrasound diagnostic imaging equipment, which is positioned as a new growth driver, following the transfer of the business from Panasonic Healthcare Co., Ltd. (effective January 1, 2014).

As a result, net sales of the Healthcare Business to external customers and operating income stood at ¥55.1 billion, up 10.2% year on year and ¥2.3 billion, up 98.7% year on year, respectively.

<Reference>

Overview of Performance

Three months ended December 31, 2013 (From October 1, 2013 to December 31, 2013)

Year-on-Year [Billions of yen]

	Oct-Dec / Mar 2014	Oct-Dec / Mar 2013	Increase (Decrease)	
Net sales	232.4	193.9	38.5	19.9%
Gross profit	113.7	89.7	23.9	26.7%
Operating income	14.7	6.8	7.9	116.2%
Ordinary income	15.2	7.8	7.3	93.7%
Income before income taxes and minority interests	13.8	7.8	6.0	77.3%
Net income	5.2	2.7	2.5	94.0%
Net income per share [yen]	9.91	5.11	4.79	94.0%
Capital expenditure	11.8	7.7	4.0	52.6%
Depreciation	11.5	11.5	0.0	0.3%
R & D expenses	17.9	18.7	(0.8)	-4.4%
Free cash flow	(2.5)	(4.1)	1.6	-%
Exchange rates [yen]				
US dollar	100.46	81.17	19.29	23.8%
Euro	136.69	105.25	31.44	29.9%

Three Months Business Performance by Segment

Year-on-Year [Billions of yen]

	Oct-Dec / Mar 2014	Oct-Dec / Mar 2013	Increase (Decrease)	
Business Technologies				
Net sales - external	181.3	140.2	41.1	29.4%
Operating income	17.4	5.3	12.1	226.1%
Industrial Business				
Net sales - external	27.8	35.0	(7.1)	-20.4%
Operating income	3.4	5.9	(2.5)	-42.4%
Healthcare				
Net sales - external	19.1	16.1	3.0	18.6%
Operating income	0.4	0.0	0.4	-%

(2) Financial Position

1. Analysis of Financial Position

		As of December 31, 2013	As of March 31, 2013	Increase (Decrease)
Total assets	[Billions of yen]	997.6	940.5	57.1
Total liabilities	[Billions of yen]	499.0	474.1	24.9
Net assets	[Billions of yen]	498.6	466.4	32.2
Equity ratio	[%]	49.8	49.4	0.4

Total assets at the end of the third quarter of the consolidated fiscal year under review were up ¥57.1 billion (6.1%) from the previous fiscal year-end, to ¥997.6 billion. Current assets were up ¥40.5 billion (7.0%) to ¥620.1 billion (62.2% to total assets) and noncurrent assets were up ¥16.5 billion (4.6%) to ¥377.4 billion (37.8% to total assets).

With respect to current assets, cash and deposits decreased ¥0.5 billion from the previous fiscal year-end. Meanwhile, securities increased ¥8.0 billion, and as a result, cash and cash equivalents increased ¥7.4 billion to ¥221.3 billion. Notes and accounts receivable-trade increased ¥7.8 billion to ¥201.8 billion. Lease receivables and investment assets increased ¥4.6 billion to ¥20.6 billion. Inventories increased ¥17.4 billion to ¥129.9 billion.

With respect to noncurrent assets, property, plant and equipment increased due primarily to capital expenditure in the Business Technologies Business and Industrial Business as well as construction of a new R&D building. Meanwhile, depreciation continued to advance on the whole and we recorded impairment loss following such factors as a decision to withdraw from the glass substrates for HDDs business. As a result, property, plant and equipment decreased ¥4.7 billion to ¥175.1 billion. Intangible assets increased ¥2.1 billion to ¥113.0 billion.

In investments and other assets, investment securities increased ¥4.3 billion from the previous fiscal year-end to ¥27.6 billion. Deferred tax assets increased ¥13.5 billion to ¥46.5 billion due primarily to a review of recoverability in light of the reorganization of the group management system in April 2013.

Total liabilities increased ¥24.9 billion (5.3%) from the previous fiscal year-end to ¥499.0 billion. Notes and accounts payable-trade increased ¥6.1 billion to ¥91.5 billion. Accounts payable-other, accrued expenses and income taxes payable increased by ¥3.4 billion, ¥5.1 billion and ¥5.8 billion, respectively. Interest-bearing debt (the sum of short-term loans payable, long-term loans payable and bonds payable) decreased ¥1.9 billion to ¥222.9 billion.

Net assets were up ¥32.2 billion (6.9%) from the previous fiscal year-end to ¥498.6 billion. Retained earnings increased ¥1.6 billion to ¥231.4 billion, given net income of ¥10.8 billion and dividends from surplus paid of ¥9.2 billion. In accumulated other comprehensive income, foreign currency translation adjustment increased ¥28.1 billion in line with continued yen depreciation, mainly against the U.S. dollar and euro, and valuation difference on available-for-sale securities rose by ¥2.2 billion in line with a buoyant share market.

As a result, the shareholders' equity ratio at the end of the third quarter increased 0.4 percentage points to 49.8%.

2. Cash Flows

[Billions of yen]

	Apr-Dec / Mar 2014	Apr-Dec / Mar 2013	Increase (Decrease)
Cash flows from operating activities	61.8	35.5	26.3
Cash flows from investing activities	(38.1)	(49.3)	11.2
Total (Free cash flow)	23.7	(13.7)	37.5
Cash flows from financing activities	(19.0)	(27.8)	8.7

During the third quarter of the consolidated fiscal year under review, net cash provided by operating activities was ¥61.8 billion, while net cash used in investing activities, mainly associated with capital investment, totaled ¥38.1 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥23.7 billion.

Net cash used in financing activities was ¥19.0 billion.

In addition, cash and cash equivalents at the end of the third quarter of the consolidated fiscal year under review stood at ¥221.3 billion, up ¥7.4 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 amounted to ¥61.8 billion (compared with net cash provided of ¥35.5 billion in the same period of the previous fiscal year). The Group reported income before income taxes and minority interests of ¥13.9 billion, depreciation and amortization of ¥35.1 billion, impairment loss on the decision to withdraw from the glass substrates for HDDs business, etc. of ¥12.9 billion, amortization of goodwill of ¥7.1 billion, and an increase of ¥3.4 billion in working capital, which were partially offset by the payment of ¥10.2 billion for income taxes.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥38.1 billion (compared with net cash use of ¥49.3 billion in the same period of the previous fiscal year). Cash of ¥26.1 billion was used for purchase of property, plant and equipment in the Business Technologies Business and investment for new business in the Industrial Business as well as construction of a new R&D building. Other cash outflows included ¥5.8 billion for the purchase of intangible assets and ¥2.8 billion for the purchase of investment securities.

As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥23.7 billion (an outflow of ¥13.7 billion in the same period of the previous fiscal year).

Cash Flows from Financing Activities

Net cash used in financing activities was ¥19.0 billion (compared with net cash use of ¥27.8 billion in the same period of the previous fiscal year), mainly reflecting a payment of ¥9.1 billion in dividends and a net decrease of ¥8.2 billion in interest-bearing debt.

(3) Outlook for the Fiscal Year Ending March 31, 2014

In light of progress in performance in the first three quarters of the fiscal year under review, we have left financial forecasts for the year ending March 31, 2014 unchanged following revisions in the second quarter. Assumed exchange rates for the fourth quarter have also been left unchanged at 98 yen to the US dollar and 128 yen to the euro.

[Billions of yen]

	FY Mar/2014 - Announced October 31, 2013 -
Net Sales	930.0
Operating Income	58.0
Ordinary Income	54.0
Net Income	18.0

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 to the nearest hundred million.*

2. SUMMARY INFORMATION（NOTES）

(1) Changes in Status of Material Subsidiaries during the Quarter under Review

Konica Minolta Inc. (Konica Minolta Holdings, Inc.) absorbed seven Group companies and became the surviving company on April 1, 2013. As a result, the specified subsidiaries Konica Minolta Business Technologies, Inc., Konica Minolta Advanced Layers, Inc. and Konica Minolta Technology Center, Inc. were terminated and have been removed from the scope of consolidation.

(2) 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.

3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Quarterly Balance Sheets

December 31, 2013 and March 31, 2013

[Millions of yen]

	March 31, 2013	December 31, 2013
Assets		
Current assets		
Cash and deposits	93,413	92,821
Notes and accounts receivable-trade	194,038	201,861
Lease receivables and investment assets	16,007	20,620
Securities	120,501	128,502
Inventories	112,479	129,912
Deferred tax assets	20,259	21,720
Accounts receivable-other	12,602	13,927
Other	14,860	16,082
Allowance for doubtful accounts	(4,568)	(5,256)
Total current assets	579,593	620,192
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	68,601	63,412
Machinery, equipment and vehicles, net	33,900	24,581
Tools, furniture and fixtures, net	24,584	25,952
Land	34,013	34,551
Lease assets, net	480	584
Construction in progress	6,969	13,838
Assets for rent, net	11,354	12,195
Total property, plant and equipment	179,903	175,117
Intangible assets		
Goodwill	69,465	67,345
Other	41,472	45,716
Total intangible assets	110,937	113,061
Investments and other assets		
Investment securities	23,236	27,629
Long-term loans receivable	126	94
Long-term prepaid expenses	2,387	2,794
Deferred tax assets	33,000	46,532
Other	12,735	13,345
Allowance for doubtful accounts	(1,366)	(1,084)
Total investments and other assets	70,118	89,311
Total noncurrent assets	360,960	377,490
Total assets	940,553	997,683

[Millions of yen]

	March 31, 2013	December 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	85,424	91,587
Short-term loans payable	67,398	55,336
Current portion of long-term loans payable	23,990	28,025
Accounts payable-other	32,462	35,937
Accrued expenses	28,993	34,162
Income taxes payable	7,376	13,267
Provision for bonuses	10,841	7,189
Provision for directors' bonuses	229	184
Provision for product warranties	1,199	1,356
Provision for discontinued operations	–	1,078
Notes payable-facilities	975	745
Asset retirement obligations	33	28
Other	23,745	28,967
Total current liabilities	282,671	297,865
Noncurrent liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	63,507	69,565
Deferred tax liabilities for land revaluation	3,269	3,269
Provision for retirement benefits	43,754	46,244
Provision for directors' retirement benefits	282	241
Asset retirement obligations	981	1,012
Other	9,669	10,864
Total noncurrent liabilities	191,465	201,199
Total liabilities	474,136	499,064
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	229,713	231,410
Treasury stock	(1,548)	(1,549)
Total shareholders' equity	469,825	471,521
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,345	5,627
Deferred gains or losses on hedges	2	(129)
Foreign currency translation adjustment	(8,268)	19,866
Total accumulated other comprehensive income	(4,920)	25,365
Subscription rights to shares	764	866
Minority interests	747	865
Total net assets	466,416	498,618
Total liabilities and net assets	940,553	997,683

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

Consolidated Quarterly Statements of Income

Nine months ended December 31, 2012 and 2013

[Millions of yen]

	April-December, 2012	April-December, 2013
Net sales	577,727	682,876
Cost of sales	307,947	355,124
Gross profit	269,779	327,751
Selling, general and administrative expenses	242,688	288,846
Operating income	27,090	38,905
Non-operating income		
Interest income	759	1,129
Dividends income	410	465
Equity in earnings of affiliates	55	–
Foreign exchange gains	666	31
Other	2,603	2,549
Total non-operating income	4,496	4,175
Non-operating expenses		
Interest expenses	1,816	2,086
Equity in losses of affiliates	–	1,164
Other	3,653	3,092
Total non-operating expenses	5,469	6,343
Ordinary income	26,117	36,736
Extraordinary income		
Gain on sales of noncurrent assets	153	392
Gain on sales of investment securities	34	69
Other	25	–
Total extraordinary income	213	462
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,462	1,831
Loss on valuation of investment securities	52	47
Impairment loss	1,481	383
Business structure improvement expenses	379	1,513
Loss on business withdrawal	–	16,368
Special extra retirement payments	–	3,018
Group restructuring expenses	39	118
Total extraordinary losses	3,415	23,281
Income before income taxes and minority interests	22,914	13,916
Income taxes	12,593	3,032
Income before minority interests	10,321	10,884
Minority interests in income	4	72
Net income	10,317	10,811

Consolidated Quarterly Statements of Comprehensive Income
Nine months ended December 31, 2012 and 2013

[Millions of yen]

	April-December, 2012	April-December, 2013
Income before minority interests	10,321	10,884
Other comprehensive income		
Valuation difference on available-for-sale securities	(675)	2,279
Deferred gains or losses on hedges	(428)	(131)
Foreign currency translation adjustment	8,297	28,183
Share of other comprehensive income of associates accounted for using equity method	5	2
Total other comprehensive income	7,198	30,334
Comprehensive income	17,520	41,218
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	17,553	41,097
Comprehensive income attributable to minority interests	(32)	120

Consolidated Quarterly Statements of Income
Three months ended December 31, 2012 and 2013

[Millions of yen]

	October-December, 2012	October-December, 2013
Net sales	193,909	232,421
Cost of sales	104,140	118,696
Gross profit	89,768	113,725
Selling, general and administrative expenses	82,957	99,000
Operating income	6,810	14,724
Non-operating income		
Interest income	234	439
Dividends income	173	195
Equity in earnings of affiliates	32	–
Foreign exchange gains	1,661	580
Other	721	879
Total non-operating income	2,823	2,096
Non-operating expenses		
Interest expenses	627	694
Equity in losses of affiliates	–	87
Other	1,139	800
Total non-operating expenses	1,767	1,583
Ordinary income	7,867	15,237
Extraordinary income		
Gain on sales of noncurrent assets	43	258
Gain on reversal of loss on valuation of investment securities	258	–
Estimated difference in loss on business withdrawal	–	441
Total extraordinary income	301	699
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	297	1,116
Loss on valuation of investment securities	–	2
Impairment loss	19	254
Business structure improvement expenses	–	712
Group restructuring expenses	39	–
Total extraordinary losses	356	2,085
Income before income taxes and minority interests	7,812	13,851
Income taxes	5,106	8,557
Income before minority interests	2,705	5,293
Minority interests in income (loss)	(2)	40
Net income	2,707	5,253

Consolidated Quarterly Statements of Comprehensive Income
Three months ended December 31, 2012 and 2013

[Millions of yen]

	October-December, 2012	October-December, 2013
Income before minority interests	2,705	5,293
Other comprehensive income		
Valuation difference on available-for-sale securities	870	768
Deferred gains or losses on hedges	(806)	(144)
Foreign currency translation adjustment	18,118	16,758
Share of other comprehensive income of associates accounted for using equity method	3	1
Total other comprehensive income	18,185	17,384
Comprehensive income	20,891	22,678
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	20,907	22,624
Comprehensive income attributable to minority interests	(16)	53

(3) Consolidated Quarterly Statements of Cash Flows
Nine months ended December 31, 2012 and 2013

[Millions of yen]

	April-December, 2012	April-December, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	22,914	13,916
Depreciation and amortization	33,276	35,126
Impairment loss	1,481	12,915
Amortization of goodwill	7,071	7,190
Interest and dividends income	(1,169)	(1,594)
Interest expenses	1,816	2,086
Loss (gain) on sales and retirement of noncurrent assets	1,309	1,438
Loss (gain) on sales and valuation of investment securities	17	(22)
Increase (decrease) in provision for bonuses	(4,902)	(3,956)
Increase (decrease) in provision for retirement benefits	2,589	1,977
Increase (decrease) in provision for discontinued operations	–	1,078
Decrease (increase) in notes and accounts receivable-trade	10,705	21,881
Decrease (increase) in inventories	(10,583)	(3,114)
Increase (decrease) in notes and accounts payable-trade	(17,205)	(15,358)
Transfer of assets for rent	(4,044)	(3,648)
Decrease (increase) in accounts receivable-other	2,485	(1,244)
Increase (decrease) in accounts payable-other and accrued expenses	(912)	2,947
Increase (decrease) in deposits received	1,457	1,480
Decrease/increase in consumption taxes receivable/payable	(605)	832
Other, net	917	(1,207)
Subtotal	46,620	72,724
Interest and dividends income received	1,198	1,575
Interest expenses paid	(1,949)	(2,163)
Income taxes (paid) refund	(10,277)	(10,239)
Net cash provided by (used in) operating activities	35,591	61,896
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(21,182)	(26,175)
Proceeds from sales of property, plant and equipment	419	1,643
Purchase of intangible assets	(4,757)	(5,863)
Payments for transfer of business	(1,838)	(960)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(9,321)	(903)
Purchase of investments in subsidiaries' equity resulting in change in scope of consolidation	(7,109)	(616)
Purchase of additional investments in consolidated subsidiaries' equity	–	(849)
Payments of loans receivable	(289)	(301)
Collection of loans receivable	60	119
Purchase of investment securities	(340)	(2,867)
Proceeds from sales of investment securities	176	383
Purchase of investments in subsidiaries	(1,296)	–
Payments of valuation of other investments	(4,492)	(3,217)
Other, net	644	1,495
Net cash provided by (used in) investing activities	(49,325)	(38,113)

[Millions of yen]

	April-December, 2012	April-December, 2013
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	31,998	(17,963)
Proceeds from long-term loans payable	55	10,776
Repayment of long-term loans payable	(11,004)	(1,038)
Redemption of bonds	(39,950)	–
Repayments of lease obligations	(1,085)	(1,641)
Proceeds from sales of treasury stock	1	0
Purchase of treasury stock	(6)	(27)
Cash dividends paid	(7,822)	(9,130)
Net cash provided by (used in) financing activities	(27,814)	(19,025)
Effect of exchange rate change on cash and cash equivalents	1,070	1,983
Net increase (decrease) in cash and cash equivalents	(40,477)	6,739
Cash and cash equivalents at beginning of period	231,933	213,914
Increase in cash and cash equivalents from newly consolidated subsidiary	–	669
Cash and cash equivalents at end of period	191,455	221,324

(4) Notes regarding Going Concern Assumptions
None

(5) Notes regarding Significant Change in Shareholders' Equity
None

(6) Segment Information
[1] Nine Months Ended December 31, 2012 (From April 1, 2012 to December 31, 2012)
1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	405,175	114,437	50,063	569,676	8,051	577,727
Intersegment	1,448	1,679	1,956	5,084	37,824	42,909
Total	406,624	116,116	52,019	574,760	45,876	620,637
Segment incomes	18,402	21,527	1,178	41,109	2,783	43,892

Note: "Other" consists of business segments such as 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	41,109
Operating income categorized in "Other"	2,783
Intersegment – eliminations	(4,604)
Corporate expenses*	(12,197)
Operating income reported on quarterly statements of income	27,090

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

3. Information Relating to Impairment Loss of Noncurrent Assets and Goodwill by Reportable Segment

Significant Impairments Loss on Noncurrent Assets

An impairment loss was posted because the recoverable amount for business assets in the Industrial Business segment and Healthcare Business segment fell below the book value. The impairment loss posted during the first three quarters of the consolidated fiscal year under review was ¥365 million for the Industrial Business segment and ¥1,048 million for the Healthcare Business segment.

Material Change in the Goodwill Amount

In the Business Technologies Business, the shares of Charterhouse PM Limited were acquired and the company was made into a subsidiary. Although it is a provisional amount as the allocation of expenditures to acquisition cost has not been completed, the increase in goodwill as a result of events during the first three quarters of the fiscal year under review was ¥7,415 million.

In addition, in the Industrial Business, the equity interest of Instrument Systems GmbH was acquired and the company was made into a subsidiary. Although it is a provisional amount as the allocation of expenditures to acquisition cost has not been completed, the increase in goodwill as a result of events during the first three quarters of the fiscal year under review was ¥3,819 million.

[2] Nine Months Ended December 31, 2013 (From April 1, 2013 to December 31, 2013)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	526,211	90,360	55,177	671,749	11,126	682,876
Intersegment	1,400	2,652	100	4,153	15,102	19,256
Total	527,612	93,012	55,278	675,903	26,228	702,132
Segment incomes	43,527	12,382	2,341	58,251	2,165	60,417

Note: “Other” consists of business segments such as 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	58,251
Operating income categorized in “Other”	2,165
Intersegment – eliminations	(4,101)
Corporate expenses*	(17,411)
Operating income reported on quarterly statements of income	38,905

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

3. Information Relating to Impairment Loss of Noncurrent Assets and Goodwill by Reportable Segment

Significant Impairment Loss on Noncurrent Assets

An impairment loss was posted because the recoverable amount for business assets in the Industrial Business segment fell below the book value. The impairment loss posted during the first three quarters of the consolidated fiscal year under review was ¥12,531 million for the Industrial Business segment and was included in the loss on business withdrawal.

[3] Three Months Ended December 31, 2012 (From October 1, 2012 to December 31, 2012)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	140,217	35,036	16,188	191,442	2,466	193,909
Intersegment	481	511	696	1,688	11,781	13,470
Total	140,698	35,548	16,884	193,131	14,248	207,379
Segment incomes	5,359	5,920	20	11,300	843	12,143

Note: “Other” consists of business segments such as 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	11,300
Operating income categorized in “Other”	843
Intersegment – eliminations	(1,070)
Corporate expenses*	(4,262)
Operating income reported on quarterly statements of income	6,810

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

3. Information Relating to Impairment Loss of Noncurrent Assets and Goodwill by Reportable Segment

Material Change in the Goodwill Amount

In the Business Technologies Business, the shares of Charterhouse PM Limited were acquired and the company was made into a subsidiary. Although it is a provisional amount as the allocation of expenditures to acquisition cost has not been completed, the increase in goodwill as a result of events during the first three quarters of the fiscal year under review was ¥7,415 million.

In addition, in the Industrial Business, the equity interest of Instrument Systems GmbH was acquired and the company was made into a subsidiary. Although it is a provisional amount as the allocation of expenditures to acquisition cost has not been completed, the increase in goodwill as a result of events during the first three quarters of the fiscal year under review was ¥3,819 million.

[4] Three Months Ended December 31, 2013 (From October 1, 2013 to December 31, 2013)
1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Industrial Business	Healthcare	Total		
Sales						
External	181,377	27,878	19,193	228,449	3,972	232,421
Intersegment	420	638	45	1,104	4,246	5,351
Total	181,797	28,516	19,239	229,553	8,219	237,772
Segment incomes	17,476	3,408	435	21,320	1,071	22,391

Note: "Other" consists of business segments such as 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	21,320
Operating income categorized in "Other"	1,071
Intersegment – eliminations	(1,519)
Corporate expenses*	(6,147)
Operating income reported on quarterly statements of income	14,724

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

(7) Important Subsequent Events

At the Board of Directors Meeting held on January 30, 2014, the Company approved the acquisition of its own shares based on Article 156 of the Company Law, which is applicable in accordance with Article 165, Paragraph 3 of the same law.

1. Reason for Acquisition of Own Shares

The Company decided to acquire its own shares with the aim of shareholders' benefit, improving capital efficiency and ensuring a flexible capital policy.

2. Details of Items Related to Acquisition

(1) Type of stock to be acquired: Common stock
(2) Number of shares to be acquired: Limited to 20 million
(3.8% of the total number of outstanding shares (excluding treasury stock))
(3) Total value of stock to be acquired: Limited to ¥20 billion
(4) Acquisition period: January 31, 2014 to April 30, 2014

(Reference) Treasury stock held as of December 31, 2013
Total number of outstanding shares (excluding treasury stock): 530,310,005
Total number of treasury stock: 1,354,332