July 30, 2014

Fiscal Year ending March 31, 2015
First Quarter Consolidated Financial Results

Three months: April 1, 2014 – June 30, 2014

Konica Minolta, Inc.

Stock exchange listings:	Tokyo (First Section)
Local securities code number:	4902
URL:	http://konicaminolta.com
Listed company name:	Konica Minolta, Inc.
Representative:	Shoei Yamana, President and CEO, Representative Executive Officer
Inquiries:	Yuki Kobayashi, General Manager, CSR, Corporate Communications & Branding Div.
Telephone number:	(81) 3-6250-2100
Scheduled date for submission of securities report:	August 8, 2014
Scheduled date for dividends payment:	-
Availability of supplementary information:	Yes
Organization of financial results briefing:	Yes (for institutional investors)

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

1. Overview of the 1Q performance (From April 1, 2014 to June 30, 2014)

(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	
1Q Mar/2015	228,284	4.5%	11,661	49.1%	10,449	48.2%	5,603	-42.7%
1Q Mar/2014	218,543	15.4%	7,818	23.3%	7,050	47.3%	9,774	-%

Note: Comprehensive income
1Q Mar/2015: ¥2,461 million -87.3 %
1Q Mar/2014: ¥19,445 million - %

	Net income per share	Net income per share (after full dilution)
1Q Mar/2015	10.97 yen	10.95 yen
1Q Mar/2014	18.43 yen	18.39 yen

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)
June 30, 2014	935,878	467,538	49.8%
March 31, 2014	966,060	480,055	49.5%

Note: Shareholders' equity
As of June 30, 2014: ¥465,883 million
As of March 31, 2014: ¥478,404 million

2. Dividends per share

[yen]

	1Q	2Q	3Q	Year-end	Total annual
FY Mar/2014	-	10.00	-	7.50	17.50
FY Mar/2015	-				
FY Mar/2015 (forecast)		10.00	-	10.00	20.00

Note: Change to the latest dividend forecast announced: None

3. Consolidated results forecast for the fiscal year ending March 31, 2015
(From April 1, 2014 to March 31, 2015)

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	1,000,000	6.0	62,000	6.6	57,000	4.4	26,000	18.9	51.51 yen

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

At the Board of Directors meeting held on July 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. As a result, net income per share in the consolidated results forecasts for the year ending March 31, 2015 has been stated after factoring in the impact of the Company's acquisition of its own shares.

■ 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
Included one subsidiary: Konica Minolta Business Technologies (Malaysia) Sdn.Bhd.

(2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements: Yes
Note: For more detailed information, please see "(1) Adoption of Special Accounting Treatment Used in Preparation of the Consolidated Quarterly Financial Statements" in 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: Yes
b. Changes in accounting policy other than “a.”: None
c. Changes in accounting estimates: None
d. Restatement due to correction: None

(4) Number of shares (common stock)

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

First quarter of fiscal year ending March 31, 2015:	531,664,337 shares
Fiscal year ended March 31, 2014:	531,664,337 shares

b. Treasury shares at period-end

First quarter of fiscal year ending March 31, 2015:	21,097,704 shares
Fiscal year ended March 31, 2014:	16,720,688 shares

c. Average number of outstanding shares

First quarter of fiscal year ending March 31, 2015:	510,557,337 shares
First quarter of fiscal year ended March 31, 2014:	530,316,486 shares

■ Presentation of Present Status of Quarterly Review Procedures

This “First 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 Konica Minolta 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, 2015” in section 1. CONSOLIDATED OPERATING RESULTS on page 11 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 Wednesday, July 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 Consolidated Performance

Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

Three months (Apr–Jun)

Year-on-Year [Billions of yen]

	Apr-Jun /Mar 2015	Apr-Jun /Mar 2014	Increase (Decrease)	
Net sales	228.2	218.5	9.7	4.5%
Gross profit	114.4	102.3	12.0	11.8%
Operating income	11.6	7.8	3.8	49.1%
Ordinary income	10.4	7.0	3.3	48.2%
Income before income taxes and minority interests	11.7	6.0	5.7	95.2%
Net income	5.6	9.7	(4.1)	-42.7%
Net income per share [yen]	10.97	18.43	(7.45)	-40.5%
Capital expenditure	14.1	11.5	2.6	22.6%
Depreciation	11.6	11.6	0.0	0.2%
R & D expenses	18.2	17.2	1.0	5.9%
Free cash flow	(6.6)	3.3	(10.0)	-%
Number of employees [persons]	41,317	41,819	(502)	-1.2%
Exchange rates [yen]				
US dollar	102.16	98.76	3.4	3.4%
euro	140.07	128.95	11.12	8.6%

Reviewing the main businesses of Konica Minolta Group (the "Group") during the first quarter of the consolidated fiscal year under review (April 1, 2014 to June 30, 2014; "the first quarter"), in the Business Technologies Business, sales volume of A3 color MFPs (Multi-functional peripherals) in the office services field expanded compared with the same period of the previous fiscal year. In addition, hybrid-type sales that combine MFPs with IT services produced good results in Europe and the United States. In the commercial/industrial print field, the effect of new products made a contribution to results and sales volumes of both color units and monochrome units for digital printing systems grew year on year. In the inkjet field, strong sales continued, particularly inkjet print heads and ink for industrial use.

In the Healthcare Business, regarding digital products, sales of digital X-ray diagnostic imaging systems were generally sluggish due to a decline in demand following the consumption tax hike as well as to the impact of a revision of medical treatment fees in Japan. Sales of film products increased year on year due to rising demand in emerging countries.

In the Industrial Business, the industrial optical systems field posted sales growth following the continued effects of M&As in the sensing field. Sales of lenses for industrial and professional use were robust. In the performance materials field, the entire small- and medium-size panel market continued to improve, with a shift to strong demand for large LCD TVs, which resulted in year-on-year gains in sales volumes for TAC films for LCD polarizers and VA-TAC films for increasing the viewing angle.

As a result, the Group recorded consolidated net sales of ¥228.2 billion, an increase of 4.5% year on year for the first quarter. Sales growth in the Business Technologies Business drove momentum for the entire Group.

Operating income amounted to ¥11.6 billion, an increase of 49.1% year on year, due to increased profit in the Business Technologies Business coupled with the contribution from a positive momentum in profit for the Industrial Business.

Ordinary income was ¥10.4 billion, an increase of 48.2% year on year, due to the increase in operating income. Income before income taxes and minority interests was ¥11.7 billion, an increase of 95.2% year on year, due in part to the recording of gain on sales of certain manufacturing equipment in the glass substrates for HDDs business that was terminated in the previous fiscal year.

Net income totaled ¥5.6 billion. The Group recorded ¥9.2 billion in tax effects resulting from a review of deferred tax assets in line with reorganization of the Group's management system in the same term of the previous fiscal year, which led to a year-on-year increase in tax expenses and a decline in income of ¥ 4.1 billion.

Konica Minolta Inc. (the "Company") has formulated a new three-year medium term business plan, "TRANSFORM 2016," beginning this fiscal year. Under this plan, the Company aims to have an in-depth understanding of our customers' needs and transform into a company that can provide high added value in order to outstrip global competition amid changes in the business environment. During the first quarter, steady progress was made in measures to strengthen OPS (Optimized Print Services) and MPM (Marketing Print Management) services, which have been positioned as growth drivers in the Business Technologies Business.

2. Overview by Segment

Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

Three months (Apr–Jun)
Year-on-Year [Billions of yen]

	Apr-Jun /Mar 2015	Apr-Jun /Mar 2014	Increase (Decrease)	
Business Technologies				
Net sales - external	**181.3**	**169.8**	11.5	6.8%
Operating income	11.8	10.1	1.7	17.1%
Healthcare				
Net sales – external	16.0	16.2	(0.1)	-1.1%
Operating income (loss)	(0.0)	0.0	(0.0)	-%
Industrial Business				
Net sales – external	30.0	31.0	(0.9)	-3.0%
Operating income	6.5	4.2	2.2	53.6%

Note: The reporting classification for the Industrial Inkjet Business has been changed from the Other segment to the Business Technologies Business segment from the first quarter of the current fiscal year. In line with this change, segment information for the same period of the previous fiscal year has been disclosed in accordance with the new reporting classification.

Business Technologies Business

Office service field:

The “bizhub-series” A3 color MFPs drove momentum for color units and sales volumes expanded. In OPS (Optimized Print Services), where we are strengthening our system globally and pushing for differentiation on a service front, we continued to cultivate and acquire new customers this fiscal year as well and sales grew steadily. In Europe and the United States, hybrid-type sales that combine MFPs with IT services penetrated the market and there were an increasing number of successful cases to report. Moreover, the Company acquired the document imaging solutions business of Pitney Bowes of Canada Ltd. (headquartered in Canada) in May 2014 with the aim of further bolstering competitiveness in this field.

Commercial/industrial print field:

Sales volumes expanded, particularly in color units, due to the contribution from new products such as “bizhub PRESS C1100” and “bizhub PRESS C1085” high-end color digital printing systems. Also, non-hardware sales grew year on year mainly on the back of the economic recovery. In the industrial inkjet business, sales of components such as inkjet print heads and ink showed high growth year on year. In MPM (Marketing Print Management) services, which improve the print service processes and support the planning and production of print material and digital media that meets various usage objectives such as sales promotions, we concluded an agreement to acquire Ergo Asia Pty Limited (headquartered in Australia) in June 2014 with the aim of strengthening business in Oceania and Asia to follow on from expansion in Europe (agreement took effect on July 1, 2014).

As a result of these factors, net sales of the Business Technologies Business to outside customers stood at ¥181.3 billion, up 6.8% year on year and operating income at ¥11.8 billion, up 17.1% year on year. Sales and profit in this segment increased due to an increase in gross profit in line with sales expansion and the effect of foreign exchange rates.

<u>Healthcare Business</u>

With regard to digital systems, sales of the mainstay cassette-type Digital Radiography system “AeroDR” struggled in Japan due to a decline in demand following a rush in demand prior to the consumption tax hike as well as to suppressed investment at hospitals and clinics owing to revision of medical treatment fees. However, total sales including business collaborations with sales partners launched overseas remained unchanged year on year. Demand for film products continued to expand in emerging countries and sales volumes increased year on year.

As a result of these factors, net sales of the Healthcare Business to outside customers were ¥16.0 billion, down 1.1% year on year, and operating income recorded a loss of ¥10 million.

<u>Industrial Business</u>

Industrial optical systems field:

Sales fell below the same period of the previous fiscal year due to the decrease in demand in lenses for compact cameras and withdrawal of the glass substrates for HDDs business. Despite this, in the sensing field, sales at Instrument Systems GmbH (headquartered in Germany) continued to be strong and sales and profit expanded. Sales of lenses for industrial use and professional use in the optical products field remained on par with the same period of the previous fiscal year and sales of pickup lenses for Blu-ray Discs™ were solid in the home video game console sector.

Performance materials field:

The overall market for small- and medium-size panels continued to improve and demand for large LCD TVs took a positive turn, and thus, sales volumes of thin plain TAC films for LCD polarizers and VA-TAC films for increasing the viewing angle, which are areas of comparative strength for the Group, increased year on year.

As a result of these factors, net sales of the Industrial Business to outside customers were ¥30.0 billion, down 3.0% year on year, and operating income was ¥6.5 billion, up 53.6% year on year. Sales decreased due to downsizing of the lens business for compact cameras and termination of the glass substrates for HDDs business. Profit increased, however, sales growth in TAC films and the positive result of structural reform in the industrial optical systems field.

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

(2) Financial Position

1. Analysis of Financial Position

		As of June 30, 2014	As of March 31, 2014	Increase (Decrease)
Total assets	[Billions of yen]	935.8	966.0	(30.1)
Total liabilities	[Billions of yen]	468.3	486.0	(17.6)
Net assets	[Billions of yen]	467.5	480.0	(12.5)
Equity ratio	[%]	49.8	49.5	0.3

Total assets at the end of the first quarter of the consolidated fiscal year under review were down ¥30.1 billion (3.1%) from the previous fiscal year-end, to ¥935.8 billion. Current assets fell ¥37.5 billion (6.4%) to ¥551.8 (59.0% to total assets) and noncurrent assets rose ¥7.3 billion (1.9%) to ¥384.0 billion (41.0% to total assets).

With respect to current assets, cash and deposits decreased ¥4.2 billion from the previous fiscal year-end to ¥91.2 billion, while securities decreased ¥16.4 billion, and as a result, cash and cash equivalents decreased ¥20.7 billion to ¥167.7 billion. Notes and accounts receivable-trade decreased ¥20.0 billion to ¥200.0 billion. Inventories increased ¥4.9 billion to ¥120.2 billion.

With respect to noncurrent assets, property, plant and equipment increased ¥2.2 billion from the previous fiscal year-end to ¥175.5 billion, due primarily to construction of a new R&D building and capital investment in the Business Technologies Business as well as investment related to new businesses in the Industrial Business. Intangible assets decreased ¥0.3 billion compared with the previous fiscal year-end to ¥111.0 billion, due to advancing amortization on the whole.

Investments and other assets increased ¥5.4 billion from the previous fiscal year-end to ¥97.4 billion.

Total liabilities at the end of the first quarter of the consolidated fiscal year under review decreased ¥17.6 billion (3.6%) from the previous fiscal year-end to ¥468.3 billion (50.0% to total assets). Notes and accounts payable-trade declined ¥11.2 billion to ¥84.9 billion. Provision for bonuses decreased ¥6.1 billion and accounts payable-other and accrued expenses decreased ¥4.2 billion. Net defined benefit liability increased ¥10.9 billion to ¥64.4 billion. Interest-bearing debt (the sum of short-term loans payable, long-term loans payable and bonds payable) fell ¥6.8 billion to ¥189.2 billion.

Net assets at the end of the first quarter of the consolidated fiscal year under review decreased ¥12.5 billion (2.6%) from the previous fiscal year-end to ¥467.5 billion (50.0% to total assets). Retained earnings decreased ¥5.2 billion compared to the previous fiscal year-end to ¥237.2 billion, due mainly to ¥5.6 billion recorded as net income, a decrease of ¥3.8 billion due to dividend payments from year-end surplus and a decrease of ¥7.0 billion due to application of accounting standards for retirement benefits. In addition, treasury share increased ¥4.1 billion due to the acquisition of the Company’s own shares. Accumulated other comprehensive income decreased ¥3.1 billion from the previous fiscal year-end (27.0%) to ¥8.4 billion, due to a decrease in foreign currency translation adjustments of ¥3.7 billion.

As a result, the shareholders’ equity ratio increased 0.3 percentage points from the end of the previous fiscal year to 49.8%.

2. Cash Flows

[Billions of yen]

	Apr-Jun /Mar 2015	Apr-Jun /Mar 2014	Increase (Decrease)
Cash flows from operating activities	6.7	14.9	(8.1)
Cash flows from investing activities	(13.4)	(11.5)	(1.8)
Total (Free cash flow)	(6.6)	3.3	(10.0)
Cash flows from financing activities	(13.7)	(3.4)	(10.3)

During the first quarter of the fiscal year under review, net cash provided by operating activities was ¥6.7 billion, while net cash used in investing activities, mainly associated with capital investment, totaled ¥13.4 billion. As a result, free cash flow (the sum of operating and investing activities) was an outflow of ¥6.6 billion.

Net cash used in financing activities was ¥13.7 billion.

In addition, cash and cash equivalents at the end of the first quarter of the consolidated fiscal year under review decreased ¥20.7 billion compared with the previous fiscal year-end to ¥167.7 billion, reflecting the effect of changes in exchange rates on cash and cash equivalents.

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 amounted to ¥6.7 billion (compared with ¥14.9 billion in the same period of the previous fiscal year). Cash flow increased due primarily to income before income taxes and minority interests of ¥11.7 billion, depreciation and amortization of ¥11.6 billion and working capital of ¥1.6 billion, while cash flow decreased due mainly to a decline of ¥6.9 billion in accounts payable-other and accrued expenses, a decrease of ¥6.1 billion in the provision of bonuses and ¥5.1 billion for the payment of income taxes.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥13.4 billion (compared with ¥11.5 billion in the same period of the previous fiscal year). Cash of ¥8.8 billion was used for the purchase of property, plant and equipment as a result of construction of a new R&D building, capital investment in the Business Technologies Business and investment in new business for the Industrial Business Other cash outflows were ¥4.7 billion in payments for transfer of business in the Business Technologies Business.

As a result, free cash flow (the sum of operating and investing activities) was an outflow of ¥6.6 billion (an inflow of ¥3.3 billion in the same period of the previous fiscal year).

Cash Flows from Financing Activities

Net cash used in financing activities was ¥13.7 billion (¥3.4 billion in the same period of the previous fiscal year), mainly reflecting a decrease of a total of ¥6.0 billion in short-term and long-term loans payable, ¥3.7 billion in cash dividends paid and ¥3.5 billion for purchase of treasury shares.

(3) Outlook for the Fiscal Year Ending March 31, 2015

Full-year forecasts remain unchanged from initial forecasts announced on May 9, 2014 in light of progress in the first quarter of the fiscal year under review and outlook for the second quarter.

Assumed exchange rates for the second quarter are unchanged from the start of the period at 100 yen against the US dollar and 135 yen against the euro.

[Billions of yen]

	FY ending March 2015 Full year - Announced on May 9, 2014 -
Net sales	1,000.0
Operating income	62.0
Ordinary income	57.0
Net income	26.0

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

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

2. SUMMARY INFORMATION (NOTES)

(1) Adoption of Special Accounting Treatment Used in Preparation of the Consolidated Quarterly Financial Statements

Calculation of tax expenses

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

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

Changes in accounting policy

Application of accounting standards, etc. related to retirement benefits

From the first quarter of the current fiscal year under review, the Group applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) with regard to provisions set forth in the text of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guideline on Accounting Standard for Retirement Benefits. As a result, the Group revised its calculation method for retirement benefit obligation and service cost and switched from a straight-line basis to a benefit formula basis for attribution of expected retirement benefit payments. Along with this, the method of determining discount rates was changed.

At the application of the Accounting Standard for Retirement Benefits, the Group recognized the effect of this change to the calculation method for retirement benefit obligation and service cost in retained earnings at the beginning of the first quarter of the current fiscal year in accordance with transitional provisions set forth in paragraph 37 of the Accounting Standard for Retirement Benefits.

As a result, net defined benefit liability increased by ¥10,957 million and retained earnings decreased by ¥7,052 million at the beginning of the first quarter. In addition, operating income, ordinary income and income before income taxes and minority interests at the end of the first quarter each increased by ¥76 million.

3. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS

(1) Consolidated Quarterly Balance Sheets

June 30, 2014 and March 31, 2014

[Millions of yen]

	March 31, 2014	June 30, 2014
Assets		
Current assets		
Cash and deposits	95,490	91,212
Notes and accounts receivable - trade	220,120	200,082
Lease receivables and investment assets	21,211	21,384
Securities	92,999	76,514
Inventories	115,275	120,223
Deferred tax assets	18,806	19,193
Accounts receivable - other	14,636	12,102
Other	16,435	16,705
Allowance for doubtful accounts	(5,643)	(5,588)
Total current assets	589,331	551,830
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	61,441	68,409
Machinery, equipment and vehicles, net	23,542	22,729
Tools, furniture and fixtures, net	27,058	25,274
Land	34,310	33,795
Leased assets, net	521	466
Construction in progress	13,819	12,047
Assets for rent, net	12,668	12,856
Total property, plant and equipment	173,362	175,579
Intangible assets		
Goodwill	65,734	65,342
Other	45,627	45,719
Total intangible assets	111,362	111,062
Investments and other assets		
Investment securities	29,256	30,136
Long-term loans receivable	83	96
Long-term prepaid expenses	3,230	3,923
Deferred tax assets	48,040	51,616
Other	12,277	12,486
Allowance for doubtful accounts	(883)	(853)
Total investments and other assets	92,003	97,406
Total non-current assets	376,729	384,047
Total assets	966,060	935,878

[Millions of yen]

	March 31, 2014	June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	96,240	84,941
Short-term loans payable	37,078	35,255
Current portion of long-term loans payable	27,003	22,002
Accounts payable - other	39,824	38,317
Accrued expenses	34,509	31,766
Income taxes payable	5,652	7,412
Provision for bonuses	13,007	6,821
Provision for directors' bonuses	244	62
Provision for product warranties	1,441	1,435
Provision for discontinued operations	195	107
Notes payable - facilities	1,185	1,430
Asset retirement obligations	256	260
Other	28,580	26,926
Total current liabilities	285,220	256,739
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	62,042	61,995
Deferred tax liabilities for land revaluation	3,269	3,214
Provision for directors' retirement benefits	237	137
Net defined benefit liability	53,563	64,485
Asset retirement obligations	1,012	1,013
Other	10,658	10,754
Total non-current liabilities	200,785	211,600
Total liabilities	486,005	468,340
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	242,460	237,253
Treasury shares	(17,322)	(21,507)
Total shareholders' equity	466,797	457,407
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,086	5,409
Deferred gains or losses on hedges	(38)	13
Foreign currency translation adjustment	15,055	11,346
Remeasurements of defined benefit plans	(8,497)	(8,294)
Total accumulated other comprehensive income	11,607	8,476
Subscription rights to shares	910	924
Minority interests	740	730
Total net assets	480,055	467,538
Total liabilities and net assets	966,060	935,878

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

Consolidated Quarterly Statements of Income

Three months ended June 30, 2013 and 2014

[Millions of yen]

	April-June 2013	April-June 2014
Net sales	218,543	228,284
Cost of sales	116,206	113,883
Gross profit	102,336	114,400
Selling, general and administrative expenses	94,517	102,738
Operating income	7,818	11,661
Non-operating income		
Interest income	335	460
Dividend income	244	285
Share of profit of entities accounted for using equity method	—	1
Other	803	770
Total non-operating income	1,383	1,518
Non-operating expenses		
Interest expenses	666	584
Share of loss of entities accounted for using equity method	42	—
Foreign exchange losses	367	78
Other	1,074	2,066
Total non-operating expenses	2,151	2,729
Ordinary income	7,050	10,449
Extraordinary income		
Gain on sales of non-current assets	22	1,515
Gain on sales of investment securities	58	2
Total extraordinary income	80	1,517
Extraordinary losses		
Loss on sales and retirement of non-current assets	298	167
Loss on valuation of investment securities	47	0
Impairment loss	35	9
Business structure improvement expenses	607	—
Group restructuring expenses	101	—
Total extraordinary losses	1,091	177
Income before income taxes and minority interests	6,039	11,789
Income taxes	(3,717)	6,207
Income before minority interests	9,757	5,582
Minority interests in loss	(16)	(20)
Net income	9,774	5,603

Consolidated Quarterly Statements of Comprehensive Income
June 30, 2014 and March 31, 2014

[Millions of yen]

	April-June 2013	April-June 2014
Income before minority interests	9,757	5,582
Other comprehensive income		
Valuation difference on available-for-sale securities	(124)	322
Deferred gains or losses on hedges	0	51
Foreign currency translation adjustment	9,810	(3,698)
Remeasurements of defined benefit plans, net of tax	―	203
Share of other comprehensive income of entities accounted for using equity method	1	(0)
Total other comprehensive income	9,687	(3,120)
Comprehensive income	19,445	2,461
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,397	2,471
Comprehensive income attributable to minority interests	47	(10)

(3) Consolidated Quarterly Statements of Cash Flow
Three months ended June 30, 2013 and 2014

[Millions of yen]

	April-June 2013	April-June 2014
Cash flows from operating activities		
Income before income taxes and minority interests	6,039	11,789
Depreciation	11,615	11,640
Impairment loss	35	9
Amortization of goodwill	2,852	2,312
Interest and dividend income	(579)	(746)
Interest expenses	666	584
Loss (gain) on sales and retirement of non-current assets	276	(1,347)
Loss (gain) on sales and valuation of investment securities	(10)	(1)
Increase (decrease) in provision for bonuses	(4,897)	(6,157)
Increase (decrease) in provision for retirement benefits	727	—
Increase (decrease) in net defined benefit liability	—	87
Decrease (increase) in notes and accounts receivable - trade	15,383	17,199
Decrease (increase) in inventories	4,905	(5,827)
Increase (decrease) in notes and accounts payable - trade	(10,633)	(9,747)
Transfer of assets for rent	(1,127)	(1,012)
Decrease (increase) in prepaid expenses	(2,336)	(1,574)
Decrease (increase) in accounts receivable - other	854	1,949
Increase (decrease) in accounts payable - other and accrued expenses	(2,663)	(6,952)
Increase (decrease) in deposits received	2,703	3,182
Decrease/increase in consumption taxes receivable/payable	952	(354)
Other, net	(4,095)	(3,180)
Subtotal	20,670	11,851
Interest and dividend income received	538	745
Interest expenses paid	(726)	(726)
Income taxes (paid) refund	(5,563)	(5,145)
Net cash provided by (used in) operating activities	14,919	6,725
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,501)	(8,856)
Proceeds from sales of property, plant and equipment	99	4,049
Purchase of intangible assets	(1,978)	(1,558)
Payments for transfer of business	(872)	(4,778)
Payments of loans receivable	(36)	(19)
Collection of loans receivable	68	231
Purchase of investment securities	(761)	(1)
Proceeds from sales of investment securities	337	2
Purchase of shares of subsidiaries	—	(900)
Payments of valuation of other investments	(1,032)	(1,353)
Other, net	137	(228)
Net cash provided by (used in) investing activities	(11,539)	(13,413)

[Millions of yen]

	April-June 2013	April-June 2014
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(9,607)	(1,016)
Proceeds from long-term loans payable	10,547	-
Repayments of long-term loans payable	(28)	(5,000)
Repayments of lease obligations	(491)	(445)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(4)	(3,501)
Cash dividends paid	(3,847)	(3,773)
Net cash provided by (used in) financing activities	(3,432)	(13,736)
Effect of exchange rate change on cash and cash equivalents	1,052	(494)
Net increase (decrease) in cash and cash equivalents	1,000	(20,918)
Cash and cash equivalents at beginning of period	213,914	188,489
Increase in cash and cash equivalents from newly consolidated subsidiary	657	146
Cash and cash equivalents at end of period	215,572	167,716

(4) Notes Regarding Going Concern Assumptions

None.

(5) Notes Regarding Significant Change in Shareholders' Equity

The Company acquired its own shares following a resolution at the Board of Directors meeting held on January 30, 2014. As a result of this, treasury shares increased by ¥4,227 million in the first quarter of the fiscal year currently under review. The acquisition was completed on April 14, 2014.

As a result, treasury shares amounted to ¥21,507 million in the first quarter of the fiscal year currently under review.

(6) Segment Information

[Segment Information]

1. Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	169,812	16,257	31,002	217,073	1,469	218,543
Intersegment	483	15	1,335	1,833	6,518	8,352
Total	170,296	16,272	32,337	218,907	7,988	226,895
Segment income (loss)	10,110	65	4,275	14,451	(39)	14,412

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	14,451
Operating income categorized in "Other"	(39)
Intersegment – eliminations	(903)
Corporate expenses*	(5,690)
Operating income reported on quarterly statements of income	7,818

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

2. Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

1. Information about Segment Sales and Income (Loss)

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies	Healthcare	Industrial Business	Total		
Sales						
External	181,389	16,071	30,070	227,531	752	228,284
Intersegment	454	21	520	996	5,156	6,153
Total	181,844	16,093	30,590	228,528	5,909	234,437
Segment income (loss)	11,835	(10)	6,568	18,393	584	18,978

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	18,393
Operating income categorized in "Other"	584
Intersegment – eliminations	(1,480)
Corporate expenses*	(5,836)
Operating income reported on quarterly statements of income	11,661

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

3. Item related to change in reporting segments

From the first quarter of the fiscal year currently under review, the Industrial Inkjet Business, which was previously included in the Other segment, is positioned as the commercial/industrial print field in the Business Technologies Business segment.

Segment information for the previous first quarter has been prepared based on reporting segment classifications following this change.

(7) Important Subsequent Events

At the Board of Directors meeting held on July 30, 2014, Konica Minolta, Inc. (the "Company") approved the item related to the acquisition of own shares based on Article 156 of the Company Law, which is applicable in accordance with Article 165, Paragraph 3 of the same law as well as the cancellation of treasury shares based on Article 178 of the same law. Details follow.

1. Reason for Acquisition of Own Shares and Cancellation of Treasury Shares

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

2. Details of the Acquisition of Own Shares

(1) Type of shares to be acquired:	Common shares
(2) Number of shares to be acquired:	Limited to 10 million (2.0% of the total number of outstanding shares (excluding treasury shares))
(3) Total value of shares to be acquired:	Limited to ¥10 billion
(4) Acquisition period:	July 31, 2014 to October 31, 2014
(5) Method of acquisition:	Discretionary trading by a securities company

3. Details of the Cancellation of Treasury Shares

(1) Type of shares to be canceled:	Common shares
(2) Number of shares to be canceled:	20 million (3.8% of the total number of issued shares prior to cancellation (including treasury shares))
(3) Number of issued shares after cancellation:	511,664,337 shares
(4) Planned date of cancellation:	August 29, 2014

Note: Treasury shares as of June 30, 2014

Total number of issued shares:	531,664,337 shares
Total number of treasury shares:	21,097,704 shares
Total number of outstanding shares (excluding treasury shares):	510,566,633 shares