January 28, 2016

Fiscal Year ending March 31, 2016
Third Quarter Consolidated Financial Results
[IFRS]
April 1, 2015 – December 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
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Telephone number:	(81) 3-6250-2100
Scheduled date for submission of securities report:	February 5, 2016
Scheduled date for dividends payment:	—
Availability of supplementary information:	Yes
Organization of financial results briefing:	Yes (for institutional investors)

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

1. Overview of the 3Q performance (From April 1, 2015 to December 31, 2015)

(1) Business performance

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

(Millions of yen)

	Revenue		Operating profit		Profit before tax		Profit for the period	
Nine months ended December 31, 2015	762,326	4.7%	41,588	-11.7%	40,524	-16.8%	26,497	-11.3%
Nine months ended December 31, 2014	728,039	—	47,077	—	48,698	—	29,868	—

(Millions of yen)

	Profit attributable to owners of the company		Total comprehensive income	
Nine months ended December 31, 2015	26,492	-11.3%	21,327	-63.1%
Nine months ended December 31, 2014	29,861	—	57,793	—

	Basic earnings per share attributable to owners of the company	Diluted earnings per share attributable to owners of the company
Nine months ended December 31, 2015	53.32 yen	53.16 yen
Nine months ended December 31, 2014	58.97 yen	58.80 yen

(Note) Basic earnings per share attributable to owners of the company and diluted earnings per share attributable to owners of the company are calculated based on the profit attributable to owners of the company.

(2) Financial position

(Millions of yen)

	Total assets	Total equity	Equity attributable to owners of the company	Equity ratio attributable to owners of the company
As of December 31, 2015	985,466	528,378	527,699	53.5 %
As of March 31, 2015	994,256	529,504	528,432	53.1 %

2. Dividends per share

(yen]

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

Note: Change to the latest dividend forecast announced: None

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.

(Millions of yen)

	Revenue	%	Operating profit	%	Profit attributable to owners of the company	%	Basic earnings per share attributable to owners of the company
Full year	1,080,000	7.7	73,000	11.0	47,000	14.8	94.66 yen

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

■ Notes

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

(2) Changes in accounting policy, or changes in accounting estimates
- a. Changes in accounting policies required by IFRS: Yes
- b. Changes in accounting policy other than “a.”: None
- c. Changes in accounting estimates: None

Note: For more detailed information, please see “Changes in accounting policy” in section 2. SUMMARY INFORMATION (NOTES) on page 8.

(3) Number of shares (common stock)

a. Issued shares at period-end (including treasury shares)	
As of December 31, 2015:	502,664,337 shares
As of March 31, 2015:	511,664,337 shares
b. Treasury shares at period-end	
As of December 31, 2015:	7,266,610 shares
As of March 31, 2015:	9,801,071 shares
c. Average number of outstanding shares during the period	
Nine months ended December 31, 2015:	496,896,262 shares
Nine months ended December 31, 2014:	506,424,671 shares

■ Presentation of Present Status of Quarterly Review Procedures

This “Third Quarter Consolidated Financial Results” is not subject to quarterly review procedures in accordance with the Financial Instruments and Exchange Law and, as of the date of publication of these quarterly consolidated financial results, the quarterly review procedures for the Condensed Consolidated Financial Statements are currently in progress.

■ Explanation of Appropriate Use of Performance Projections and Other Special Items

(Note on forward-looking statements)
This document contains projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. The Konica Minolta Group makes no warranty as to the achievability of the projections. There is a possibility that diverse factors may cause actual performance, etc. to differ materially from the projections. Please see “(3) Qualitative Information on the Consolidated Results Forecast” in section 1. CONSOLIDATED OPERATING RESULTS on page 7 for more information on points to be remembered in connection with assumptions for projections and the use of projections.

(How to obtain supplementary information and information on a financial results briefing)
Konica Minolta, Inc. will hold a financial results briefing for institutional investors on Thursday, January 28, 2016. Descriptions at the briefing and presentation slides to be used at the briefing will be posted on the website of the Group immediately after the briefing.

Supplementary Information

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1. ANALYSIS of BUSINESS PERFORMANCE and FINANCIAL POSITION

(1) Qualitative Information on the Consolidated Business Performance

a. Overview of Performance

(Billions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2014	Increase (Decrease)	
Revenue	762.3	728.0	34.2	4.7%
Gross profit	3,66.9	357.8	9.0	2.5%
Operating profit	41.5	47.0	(5.4)	-11.7%
Profit before tax	40.5	48.6	(8.1)	-16.8%
Profit attributable to owners of the company	26.4	29.8	(3.3)	-11.3%
Basic earnings per share attributable to owners of the company [yen]	53.32	58.97	(5.65)	-9.6%
Capital expenditures	35.1	33.0	2.0	6.3%
Depreciation and amortization expenses	37.4	35.2	2.1	6.2%
Research and development expenses	56.8	55.1	1.6	3.1%
Free cash flow	(46.3)	27.2	(73.6)	－%
Number of employees (consolidated) [persons]	43,392	41,939	1,453	3.5%
Foreign exchange rates [yen]				
US dollar	121.70	106.87	14.83	13.9%
euro	134.36	140.30	(5.94)	-4.2%

In the nine months ended December 31, 2015 (hereafter, “period under review”), consolidated revenue of the Konica Minolta Group (hereafter, “the Group”) amounted to ¥762.3 billion, an increase of 4.7% year on year. By business segment, in the Business Technologies Business sales of high-end color models for office and commercial printing rose, while corporate acquisitions and the effects of the weaker yen against the US dollar made a contribution to continued revenue growth. In the Industrial Business, sales of optical systems for industrial use remained roughly at previous-year levels, but the field of performance materials posted lower revenue due to lower sales volumes. In the Healthcare Business, sales were strong both in Japan and overseas which, together with corporate acquisitions in the US, led to higher revenue.

Operating profit was ¥41.5 billion, falling by 11.7% over the same period in the previous year. The Business Technologies Business posted only a small increase in profit as it was significantly affected by the yen strengthening against the euro, a trend that became pronounced in the latter half of the period under review and that has a considerable impact on profits. Also, while the tone of rising profits in the Healthcare Business became increasingly clear, falling sales in the Industrial Business led to lower profits. The overall decline in profit in the business divisions coincided with costs related to structural reforms implemented in the first half of the period under review, causing a fall in profit for the Group as a whole.

Profit before tax came to ¥40.5 billion (down 16.8% year on year) and profit attributable to the owners of the company was ¥26.4 billion (down 11.3% year on year).

<Progress report on the Medium Term Business Plan “TRANSFORM 2016”>

In line with the TRANSFORM 2016 Medium Term Business Plan, the Group is driving ahead with measures aimed at transforming itself into a customer-centric group of companies and at realizing sustainable profit growth. During the period under review, we developed “Care Support Solution” to resolve social problems such as the progressive ageing of societies in Japan and Asia leading to a rise in the number of people requiring nursing care, as well as shortages of caregiving staff. We are also ramping up activities aimed at the commercialization of wide-angle laser radar, the development of which was announced by Konica Minolta in January 2015, which could be used in advanced security systems and is now undergoing application development and demonstration testing.

At the Business Innovation Centers (BIC) established in five major regions around the world, initiatives to create new businesses in coordination with a diverse range of entities such as academic institutes, research institutes, and start-ups in each region are progressing steadily and we expect contributions to business to begin in earnest in FY2017 and FY2018.

For an overview of BIC, please see the Konica Minolta website:

http://www.konicaminolta.com/about/releases/2014/0210_01_01.html

b. Overview by Segment

(Billions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2014	Increase (Decrease)	
Business Technologies Business				
Revenue - external	616.1	583.7	32.3	5.5%
Operating profit	50.8	50.0	0.8	1.6%
Healthcare Business				
Revenue - external	62.2	55.2	6.9	12.7%
Operating profit	2.2	1.4	0.8	57.8%
Industrial Business				
Revenue - external	81.7	86.9	(5.2)	-6.0%
Operating profit	13.2	17.1	(3.8)	-22.4%

i. Business Technologies Business

<Office services>

For mainstay A3 color MFPs (Multi-functional peripherals), price competition is intensifying in the US and European markets. The Group has followed a marketing strategy of maintaining prices and has succeeded in growing sales of high-value-added products, primarily mid-range and higher-segment models. Sales of monochrome models as well were strong in Europe and China, and sales volumes exceeded prior-year levels.

Regarding major negotiations with large companies for global purchasing, sales are expanding steadily due to new large-scale contract wins (such as with a major European general construction company) and contract renewals at existing customers. In “hybrid-type sales,” which combine equipment sales with the provision of IT services, the Group proposed a solution for improving the efficiency of document management and workflow to a leading US educational institution. This proposal won the large-scale contract, showing that “non-price competition” based on more than just pricing factors is taking root.

<Commercial and industrial printing>

In production print, sales of the top-of-the-line “bizhub PRESS C1100” digital color printing system grew primarily in the US and Europe, which further strengthened the foundation for an expansion in color print volumes.

In Marketing Print Management (MPM) services, which help optimize printing costs and improve business processes in a company’s marketing department, the Group won new customers. In addition, we expanded the scope of services provided to an existing customer, from the traditional production of printed materials to digital content management. In the industrial inkjet business, sales of components such as inkjet printheads for use in large-format printers were strong.

As a result, revenue of the Business Technologies Business from external customers stood at ¥616.1 billion, up 5.5% year on year, and operating profit was ¥50.8 billion, up 1.6% year on year. Revenues rose due to the effect of acquisitions and the weaker yen against the US dollar. Despite gains on sale of property, plant and equipment in North America, in addition to the yen continuing the previous year's trend of strengthening against the euro, which has a significant impact on profits, there were also increases in costs related to the transformation in the focus of our business, including the bolstering of our service provision capability, and thus only a small increase in profit was achieved.

ii. Healthcare Business

During the period under review, sales of picture archiving and communication systems (PACS) and diagnostic ultrasound systems grew significantly in Japan. “AeroDR” cassette-type digital X-ray diagnostic imaging systems grew steadily, primarily in overseas markets. By region, in Japan the SONIMAGE HS1 diagnostic ultrasound system has been widely recognized for its diagnostic performance in the field of orthopedic surgery and revenue was boosted by rising sales. Overseas, sales in the US, where Viztek was acquired in October 2015, contributed to an increase in revenue.

As a result, revenue of the Healthcare Business from external customers stood at ¥62.2 billion, up 12.7% year on year, and operating profit was ¥2.2 billion, up 57.8% year on year. In addition to the increase in gross profit generated by rising sales of mainstay products, there was a rise in the number of service contracts, which depend on the installed base of such products and equipment, which in turn contributed to an improvement in profitability.

In the primary care market, where further growth is expected, the Group will leverage its synergies with Viztek, which has superior solutions proposal and development capabilities, and is working to strengthen its provision of global medical IT solution services.

iii. Industrial Business

<Performance materials>

Sales of TAC film for large LCD televisions, which had been solid despite difficult overall market conditions, slowed in the latter half of the period under review due to the impact of falling demand in emerging markets. Conversely, for small and medium-size panels, the thin-film products in which the Group specializes turned to recovery in the latter half of the period under review.

<Optical systems for industrial use>

In measuring instruments, higher revenue was achieved due in part to the acquisition of Radiant. In lenses for industrial and professional use, sales of optical units for projectors were strong.

As a result, revenue of the Industrial Business from external customers came to ¥81.7 billion (down 6.0% year on year) and operating profit stood at ¥13.2 billion (down 22.4% year on year).

(Reference) Overview of 3Q consolidated accounting period

(Billions of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2014	Increase (Decrease)	
Revenue	255.0	253.5	1.4	0.6%
Gross profit	122.7	124.6	(1.9)	-1.6%
Operating profit	13.3	16.2	(2.8)	-17.7%
Profit before tax	13.1	16.9	(3.7)	-22.1%
Profit attributable to owners of the company	9.1	10.4	(1.2)	-12.3%
Basic earnings per share attributable to owners of the company [yen]	18.49	20.82	(2.33)	-11.2%
Capital expenditures	13.0	7.4	5.5	74.8%
Depreciation and amortization expenses	12.4	12.5	(0.0)	-0.2%
Research and development expenses	18.7	18.7	(0.0)	-0.1%
Free cash flow	(5.9)	11.3	(17.3)	—%
Foreign exchange rates [yen]				
US dollar	121.50	114.54	6.96	6.1%
euro	132.95	143.07	(10.12)	-7.1%

Overview of main segments

(Billions of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2014	Increase (Decrease)	
Business Technologies Business				
Revenue - external	206.8	206.6	0.1	0.1%
Operating profit	16.5	19.1	(2.6)	-13.9%
Healthcare Business				
Revenue - external	21.9	18.7	3.2	17.1%
Operating profit	0.7	0.2	0.5	243.1%
Industrial Business				
Revenue - external	25.4	27.4	(1.9)	-7.3%
Operating profit	2.8	4.0	(1.2)	-30.0%

(2) Qualitative Information on the Consolidated Financial Position

a. Analysis of Financial Position

		December 31, 2015	March 31, 2015	Increase (Decrease)
Total assets	[Billions of yen]	985.4	994.2	(8.7)
Total equity	[Billions of yen]	528.3	529.5	(1.1)
Equity attributable to owners of the company	[Billions of yen]	527.6	528.4	(0.7)
Equity ratio attributable to owners of the company	[%]	53.5	53.1	0.4

Total assets at December 31, 2015 were down ¥8.7 billion (0.9%) from the previous fiscal year-end, to ¥985.4 billion. Total current assets decreased ¥49.5 billion (8.7%) to ¥521.0 billion (52.9% to total assets) and total non-current assets increased ¥40.7 billion (9.6%) to ¥464.3 billion (47.1% to total assets). With respect to current assets, cash and cash equivalents decreased ¥67.3 billion to ¥110.1 billion, and trade and other receivables decreased ¥8.2 billion to ¥244.7 billion, while inventories increased ¥22.6 billion to ¥143.4 billion. With respect to non-current assets, property, plant and equipment decreased ¥0.3 billion to ¥181.2 billion as a result of overall ongoing depreciation despite an increase due primarily to capital expenditures in the Business Technologies Business. Goodwill and intangible assets increased ¥44.4 billion to ¥170.6 billion, mainly due to acquisition.

Total liabilities at December 31, 2015 were ¥457.0 billion, a decrease of ¥7.6 billion (1.6%) from the previous fiscal year-end. Trade and other payables decreased by ¥3.3 billion to ¥174.2 billion, while income tax payables fell ¥3.3 billion to ¥4.1 billion. Conversely, bonds and borrowings (the sum of amounts posted as current liabilities and non-current liabilities) amounted to ¥169.1 billion, an increase of ¥3.5 billion in total despite redemption of bonds of ¥20.0 billion. Retirement benefit liabilities increased by ¥1.3 billion to ¥63.4 billion.

Total equity at December 31, 2015 amounted to ¥528.3 billion, a decrease of ¥1.1 billion from the previous fiscal year-end. Retained earnings increased ¥2.9 billion to ¥254.2 billion. This was mainly the result of an increase due to profit attributable to owners of the company of ¥26.4 billion and a decrease due to cash dividends of ¥12.4 billion and cancellation of the treasury shares of ¥11.0 billion. Treasury shares decreased ¥1.2 billion to negative ¥9.5 billion as a result of acquisition of the Company's own shares of ¥9.9 billion and cancellation of the treasury shares of ¥11.0 billion based on the resolutions at the Board of Directors meeting. Other components of equity at December 31, 2015 totaled ¥41.0 billion, a decrease of ¥4.8 billion, due to a loss on exchange differences on translation of foreign operations of ¥4.2 billion and a net loss on revaluation of financial assets measured at fair value of ¥0.9 billion.

Equity attributable to owners of the company totaled ¥527.6 billion at December 31, 2015, a decrease of ¥0.7 billion from the previous fiscal year-end, and the equity ratio attributable to owners of the company increased 0.4 percentage points to 53.5%.

b. Cash Flows

(Billions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2014	Increase (Decrease)
Cash flows from operating activities	31.1	71.6	(40.4)
Cash flows from investing activities	(77.4)	(44.3)	(33.1)
Total (Free cash flow)	(46.3)	27.2	(73.6)
Cash flows from financing activities	(19.0)	(47.5)	28.5

During the nine months ended December 31, 2015 (hereafter, "period under review"), net cash provided by operating activities was ¥31.1 billion, while net cash used in investing activities, mainly associated with capital expenditures and M&As, totaled ¥77.4 billion. As a result, free cash flow (the sum of operating and investing activities) was an outflow of ¥46.3 billion.

Net cash used in financing activities was ¥19.0 billion.

In addition, cash and cash equivalents at December 31, 2015 decreased ¥60.3 billion from the previous fiscal year-end to ¥110.1 billion, reflecting the unfavorable effect of exchange rate changes on cash and cash equivalents of ¥1.9 billion.

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

Cash flows from operating activities

Net cash provided by operating activities for the period under review was ¥31.1 billion, compared to net cash provided of ¥71.6 billion in the same period of the previous fiscal year, as a result of cash inflow due to profit before tax of ¥40.5 billion, depreciation and amortization expenses of ¥37.4 billion, and a decrease in trade and other receivables of ¥8.2 billion; and cash outflow due to an increase in inventories of ¥22.4 billion, income taxes paid of ¥13.5 billion, and a decrease in trade and other payables of ¥3.2 billion.

Cash flows from investing activities

Purchases of property, plant and equipment and intangible assets amounted to ¥26.4 billion and ¥9.2 billion, respectively, mainly attributable to capital expenditures in the Business Technologies Business. On the other hand, proceeds from sales of property, plant and equipment amounted to ¥8.6 billion, mainly due to sales of assets in North America. As a result of the acquisition of Radiant in the Industrial Business, and of Viztek in the Healthcare Business, as well as acquisitions in the Business Technologies Business, purchase of investments in subsidiaries of ¥45.1 billion and payments for transfer of business of ¥3.1 billion were recorded. Accordingly, net cash flows used in investing activities came to ¥77.4 billion compared to net cash used in the same period of the previous year of ¥44.3 billion.

As a result, free cash flow (the sum of operating and investing activities) was an outflow of ¥46.3 billion (an inflow of ¥27.2 billion in the same period of the previous fiscal year).

Cash flows from financing activities

There was a ¥29.8 billion increase in short-term loans payable, redemption of bonds and repayments of long-term loans payable of ¥26.8 billion, cash dividends paid of ¥12.2 billion, and purchase of treasury shares of ¥10 billion, leading to net cash used in financing activities of ¥19.0 billion compared to net cash used in the same period of the previous year of ¥47.5 billion.

(3) Qualitative Information on the Consolidated Results Forecast

Although we expect the outlook of the business environment that surrounds the Group both in Japan and overseas to remain uncertain, at this point we have not changed the results forecasts announced on October 29, 2015. In the fourth quarter, despite the tough market conditions, each of our businesses will work to enhance our earning capacity by expanding sales of mainstay products and promoting sales of high-value-added products.

Moreover, the exchange rate assumptions that form the basis for the forecasts are also unchanged from the figures announced on October 29, 2015 (US$: ¥120; euro: ¥135).

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

Figures in qualitative information sections given as billions of yen have been rounded off to the nearest hundred million yen.

2. SUMMARY INFORMATION (NOTES)

Changes in accounting policy

The significant accounting policies applied to the Group's condensed consolidated financial statements are identical to those applied to the consolidated financial statements for the previous fiscal year ended March 31, 2015, except for the accounting standard provided below.

The Group has applied the following standard from the three months ended June 30, 2015. The application of this standard had no material effect on the Group's condensed consolidated financial statement.

Standard	Outline
IAS 19 Employee Benefits	Amendment of accounting for contributions from employees or third parties

3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	March 31, 2015	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	177,496	110,129
Trade and other receivables	252,962	244,762
Inventories	120,803	143,442
Income tax receivables	559	1,357
Other financial assets	1,715	2,442
Other current assets	16,431	18,269
Subtotal	569,968	520,403
Assets held for sale	672	674
Total current assets	570,640	521,077
Non-current assets		
Property, plant and equipment	181,641	181,284
Goodwill and intangible assets	126,132	170,615
Investments accounted for using the equity method	524	1,327
Other financial assets	41,420	41,463
Deferred tax assets	64,291	60,137
Other non-current assets	9,605	9,559
Total non-current assets	423,615	464,388
Total assets	994,256	985,466

(Millions of yen)

	March 31, 2015	December 31, 2015
Liabilities		
Current liabilities		
Trade and other payables	177,564	174,250
Bonds and borrowings	53,349	81,604
Income tax payables	7,522	4,157
Provisions	5,542	4,739
Other financial liabilities	1,020	168
Other current liabilities	36,889	31,458
Total current liabilities	281,889	296,379
Non-current liabilities		
Bonds and borrowings	112,236	87,565
Retirement benefit liabilities	62,039	63,415
Provisions	1,135	1,234
Other financial liabilities	539	913
Deferred tax liabilities	2,944	3,306
Other non-current liabilities	3,967	4,273
Total non-current liabilities	182,863	160,707
Total liabilities	464,752	457,087
Equity		
Share capital	37,519	37,519
Share premium	203,395	203,397
Retained earnings	251,323	254,251
Treasury shares	(10,727)	(9,510)
Subscription rights to shares	1,016	1,033
Other components of equity	45,905	41,007
Equity attributable to owners of the company	528,432	527,699
Non-controlling interests	1,071	679
Total equity	529,504	528,378
Total liabilities and equity	994,256	985,466

(2) Condensed Consolidated Statement of Profit or Loss

Nine months ended December 31, 2014 and 2015

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Revenue	728,039	762,326
Cost of sales	370,162	395,379
Gross profit	357,877	366,947
Other income	4,263	5,976
Selling, general and administrative expenses	303,790	322,737
Other expenses	11,273	8,597
Operating profit	47,077	41,588
Finance income	3,588	1,633
Finance costs	1,942	2,698
Share of profit (loss) of investments accounted for using the equity method	(25)	0
Profit before tax	48,698	40,524
Income tax expense	18,829	14,026
Profit for the period	29,868	26,497
Profit attributable to		
Owners of the company	29,861	26,492
Non-controlling interests	7	5
Earnings per share		
Basic	58.97 yen	53.32 yen
Diluted	58.80 yen	53.16 yen

Three months ended December 31, 2014 and 2015

(Millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015
Revenue	253,586	255,081
Cost of sales	128,921	132,355
Gross profit	124,664	122,725
Other income	748	1,000
Selling, general and administrative expenses	105,457	108,451
Other expenses	3,702	1,896
Operating profit	16,252	13,378
Finance income	1,433	536
Finance costs	737	729
Share of profit (loss) of investments accounted for using the equity method	(21)	0
Profit before tax	16,926	13,186
Income tax expense	6,447	4,005
Profit for the period	10,478	9,181
Profit attributable to		
Owners of the company	10,445	9,162
Non-controlling interests	32	18
Earnings per share		
Basic	20.82 yen	18.49 yen
Diluted	20.75 yen	18.44 yen

(3) Condensed Consolidated Statement of Comprehensive Income

Nine months ended December 31, 2014 and 2015

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit for the period	29,868	26,497
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	35	131
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	2,692	(1,072)
Share of other comprehensive income of investments accounted for using the equity method (net of tax)	2	3
Total items that will not be reclassified to profit or loss	2,731	(937)
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	325	303
Exchange differences on translation of foreign operations (net of tax)	24,868	(4,535)
Total items that may be subsequently reclassified to profit or loss	25,193	(4,232)
Total other comprehensive income	27,925	(5,169)
Total comprehensive income	57,793	21,327
Total comprehensive income attributable to		
Owners of the company	57,778	21,615
Non-controlling interests	14	(287)

Three months ended December 31, 2014 and 2015

(Millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015
Profit for the period	10,478	9,181
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	0	2
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	1,497	799
Share of other comprehensive income of investments accounted for using the equity method (net of tax)	3	0
Total items that will not be reclassified to profit or loss	1,501	802
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	222	58
Exchange differences on translation of foreign operations (net of tax)	18,017	(3,993)
Total items that may be subsequently reclassified to profit or loss	18,239	(3,934)
Total other comprehensive income	19,741	(3,132)
Total comprehensive income	30,220	6,048
Total comprehensive income attributable to		
Owners of the company	30,197	6,209
Non-controlling interests	23	(161)

(4) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Subscription rights to shares	Other components of equity	Equity attributable to owners of the company	Non-controlling interests	Total equity
Balance at April 1, 2014	37,519	203,421	239,453	(17,322)	910	28,100	492,081	740	492,822
Profit for the period	—	—	29,861	—	—	—	29,861	7	29,868
Other comprehensive income (loss)	—	—	—	—	—	27,917	27,917	7	27,925
Total comprehensive income	—	—	29,861	—	—	27,917	57,778	14	57,793
Dividends	—	—	(8,902)	—	—	—	(8,902)	—	(8,902)
Acquisition and disposal of treasury shares	—	—	(14)	(14,194)	—	—	(14,208)	—	(14,208)
Cancellation of the treasury shares	—	—	(20,765)	20,765	—	—	—	—	—
Share-based payments (Subscription rights to shares)	—	—	—	—	82	—	82	—	82
Changes in the consolidation scope	—	—	124	—	—	—	124	—	124
Changes in the ownership interest in subsidiaries	—	—	—	—	—	—	—	290	290
Transfer from other components of equity to retained earnings	—	—	37	—	—	(37)	—	—	—
Total transactions with owners	—	—	(29,520)	6,571	82	(37)	(22,903)	290	(22,613)
Balance at December 31, 2014	37,519	203,421	239,794	(10,751)	993	55,980	526,956	1,045	528,002

(Millions of yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Subscription rights to shares	Other components of equity	Equity attributable to owners of the company	Non-controlling interests	Total equity
Balance at April 1, 2015	37,519	203,395	251,323	(10,727)	1,016	45,905	528,432	1,071	529,504
Profit for the period	—	—	26,492	—	—	—	26,492	5	26,497
Other comprehensive income (loss)	—	—	—	—	—	(4,877)	(4,877)	(292)	(5,169)
Total comprehensive income	—	—	26,492	—	—	(4,877)	21,615	(287)	21,327
Dividends	—	—	(12,448)	—	—	—	(12,448)	—	(12,448)
Acquisition and disposal of treasury shares	—	—	(49)	(9,869)	—	—	(9,919)	—	(9,919)
Cancellation of the treasury shares	—	—	(11,086)	11,086	—	—	—	—	—
Share-based payments (Subscription rights to shares)	—	—	—	—	17	—	17	—	17
Changes in the ownership interest in subsidiaries	—	2	—	—	—	—	2	(104)	(102)
Transfer from other components of equity to retained earnings	—	—	21	—	—	(21)	—	—	—
Total transactions with owners	—	2	(23,563)	1,217	17	(21)	(22,348)	(104)	(22,453)
Balance at December 31, 2015	37,519	203,397	254,251	(9,510)	1,033	41,007	527,699	679	528,378

(5) Condensed Consolidated Statement of Cash Flow

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Cash flows from operating activities		
Profit before tax	48,698	40,524
Depreciation and amortization expenses	35,270	37,452
Impairment losses	4,082	11
Share of (profit) loss of investments accounted for using the equity method	25	(0)
Interest and dividend income	(2,051)	(1,627)
Interest expenses	1,942	1,807
(Gain) loss on sales and disposals of property, plant and equipment and intangible assets	(877)	(2,653)
(Increase) decrease in trade and other receivables	27,839	8,262
(Increase) decrease in inventories	(7,637)	(22,441)
Increase (decrease) in trade and other payables	(17,817)	(3,246)
Decrease in transfer of lease assets	(4,143)	(4,856)
Increase (decrease) in retirement benefit liabilities	1,113	1,393
Others	(5,165)	(9,623)
Subtotal	81,278	45,001
Dividends received	838	523
Interest received	1,224	1,138
Interest paid	(2,061)	(1,971)
Income taxes paid	(9,669)	(13,553)
Net cash flows from operating activities	71,610	31,137

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,084)	(26,469)
Proceeds from sales of property, plant and equipment	4,811	8,618
Purchase of intangible assets	(6,126)	(9,235)
Purchase of investments in subsidiaries	(4,360)	(45,159)
Purchase of interests in investments accounted for using the equity method	-	(343)
Purchase of investment securities	(104)	(92)
Proceeds from sales of investment securities	2	287
Payments for loans receivable	(103)	(39)
Collection of loans receivable	261	104
Payments for transfer of business	(5,648)	(3,125)
Others	(3,997)	(2,042)
Net cash flows from investing activities	(44,349)	(77,497)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(17,228)	29,838
Redemption of bonds and repayments of long-term loans payable	(8,002)	(26,873)
Purchase of treasury shares	(13,506)	(10,014)
Cash dividends paid	(8,805)	(12,299)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(293)	(102)
Others	290	434
Net cash flows from financing activities	(47,546)	(19,015)
Effect of exchange rate changes on cash and cash equivalents	2,315	(1,991)
Net increase (decrease) in cash and cash equivalents	(17,970)	(67,367)
Cash and cash equivalents at the beginning of the period	188,489	177,496
Cash and cash equivalents at the end of the period	170,519	110,129

(6) Notes to the Condensed Consolidated Financial Statements

[Notes Regarding Going Concern Assumptions]

None.

[Other Income]

Components of other income are as follows.

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Gain on sales of property, plant and equipment and intangible assets (Note)	1,734	3,811
Others	2,529	2,165
Total	4,263	5,976

(Note) Gain on sales of property, plant and equipment and intangible assets recognized during the nine months ended December 31, 2015 was mainly due to sales of assets in North America.

[Other Expenses]

Components of other expenses are as follows.

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Special extra retirement payment (Note 1)	—	2,512
Loss on sales and disposals of property, plant and equipment and intangible assets	857	1,157
Impairment losses (Note 2)	4,082	11
Others	6,334	4,916
Total	11,273	8,597

(Note 1) Special extra retirement payment for the nine months ended December 31, 2015 includes extra retirement payment paid to retired employees related to an implementation of a special early retirement program.

(Note 2) Impairment losses for the nine months ended December 31, 2014 were mainly recognized for goodwill related to sales sites in Europe.

[Share Capital and Treasury Shares]

(Shares)

	Number of authorized shares	Number of issued shares (Note 1) (Note 2)	Treasury shares
Balance at previous fiscal year-end (March 31, 2015)	1,200,000,000	511,664,337	9,801,071
Increase (Note 3)	—	—	6,578,149
Decrease (Note 4)	—	9,000,000	9,112,610
Balance at end of period (December 31, 2015)	1,200,000,000	502,664,337	7,266,610

(Note 1) Shares issued by the Company are non-par value ordinary shares.

(Note 2) Issued shares have been fully paid.

(Note 3) On July 23, 2015, the acquisition of own shares based on the resolutions at the Board of Directors meeting held on May 13, 2015 was completed. Accordingly, the number of treasury shares increased by 6,571,500 shares (¥9,999 million).

(Note 4) 9,000,000 shares of treasury shares (¥11,086 million) were canceled on June 30, 2015, based on the resolutions at the Board of Directors meeting held on May 13, 2015.

[Segment Information]

(a) Reportable segments

Reportable segments of the Group are the constituent business units of the Group for which separate financial data is available and that are examined on a regular basis for the purpose of enabling the Group's management to decide on the allocation of resources and evaluate results of operations. The Group establishes business segments by product and service category and formulates comprehensive strategies and conducts business activities in Japan and overseas for the products and services of each business category. Consequently, the operations of the Group are divided into business segments based on products and services of each business category. This results in three reportable business segments: "Business Technologies Business," "Healthcare Business," and "Industrial Business." "Others" includes the planetarium business and other businesses not included in these reportable segments.

The business content of each reportable segment is as follows:

	Business content	
Business Technologies Business	<Office Services> Development, manufacture, and sales of multi-functional peripherals (MFPs) and IT services, and the provision of related consumables, solutions, and services	<Commercial and Industrial Printing> Development, manufacture, and sales of digital printing systems, various printing services, and industrial inkjet printers, and the provision of related consumables, solutions, and services
Healthcare Business	Development, manufacture, sales, and provision of services for diagnostic imaging systems (digital X-ray diagnostic imaging systems, diagnostic ultrasound systems, etc.)	
Industrial Business	<Optical Systems for Industrial Use> Development, manufacture, and sales of measuring instruments, lenses for industrial and professional use, etc.	<Performance Materials> Development, manufacture, and sales of TAC films used in liquid crystal displays, Organic Light Emitting Diode (OLED) lighting, functional films, etc.

(b) Information on reportable segments

Information on each reportable segment of the Group is provided below. Segment profit refers to operating profit.

Nine months ended December 31, 2014

(Millions of yen)

	Reportable segments				Others	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Total		
Revenue						
External	583,756	55,226	86,966	725,949	2,090	728,039
Intersegment (Note)	1,467	156	1,758	3,382	16,519	19,902
Total	585,224	55,382	88,725	729,331	18,610	747,941
Segment profit	50,079	1,449	17,122	68,651	468	69,119

(Note) Intersegment revenue is based on market prices, etc.

Nine months ended December 31, 2015

(Millions of yen)

	Reportable segments				Others	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Total		
Revenue						
External	616,100	62,217	81,724	760,042	2,284	762,326
Intersegment (Note)	1,559	475	3,146	5,181	15,942	21,124
Total	617,659	62,693	84,871	765,224	18,226	783,451
Segment profit	50,892	2,288	13,280	66,462	1,080	67,542

(Note) Intersegment revenue is based on market prices, etc.

Three months ended December 31, 2014

(Millions of yen)

	Reportable segments				Others	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Total		
Revenue						
External	206,681	18,776	27,469	252,926	659	253,586
Intersegment (Note)	418	40	589	1,048	4,767	5,815
Total	207,099	18,816	28,058	253,974	5,426	259,401
Segment profit	19,186	232	4,039	23,458	251	23,710

(Note) Intersegment revenue is based on market prices, etc.

Three months ended December 31, 2015

(Millions of yen)

	Reportable segments				Others	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Total		
Revenue						
External	206,857	21,977	25,477	254,311	769	255,081
Intersegment (Note)	580	277	1,138	1,996	5,887	7,883
Total	207,437	22,255	26,615	256,307	6,656	262,964
Segment profit	16,528	799	2,827	20,154	449	20,604

(Note) Intersegment revenue is based on market prices, etc.

Differences between the amount of “Totals” for reportable segments and the amount of “condensed consolidated statement of profit or loss” and the principal content of these differences are provided below.

(Millions of yen)

Revenue	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Total revenue of reportable segments	729,331	765,224
Revenue categorized in “Others”	18,610	18,226
Total of reportable segments and “Others”	747,941	783,451
Adjustments (Note)	(19,902)	(21,124)
Revenue reported in condensed consolidated statement of profit or loss	728,039	762,326

(Note) Adjustments are intersegment eliminations.

(Millions of yen)

Revenue	Three months ended December 31, 2014	Three months ended December 31, 2015
Total revenue of reportable segments	253,974	256,307
Revenue categorized in “Others”	5,426	6,656
Total of reportable segments and “Others”	259,401	262,964
Adjustments (Note)	(5,815)	(7,883)
Revenue reported in condensed consolidated statement of profit or loss	253,586	255,081

(Note) Adjustments are intersegment eliminations.

(Millions of yen)

Profit	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Total operating profit of reportable segments	68,651	66,462
Operating profit categorized in “Others”	468	1,080
Total of reportable segments and “Others”	69,119	67,542
Adjustments (Note)	(22,042)	(25,953)
Operating profit reported in condensed consolidated statement of profit or loss	47,077	41,588

(Note) Adjustments include intersegment eliminations and corporate expenses, which are mainly general administration expenses and basic research expenses not attributed to any reportable segment.

(Millions of yen)

Profit	Three months ended December 31, 2014	Three months ended December 31, 2015
Total operating profit of reportable segments	23,458	20,154
Operating profit categorized in “Others”	251	449
Total of reportable segments and “Others”	23,710	20,604
Adjustments (Note)	(7,457)	(7,226)
Operating profit reported in condensed consolidated statement of profit or loss	16,252	13,378

(Note) Adjustments include intersegment eliminations and corporate expenses, which are mainly general administration expenses and basic research expenses not attributed to any reportable segment.

[Business Combinations]

Business combinations that occurred during the nine months ended December 31, 2014 were not material.

The major business combination that occurred during the nine months ended December 31, 2015 was as follows.

(Acquisition of shareholding of Radiant Vision Systems, LLC)

(1) Description of the business combination

As of August 3, 2015, the Group used cash to acquire 100% of shareholding of Radiant Vision Systems, LLC (hereafter, "Radiant"), a US-based leading provider of testing and measurement systems for flat panel displays. Radiant develops and offers fully integrated testing and measurement systems precisely engineered to meet specific customer requirements in the global display testing and measurement industry.

Through the acquisition of Radiant, the Group will solidify the foundation of its business of optical systems for industrial use within the Industrial Business by integrating Radiant's products and solutions with the existing business of light-source color measurement.

Furthermore, to pursue its future growth, the Group will gain the technological strength necessary to enter the field of manufacturing inspection systems, including visual surface inspections, where automation and integration will improve productivity.

(2) Fair value of the consideration for acquisition, assets acquired and liabilities assumed as of the acquisition date

(Millions of yen) (Reference) (Millions of yen)

	Three months ended December 31, 2015	(Reference) Three months ended September 30, 2015
Fair value of the consideration for acquisition (Note 2)	29,056	29,292
Fair value of assets acquired and liabilities assumed		
Cash and cash equivalents	921	921
Trade and other receivables	1,261	1,261
Inventories	678	465
Property, plant and equipment	351	262
Intangible assets	8,622	907
Other assets	58	58
Liabilities	(772)	(822)
Goodwill (Note 4)	17,936	26,238
Total	29,056	29,292

(Note 1) There was no contingent consideration.

(Note 2) Fair value of the consideration for acquisition may vary in the future.

(Note 3) The amounts were computed provisionally as an allocation of acquisition costs has not yet been completed.

(Note 4) Goodwill largely represents an excess earnings power of Radiant, and the total sum is posted as losses over a certain period for tax purposes.

Acquisition-related costs of ¥648 million incurred in the business combination were recognized in "Selling, general and administrative expenses."

(3) Performance after the acquisition date

Information is not disclosed because the business combination of Radiant has no material effect on the condensed consolidated statement of profit or loss and the condensed consolidated statement of comprehensive income for the nine months ended December 31, 2015.

(4) Pro-forma information

Because pro forma information based on the assumption that the business combination of the said company took place at the beginning of the period under review, on April 1, 2015, has no material effect on the condensed consolidated statement of profit or loss and the condensed consolidated statement of comprehensive income for the nine months ended December 31, 2015, it is not disclosed here.

(Acquisition of shareholding of 20/20 Healthcare LLC)

(1) Description of the business combination

As of October 1, 2015, the Group used cash to acquire 100% of shareholding of 20/20 Healthcare LLC, a US-based company, which led to the acquisition of its subsidiaries, Viztek LLC (hereafter, "Viztek") and 20/20 Imaging LLC. Viztek is a provider of healthcare products and IT solutions.

Through this acquisition, the Group will strengthen its capabilities to provide value in the primary care market with a high growth potential in the U.S., the world's largest healthcare market. The synergy with Viztek will enhance the Group's healthcare IT solutions services centered on digital X-ray diagnostic imaging, low-invasive diagnostic ultrasound imaging and picture archiving and communication systems (PACS).

(2) Fair value of the consideration for acquisition, assets acquired and liabilities assumed as of the acquisition date

(Millions of yen)

Fair value of the consideration for acquisition (Note 2)	9,124
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	15
Trade and other receivables	1,042
Inventories	1,060
Property, plant and equipment	78
Intangible assets	2,478
Other current assets	8
Liabilities	(1,560)
Goodwill (Note 4)	6,000
Total	9,124

(Note 1) There was no contingent consideration.

(Note 2) Fair value of the consideration for acquisition may vary in the future.

(Note 3) The amounts were computed provisionally as an allocation of acquisition costs has not yet been completed.

(Note 4) Goodwill largely represents an excess earnings power of the acquired companies, and the total sum is posted as losses over a certain period for tax purposes.

Acquisition-related costs of ¥273 million incurred in the business combination were recognized in "Selling, general and administrative expenses."

(3) Performance after the acquisition date

Information is not disclosed because the business combination of the said company has no material effect on the condensed consolidated statement of profit or loss and the condensed consolidated statement of comprehensive income for the nine months ended December 31, 2015.

(4) Pro-forma information

Because pro forma information based on the assumption that the business combination of the said company took place at the beginning of the period under review, on April 1, 2015, has no material effect on the condensed consolidated statement of profit or loss and the condensed consolidated statement of comprehensive income for the nine months ended December 31, 2015, it is not disclosed here.

[Events After the Reporting Period]

On January 5, 2016 the Group entered into an agreement to purchase the shares of two of France's leading MFP sales companies, Dactyl Buro du Centre and OMR Impressions, from Finance et Conceil du Centre, the holding company of both firms.

As well as boosting MFP sales by establishing a direct sales network that covers all of France's major cities, this acquisition will enable the Group to strengthen its digital printing systems and IT service offerings.

On the date of the filing of the Company's financial results for the third quarter of the fiscal year ending March 31, 2016, the acquisition will not yet have closed, making it difficult to obtain accurate financial data and obviating the provision of an estimate of the financial impact of the transaction.