

May 13, 2015

**Consolidated Financial Results**  
**Fiscal Year ended March 31, 2015**  
**[Japanese GAAP]**  
**April 1, 2014 – March 31, 2015**

**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: Shoei Yamana,  
President and CEO, Representative Executive Officer  
Inquiries: Mami Iwamoto,  
General Manager, CSR, Corporate Communications & Branding Div.  
Telephone number: (81) 3-6250-2100  
Scheduled date for Ordinary General Meeting of Shareholders: June 19, 2015  
Scheduled date for dividends payment: May 28, 2015  
Scheduled date for submission of securities report: June 22, 2015  
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 performance (From April 1, 2014 to March 31, 2015)**

**(1) Business performance**

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

	Net sales		Operating income		Ordinary income		Net income	
Fiscal Year ended Mar 2015	1,011,774	7.2%	66,200	13.9%	59,867	9.6%	32,706	49.6%
Fiscal Year ended Mar 2014	943,759	16.1%	58,144	43.0%	54,621	40.4%	21,861	44.5%

Note: Comprehensive income

Fiscal year ended March 31, 2015: ¥ 51,245 million (9.0%)  
Fiscal year ended March 31, 2014: ¥ 47,016 million (19.0%)

	Net income per share		Net income per share (after full dilution)	
Fiscal Year ended Mar 2015	64.73	yen	64.55	yen
Fiscal Year ended Mar 2014	41.38	yen	41.28	yen

	Return on equity	Ordinary income to total assets	Operating income to net sales
Fiscal Year ended Mar 2015	6.7 %	6.2 %	6.5 %
Fiscal Year ended Mar 2014	4.6 %	5.7 %	6.2 %

Note: Equity in profit (loss) of unconsolidated subsidiaries and affiliates:

Fiscal year ended March 31, 2015:	¥ 35 million
Fiscal year ended March 31, 2014:	¥ (1,163) million

## (2) Financial position

	Total assets	Net assets	Equity ratio (%)	Net assets per share
As of March 31, 2015	970,485	501,684	51.5%	995.48 yen
As of March 31, 2014	966,060	480,055	49.5%	929.04 yen

Note: Equity

As of March 31, 2015:	¥ 499,596 million
As of March 31, 2014:	¥ 478,404 million

## (3) Cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents balance at the end of period
Fiscal Year ended Mar 2015	101,733	(54,308)	(61,770)	177,450
Fiscal Year ended Mar 2014	89,945	(55,776)	(61,954)	188,489

## 2. Dividends per share

	1Q	2Q	3Q	Year-end	Total annual
Fiscal Year ended Mar 2014	-	10.00	-	7.50	17.50
Fiscal Year ended Mar 2015	-	10.00	-	10.00	20.00
Fiscal Year ending Mar 2016 (forecast)	-	15.00	-	15.00	30.00

	Total dividends (annual) [millions of yen]	Dividend pay-out ratio (consolidated) [%]	Dividend-to-net asset ratio (consolidated) [%]
Fiscal Year ended Mar 2014	9,165	42.3	1.9
Fiscal Year ended Mar 2015	10,058	30.9	2.1
Fiscal Year ending Mar 2016 (forecast)		30.1	

Note: Breakdown for dividends of 2Q of Fiscal Year ended March 31, 2014

Common dividend:	¥ 7.50
Commemorative dividend:	¥ 2.50

### 3. Consolidated results forecast for fiscal year ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Profit attributable to owners of the parent company		Basic earnings per share
		%		%		%	[Millions of yen]
Full year	1,100,000	-	77,000	-	50,000	-	99.63 yen

Note: The Company will voluntarily adopt International Financial Reporting Standards (IFRS) beginning with the consolidated financial statements in the securities report for the fiscal year ended March 31, 2015. The consolidated results forecast for the fiscal year ending March 31, 2016 is prepared in accordance with IFRS.

#### ■ 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): Yes

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

- (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: None

d. Restatement due to correction: None

Note: For more detailed information, please see "(5) Important Notes on the Basis of Presenting Consolidated Financial Statements, [Changes in Accounting Policy]" in section 5. CONSOLIDATED FINANCIAL STATEMENTS on page 31.

- (3) Number of shares (common stock)

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

As of March 31, 2015: 511,664,337 shares

As of March 31, 2014: 531,664,337 shares

b. Treasury shares at period-end

As of March 31, 2015: 9,801,071 shares

As of March 31, 2014: 16,720,688 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2015: 505,282,795 shares

Fiscal year ended March 31, 2014: 528,269,256 shares

■ **Presentation of Present Status of Audit Procedures**

This “Consolidated Financial Results” is 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 “(1) Business Performance Analysis, c. Outlook for the Fiscal Year Ending March 31, 2016” in section 1. ANALYSIS of BUSINESS PERFORMANCE and FINANCIAL POSITION on page 11 for more information on points to be remembered in connection with the use of projections.

(How to obtain supplementary information and information on briefings)

Konica Minolta, Inc. will hold a financial results briefing for institutional investors on Wednesday, May 13, 2015. Descriptions at the briefings and presentation slides to be used at the briefings will be posted on the website of the Company immediately after the briefings.

## Supplementary Information

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## 1. ANALYSIS of BUSINESS PERFORMANCE and FINANCIAL POSITION

### (1) Business Performance Analysis

#### a. Overview of Performance

[Billions of yen]				
	Fiscal year ended Mar 2015	Fiscal year ended Mar 2014	Increase (Decrease)	
Net sales	1,011.7	943.7	68.0	7.2%
Gross profit	497.7	451.4	46.3	10.3%
Operating income	66.2	58.1	8.0	13.9%
Ordinary income	59.8	54.6	5.2	9.6%
Income before income taxes and minority interests	55.2	23.5	31.7	135.0%
Net income	32.7	21.8	10.8	49.6%
Net income per share [yen]	64.73	41.38	23.34	56.4%
Return on equity (ROE)	6.7%	4.6%	2.1	—
Capital expenditure	46.1	47.3	(1.2)	-2.7%
Depreciation	50.8	47.3	3.5	7.4%
R & D expenses	75.2	71.1	4.0	5.8%
Free cash flow	47.4	34.1	13.2	38.8%
Number of employees [persons]	41,598	40,401	1,197	3.0%
Exchange rates [yen]				
US dollar	109.93	100.24	9.69	9.7%
euro	138.77	134.37	4.40	3.3%

Note: Return on equity (ROE): net income / average equity

Looking back on the business environment in the consolidated fiscal year under review (“the fiscal year”), personal consumption was strong in the United States on the back of an upturn in the employment environment and high stock prices, which drove momentum in the world economy. Uncertainty persisted in Europe mainly due to continued concerns over the Greek financial crisis and the drawn-out Ukraine crisis. The economic growth rate slowed in China while the speed of growth tapered off in emerging countries, notably in Asia and Latin America. In Japan, corporate results took a favorable turn, particularly in the export-related sector, on account of the cheaper yen and stronger dollar. At the same time, the economy seesawed as domestic demand retracted following the rush witnessed prior to the consumption tax rate increase in April last year.

Under this business environment, consolidated net sales for the fiscal year amounted to ¥1,011.7 billion, an increase of 7.2% year on year. In the Business Technologies Business, the effect of M&As made a contribution along with Konica Minolta Group’s (“the Group’s”) unique sales strategy leveraging exceptional direct sales capabilities and proposal-making capabilities to customers, which resulted in sales growth of more than 10% year on year, thereby driving Group-wide results. The effect of the weak yen also contributed to the sales growth.

Operating income was ¥66.2 billion, an increase of 13.9% year on year. Although selling, general and administrative expenses increased, including advance investment to transform the business portfolio, the impact of the weak yen coupled with an increase in gross profit in the Business Technologies Business and the effect of structural reform in the Industrial Business were the key contributors to the growth in operating income.

Ordinary income was ¥59.8 billion, up 9.6% year on year, due to the increase in operating income.

Income before income taxes and minority interests was ¥55.2 billion, an increase of 135.0% year on year. Extraordinary income and losses improved significantly due primarily to the recording of proceeds from sales of investment securities and noncurrent assets following further streamlining of the balance sheet in the fiscal year despite the recording of loss on withdrawal of the glass substrates for HDDs business in the previous fiscal year in the amount of ¥16.1 billion.

Net income totaled ¥32.7 billion, an increase of 49.6% year on year. Although 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 previous fiscal year, tax expenses increased by ¥7.9 billion in the fiscal year due to reversal of deferred tax assets in line with the tax reform.

Net income per share was ¥64.73, marking a year-on-year increase of more than 1.5 times.

Return on equity (ROE) for the fiscal year was 6.7%, a significant improvement from 4.6% in the previous fiscal year, after successfully making improvements on the balance sheet primarily through increasing net income and acquisition of the Company's own shares.

The Group began implementing a new Medium Term Business Plan, "TRANSFORM 2016," this fiscal year and pushed ahead with initiatives to promote a shift in business model while remaining close to the customer and to enhance high added value in business.

In R&D divisions, we commenced operation of a new R&D center, "Konica Minolta Hachioji SKT," which integrates development functions for digital printing systems, a growth driver of our mainstay Business Technologies Business. It also started activities as a place to promote internal and external open innovation aimed at "The Creation of New Value," our Philosophy.

In production divisions, we established a state-of-the-art production site for the Business Technologies Business in Malaysia. This site integrates our know-how in such areas as advanced ICT (Information Communication Technology), automated production technology and production processes based on the concept of "digital manufacturing" and started initiatives to realize maximum efficiency and productivity.

In sales divisions, we accelerated global development of MCS (Managed Content Services), which entails entering into a customer's business process and optimizing the company's content management within the office services field of the Business Technologies Business. We also worked to strengthen our ability to provide MPM (Marketing Print Management) services, which support the optimization of printing material costs and the improvement of business processes in a company's marketing department, and endeavored to promote the global development of MPM within the commercial and industrial printing field.

In addition, we commenced full-scale planning and development of innovative service business originating from customer needs at our Business Innovation Centers established in five major regions around the world (North America, Europe, Asia/Pacific, China and Japan).

The Group has positioned corporate social responsibility (CSR) activities as key to management and aims to be a global company that is vital to society by undertaking a broad array of initiatives in such areas as the environment, human rights, labor and governance.

In recognition of these activities, Konica Minolta Inc. ("the Company") has been selected for the top-level Gold Class by RobecoSAM, an investment specialist focused exclusively on Sustainability Investing. In Japan, the Company was awarded the overall top position in the eighth Quality Management Level Research conducted by the Union of Japanese Scientists and Engineers and ranked first place in the overall manufacturing sector at the 18th Environmental Management Survey conducted by Nikkei Inc. In terms of investment indices, the Company was named to the Dow Jones Sustainability World Index of the United States, a globally prestigious SRI index, for the third year in a row. In Japan, the Company was selected for the JPX-Nikkei Index 400 for the second consecutive year and was also chosen as one of the "Brand of Companies Enhancing Corporate Value through Health and Productivity Management" jointly undertaken by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in its first fiscal year.

These results show that a solid start has been made in the first fiscal year of our Medium Term Business Plan, "TRANSFORM 2016."

**b. Overview by Segment**

[Billions of yen]

	Fiscal year ended Mar 2015	Fiscal year ended Mar 2014	Increase (Decrease)	
<b>Business Technologies Business</b>				
Net sales - external	817.2	739.9	77.3	10.5%
Operating income	71.8	66.6	5.1	7.7%
<b>Healthcare Business</b>				
Net sales - external	78.5	82.3	(3.8)	-4.6%
Operating income	2.7	4.5	(1.7)	-39.2%
<b>Industrial Business</b>				
Net sales - external	112.7	116.1	(3.3)	-2.9%
Operating income	19.4	15.1	4.2	28.2%

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

**i. Business Technologies Business**

In the office services field, results for mainstay A3 color MFPs (Multi-functional peripherals) remained solid, with sales volume expanding in all regions relative to the previous fiscal year. The number of contracts and sales steadily increased for OPS (Optimized Print Services) as well, which optimize a customer's output environment, following efforts to strengthen the sales and support system for major customers globally. Sales volume of A4 color MFPs also increased as a result of these conditions. For small- and medium-sized customers, the Group further evolved its hybrid-type sales that combine IT services with equipment, an initiative being developed primarily in the European and U.S. markets, and started MCS (Managed Content Services), which entails entering into a customer's business process and optimizing content management. We have been building up results in MCS, especially in North America. Going forward, this will assist us in securing new customers and expanding print volume.

In the commercial and industrial printing field, results were solid throughout the year mainly in new products such as "bizhub PRESS C1100" and "bizhub PRESS C1085" digital printing systems, and as a result, sales volume of color units exceeded that of the previous year. In MPM (Marketing Print Management) services, which support the optimization of printing material costs and the improvement of business processes in a company's marketing department, we established a subsidiary of Charterhouse PM Limited (headquartered in the UK) in the United States and a subsidiary of Ergo Asia Pty Limited (headquartered in Australia) in Japan. By doing so, we completed the creation of a global service provision framework that covers Europe, Asia/Pacific, the United States and Japan. In the industrial inkjet business, we expanded sales from the previous year by boosting sales of both components and textile printers.

As a result, net sales of the Business Technologies Business to external customers stood at ¥817.2 billion, up 10.5% year on year, and operating income was ¥71.8 billion, up 7.7% year on year. An increase in gross profit in line with an increase in sales of color units centering on service provision capabilities coupled with growth in sales of digital printing systems and the impact of the weak yen contributed to higher sales and profit in this segment.

**ii. Healthcare Business**

Although results were strong overseas, particularly in North America, China and India, difficult conditions persisted in Japan primarily due to a decrease in sales of purchased goods in line with a cooling off in market conditions.

In contrast, sales of the Company's core products expanded year on year in Japan and overseas. Sales volume of the mainstay cassette-type digital X-ray system "AeroDR" increased. In diagnostic ultrasound systems business, which is being nurtured as a new field, we commenced sales of "SONIMAGE HS1," a new product developed in-house. HS1 has been highly acclaimed for its product capabilities and the number of contracts for this product has increased



since the closing stages of the fiscal year. In film products, sales in emerging countries were strong and we achieved sales volume roughly on par with the previous year. Sales of purchased goods decreased due to the impact of a cooling down in Japanese market conditions.

As a result of these factors, net sales of the Healthcare Business to external customers amounted to ¥78.5 billion, a decrease of 4.6% year on year. Operating income was ¥2.7 billion, down 39.2% year on year, due to a decrease in gross profit in line with a decline in sales of purchased goods in Japan and significant advance expenses related to the launch of the diagnostic ultrasound systems business.

### **iii. Industrial Business**

In the field of optical systems for industrial use, mainstay products were strong, particularly spectrophotometers for displays in the measuring instruments field and lenses for industrial and professional use in the optics field. In the performance materials field, market conditions for large panels and small- and medium-size panels were strong, supported by steady demand for large LCD TVs, increasing screen size and strong sales of smartphones. As a result, sales volume of thin plain TAC films increased year on year, particularly VA-TAC films for increasing viewing angle, which is an area of comparative strength for the Group.

Net sales decreased despite an increase in sales in the performance materials field compared with the previous year due to falling demand in lenses for compact cameras, downsizing of the lens business for mobile phone cameras and withdrawal of the glass substrates for HDDs business in the field of optical systems for industrial use. Meanwhile, an increase in sales in the performance materials field and measuring instruments field coupled with the effect of a series of structural reforms implemented in the previous fiscal year in the field of optical systems for industrial use contributed to an increase in profit.

As a result, net sales of the Industrial Business to external customers stood at ¥112.7 billion, down 2.9% year on year, and operating income was ¥19.4 billion, up 28.2% year on year.

In Organic Light Emitting Diode (OLED) lighting, an area we are working on as a new business to lead future growth, we started operation of a mass-production plant in autumn last year, which is a world first for plastic substrate flexible OLED lighting panels. The Company's OLED lighting panels have provided new value not seen in traditional light sources in terms of being thin, light and flexible, and applications include use in outdoor illumination at a well-known theme park in Japan.

## &lt;Reference&gt;

**Overview of Performance****Three months ended March 31, 2015 (From January 1, 2015 to March 31, 2015)**

[Billions of yen]

	Three months ended Mar 2015	Three months ended Mar 2014	Increase (Decrease)	
Net sales	277.9	260.8	17.0	6.5%
Gross profit	134.6	123.7	10.8	8.8%
Operating income	20.7	19.2	1.5	8.1%
Ordinary income	16.0	17.8	(1.8)	-10.2%
Income before income taxes and minority interests	14.0	9.5	4.4	46.6%
Net income	10.7	11.0	(0.3)	-3.0%
Net income per share [yen]	21.36	21.16	0.19	0.9%
Capital expenditure	13.0	16.0	(3.0)	-19.0%
Depreciation	13.7	12.2	1.5	12.6%
R & D expenses	19.5	18.6	0.8	4.7%
Free cash flow	20.6	10.3	10.2	98.9%
Exchange rates [yen]				
US dollar	119.09	102.78	16.31	15.9%
euro	134.18	140.79	(6.61)	-4.7%

**Three Months' Business Performance by Segment**

[Billions of yen]

	Three months ended Mar 2015	Three months ended Mar 2014	Increase (Decrease)	
<b>Business Technologies Business</b>				
Net sales - external	227.6	206.5	21.1	10.2%
Operating income	22.9	21.3	1.5	7.4%
<b>Healthcare Business</b>				
Net sales - external	23.3	27.1	(3.8)	-14.2%
Operating income	1.4	2.1	(0.7)	-34.4%
<b>Industrial Business</b>				
Net sales - external	25.8	25.7	0.0	0.2%
Operating income	3.1	2.7	0.3	13.7%

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

### c. Outlook for the Fiscal Year Ending March 31, 2016

Looking at the global economic conditions surrounding the Group, the US economy is forecast to gradually return to a recovery track despite a slowdown in various economic indicators at the start of the year. Major economies in Europe are expected to be strong, including Germany, France and the United Kingdom, due in part to quantitative easing despite the risk of the Greek financial crisis reigniting. We also forecast a continued slowdown in economic growth in China and stagnant growth in emerging countries such as those in Asia and Latin America. Meanwhile, in the Japanese economy, personal consumption is projected to recover moderately reflecting solid corporate results.

As for the outlook for demand in the Group's related markets, in the Business Technologies Business, we expect demand for A3 color MFPs for the office to continue expanding in overseas markets. In the commercial and industrial printing field, we project expanding sales of color units and a resulting increase in print volume. In the Healthcare Business, we expect continued high growth in cassette-type digital X-ray systems and diagnostic ultrasound systems in each region.

In the Industrial Business, we expect growth of smartphones to continue and the trend for increasing screen size to persist in the TV market in line with continued enhancement of image quality. In digital cameras, we expect the markets for compact types and models with interchangeable lenses to continue contracting.

Considering the situation described above, we have made the following forecasts for the fiscal year ending March 31, 2016. We expect the Business Technologies Business to continue driving increases in sales and profit for the entire Group and the Healthcare Business to post recovery in earnings on the back of improvement in market conditions in Japan. Although sales are forecast to increase moderately in the Industrial Business, we are factoring in an increase in costs in new fields on a profit front.

We assume exchange rates of 120 yen against the US dollar and 130 yen against the euro.

The Company will voluntarily adopt International Financial Reporting Standards (IFRS) from this fiscal year's securities report and financial forecasts for the following fiscal year have been prepared accordingly.

[Billions of yen]		
	Forecast for the fiscal year ending Mar 2016 IFRS base	Fiscal year ended Mar 2015 Japanese GAAP base
Net sales	1,100.0	1,011.7
Operating income	77.0	66.2
Net income	50.0	32.7
Return on equity (ROE)* <sup>1</sup>	—	6.7%
Return on equity (ROE)* <sup>2</sup>	10.0%	7.0%

Note: \*<sup>1</sup>ROE (Return on equity): net income / average equity

\*<sup>2</sup>ROE (Return on equity): net income / average shareholders' equity

[Billions of yen]				
	Net sales-external		Operating income	
	Forecast for the fiscal year ending Mar 2016	Fiscal year ended Mar 2015	Forecast for the fiscal year ending Mar 2016	Fiscal year ended Mar 2015
Business Technologies Business	890.0	817.2	84.0	71.8
Healthcare Business	85.0	78.5	4.0	2.7
Industrial Business	125.0	112.7	21.0	19.4

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****a. Analysis of Financial Position**

		As of Mar 31, 2015	As of Mar 31, 2014	Increase (Decrease)
Total assets	[Billions of yen]	970.4	966.0	4.4
Net assets	[Billions of yen]	501.6	480.0	21.6
Net assets per share	[yen]	995.48	929.04	66.44
Equity ratio	[%]	51.5	49.5	2.0

At fiscal year-end, total assets were up ¥4.4 billion (0.5%) from the previous fiscal year-end to ¥970.4 billion. Current assets rose ¥4.9 billion (0.8%) to ¥594.2 billion (61.2% to total assets) and non-current assets decreased ¥0.5 billion (0.1%) to ¥376.2 billion (38.8% to total assets).

With respect to current assets, cash and deposits remained nearly flat at ¥95.4 billion compared with the previous fiscal year-end, securities decreased ¥10.9 billion to ¥82.0 billion, and cash and cash equivalents decreased ¥11.0 billion to ¥177.4 billion. Meanwhile, notes and accounts receivable–trade increased ¥6.7 billion to ¥226.8 billion, lease receivables and investment assets increased ¥1.7 billion to ¥23.0 billion. Inventories increased ¥5.7 billion to ¥121.0 billion.

With respect to non-current assets, property, plant and equipment increased ¥1.7 billion from the previous fiscal year-end to ¥175.1 billion due primarily to construction of a new R&D building and capital investments in the Business Technologies Business as well as investments relating to new businesses in the Industrial Business, despite overall ongoing depreciation. Intangible assets decreased ¥1.5 billion to ¥109.8 billion. Investments and other assets decreased ¥0.7 billion from the previous fiscal year-end to ¥91.2 billion, mainly due to a decrease in deferred tax assets of ¥8.1 billion attributable to a change in tax rates associated with tax reforms, despite an increase in investment securities of ¥4.5 billion on the back of a positive upturn in the stock market.

Total liabilities decreased ¥17.2 billion (3.5%) from the previous fiscal year-end to ¥468.8 billion. Notes and accounts payable–trade increased ¥1.9 billion to ¥98.1 billion and net defined benefit liability increased ¥8.1 billion to ¥61.7 billion, while accrued expenses increased ¥4.9 billion to ¥39.4 billion and income taxes payable increased ¥1.3 billion to ¥6.9 billion. Interest-bearing debt (the sum of short-term loans payable, long-term loans payable and bonds payable) decreased ¥36.5 billion to ¥159.5 billion.

Net assets increased ¥21.6 billion (4.5%) from the previous fiscal year-end to ¥501.6 billion. Retained earnings decreased ¥3.9 billion to ¥238.5 billion. This was due to the recording of ¥32.7 billion in net income, a decrease of ¥8.9 billion due to dividend payments from retained earnings, a decrease of ¥20.7 billion due to cancellation of treasury shares and a decrease of ¥7.0 billion due to the application of accounting standards related to retirement benefits. Treasury shares decreased ¥6.5 billion due to cancellation of treasury shares of ¥20.7 billion offset by the acquisition of the Company's own shares in the amount of ¥14.2 billion. Accumulated other comprehensive income increased ¥18.4 billion to ¥30.1 billion, mainly due to an increase in foreign currency translation adjustment of ¥15.2 billion and an increase in valuation difference on available-for-sale securities of ¥3.4 billion.

As a result, net assets per share came to ¥995.48 and the equity ratio increased 2.0 points from the end of the previous fiscal year to 51.5%.

**b. Cash Flows**

	[Billions of yen]		
	Fiscal year ended Mar 2015	Fiscal year ended Mar 2014	Increase (Decrease)
Cash flows from operating activities	101.7	89.9	11.7
Cash flows from investing activities	(54.3)	(55.7)	1.4
Total (Free cash flow)	47.4	34.1	13.2
Cash flows from financing activities	(61.7)	(61.9)	0.1

During the fiscal year, net cash provided by operating activities was ¥101.7 billion, while net cash used in investing activities, mainly associated with capital investment, totaled ¥54.3 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥47.4 billion.

Net cash used in financing activities was ¥61.7 billion.

In addition, the effect of exchange rate changes increased cash and cash equivalents by ¥3.1 billion. As a result, cash and cash equivalents at the end of the fiscal year stood at ¥177.4 billion, declining ¥11.0 billion from the previous consolidated fiscal year-end.

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

**Cash flows from operating activities**

Net cash provided by operating activities amounted to ¥101.7 billion (compared with net cash provided of ¥89.9 billion in the previous fiscal year) as a result of income before income taxes and minority interests of ¥55.2 billion adjusted for cash inflow mainly from depreciation of ¥50.8 billion and amortization of goodwill of ¥9.2 billion and cash outflow primarily for payment of income taxes of ¥11.7 billion and an increase in working capital of ¥1.2 billion.

**Cash flows from investing activities**

Net cash used in investing activities was ¥54.3 billion (compared with net cash used of ¥55.7 billion in the previous fiscal year). Cash of ¥39.0 billion was used in the acquisition of property, plant and equipment primarily as a result of the construction of a new R&D building and investments in equipment in the Business Technologies Business as well as investments relating to new businesses in the Industrial Business. Other cash outflows included ¥11.3 billion of payments for acquisitions of business and shares of subsidiaries in the Business Technologies Business.

As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥47.4 billion (compared with an inflow of ¥34.1 billion in the previous fiscal year).

**Cash flows from financing activities**

Net cash used in financing activities was ¥61.7 billion (compared with net cash used of ¥61.9 billion in the previous fiscal year), mainly reflecting a net decrease of ¥39.6 billion in short- and long-term loans, an expenditure of ¥13.5 billion for the acquisition of the Company's own shares, and a payment of ¥8.9 billion in dividends.

**[Cash flow indicators]**

	Fiscal year ended Mar 2011	Fiscal year ended Mar 2012	Fiscal year ended Mar 2013	Fiscal year ended Mar 2014	Fiscal year ended Mar 2015
Equity ratio [%]	50.6	48.1	49.4	49.5	51.5
Market price-based equity ratio [%]	43.7	42.5	38.8	51.3	63.1
Debt redemption period [years]	2.8	3.1	3.4	2.2	1.6
Interest coverage ratio	21.9	30.0	25.6	30.7	42.6

## Notes:

Equity ratio: Equity / Total assets

Market price-based 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 shares). 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, 2016**

The Group expects that free cash flow (the sum of operating and investing activities) will be an inflow of ¥15.0 billion in the fiscal year ending March 31, 2016.

### **(3) Basic Policy Regarding Profit Distribution, Dividends for the Fiscal Year and Projected Dividends for the Next Fiscal Year, and Acquisition of the Company's Own Shares and Cancellation of Treasury Shares**

#### **a. 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 implement proactive shareholder returns. The Company strives to enhance shareholder returns through higher dividends as well as a flexible acquisition of the Company's own shares.

#### **b. Dividends for the fiscal year and the next fiscal year**

With respect to dividends from retained earnings for the fiscal year, the Company will distribute a year-end dividend of 10 yen per share, an increase of 2.5 yen from the previous year-end. Combined with the dividend of 10 yen per share already paid at the end of the second quarter, the total annual dividend will be 20 yen per share.

Regarding ordinary dividends for the fiscal year ending March 31, 2016, the Company plans to distribute a total annual dividend of 30 yen per share in order to strengthen shareholder returns, assuming we achieve the results forecasts outlined above.

#### **c. Acquisition of the Company's own shares and cancellation of treasury shares**

At the Board of Directors Meeting held on January 30, 2014, the Company resolved the following items related to the acquisition of its own shares based on Article 156 of the Companies Act, which is applicable in accordance with Article 165, Paragraph 3 of the said act, and exercised acquisition of the Company's own shares.

Acquisition of the Company's own shares

- (1) Type of shares to be acquired: Common shares
- (2) Number of shares to be acquired: Limited to 20 million
- (3) Total value of shares to be acquired: Limited to ¥20.0 billion
- (4) Acquisition period: January 31, 2014 to April 30, 2014

The total number of treasury shares acquired based on the above resolutions at the Board of Directors meeting was 19,779,400 shares, and the aggregate amount paid to acquire the shares amounted to ¥19,999,979,700. The total number of treasury shares acquired during the consolidated fiscal year was 4,414,400 shares with total acquisition costs of ¥4,227,262,200.

In addition, at the Board of Directors meeting held on July 30, 2014, the Company resolved the following items related to an acquisition of its own shares under Article 156 of the Companies Act, as applied pursuant to the provision under Article 165 paragraph 3 of the said act. The Company also dissolved and exercised cancellation of its treasury shares under the provision of Article 178 of the Companies Act.

Acquisition of the Company's own shares

- (1) Type of shares to be acquired: Common shares
- (2) Number of shares to be acquired: Limited to 10 million
- (3) Total value of stock to be acquired: Limited to ¥10.0 billion
- (4) Acquisition period: July 31, 2014 to October 30, 2014

The total number of treasury shares acquired based on the above resolutions at the Board of Directors meeting was 8,721,500 shares, and the aggregate amount paid to acquire the shares amounted to ¥9,999,971,651.

Cancellation of Treasury Shares

- (1) Type of shares to be canceled: Common shares
- (2) Number of shares to be canceled: 20 million
- (3) Number of issued shares after cancellation: 511,664,337
- (4) Date of cancellation: August 29, 2014

\* 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 Company, 129 consolidated subsidiaries, 11 unconsolidated subsidiaries, and 3 affiliates. A chart detailing the business structure follows.

<b>Konica Minolta, Inc.</b>	
<b>Business Technologies Business: 111</b>	
<b>(Consolidated Subsidiaries: 99, Unconsolidated Subsidiaries: 10, Affiliates: 2)</b>	
Production: 11	
Konica Minolta Supplies Manufacturing Co., Ltd. (Japan) Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong) Konica Minolta Business Technologies (WUXI) Co., Ltd. (China) Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China) Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. (Malaysia)	
Other Companies: 6	
Sales & Service: 100	
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 France S.A.S. (France) Konica Minolta Business Solutions (UK) Ltd. (U.K.) Charterhouse PM Limited (U.K.) Konica Minolta Business Solutions Australia Pty. Ltd. (Australia) Ergo Asia Pty Limited (Australia) Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)	
Other Companies: 89	
<b>Healthcare Business: 10 (Consolidated Subsidiaries: 9, Unconsolidated Subsidiary: 1)</b>	
Production: 3	
Konica Minolta Technoproducts Co., Ltd. (Japan)	
Other Companies: 2	
Sales & Service: 7	
Konica Minolta Health Care Co., Ltd. (Japan) Konica Minolta Medical Imaging U.S.A., Inc. (U.S.A.) Konica Minolta Medical & Graphic Imaging Europe B.V. (Netherlands) Konica Minolta Medical & Graphic (SHANGHAI) Co., Ltd. (China)	
Other Companies: 3	
<b>Industrial Business: 13 (Consolidated Subsidiaries: 12, Unconsolidated Subsidiary: 1)</b>	
Production: 7	
Konica Minolta Opto Products Co., Ltd. (Japan) Konica Minolta Opto (DALIAN) Co., Ltd. (China)	
Other Companies: 5	
Sales & Service: 6	
Konica Minolta Sensing Americas, Inc. (U.S.A.) Instrument Systems GmbH (Germany) Konica Minolta Sensing Europe B.V. (Netherlands) Konica Minolta Sensing Singapore Pte. Ltd. (Singapore) Konica Minolta Opto (SHANGHAI) Co., Ltd. (China)	
Other Company: 1	
<b>Others: 9 (Consolidated Subsidiaries: 9)</b>	
Konica Minolta Planetarium Co., Ltd. (Japan) Konica Minolta Business Associates Co., Ltd. (Japan) Konica Minolta Engineering Co., Ltd. (Japan) Konica Minolta Information System Co., Ltd. Konica Minolta Holdings U.S.A., Inc. (U.S.A.) Konica Minolta (China) INVESTMENT Ltd. (China)	
Other Companies: 3	

Note: Organization chart is as of March 31, 2015. Only major consolidated subsidiaries are shown.



### 3. MANAGEMENT POLICY

#### (1) Konica Minolta Philosophy

“TRANSFORM 2016,” the Medium Term Management Plan, offers a path to realizing a global company that is vital to society and an innovative company that is robust and constantly evolving. Pressing ahead with the “One Konica Minolta” plan will require that each individual employee has the ability to put ideas into practice. We have therefore incorporated into the Konica Minolta Philosophy the management philosophy to which we have adhered, the values we have nurtured, and the vision of the kind of company we should be in order to enable all 40,000 of our employees around the world to hold the same values and to think and act decisively.

Konica Minolta will continue to develop into a company in which all of our employees can join together as one to consider customer needs and to help to solve the issues they face, using the Konica Minolta Philosophy as the basis for value.

Our Philosophy: The Creation of New Value

6 Values\*: Open and honest  
Customer-centric  
Innovative  
Passionate  
Inclusive and collaborative  
Accountable

\* Our 6 Values are the essence of our innermost beliefs, our inherited DNA, and define how we go about our business and act towards all our partners. They articulate what we stand for and direct our decision making.

Our Vision: A global company that is vital to society

An innovative company that is robust and constantly evolving

Brand Proposition: Giving Shape to Ideas\*

\* It is our pledge to bring the ideas of customers and society to life through innovation and contribute to the creation of a high quality society.

#### (2) Management Targets Aimed for

The Group has formulated a three-year Medium Term Business Plan, “TRANSFORM 2016,” that runs from fiscal 2014 to fiscal 2016. We have set numerical targets with a view to the scale of enterprise we are aiming for by fiscal 2018, five years from the start of the plan, namely net sales of ¥1.3 trillion or more, operating income of ¥130.0 billion and an operating income ratio of 10%. As markers to help their realization, we are targeting net sales of ¥1.1 trillion or more, operating income of ¥90.0 billion, an operating income ratio of 8% or more and ROE of 10% or more in fiscal 2016, the final year of the plan.

All figures are based on International Financial Reporting Standards (IFRS)

	Medium-term management plan targets (fiscal year ending Mar 2016)	Vision five years from now (fiscal year ending Mar 2018)
Net sales	¥1.1 trillion or more	¥1.3 trillion or more
Operating income	¥90.0 billion	¥130.0 billion
Operating income ratio	8% or more	10%
Return on equity (ROE)	10% or more	—

\*Assumed exchange rates during the period of the plan (FY2014-FY2016): U.S. dollar = ¥100; euro = ¥135

\*The Company will voluntarily adopt International Financial Reporting Standards (IFRS) beginning with the securities report released in fiscal 2014 (year ending March 31, 2015).

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

Under the Medium Term Business Plan, “TRANSFORM 2016,” we aim to fully understand our customers and become a partner that can provide them with high added value in order to outstrip global competition amid changes in the management environment surrounding the Group. We have decided on the following three items as basic policies of the Medium Term Business Plan in order to realize sustainable growth backed by business portfolio expansion as a corporation. We will achieve this by accelerating the transformation to a proposal-type business model supporting the resolution of customer issues through the addition of services to products while promoting manufacturing innovation as a manufacturing business.

1. Realize sustainable profit growth
2. Transform into a customer-centric company
3. Establish a strong corporate structure

As the intermediate fiscal year of the Medium Term Business Plan, “TRANSFORM 2016,” in fiscal year 2015 we will strive to build up new growth engines and enhance our earning power as a company in order to achieve the targets of the plan.

In order to **realize sustainable profit growth**, we will strive to maximize income in existing profit drivers, notably digital color printing systems in the Business Technologies Business and the performance materials field as well as expand sales and profit by strengthening regional strategies and alliance capabilities. We will accelerate the launch of new businesses in the performance materials field and concentrate management resources into businesses for industrial and professional use in the field of optical systems for industrial use. In addition, we will implement initiatives that include procurement based on cross-Group activities, promoting automation in manufacturing processes, and enhancing production efficiency through the use of ICT while also seeking to continue reducing manufacturing costs.

In order to **transform into a customer-centric company**, we will strive to fully understand customer needs and workflow and strengthen solutions and service business supporting the resolution of our customers’ management issues. Further, leveraging our Business Innovation Centers established in five major regions around the world as bases, we will strive to achieve technological innovation and create a business model that is not constrained by existing industrial frameworks while using customer needs as the starting point. Within these activities, we will continue working to build up new growth drivers that can generate results by fiscal year 2017-2018.

In order to **establish a strong corporate structure**, we will comprehensively pursue efforts to create sturdy production operations and optimize the Group’s global business operations. At the same time, we will work to enhance productivity in operations in corporate divisions and to boldly implement functional reforms as a means to boost efficiency.

We aim to realize a global company that is vital to society by steadily executing the initiatives stated under the Medium Term Business Plan, “TRANSFORM 2016,” and achieving sustainable growth by transforming our business portfolio.

### **4. BASIC VIEWS on SELECTION of ACCOUNTING STANDARDS**

The Company will voluntarily adopt International Financial Reporting Standards (IFRS) beginning with the consolidated financial statements in the securities report for the fiscal year ended March 31, 2015 (April 1, 2014 through March 31, 2015) aiming to unify accounting treatments within the Group and to improve international comparability of the financial information in capital markets.

## 5. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

Fiscal year ended March 31, 2014 and 2015

[Millions of yen]

	March 31, 2014	March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	95,490	95,444
Notes and accounts receivable - trade	220,120	226,899
Lease receivables and investment assets	21,211	23,010
Securities	92,999	82,006
Inventories	115,275	121,067
Deferred tax assets	18,806	22,795
Accounts receivable - other	14,636	10,425
Other	16,435	18,680
Allowance for doubtful accounts	(5,643)	(6,057)
<b>Total current assets</b>	<b>589,331</b>	<b>594,271</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	61,441	67,919
Machinery, equipment and vehicles, net	23,542	29,437
Tools, furniture and fixtures, net	27,058	27,917
Land	34,310	31,991
Leased assets, net	521	440
Construction in progress	13,819	4,153
Assets for rent, net	12,668	13,240
<b>Total property, plant and equipment</b>	<b>173,362</b>	<b>175,100</b>
Intangible assets		
Goodwill	65,734	61,563
Other	45,627	48,289
<b>Total intangible assets</b>	<b>111,362</b>	<b>109,852</b>
Investments and other assets		
Investment securities	29,256	33,806
Long-term loans receivable	83	74
Long-term prepaid expenses	3,230	4,646
Deferred tax assets	48,040	39,887
Other	12,277	13,699
Allowance for doubtful accounts	(883)	(853)
<b>Total investments and other assets</b>	<b>92,003</b>	<b>91,260</b>
<b>Total non-current assets</b>	<b>376,729</b>	<b>376,213</b>
<b>Total assets</b>	<b>966,060</b>	<b>970,485</b>

[Millions of yen]

	March 31, 2014	March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	96,240	98,152
Short-term loans payable	37,078	25,844
Current portion of bonds	-	20,000
Current portion of long-term loans payable	27,003	5,001
Accounts payable - other	39,824	39,202
Accrued expenses	34,509	39,476
Income taxes payable	5,652	6,957
Provision for bonuses	13,007	13,402
Provision for directors' bonuses	244	256
Provision for product warranties	1,441	1,770
Provision for discontinued operations	195	-
Notes payable - facilities	1,185	1,451
Asset retirement obligations	256	164
Other	28,580	31,724
<b>Total current liabilities</b>	<b>285,220</b>	<b>283,404</b>
Non-current liabilities		
Bonds payable	70,000	50,000
Long-term loans payable	62,042	58,696
Deferred tax liabilities for land revaluation	3,269	2,907
Provision for directors' retirement benefits	237	139
Net defined benefit liability	53,563	61,749
Asset retirement obligations	1,012	976
Other	10,658	10,925
<b>Total non-current liabilities</b>	<b>200,785</b>	<b>185,395</b>
<b>Total liabilities</b>	<b>486,005</b>	<b>468,800</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	242,460	238,558
Treasury shares	(17,322)	(10,727)
<b>Total shareholders' equity</b>	<b>466,797</b>	<b>469,490</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,086	8,497
Deferred gains or losses on hedges	(38)	40
Foreign currency translation adjustment	15,055	30,303
Remeasurements of defined benefit plans	(8,497)	(8,735)
<b>Total accumulated other comprehensive income</b>	<b>11,607</b>	<b>30,105</b>
Subscription rights to shares	910	1,016
Minority interests	740	1,071
<b>Total net assets</b>	<b>480,055</b>	<b>501,684</b>
<b>Total liabilities and net assets</b>	<b>966,060</b>	<b>970,485</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Consolidated Statements of Income****Fiscal year ended March 31, 2014 and 2015**

[Millions of yen]

	March 31, 2014	March 31, 2015
Net sales	943,759	1,011,774
Cost of sales	492,269	513,982
Gross profit	451,490	497,791
Selling, general and administrative expenses	393,346	431,591
Operating income	58,144	66,200
Non-operating income		
Interest income	1,641	1,689
Dividend income	480	844
Share of profit of entities accounted for using equity method	-	35
Other	3,437	3,340
Total non-operating income	5,559	5,910
Non-operating expenses		
Interest expenses	2,852	2,398
Foreign exchange losses	126	449
Share of loss of entities accounted for using equity method	1,163	-
Loss on disposal of mass-produced trial products	-	1,646
Other	4,940	7,749
Total non-operating expenses	9,083	12,243
Ordinary income	54,621	59,867
Extraordinary income		
Gain on sales of non-current assets	639	3,525
Gain on sales of investment securities	75	1,065
License-related income	809	-
Total extraordinary income	1,524	4,590
Extraordinary losses		
Loss on sales and retirement of non-current assets	2,639	2,314
Loss on sales of shares of subsidiaries and associates	-	1,064
Loss on valuation of investment securities	49	0
Impairment loss	5,524	3,789
Business structure improvement expenses	3,532	2,067
Loss on business withdrawal	16,122	-
Group restructuring expenses	118	-
Special extra retirement payments	4,655	-
Total extraordinary losses	32,642	9,236
Income before income taxes and minority interests	23,503	55,221
Income taxes - current	11,624	14,466
Income taxes - deferred	(10,060)	8,012
Total income taxes	1,564	22,479
Income before minority interests	21,939	32,741
Minority interests in income	77	35
Net income	21,861	32,706

**Consolidated Statements of Comprehensive Income**  
**Fiscal year ended March 31, 2014 and 2015**

	March 31, 2014	[Millions of yen] March 31, 2015
Income before minority interests	21,939	32,741
Other comprehensive income		
Valuation difference on available-for-sale securities	1,738	3,404
Deferred gains or losses on hedges	(40)	78
Foreign currency translation adjustment	23,376	15,252
Remeasurements of defined benefit plans	-	(237)
Share of other comprehensive income of entities accounted for using equity method	2	5
Total other comprehensive income	25,077	18,503
Comprehensive income	47,016	51,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	46,887	51,203
Comprehensive income attributable to minority interests	129	42

**(3) Consolidated Statements of Changes in Net Assets**

Fiscal year ended March 31, 2014

[Millions of yen]

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	37,519	204,140	229,713	(1,548)	469,825
Cumulative effects of changes in accounting policies					—
Restated balance	37,519	204,140	229,713	(1,548)	469,825
Changes of items during period					
Dividends of surplus			(9,280)		(9,280)
Net income			21,861		21,861
Change in scope of consolidation			176		176
Purchase of treasury shares				(15,806)	(15,806)
Disposal of treasury shares			(11)	32	20
Retirement of treasury shares					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	12,746	(15,774)	(3,028)
Balance at end of current period	37,519	204,140	242,460	(17,322)	466,797

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	3,345	2	(8,268)	—	(4,920)	764	747	466,416
Cumulative effects of changes in accounting policies								—
Restated balance	3,345	2	(8,268)	—	(4,920)	764	747	466,416
Changes of items during period								
Dividends of surplus								(9,280)
Net income								21,861
Change in scope of consolidation								176
Purchase of treasury shares								(15,806)
Disposal of treasury shares								20
Retirement of treasury shares								—
Net changes of items other than shareholders' equity	1,741	(40)	23,324	(8,497)	16,527	145	(6)	16,666
Total changes of items during period	1,741	(40)	23,324	(8,497)	16,527	145	(6)	13,638
Balance at end of current period	5,086	(38)	15,055	(8,497)	11,607	910	740	480,055

## Fiscal year ended March 31, 2015

[Millions of yen]

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	37,519	204,140	242,460	(17,322)	466,797
Cumulative effects of changes in accounting policies			(7,052)		(7,052)
Restated balance	37,519	204,140	235,407	(17,322)	459,745
Changes of items during period					
Dividends of surplus			(8,902)		(8,902)
Net income			32,706		32,706
Change in scope of consolidation			124		124
Purchase of treasury shares				(14,236)	(14,236)
Disposal of treasury shares			(13)	66	53
Retirement of treasury shares			(20,765)	20,765	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	3,150	6,595	9,745
Balance at end of current period	37,519	204,140	238,558	(10,727)	469,490

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	5,086	(38)	15,055	(8,497)	11,607	910	740	480,055
Cumulative effects of changes in accounting policies								(7,052)
Restated balance	5,086	(38)	15,055	(8,497)	11,607	910	740	473,003
Changes of items during period								
Dividends of surplus								(8,902)
Net income								32,706
Change in scope of consolidation								124
Purchase of treasury shares								(14,236)
Disposal of treasury shares								53
Retirement of treasury shares								—
Net changes of items other than shareholders' equity	3,410	78	15,247	(237)	18,498	106	331	18,935
Total changes of items during period	3,410	78	15,247	(237)	18,498	106	331	28,681
Balance at end of current period	8,497	40	30,303	(8,735)	30,105	1,016	1,071	501,684



**(4) Consolidated Statements of Cash Flow**  
**Fiscal years ended March 31, 2014 and 2015**

	March 31, 2014	[Millions of yen] March 31, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	23,503	55,221
Depreciation	47,371	50,892
Impairment loss	17,424	3,789
Amortization of goodwill	9,406	9,215
Interest and dividend income	(2,122)	(2,533)
Interest expenses	2,852	2,398
Loss (gain) on sales and retirement of non-current assets	1,999	(1,210)
Loss (gain) on sales and valuation of investment securities	(26)	(1,064)
Loss (gain) on sales and valuation of subsidiaries and associates	—	997
Increase (decrease) in provision for bonuses	1,915	178
Increase (decrease) in liability for retirement benefits	9,609	(2,044)
Decrease (increase) in notes and accounts receivable - trade	(1,503)	7,783
Decrease (increase) in inventories	9,098	521
Increase (decrease) in notes and accounts payable - trade	(6,742)	(9,574)
Transfer of assets for rent	(5,837)	(6,785)
Decrease (increase) in accounts receivable - other	(376)	2,631
Increase (decrease) in accounts payable - other and accrued expenses	5,735	4,691
Decrease/increase in consumption taxes receivable/payable	713	911
Other, net	(8,445)	(2,686)
<b>Subtotal</b>	<b>104,575</b>	<b>113,332</b>
Interest and dividend income received	2,091	2,536
Interest expenses paid	(2,927)	(2,386)
Income taxes (paid) refund	(13,793)	(11,748)
<b>Net cash provided by (used in) operating activities</b>	<b>89,945</b>	<b>101,733</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(36,487)	(39,063)
Proceeds from sales of property, plant and equipment	2,355	8,630
Purchase of intangible assets	(8,654)	(8,676)
Payments for transfer of business	(2,102)	(6,709)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,777)	(4,360)
Purchase of investments in subsidiaries' equity resulting in change	(616)	-
Purchase of additional investments in consolidated subsidiaries' equity	(1,633)	(293)
Payments of loans receivable	(306)	(97)
Collection of loans receivable	159	83
Purchase of investment securities	(4,910)	(729)
Proceeds from sales of investment securities	397	3,266
Purchase of shares of subsidiaries	(297)	(1,764)
Payments of valuation of other investments	(2,718)	(5,157)
Other, net	816	563
<b>Net cash provided by (used in) investing activities</b>	<b>(55,776)</b>	<b>(54,308)</b>

	March 31, 2014	[Millions of yen] March 31, 2015
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(35,013)	(11,411)
Proceeds from long-term loans payable	25,598	-
Repayments of long-term loans payable	(24,061)	(28,287)
Repayments of lease obligations	(2,658)	(2,141)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(15,806)	(13,509)
Payments made to trust account for purchase of treasury shares	(727)	-
Cash dividends paid	(9,284)	(8,908)
Other, net	-	2,486
Net cash provided by (used in) financing activities	(61,954)	(61,770)
<b>Effect of exchange rate change on cash and cash equivalents</b>	1,690	3,160
<b>Net increase (decrease) in cash and cash equivalents</b>	(26,094)	(11,185)
<b>Cash and cash equivalents at beginning of period</b>	213,914	188,489
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	669	146
<b>Cash and cash equivalents at end of period</b>	188,489	177,450

**(5) Important Notes on 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: 129**

The number of consolidated subsidiaries of the Group is 129. For the details of major consolidated subsidiaries, refer to "2. GROUP OVERVIEW." Changes in consolidated subsidiaries during the fiscal year are as follows.

(Increased due to significance)

Konica Minolta Business Solutions Slovenia d.o.o.  
Konica Minolta Croatia-Business Solutions d.o.o.  
Konica Minolta Baltia UAB  
Konica Minolta Ukraine  
Konica Minolta BH - Poslovna Rjesenja d.o.o.

(Increased due to acquisition of shares or equity interest)

Ergo Asia Pty Limited and its 12 subsidiaries  
Indicia Group Limited and its seven subsidiaries  
Results Engineering LLC  
Konica Minolta IJ Textile Europe S.r.l.  
Konica Minolta Business Solutions do Sul Ltda

(Increased due to new establishment)

Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.  
Konica Minolta Healthcare do Brasil Ltda.  
Charterhouse USA, Inc.

(Decreased due to company liquidation)

Konica Minolta Logistics Co., Ltd.

(Decreased due to disposal)

R+M Business Software GmbH  
Koneo AB

(Decreased due to merger)

KnowledgeCentrix Holdings, LLC  
DocuSource LLC  
Konica Minolta Medical & Graphic Imaging Europe GmbH  
Navigate System & Consulting GmbH  
GfWi GmbH  
360 Business Software + Systeme GmbH  
Repro Conseil S.A.S.  
Aisne Impressions S.A.S.  
Results Engineering LLC

**2) Principal unconsolidated subsidiary**

Konica Minolta Business Solutions (Thailand) Co., Ltd.

Unconsolidated subsidiaries have not been included in the scope of consolidation because they are relatively small and their assets, net sales, net income (loss), and retained earnings (in proportion to scale of equity ownership) do not have material influence on the consolidated financial statements.

**[2] Scope of the Use of Equity Method****1) Equity method is employed for investments in an important affiliate.**

Major associate accounted for using equity method: Toho Chemical Laboratory Co., Ltd.

Media Technology Corporation, which was previously accounted for using the equity method, is excluded from the scope of application of the equity method, because of completion of the liquidation.

- 2) Unconsolidated subsidiaries that are not accounted for by the equity method (including Konica Minolta Business Solutions (Thailand) Co., 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] Fiscal year-end of consolidated subsidiaries**

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.

The following consolidated subsidiaries have fiscal years ending December 31:

Konica Minolta Business Solutions do Brazil Ltda.

Konica Minolta Business Solutions do Sul Ltda.

Konica Minolta Business Solutions de Mexico SA de CV.

Konica Minolta Medical Systems Russia LLC

Konica Minolta Healthcare do Brasil Ltda.

Of the consolidated subsidiaries, Konica Minolta Business Solutions Russia LLC had a fiscal year ending on December 31, and consolidated financial statements were previously prepared using the financial statements of the company as of that fiscal year-end date. Adjustments were made to consolidated accounts to account for important transactions involving this company that occurred between the end of its fiscal year-end date and the end of the consolidated fiscal year. However, in order to disclose consolidated financial information more appropriately, the fiscal year-end date of this company has been changed to March 31, the end of the consolidated fiscal year for the fiscal year and subsequent fiscal years. As a result, the fiscal year of this company is 15 months from January 1, 2014 to March 31, 2015.

**[4] Accounting Standards and Methods****1) Valuation standard and method for important assets****1. Securities**

Bonds held to maturity:

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

Available-for-sale securities:

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

Securities that do not have fair market values are primarily recorded at cost using the moving-average method.

**2. Derivatives**

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

**3. Inventories**

Inventories of the Company and its domestic consolidated subsidiaries are principally recorded at cost as determined by the periodic-average method (method of reducing book value when the contribution of inventories to profitability declines). Inventories of overseas consolidated subsidiaries are principally 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. Property, plant and equipment (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 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 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 uncollectability. 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. Provision for bonuses**

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

**3. Provision for directors' bonuses**

To prepare for the payment of directors' bonuses, an amount corresponding to the current portion of estimated bonus payments to directors for the fiscal year is recorded.

**4. Provision 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. Provision for directors' retirement benefits**

Consolidated subsidiaries, to provide for the payment of directors' retirement benefits, record provision for benefits for retired directors in an actual amount equal to the need at the end of the one-year period based on the Group's regulations.

**4) Accounting method for retirement benefits**

In order to provide for employee retirement benefits, net defined benefit liability is recorded at the amount of projected benefit obligations less plan assets at the end of the fiscal year. In determining retirement benefit obligations, the Group attributes the expected amount of retirement benefit to the period until this fiscal year-end based on the benefit formula.

Prior service cost is being amortized as incurred by the straight-line method over certain periods (principally 10 years), which are within the average remaining years of service of the employees at the time the service cost is generated.

Actuarial gains and losses are being amortized on a straight-line basis over certain periods (principally 10 years), which are within the average remaining years of service of the employees at the time the amounts are generated in each fiscal year, allocated proportionately starting from the year following the respective fiscal year of occurrence.

Unrecognized prior service costs and unrecognized actuarial gains or losses, net of tax effects, are recorded in accumulated other comprehensive income (remeasurements of defined benefit plans) under net assets.

#### **5) Standard for translating significant assets and liabilities denominated in foreign currencies into Japanese yen**

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen using the spot exchange rate at the end of the consolidated fiscal year, and foreign currency differences are recognized as gains or losses. The assets and liabilities of foreign subsidiaries are translated into Japanese yen using the spot exchange rates prevailing at the end of the consolidated fiscal year. Income and expense items are translated into Japanese yen using the average exchange rate for the fiscal year. Foreign currency differences are recorded in foreign currency translation adjustment and minority interests in net assets.

#### **6) Principal accounting methods for hedge transactions**

##### **1. Hedge accounting methods**

The deferred hedge method is mainly used. Designated hedge accounting is applied to currency swaps that fulfill requirements for such accounting method and specified hedge accounting is applied to interest-rate swaps that fulfill requirements for such accounting method. Foreign currency differences arising from translation of a foreign currency denominated monetary asset or liability designated as a hedge of an investment in a foreign subsidiary are offset with foreign currency translation adjustment arising from the hedged investment.

##### **2. Hedge methods and hedge targets**

Hedge methods: Forward exchange contracts, currency option transactions, currency swap transactions, interest rate swap transactions, and foreign-currency-denominated borrowings

Hedge targets: Scheduled foreign currency denominated transactions, borrowings, and equity investments in foreign subsidiaries.

##### **3. Hedge policy**

The Group enters into forward exchange contracts and currency option transactions as hedging instruments only, not for trading purposes to make profits, within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates. In addition, the Group enters into currency swap transactions and interest rate swap transactions to stabilize interest rates on bonds and borrowings or reduce cost fluctuations for future capital procurement, both as hedging instruments only, not for speculation purposes, within the limit of actual financial or operating transactions. The Company uses foreign currency-denominated borrowings in order to reduce foreign currency exposures in equity investments in foreign subsidiaries.

##### **4. Methods for evaluating the effectiveness of hedges**

The Company assesses hedge effectiveness by confirming that the hedging derivatives are highly correlated to changes in fair value or cash flows of hedged items.

#### **7) 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.

#### **8) Range of cash within consolidated statements of cash flow**

Cash (cash and cash equivalents) in the consolidated statements of cash flow 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.

**9) 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, the non-deductible portion of consumption taxes related to assets that is classified as deferred consumption taxes under tax laws is recorded in long-term prepaid expenses and amortized on a straight-line basis over five years.

**2. Consolidated tax payment system**

The consolidated tax payment system is applied.

**[Changes in Accounting Policy]**

(Application of accounting standards, etc. related to retirement benefits)

From the first quarter of the current consolidated fiscal year, the Company adopted Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 issued on May 17, 2012; hereinafter, the "Accounting Standard for Retirement Benefits") and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 issued on March 26, 2015; hereinafter, the "Guidance on Accounting Standard for Retirement Benefits") in accordance with the provisions of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. The Company revised the calculation method for retirement benefit obligations and service costs, adopted the method to attribute expected retirement benefits to the periods of services based on the benefit formula instead of on the straight-line basis, and changed the method of determining discount rates.

Adoption of the Accounting Standard for Retirement Benefits and Guidance was accounted for in accordance with the transitional treatment stipulated in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of change in the calculation method for retirement benefit obligations and service costs was added to or deducted from retained earnings as of the beginning of this consolidated fiscal year.

As a result, net defined benefit liability at the beginning of this fiscal year increased ¥10,957 million, and retained earnings decreased ¥7,052 million. Operating income, ordinary income and income before income taxes and minority interests for the fiscal year increased ¥317 million, respectively.

**[Consolidated Balance Sheet Items]**

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

**1. Accumulated depreciation directly deducted from property, plant and equipment**

¥481,826 million

**2. Investment securities of unconsolidated subsidiaries and affiliated companies**

Investment securities (stocks) ¥3,705 million

**3. Breakdown of inventories**

Merchandise and finished goods ¥92,520 million

Work in process ¥10,365 million

Raw materials and stores ¥18,181 million

**4. Guaranteed obligations**

The Group guarantees bank loans and lease obligations, etc. of unconsolidated companies, etc. amounting to ¥277 million.

**[Consolidated Statements of Income Items]**

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

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

Selling	¥16,411 million
Transport and storage	¥24,516 million
Advertising	¥18,332 million
Salaries and wages	¥116,244 million
Provision for reserve for bonuses	¥6,999 million
R&D	¥75,281 million
Depreciation and amortization	¥23,572 million
Retirement benefits	¥7,080 million
Provision for allowance for doubtful accounts	¥1,554 million

2. The cost of sales includes the cut-down of book values by ¥1,546 million, reflecting reduced profitability of inventory held for normal sales purposes.

3. Impairment loss was primarily attributable to write-down of the book value of the following assets to their recoverable amount.

- Goodwill related to a subsidiary disposed in the structural reform of sales sites in Europe for the Business Technologies Business
- Manufacturing equipment of optical products and film manufacturing equipment located in Japan for the Industrial Business
- Corporate idle assets that included lands

4. Business structure improvement expenses included expenses related to structural reform of sales sites in Europe for the Business Technologies Business, discontinuation of in-house silver nitrate manufacturing for the Healthcare Business, and improvement of the production system of optical products for the Industrial Business.

**[Segment and Other Related Information]**

(Segment Information)

**[1] Summary of Reportable Segments****1) Method of determining segments**

The 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 sites in Japan and overseas for the different products and services it handles and has drawn up a comprehensive global strategy with business activities being deployed in line with this.

As such, the Group is comprised of multiple business segments for different products and services with the three reportable segments of "Business Technologies Business," "Healthcare Business" and "Industrial Business." Business segments that have generally similar economic characteristics have been consolidated.

**2) Type of product and service belonging to each segment**

The "Business Technologies Business" manufactures and sells MFPs, digital printing systems, and printers, and provides related solution services. The "Healthcare Business" manufactures and sells medical diagnostic imaging systems. The "Industrial Business" manufactures and sells electronic materials (TAC films, etc.), performance materials, optical products (pickup lenses, etc.), and measuring instruments for industrial and medical applications.

**3) Changes in reportable segments**

From the fiscal year, the Industrial Inkjet Business, which was previously included in the "Other", is positioned as the commercial/industrial print field in the "Business Technologies Business". Segment information for the previous fiscal year has been prepared based on reporting segment classifications following this change.



**[2] Methods of Calculating Net Sales, Income 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 net sales and transfers are based on market values.

**[3] Information on Net Sales, Income or Loss, Assets, Liabilities, and Other Items by Reportable Segment****Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)**

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Total		
Net sales						
External	739,917	82,375	116,126	938,419	5,340	943,759
Intersegment	1,911	178	2,988	5,079	22,408	27,487
Total	741,829	82,554	119,115	943,498	27,748	971,247
Segment incomes	66,645	4,500	15,155	86,301	973	87,275
Segment assets	568,369	68,991	119,760	757,121	26,059	783,181
Segment liabilities	301,165	48,962	62,601	412,729	8,880	421,610
Other items						
Depreciation and amortization	28,305	2,800	10,261	41,367	262	41,629
Amortization of goodwill	8,414	—	991	9,406	—	9,406
Investments in entities accounted for using equity method	—	486	—	486	—	486
Increases in property, plant and equipment and intangible assets	24,188	2,708	13,302	40,200	903	41,103

**Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)**

[Millions of yen]

	Reportable Segment				Other	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Total		
Net sales						
External	817,257	78,568	112,780	1,008,607	3,167	1,011,774
Intersegment	1,895	316	2,425	4,636	23,103	27,740
Total	819,153	78,884	115,206	1,013,244	26,270	1,039,514
Segment incomes	71,806	2,737	19,428	93,972	1,581	95,553
Segment assets	619,751	64,989	116,655	801,396	24,906	826,303
Segment liabilities	328,331	43,699	53,402	425,433	8,390	433,823
Other items						
Depreciation and amortization	33,165	3,537	8,249	44,951	373	45,324
Amortization of goodwill	8,226	—	988	9,215	—	9,215
Investments in entities accounted for using equity method	—	524	—	524	—	524
Increases in property, plant and equipment and intangible assets	29,591	2,605	6,720	38,917	415	39,333

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

Net Sales	[Millions of yen]	
	Fiscal year ended Mar 2014	Fiscal year ended Mar 2015
Total net sales of reportable segments	943,498	1,013,244
Net sales categorized in "Other"	27,748	26,270
Intersegment - eliminations	(27,487)	(27,740)
Net sales reported on the consolidated financial statements	943,759	1,011,774

Operating Income	[Millions of yen]	
	Fiscal year ended Mar 2014	Fiscal year ended Mar 2015
Total operating income of reportable segments	86,301	93,972
Operating income categorized in "Other"	973	1,581
Intersegment - eliminations	(5,817)	(6,852)
Corporate expenses*	(23,313)	(22,500)
Operating income reported on the consolidated financial statements	58,144	66,200

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

Assets	[Millions of yen]	
	As of Mar 31, 2014	As of Mar 31, 2015
Total assets of reportable segments	757,121	801,396
Assets categorized in "Other"	26,059	24,906
Intersegment - eliminations	(90,354)	(96,135)
Corporate assets*	273,234	240,317
Total assets reported on the consolidated financial statements	966,060	970,485

Note: Corporate assets are primarily surplus funds (cash and deposits and securities), long-term investment funds (investment securities), and property, plant and equipment and intangible assets that do not belong to any reportable segment.

Liabilities	[Millions of yen]	
	As of Mar 31, 2014	As of Mar 31, 2015
Total liabilities of reportable segments	412,729	425,433
Liabilities categorized in "Other"	8,880	8,390
Intersegment - eliminations	(33,095)	(44,510)
Corporate liabilities*	97,490	79,487
Total liabilities reported on the consolidated financial statements	486,005	468,800

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

Other items	[Millions of yen]							
	Total of reportable segments		Others		Adjustments*		Total amounts reported on the consolidated financial statements	
	Fiscal year ended	Fiscal year ended	Fiscal year ended	Fiscal year ended	Fiscal year ended	Fiscal year ended	Fiscal year ended	Fiscal year ended
	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015	Mar 2014	Mar 2015
Depreciation and amortization	41,367	44,951	262	373	5,741	5,567	47,371	50,892
Amortization of goodwill	9,406	9,215	—	—	—	—	9,406	9,215
Investments in equity-method associates	486	524	—	—	—	—	486	524
Increases in property, plant and equipment and intangible assets	40,200	38,917	903	415	6,280	6,766	47,383	46,100

Note: Adjustments of depreciation and amortization are primarily depreciation of buildings that does not belong to any reportable segment.

Adjustments of increases in property, plant and equipment and intangible assets are primarily capital investments on buildings that do not belong to any reportable segment.

(Related Information)

**Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)**

**[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] Sales Information by Geographical Area**

[Millions of yen]					
Japan	U.S.A.	Europe	Asia	Other	Total
213,337	205,810	302,364	143,957	78,289	943,759

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

**[3] Information by Major Customer**

Since net sales to no external 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, 2015 (from April 1, 2014 to March 31, 2015)****[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] Sales Information by Geographical Area**

						[Millions of yen]
Japan	U.S.A.	Europe	Asia	Other	Total	
203,661	235,628	328,663	156,633	87,187	1,011,774	

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

**[3] Information by Major Customer**

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

(Information on Impairment Loss for Non-current Assets by Reportable Segment)

**Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)**

					[Millions of yen]		
Reportable segment					Other	Eliminations and Corporate*2	Total
Business Technologies Business	Healthcare Business	Industrial Business*1	Total				
Impairment loss	407	25	12,721	13,154	—	4,270	17,424

Note 1: The amount reported for the Industrial Business includes impairment loss of ¥11,899 million associated with the withdrawal from the glass substrates for HDDs business that was included in loss on business withdrawal in the consolidated statements of income.

Note 2: The amount of eliminations and corporate is the amount of impairment loss on buildings, etc. that does not belong to any reportable segment.

**Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)**

					[Millions of yen]		
Reportable segment					Other	Eliminations and Corporate*	Total
Business Technologies Business	Healthcare Business	Industrial Business	Total				
Impairment loss	1,851	73	957	2,882	—	907	3,789

Note: The amount of eliminations and corporate is the amount of impairment loss on buildings, etc. that does not belong to any reportable segment.

(Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment)

**Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)**

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Total			
Amortization for the period	8,414	—	991	9,406	—	—	9,406
Balance at the end of the period	55,577	—	10,157	65,734	—	—	65,734

**Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)**

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Total			
Amortization for the period	8,226	—	988	9,215	—	—	9,215
Balance at the end of the period	52,840	—	8,722	61,563	—	—	61,563

(Information on Gain on Negative Goodwill by Reportable Segment)

None.

**[Per Share Information]**

	Fiscal year ended Mar 2014	Fiscal year ended Mar 2015
Net assets per share	929.04	995.48
Net income per share	41.38	64.73
Fully diluted net income per share	41.28	64.55

Note: Bases of calculations

**[1] Net Assets per Share**

		As of Mar 31, 2014	As of Mar 31, 2015
Total net assets in consolidated balance sheets	[millions of yen]	480,055	501,684
Total net assets attributable to common stock	[millions of yen]	478,404	499,596
Principal factors underlying difference	[millions of yen]		
Subscription rights to shares		910	1,016
Minority interests		740	1,071
Common stock outstanding	[thousands of shares]	531,664	511,664
Treasury shares	[thousands of shares]	16,720	9,801
Common stock used to calculate net assets per share	[thousands of shares]	514,943	501,863

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

		Fiscal year ended Mar 2014	Fiscal year ended Mar 2015
Total net income in consolidated statements of income	[millions of yen]	21,861	32,706
Value not attributable to common shareholders	[millions of yen]	—	—
Net income applicable to common stock	[millions of yen]	21,861	32,706
Average number of common stock outstanding during the fiscal year	[thousands of shares]	528,269	505,282
Main net income adjustment items used to calculate diluted net income per share figure	[millions of yen]	—	—
Adjustment of net income	[millions of yen]	—	—
Main common stock change items used to calculate diluted net income per share figure	[thousands of shares]		
Subscription rights to shares		1,281	1,412
Change in common stock outstanding	[thousands of shares]	1,281	1,412
Summary of potential shares not included in calculation of fully diluted net income per share because they are anti-dilutive		—	—

Note: As stated in [Changes in Accounting Policy], Accounting Standard for Retirement Benefits has been applied and transitional provisions set forth in paragraph 37 of the Accounting Standard for Retirement Benefits have been followed. As a result, net assets per share for the fiscal year decreased by ¥13.62, while net income per share and fully diluted net income per share for the fiscal year increased by ¥0.42, respectively.

**[Notes Regarding Effects of Changes in Corporate Tax Rates]**

The “Law for Partial Revision of Income Tax Law” (Article 9, 2015) and the “Law for Partial Revision of Local Tax Law” (Article 2, 2015) were promulgated on March 31, 2015, resulting in a reduction in the corporate tax rates from fiscal years beginning on or after April 1, 2015. Accordingly, the effective statutory tax rate used to measure deferred tax assets and liabilities will be reduced from 35.64% to 33.10% for temporary differences expected to be realized in the fiscal year beginning on April 1, 2015, and to 32.34% for temporary differences expected to be realized in fiscal years beginning on or after April 1, 2016.

As a result of these changes, deferred tax assets–net (net of deferred tax liabilities) decreased ¥4,259 million and valuation difference on available-for-sale securities increased ¥343 million as of the fiscal year-end, and income taxes–deferred recorded for the current fiscal year increased ¥4,603 million.

In addition, due to the revision of the deduction of loss carried-forward, the deduction will be limited to the amount equivalent to 65% of income before deduction of loss carried-forward for the fiscal years beginning on April 1, 2015 and 2016, and to 50% for the fiscal year beginning on or after April 1, 2017. Accordingly, deferred tax assets decreased by ¥3,330 million, and income taxes–deferred increased by the same amount.

**[Important Subsequent Events]**

At the Board of Directors meeting held on May 13, 2015, 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.

**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<br>(2.0% of the total number of outstanding shares<br>(excluding treasury shares)) |
| (3) Total value of shares to be acquired: | Limited to ¥10 billion   |
| (4) Acquisition period:                   | May 14, 2015 to August 31, 2015  |
| (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:            | 9 million<br>(1.8% of the total number of issued shares prior to cancellation<br>(including treasury shares)) |
| (3) Number of issued shares after cancellation: | 502,664,337 shares  |
| (4) Planned date of cancellation:               | June 30, 2015   |

Note: Treasury shares as of March 31, 2015

Total number of issued shares:	511,664,337 shares
Total number of treasury shares:	9,801,071 shares
Total number of outstanding shares (excluding treasury shares):	501,863,266 shares