Consolidated Statement of Financial Position

Konica Minolta, Inc. and Subsidiaries
As of March 31, 2015, 2014 and April 1, 2013

		Millions of yen			Thousands of U.S. dollars
Assets	Note	**2015**	2014	2013	**2015**
Current assets					
Cash and cash equivalents	32	**¥177,496**	¥188,489	¥214,556	**$1,477,041**
Trade and other receivables	7,15,32	**252,962**	247,067	214,616	**2,105,035**
Inventories	8	**120,803**	115,175	113,472	**1,005,268**
Income tax receivables		**559**	2,727	2,470	**4,652**
Other financial assets	9,32	**1,715**	1,537	1,386	**14,271**
Other current assets		**16,431**	13,961	13,304	**136,731**
Subtotal		**569,968**	568,958	559,806	**4,743,014**
Assets held for sale	10	**672**	594	-	**5,592**
Total current assets		**570,640**	569,552	559,806	**4,748,606**
Non-current assets					
Property, plant and equipment	11,13	**181,641**	177,056	180,311	**1,511,534**
Goodwill and intangible assets	12,13	**126,132**	119,563	110,942	**1,049,613**
Investments accounted for using the equity method	14	**524**	486	1,490	**4,360**
Other financial assets	9,32	**41,420**	38,151	29,517	**344,678**
Deferred tax assets	16	**64,291**	74,348	71,605	**535,000**
Other non-current assets		**9,605**	6,080	4,764	**79,928**
Total non-current assets	5	**423,615**	415,687	398,632	**3,525,131**
Total assets	5	**¥994,256**	¥985,239	¥958,439	**$8,273,746**

Liabilities	Note	Millions of yen 2015	2014	2013	Thousands of U.S. dollars 2015
Current liabilities					
Trade and other payables	17,32	**¥177,564**	¥171,309	¥146,605	**$1,477,607**
Bonds and borrowings	15,18,32	**53,349**	66,054	93,076	**443,946**
Income tax payables		**7,522**	6,238	7,934	**62,595**
Provisions	19	**5,542**	6,787	4,212	**46,118**
Other financial liabilities	20,32	**1,020**	1,026	2,342	**8,488**
Other current liabilities		**36,889**	32,178	28,360	**306,973**
Total current liabilities		**281,889**	283,595	282,530	**2,345,752**
Non-current liabilities					
Bonds and borrowings	15,18,32	**112,236**	136,384	137,359	**933,977**
Retirement benefit liabilities	21	**62,039**	64,928	65,082	**516,260**
Provisions	19	**1,135**	1,161	1,136	**9,445**
Other financial liabilities	20,32	**539**	226	230	**4,485**
Deferred tax liabilities	16	**2,944**	2,794	2,634	**24,499**
Other non-current liabilities		**3,967**	3,327	2,888	**33,012**
Total non-current liabilities		**182,863**	208,821	209,331	**1,521,703**
Total liabilities	5	**464,752**	492,417	491,862	**3,867,454**
Equity					
Share capital	22	**37,519**	37,519	37,519	**312,216**
Share premium	22	**203,395**	203,421	204,140	**1,692,561**
Retained earnings	22	**251,323**	239,453	221,802	**2,091,396**
Treasury shares	22	**(10,727)**	(17,322)	(1,548)	**(89,265)**
Subscription rights to shares	31	**1,016**	910	764	**8,455**
Other components of equity	22	**45,905**	28,100	3,150	**382,000**
Equity attributable to owners of the Company		**528,432**	492,081	465,830	**4,397,370**
Non-controlling interests		**1,071**	740	747	**8,912**
Total equity		**529,504**	492,822	466,577	**4,406,291**
Total liabilities and equity		**¥994,256**	¥985,239	¥958,439	**$8,273,746**

Consolidated Statement of Profit or Loss

Konica Minolta, Inc. and Subsidiaries
For the fiscal years ended March 31, 2015 and 2014

		Millions of yen		Thousands of U.S. dollars
	Note	2015	2014	2015
Revenue	5,24	¥1,002,758	¥935,214	$8,344,495
Cost of sales	27	513,084	490,479	4,269,651
Gross profit		489,673	444,734	4,074,836
Other income	25	6,817	4,866	56,728
Selling, general and administrative expenses	27	411,132	371,935	3,421,253
Other expenses	26,27	19,595	37,806	163,061
Operating profit	5	65,762	39,859	547,241
Finance income	28	2,541	2,125	21,145
Finance costs	28	2,848	3,084	23,700
Share of profit or loss of investments accounted for using the equity method	14	35	(1,163)	291
Profit before tax		65,491	37,736	544,986
Income tax expense	16	24,521	9,305	204,053
Profit for the year		40,969	28,431	340,925
Profit for the year attributable to:				
Owners of the Company		¥ 40,934	¥ 28,354	$ 340,634
Non-controlling interests		35	77	291

		Yen		U.S. dollars
Earnings per share	29			
Basic		¥ 81.01	¥ 53.67	$ 674.13
Diluted		80.79	53.54	672.30

Consolidated Statement of Comprehensive Income

Konica Minolta, Inc. and Subsidiaries
For the fiscal years ended March 31, 2015 and 2014

	Note	Millions of yen		Thousands of U.S. dollars
		2015	2014	2015
Profit for the year		**¥40,969**	¥28,431	**$340,925**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans (net of tax)	30	**(222)**	(1,428)	**(1,847)**
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	30	**3,840**	1,776	**31,955**
Share of other comprehensive income of investments accounted for using the equity method (net of tax)	14,30	**5**	2	**42**
Total items that will not be reclassified to profit or loss		**3,623**	350	**30,149**
Items that may be subsequently reclassified to profit or loss				
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	30	**(348)**	187	**(2,896)**
Exchange differences on translation of foreign operations (net of tax)	30	**15,029**	23,051	**125,064**
Total items that may be subsequently reclassified to profit or loss		**14,680**	23,239	**122,160**
Total other comprehensive income		**18,304**	23,590	**152,318**
Total comprehensive income for the year		**¥59,274**	¥52,021	**$493,251**
Total comprehensive income for the year attributable to:				
Owners of the Company		**¥59,232**	¥51,892	**$492,902**
Non-controlling interests		**42**	129	**350**

Consolidated Statement of Changes in Equity

Konica Minolta, Inc. and Subsidiaries
For the fiscal years ended March 31, 2015 and 2014

		Millions of yen								
	Note	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, 2013		¥37,519	¥204,140	¥221,802	(¥ 1,548)	¥ 764	¥ 3,150	¥465,830	¥ 747	¥466,577
Profit for the year		-	-	28,354	-	-	-	28,354	77	28,431
Other comprehensive income	30	-	-	-	-	-	23,537	23,537	52	23,590
Total comprehensive income for the year		-	-	28,354	-	-	23,537	51,892	129	52,021
Dividends	23	-	-	(9,280)	-	-	-	(9,280)	-	(9,280)
Acquisition and disposal of treasury shares	22	-	-	(11)	(15,774)	-	-	(15,786)	-	(15,786)
Share-based payments (Subscription rights to shares)	31	-	-	-	-	145	-	145	-	145
Changes in the ownership interest in subsidiaries		-	(719)	-	-	-	-	(719)	(135)	(855)
Transfer from other components of equity to retained earnings	22	-	-	(1,411)	-	-	1,411	-	-	-
Total transactions with owners		-	(719)	(10,704)	(15,774)	145	1,411	(25,640)	(135)	(25,776)
Balance at March 31, 2014		37,519	203,421	239,453	(17,322)	910	28,100	492,081	740	492,822
Profit for the year		**-**	**-**	**40,934**	**-**	**-**	**-**	**40,934**	**35**	**40,969**
Other comprehensive income	30	**-**	**-**	**-**	**-**	**-**	**18,297**	**18,297**	**6**	**18,304**
Total comprehensive income for the year		**-**	**-**	**40,934**	**-**	**-**	**18,297**	**59,232**	**42**	**59,274**
Dividends	23	**-**	**-**	**(8,902)**	**-**	**-**	**-**	**(8,902)**	**-**	**(8,902)**
Acquisition and disposal of treasury shares	22	**-**	**-**	**(13)**	**(14,169)**	**-**	**-**	**(14,183)**	**-**	**(14,183)**
Cancellation of the treasury shares	22	**-**	**-**	**(20,765)**	**20,765**	**-**	**-**	**-**	**-**	**-**
Share-based payments (Subscription rights to shares)	31	**-**	**-**	**-**	**-**	**106**	**-**	**106**	**-**	**106**
Changes in the consolidation scope		**-**	**-**	**124**	**-**	**-**	**-**	**124**	**-**	**124**
Changes in the ownership interest in subsidiaries		**-**	**(26)**	**-**	**-**	**-**	**-**	**(26)**	**288**	**262**
Transfer from other components of equity to retained earnings	22	**-**	**-**	**492**	**-**	**-**	**(492)**	**-**	**-**	**-**
Total transactions with owners		**-**	**(26)**	**(29,064)**	**6,595**	**106**	**(492)**	**(22,881)**	**288**	**(22,592)**
Balance at March 31, 2015		**¥37,519**	**¥203,395**	**¥251,323**	**(¥10,727)**	**¥1,016**	**¥45,905**	**¥528,432**	**¥1,071**	**¥529,504**

	Thousands of U.S. dollars								
	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 March 31, 2014	$312,216	$1,692,777	$1,992,619	($144,146)	$7,573	$233,835	$4,094,874	$6,158	$4,101,040
Profit for the year	-	-	340,634	-	-	-	340,634	291	340,925
Other comprehensive income	-	-	-	-	-	152,259	152,259	50	152,318
Total comprehensive income for the year	-	-	340,634	-	-	152,259	492,902	350	493,251
Dividends	-	-	(74,078)	-	-	-	(74,078)	-	(74,078)
Acquisition and disposal of treasury shares	-	-	(108)	(117,908)	-	-	(118,024)	-	(118,024)
Cancellation of the treasury shares	-	-	(172,797)	172,797	-	-	-	-	-
Share-based payments (Subscription rights to shares)	-	-	-	-	882	-	882	-	882
Changes in the consolidation scope	-	-	1,032	-	-	-	1,032	-	1,032
Changes in the ownership interest in subsidiaries	-	(216)	-	-	-	-	(216)	2,397	2,180
Transfer from other components of equity to retained earnings	-	-	4,094	-	-	(4,094)	-	-	-
Total transactions with owners	-	(216)	(241,857)	54,881	882	(4,094)	(190,405)	2,397	(188,000)
Balance at March 31, 2015	**$312,216**	**$1,692,561**	**$2,091,396**	**($ 89,265)**	**$8,455**	**$382,000**	**$4,397,370**	**$8,912**	**$4,406,291**

Consolidated Statement of Cash Flows

Konica Minolta, Inc. and Subsidiaries
For the fiscal years ended March 31, 2015 and 2014

	Note	Millions of yen		Thousands of U.S. dollars
		2015	2014	2015
Cash flows from operating activities				
Profit before tax		¥ 65,491	¥ 37,736	$ 544,986
Depreciation and amortization expenses		47,905	43,827	398,644
Impairment losses		5,185	17,487	43,147
Share of profit or loss in investments accounted for using the equity method		(35)	1,163	(291)
Interest and dividend income		(2,533)	(2,122)	(21,078)
Interest expenses		2,398	2,852	19,955
(Gain) loss on sales and disposals of property, plant and equipment and intangible assets		(1,152)	2,048	(9,586)
Loss (gain) on sales of investments in subsidiaries		949	-	7,897
(Increase) decrease in trade and other receivables		10,622	(1,710)	88,391
(Increase) decrease in inventories		685	9,198	5,700
Increase (decrease) in trade and other payables		(5,586)	(617)	(46,484)
Decrease on transfer of lease assets		(6,785)	(5,837)	(56,462)
Increase (decrease) in retirement benefit liabilities		(2,960)	(1,412)	(24,632)
Others		(595)	2,073	(4,951)
Subtotal		113,588	104,687	945,228
Dividends received		853	493	7,098
Interest received		1,682	1,598	13,997
Interest paid		(2,386)	(2,927)	(19,855)
Income taxes paid		(11,748)	(13,793)	(97,762)
Net cash flows from operating activities		101,989	90,058	848,706
Cash flows from investing activities				
Purchase of property, plant and equipment		(39,063)	(36,487)	(325,064)
Proceeds from sales of property, plant and equipment		8,630	2,355	71,815
Purchase of intangible assets		(8,676)	(8,654)	(72,198)
Purchase of investments in subsidiaries		(4,360)	(2,393)	(36,282)
Purchase of investment securities		(729)	(4,910)	(6,066)
Proceeds from sales of investment securities		3,266	397	27,178
Payment for loans receivable		(97)	(306)	(807)
Collection of loans receivable		83	159	691
Payments for transfer of business		(6,709)	(2,102)	(55,829)
Others		(6,358)	(2,199)	(52,908)
Net cash flows from investing activities		(54,014)	(54,143)	(449,480)
Cash flows from financing activities				
Increase (decrease) in short-term loans payable		(11,411)	(35,013)	(94,957)
Proceeds from bonds issuance and long-term loans payable		-	25,598	-
Redemption of bonds and repayments of long-term loans payable		(30,493)	(26,805)	(253,749)
Purchase of treasury shares		(13,509)	(15,806)	(112,416)
Cash dividends paid	23	(8,908)	(9,284)	(74,128)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(293)	(1,633)	(2,438)
Others		2,486	(727)	20,687
Net cash flows from financing activities		(62,128)	(63,672)	(517,001)
Effect of exchange rate changes on cash and cash equivalents		3,160	1,690	26,296
Net increase (decrease) in cash and cash equivalents		(10,993)	(26,067)	(91,479)
Cash and cash equivalents at the beginning of the year		188,489	214,556	1,568,520
Cash and cash equivalents at the end of the year		¥177,496	¥188,489	$1,477,041

Notes to the Consolidated Financial Statements

Konica Minolta, Inc. and Subsidiaries
For the fiscal years ended March 31, 2014 and 2013

1. Reporting company

Konica Minolta, Inc. (the "Company") is a company incorporated and located in Japan and listed on the First Section of the Tokyo Stock Exchange. The consolidated financial statements of the Konica Minolta Group (the "Group") as of and for the year ended March 31, 2015 comprise the Company and its subsidiaries and the Group's interest in associates. The principal businesses of the Group are those related to Business Technologies, Healthcare and Industrial Business.

The management of the Company authorized the consolidated financial statements for the fiscal year ended March 31, 2015 for issue on August 11, 2015.

2. Basis of preparation

(1) Statement of compliance

As the Company satisfies all conditions stipulated for a "specified company" as provided in Article 1-2 of the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements", the Company has prepared its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as provided in Article 93 of the same ordinance.

The Group first applied IFRS in the fiscal year ended March 31, 2015, and the date of transitioning to IFRS (the "Transition Date") is April 1, 2013. With regard to the Transition Date and the comparative fiscal year, the impact of transitioning to IFRS on the financial condition, business performance and cash flows of the Group is described in note 38 "First-time adoption."

Except for IFRS that are not early adopted and exemptions permitted in the IFRS 1 "First-time Adoption of International Financial Reporting Standards", the Group's accounting policies are in accordance with IFRS as of March 31, 2015.

(2) Basis of measurement

The consolidated financial statements of the Group are prepared on the basis of historical cost, except for financial instruments measured at fair value, post-retirement benefit plan liabilities and post-retirement benefit plan assets, etc as described in note 3 "Significant accounting policies".

(3) Functional and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company. All financial information presented in Japanese yen has been rounded down to the million.

Financial information in United States (U.S.) dollars is included solely for the convenience of the reader, and are translated from the corresponding Japanese yen amounts using the exchange rate on March 31, 2015, which is ¥120.17 to U.S. $1.00. The translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other exchange rate.

(4) Standards and interpretations early adopted

The Group has early adopted of the following standards and interpretations from the Transition Date:

IFRS 9 "Financial Instruments" (announced November 2009, revised October 2010)

(5) Standards and interpretations announced but not adopted

Standards and interpretations that had been announced as of the approval date of the consolidated financial statements of the Group are described below.

As of the fiscal year end, the Group had not adopted these standards and interpretations. None of these are expected to have a significant effect on the consolidated financial statements of the Group for the fiscal year ending March 31, 2016. The Group is considering the impact of these standards and interpretations on the consolidated financial statements in or after the fiscal year ending March 31, 2017.

Standards and interpretations	Title	Mandatory adoption (From fiscal years beginning on or after)	Fiscal year in which Company will adopt standard	Summary
IAS 19	Employee Benefits	July 1, 2014	Fiscal year ending March 31, 2016	Revisions to accounting related to contributions from employees or third parties
IAS 16 IAS 38	Property, Plant and Equipment Intangible Assets	January 1, 2016	Fiscal year ending March 31, 2017	Clarification of permissible depreciation and amortization methods
IFRS 11	Joint Arrangements	January 1, 2016	Fiscal year ending March 31, 2017	Accounting for the acquisition of interest in joint operations
IFRS 15	Revenue from Contracts with Customers	January 1, 2017	Fiscal year ending March 31, 2018	Revisions to accounting for revenue recognition
IFRS 9	Financial Instruments	January 1, 2018	Fiscal year ending March 31, 2019	Revisions to impairment and hedge accounting

3. Significant accounting policies

Significant accounting policies of the Group are described below. These policies have been applied consistently to all fiscal years presented in the consolidated financial statements.

Exemptions that the Group applied retroactively under IFRS 1 in its transition from Japanese GAAP to IFRS are described in note 38 “First-time adoption”.

(1) Basis of consolidation

The consolidated financial statements of the Group have been prepared based on the financial statements of the Company and its subsidiaries and associates, which applied the accounting policies consistently. The financial statements of subsidiaries and associates have been adjusted when necessary for them to align with the Group accounting policies.

1) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that the control commences until the date that the control ceases. In the event that the control continues after the Company has relinquished a portion of its interest in subsidiaries, this change is accounted for as a transaction with owners. Adjustments to non-controlling interests and differences with the fair value of consideration are recognized directly in equity as equity attributable to owners of the Company.

Balances and transactions within the Group, and any unrealized income and expenses arising from these transactions, are eliminated in preparing the consolidated financial statements.

With regard to the comprehensive income of subsidiaries, even if the balance of non-controlling interests is negative, this income is attributed to owners of the Company and non-controlling interests respectively based on their proportional ownership.

2) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Investments in associates are accounted for using the equity method.

Investments in associates are initially recognized at cost. Subsequent to initial recognition, The Group’s share in the profit or loss and other comprehensive income of associates, is recognized as changes in the Group’s investment in associates from the day that significant influence commences until the date that significant influence ceases.

(2) Business combinations

The Group accounts for business combinations using the acquisition method, recording as historical cost the total amount of the fair value of the consideration transferred on the acquisition date and the recognized amount of any non-controlling interests (NCI) in the acquiree. NCI are measured based on the proportional ownership of their fair value or the fair value of the recognized amount of the identifiable assets acquired and liabilities assumed.

In the event the total amount of the fair value of consideration transferred, the recognized amount of NCI and the fair value of the pre-existing interest in the acquiree exceeds the net recognized amount of the identifiable assets acquired and liabilities assumed, this excess is recognized as goodwill. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Additional acquisitions of non-controlling interests subsequent to the initial acquisition are treated as capital transactions, and no goodwill is recognized on these transactions.

Intermediary fees, attorneys' fees, due diligence fees and other specialist remuneration, consulting fees and any similar costs are expensed as incurred.

If a business combination is not completed by the end of the fiscal year, uncompleted items are recognized at their provisional amounts. If information pertaining to the reality and conditions likely to affect the measurement of amounts recognized on the acquisition date and information on the determined period (the "measurement period") exist and are known on the acquisition date, that information is reflected and the provisionally recognized amounts are retroactively adjusted on the acquisition date. This additional information may be recognized as additional assets and liabilities. The maximum measurement period is one year.

(3) Foreign currency translation

1) Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company. The foreign operations (subsidiaries, associates and branches) of the Group principally use local currencies as their functional currencies. However, if the currency of the primary economic environment in which an entity operates is other than its local currency, the functional currency other than the local currency is used.

2) Foreign currency transactions

Foreign currency transactions, or transactions that occur in currencies other than entities' functional currencies, are translated to the respective functional currencies of the Group entities at exchange rates at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate on the fiscal year-end date, and foreign currency differences are recognized in profit or loss.

However, foreign currency differences resulting from financial instruments measured at fair value through other comprehensive income, cash flow hedges and a hedge of the net investment in a foreign operation are recognized in OCI. Items denominated in foreign currencies due to their measurement at historical cost are translated using the exchange rate on their acquisition dates.

3) Foreign operations

The assets and liabilities of foreign operations (subsidiaries, branches) employing functional currencies other than Japanese yen are translated to Japanese yen at the exchange rates as of the fiscal year-end date, while income, expenses and cash flows are translated to Japanese yen at the exchange rates on their transaction dates or at the average exchange rates for the fiscal period that approximates the exchange rates on their transaction dates. Resulting foreign currency differences are recognized in OCI, and their cumulative amount is presented in other components of equity.

In the event all interests in a foreign operation are disposed or a portion of the interest is disposed such that the control is lost, these cumulative amount in the other components of equity is reclassified in whole or in part, from other comprehensive income to profit or loss.

4) Hedge of net investment in a foreign operation

The Group uses financial instruments to hedge a portion of its foreign exchange exposure in equity investments in foreign operations, adopting hedge accounting for this purpose.

Foreign currency differences arising from translation of the financial instruments designated as a hedge of a net investment in a foreign operation are recognized in OCI to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognized in profit or loss. In the event all interests in a foreign operation are disposed or a portion of the interest is disposed such that the control is lost, the relevant amount recognized as other components of equity is transferred from OCI to profit or loss in the period of disposal.

(4) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits that can be withdrawn as needed, and short-term investments that are easily converted into cash with little risk from a change in value.

(5) Financial instruments

The Group initially recognizes financial instruments as financial assets and liabilities on the transaction date on which the Group becomes a party to the contractual provisions of these financial instruments.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group only sets off the balances of financial assets and financial liabilities and presents their net amount in the consolidated statement of financial position if the Group has the legal right to set off these balances and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Fair value of financial instruments that are traded in active financial markets at the fiscal year-end makes reference to quoted market prices of identical assets and liabilities. If there is no active market, fair value of financial instruments is determined using appropriate valuation techniques.

1) Non-derivative financial assets

The Group holds as non-derivative financial assets: financial assets measured at amortized cost, financial assets measured at fair value through profit or loss (FVTPL) and financial assets measured at fair value through other comprehensive income (FVTOCI).

(a) Financial assets measured at amortized cost

The Group classifies financial assets as financial assets measured at amortized cost only if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are recognized initially at fair value plus any directly attributable transaction costs. After initial recognition, these financial assets are measured at amortized cost using the effective interest method. On a quarterly basis, the Group assesses whether there is any objective evidence that financial assets measured at amortized cost are impaired. Objective evidence of impairment includes significant worsening in the financial condition of the borrower or a group of borrowers, a default or delinquency in interest or principal payments, and bankruptcy of the borrower.

Impairment losses are recognized if there is objective evidence that a loss event has occurred after the initial recognition and that the loss event has a negative impact on the estimated future cash flows of the financial assets that can be estimated reliably.

Specific impairment is assessed on individually significant financial assets. Financial assets that are not individually significant are collectively assessed for impairment by grouping together financial assets with similar risk characteristics. The Group makes reference to historical trends, including past losses when assessing overall impairment.

When impairment losses on financial assets measured at amortized cost are recognized, the carrying amount of the financial asset is reduced by the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate through an allowance for doubtful accounts, and impairment losses are recognized in profit or loss. The carrying amount of these financial assets is directly reduced for the impairment when they are expected to become non-recoverable in the future, offsetting the carrying amount by the allowance for doubtful accounts. If the impairment amount decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, impairment losses are reversed through profit or loss. An impairment loss is reversed only to the extent that the asset's amortized cost that would have been determined if no impairment loss had been recognized.

(b) Financial assets measured at FVTPL

The Group measures a financial asset at fair value and recognizes any changes in profit or loss if it is a non-derivative financial asset other than an equity instrument that does not satisfy the criteria for classification for measurement at amortized cost described in (a) above, and if it is an equity instrument other than those designated as financial assets measured at fair value through other comprehensive income.

Financial assets measured at FVTPL are initially recognized at fair value, with transaction expenses recognized in profit or loss as they occur.

(c) Financial assets measured at FVTOCI

Upon initial recognition, the Group elects irrevocably to recognize the valuation differences of those equity instruments held to expand its revenue base by maintaining or strengthening relations with business partners in other comprehensive income.

Financial assets measured at FVTOCI are initially recognized at their fair value plus any directly attributable transaction costs. After initial recognition, fair value is measured, and any changes in fair value are recognized in other comprehensive income. Upon derecognition of these financial assets or when they fall substantially below their fair value, the cumulative amounts recognized in other comprehensive income are transferred to retained earnings.

Dividends on financial assets measured at FVTOCI are recognized as profit or loss in finance income.

2) Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these liabilities are measured at amortized cost using the effective interest method.

3) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge exchange rate risk exposures and interest rate risk exposures. The Group limits its transactions in these instruments to those actually required for hedging purposes and not for speculation purposes.

Derivative financial instruments are initially recognized at fair value, with any attributable transaction costs recognized in profit or loss as they occur. After initial recognition, fair value is remeasured, and the following accounting policies are applied for changes depending on whether derivative financial instruments satisfy the conditions for hedge accounting. The Group applies hedge accounting on those derivative financial instruments that satisfy the conditions for hedge accounting.

(a) Derivative financial instruments that do not satisfy the conditions for hedge accounting

Changes in fair value are recognized in profit or loss.

(b) Derivative financial instruments that satisfy the conditions for hedge accounting

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, and the objectives and strategies of risk management for undertaking the hedge, as well as the method for assessing the effectiveness of the hedge. At the inception of the hedge and on an ongoing basis thereafter, hedges are assessed as to whether they are highly effective in offsetting changes in cash flows of the hedging instrument and the cash flows of the hedged item.

The effective portion of changes in the fair value of the hedging instrument is recognized in OCI, while the ineffective portion is recognized immediately in profit or loss.

The cumulative profits or losses recognized through OCI are reclassified from OCI to profit or loss in the consolidated statement of comprehensive income in the same period during which the hedged item affects profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, or if the forecast transaction is no longer expected to occur, then hedge accounting is discontinued prospectively.

(6) Inventories

The cost of inventories includes purchase costs, processing costs and all other costs incurred to bring inventories to their present location and condition.

Inventories are measured at the lower of cost or net realizable value. The weighted average method is used to calculate cost. If net realizable value is less than the cost, that difference is accounted for as a write off and recognized as an expense. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and estimated costs necessary to make the sale.

(7) Property, plant and equipment

The cost of property, plant and equipment includes any costs directly attributable to the acquisition of the asset and dismantlement, removal and restoration costs, as well as borrowing costs that satisfy the conditions for capitalization.

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Except for land (with certain exceptions) and construction in progress, the cost less residual value of each asset is depreciated on a straight-line basis over its estimated useful life.

If the estimated useful life, residual value or depreciation method are reviewed or revised at the fiscal year-end date, the effect of any changes in estimate are accounted for during the period in which the change occurred and on a prospective basis. The effect of any changes in estimates is recognized in the period in which the change occurs.

The estimated useful lives of major assets are as follows:

Buildings and structures:	3–50 years
Machinery and vehicles:	2–15 years
Tools and equipment:	2–20 years
Lease assets:	3–5 years

(8) Goodwill

Goodwill indicates the amount by which the cost of the NCI acquired in a business combination exceeds the net recognized amount of identifiable assets acquired and liabilities assumed at the time of acquisition. Details on the measurement of goodwill at initial recognition are described in (2) Business Combinations.

Goodwill is not amortized. It is allocated to an asset, cash-generating unit (CGU) or group of CGUs that are identified according to locations and types of business and tested for impairment annually or when there is any indication of impairment. Impairment losses on goodwill are recognized in profit or loss, and no subsequent reversal is made.

After initial recognition, goodwill is presented at cost less accumulated impairment losses.

(9) Intangible assets

Intangible assets acquired separately are measured at cost at the initial recognition, and the cost of intangible assets acquired through business combinations are recognized at fair value at the acquisition date.

Expenses on internally generated intangible assets are recognized as expense in the period when incurred, except for those that satisfy the criteria for recognition as assets. Internally generated intangible assets that satisfy the criteria for recognition as assets are stated at cost in the total amount of spending that is incurred after the assets first met recognition standards.

Intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses.

1) Intangible assets with finite useful lives

Intangible assets for which useful lives can be determined are amortized on a straight-line basis over their estimated useful lives from the date the assets are available for use. These assets are also tested for impairment whenever there is any indication of impairment.

Estimated useful lives, residual values and amortization methods are reviewed at fiscal year-end, and the effect of any changes in estimate are accounted for during the period in which the change occurred and on a prospective basis. The effect of any changes in estimate is recognized in the period in which the change occurs.

The estimated useful life of major assets are as follows:

Customer relationships:	3–15 years
Software:	3–10 years
Others:	3–10 years

2) Intangible assets with infinite useful lives

Intangible assets for which useful life cannot be determined are not amortized. These assets are tested for impairment each fiscal year.

(10) Research and development expense

Research-related expenditures are recognized as expenses when incurred. Development-related expenditures are recorded as assets only when they can be reliably measured, when they are technologically and commercially realizable as products or processes, when they are highly likely to generate future economic benefits, and when the Group intends to complete development and use or sell the assets and has sufficient resources to do so. Other expenditures are recognized as expenses when incurred.

(11) Leases

The Group classifies leases as finance leases when lease agreements transfer substantially all the risks and rewards of ownership to the lessee. All other leases agreements are classified as operating leases.

1) Lessees

Finance lease transactions are recorded in the consolidated statement of financial position as property, plant and equipment, or intangible assets, and bonds and borrowings at the lower of the fair value of the leased property or the present value of the minimum lease payments, each determined at the inception of the lease. Assets used in leases are depreciated on a straight-line basis over their estimated useful lives or lease terms, whichever is shorter. Lease payments are apportioned between the reduction of the lease obligation and the finance costs based on the effective interest method. Finance costs are recognized in the consolidated statement of profit or loss.

In operating lease transactions, lease payments are recognized as an expense using the straight-line method over the lease terms in the consolidated statement of profit or loss. Contingent rents are recognized as an expense in the period when they are incurred.

2) Lessors

In finance lease transactions, leased assets are recognized in the consolidated statement of financial position as trade and other receivables. Unearned finance income is apportioned at a constant rate as the net investment over the lease period and recognized as revenue in the period to which it is attributable.

Lease payments receivable in operating lease transactions are recognized as revenue in the consolidated statement of profit or loss on a straight-line basis over the lease term.

(12) Impairment of non-financial assets

The Group assesses for at each fiscal year-end whether there is any indication that a non-financial asset (excluding inventories, deferred tax assets and post retirement benefit plan assets) may be impaired. If any such indication exists, then an impairment test is performed. For goodwill and intangible assets with infinite useful lives or that are not yet in use, an impairment test is performed each year and whenever there is any indication of impairment.

In an impairment test, the recoverable amount is estimated, and the carrying amount and recoverable amount are compared. The recoverable amount of an asset, CGU or group of CGUs is determined at the higher of its fair value less costs of disposal or its value in use. In determining the value in use, estimated future cash flows are discounted to the present value, using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.

If as the result of the impairment test, the recoverable amount of an asset, CGU or group of CGUs is below its carrying amount, an impairment loss is recognized. In recognizing impairment losses on CGUs, including goodwill, first the carrying amount of goodwill allocated to the CGUs is reduced. Next, the carrying amounts of other assets within the CGUs are reduced proportionally.

If there is any indication that an impairment loss recognized in previous periods may be reversed, the impairment loss is reversed if the recoverable amount exceeds the carrying amount as a result of estimating the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Impairment losses on goodwill are not reversed.

(13) Non-current assets or disposal groups classified as held for sale

For assets or asset groups that are not in continuing use and for which recovery through sale is expected, that are highly likely to be sold within one year, and that can be quickly sold in their current condition, assets held for sale and liabilities directly related to assets held for sale are classified as disposal groups in other assets and liabilities and recorded in the consolidated statement of financial position.

(14) Employee benefits

1) Post-retirement benefits

The Group employs defined benefit plans and defined contribution plans as post-retirement benefit plans for employees.

(a) Defined benefit plans

The Group calculates the present value of the defined benefit obligations, related current service cost and past service cost using the projected unit credit method.

For a discount rate, a discount period is determined based on the period until the expected date of benefit payment in each fiscal year, and the discount rate is determined by reference to market yields for the period corresponding to the discount period at the end of the fiscal year on high-quality corporate bonds.

Assets and liabilities related to the post-retirement benefit plans are calculated by the present value of the defined benefit obligation, deducting the fair value of any plan assets, and their amounts are recognized in the consolidated statement of financial position. The net amount of interest income related to plan assets in the post-retirement benefit plans, interest costs related to defined benefit obligation, and current service cost is recognized as profit or loss.

Differences arising from remeasurements of defined benefit plans are recognized in full in OCI in the period when they are incurred and transferred to retained earnings immediately. The entire amount of past service costs is recognized as profit or loss in the period when incurred.

(b) Defined contribution plans

The cost for defined-contribution post-retirement benefit plans is recognized as an expense at the time of contribution.

2) Short-term employee benefits

Short-term employee benefits are not discounted, but are recognized as expenses when related services are provided.

If the Group has a present legal or constructive obligation to pay bonuses and paid vacation expenses and the obligation can be estimated reliably, a liability is recognized for the estimated payment amounts.

(15) Share-based payments

The Group has in place for directors (excluding outside directors) and officers of the Company a share option plan as an equity-settled share-based payment plan. Share options are estimated at fair value at grant date and are recognized as an expense over the vesting period after considering the number of share options that are expected to be eventually vested. The corresponding amount is recognized as an increase in equity.

(16) Provisions

The Group has present legal or constructive obligations resulting from past events and recognizes provisions when it is probable that the obligations are required to be settled and the amount of the obligations can be estimated reliably.

Where the effect of the time value of money is material to the provisions, the amount of provisions is measured at the present value of the estimated future cash flows discounted to present value using the pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the liability. Reversals of discounts to reflect the passage of time are recognized as finance costs.

(17) Revenue

Revenue from the sale of goods in the course of ordinary business activities is measured at the fair value of the consideration received or receivable, less returns, discounts and rebates. The Group recognizes revenue from the sale of goods when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, the Group does not retain continuing managerial involvement over the goods sold, the amount of revenue can be estimated reliably, the recoverability of consideration is high and related costs of sales can be estimated reasonably.

The Group recognizes revenue from the provision of services, based on stage of completion of transactions at the fiscal year-end when the amount of revenue can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to the Group; the stage of completion of transactions can be reliably measured at the fiscal year-end, and the expenses to be incurred in association with the transactions and the expenses required to conclude the transactions can be reliably measured.

Standards for recognizing revenue from the sale of goods and the provision of services are typically applied on a per-transaction basis. However, if individual transactions contain multiple recognizable elements, revenue may be recognized for each elemental unit in order to reflect the economic reality of the transactions.

(18) Government grants

The Group initially recognizes government grant as deferred income at fair value when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to it.

Grants associated with assets are recognized in profit or loss on a systematic basis over the useful lives of the assets. For grants associated with revenue, revenue is recognized on a systematic basis in the periods when related expenses are recognized.

(19) Income taxes

Current and deferred taxes are stated as income tax expense in the consolidated statement of profit or loss except when they relate to business combinations or on items recognized in OCI or directly in equity.

1) Current taxes

Current income taxes are measured at the amount that is expected to be paid to or refunded from the taxation authorities. For the calculation of the tax amount, the Group uses the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

2) Deferred taxes

Deferred income taxes are calculated based on the temporary differences between the amounts used for tax purpose and the carrying amount for assets and liabilities at the fiscal year end. Deferred tax assets are recognized for deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax liabilities are recognized for taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the fiscal year when the asset is realized or the liability is settled, based on the tax laws that have been enacted or substantively enacted by the fiscal year end.

Deferred tax assets and deferred tax liabilities are not recognized for the following temporary differences:

- taxable temporary differences on initially recognized goodwill
- temporary differences arising from the initial recognition of assets or liabilities in transactions that are not business combinations and at the time of transaction affect neither accounting profit nor taxable profit or tax loss
- taxable temporary differences on investments in subsidiaries and associates to the extent that the timing of the reversal of the temporary difference is controlled and that it is probable the temporary difference will not reverse in the foreseeable future
- deductible temporary differences on investments in subsidiaries and associates to the extent that it is not probable the

temporary differences will reverse in the foreseeable future

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority on the same taxable entity (including consolidated tax payments).

4. Critical accounting estimates and determining estimates

(1) Estimation and determination

The consolidated financial statements for the Group incorporate management's estimates and judgments.

The assumptions serving as bases for estimation are reviewed on an ongoing basis. Effects due to changes in estimates are recognized in the period when the estimate is changed and for future fiscal periods.

Actual results may differ from accounting estimates and the assumptions forming their basis.

(2) Estimates and determinations that have significant effects on the amounts recognized in the consolidated financial statements of the Group are as follows.

1) Impairment of non-financial assets

The Group conducts impairment tests whenever there is any indication that the recoverable amount of a non-financial asset (excluding inventories, deferred tax assets and post-retirement benefit plan assets) may fall below its carrying amount.

When conducting an impairment test, principal factors indicating that impairment may have occurred include a substantial worsening of business performance compared with past or estimated operating performance, significant changes in the uses of acquired assets or changes in overall strategy, or a substantial worsening of industry or economic trends.

Goodwill is allocated to an assets CGU or groups of CGUs based on the region where business is conducted and business category, and impairment tests are conducted on goodwill once each year or when there is an indication of impairment.

Calculations of recoverable amounts used in impairment tests are based on assumptions set using such factors as an asset's useful life, future cash flows, pre-tax discount rates and long-term growth rates. These assumptions are based on the best estimates and judgments made by management. However, these assumptions may be affected by changes in uncertain future economic conditions, which may have a material impact on the consolidated financial statements in future periods.

The method for calculating recoverable amounts is described in note 3. (12) "Impairment of non-financial assets".

2) Provisions

The Group records various provisions in the consolidated statement of financial position, including provision for product warranties and provision for restructuring.

These provisions are recognized based on the best estimates of the expenditures required to settle the obligations taking into consideration of risks and the uncertainty related to the obligations as of the fiscal year-end date.

Expenditures required to settle the obligations are calculated by taking possible results into account comprehensively. However, they may be affected by the occurrence of unexpected events or changes in conditions which may have a material impact on the consolidated financial statements in future periods.

The nature and amount of provisions are described in note 19 "Provisions".

3) Employee benefits

The Group has in place various post-retirement benefit plans, including defined benefits plans. The present value of defined benefit obligations on each of these plans and the service costs are calculated based on actuarial assumptions. These actuarial assumptions require estimates and judgments on variables, such as discount rates. The Group obtains advice from external pension actuaries with respect to the appropriateness of these actuarial assumptions including these variables.

The actuarial assumptions are determined based on the best estimates and judgments made by management. However, there is the possibility that these assumptions may be affected by changes in uncertain future economic conditions, or by the publication or the amendment of related laws, which may have a material impact on the consolidated financial statements in future periods.

These actuarial assumptions and related sensitivity analysis are described in note 21 "Employee benefits".

4) Recoverability of deferred tax assets

In recognizing deferred tax assets, when judging the possibility of the future taxable income, the Group estimates the timing and amount of future taxable income based on the business plan.

The timing when taxable income arises and the amount of such income may be affected by changes in uncertain future economic conditions. Therefore, this may have a material impact on the consolidated financial statements in future periods.

The content and amount related to deferred tax assets are described in note 16 "Income taxes".

5. Operating segments

(1) Reportable segments

Reportable segments of the Group are the constituent business units of the Group for which separate financial data are 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. This results in three reportable business segments: Business Technologies, Healthcare and Industrial Business. The "Others" segment includes the planetarium business and other businesses that are not included in the three reportable segments mentioned previously.

The business activities of each reportable segment is as follows:

	Business activities	
Business Technologies	<Office services> Development, manufacture and sale of multi-functional peripherals and IT services, and the provision of related consumables, solutions and services	<Commercial/industrial printing> Development, manufacture and sale of digital printing equipment, various printing services and industrial inkjet printers, and the provision of related consumables, solutions and services
Healthcare	Development, manufacture, sale and provision of services for diagnostic imaging systems, e.g. digital X-ray diagnostic imaging systems and diagnostic ultrasound systems, etc.	
Industrial Business	<Industrial optical systems> Development, manufacture and sale of sensing equipment, lenses for industrial and professional use, etc.	<Performance materials> Development, manufacture and sale of TAC films used in liquid crystal displays, Organic Light Emitting Diode (OLED) lighting, functional films, etc.

(2) Financial information on reportable segments

Methods of accounting for reportable statements are described in note 3 "Significant accounting policies" and are consistent with the accounting policies of the Group.

Financial information on reportable segments is provided below. Segment profit refers to operating profit.

Transition Date (April 1, 2013)

	Millions of yen					
	2013					
	Business Technologies	Healthcare	Industrial Business	Subtotal	Others	Total
Segment assets	¥483,745	¥66,227	¥151,312	¥701,284	¥43,654	¥744,938
Segment liabilities	¥256,111	¥43,770	¥86,842	¥386,724	¥21,551	¥408,276

Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)

	Millions of yen					
	2014					
	Business Technologies	Healthcare	Industrial Business	Subtotal	Others	Total
Revenue						
External	¥731,371	¥82,375	¥116,126	¥929,874	¥ 5,340	¥935,214
Inter-segment (Note)	1,911	178	2,988	5,079	22,408	27,487
Total	733,283	82,554	119,115	934,953	27,748	962,701
Segment profit	71,517	2,962	217	74,697	806	75,504
Segment assets	585,260	69,851	122,000	777,111	26,598	803,710
Segment liabilities	305,079	50,158	65,029	420,267	10,312	430,580
Other items						
Depreciation and amortization expenses	27,533	2,613	8,418	38,565	262	38,828
Impairment losses on non-financial assets	410	25	12,801	13,236	-	13,236
Investments accounted for using the equity method	-	486	-	486	-	486
Capital expenditures on property, plant and equipment and intangible assets	¥ 24,188	¥ 2,708	¥ 13,302	¥ 40,200	¥ 903	¥ 41,103

(Note) Inter-segment revenue is based on market prices, etc.

Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)

	Millions of yen					
	2015					
	Business Technologies	Healthcare	Industrial Business	Subtotal	Others	Total
Revenue						
External	**¥808,241**	**¥78,568**	**¥112,780**	**¥ 999,591**	**¥ 3,167**	**¥1,002,758**
Inter-segment (Note)	**1,895**	**316**	**2,425**	**4,636**	**23,103**	**27,740**
Total	**810,137**	**78,884**	**115,206**	**1,004,228**	**26,270**	**1,030,498**
Segment profit	**72,688**	**2,111**	**19,748**	**94,548**	**969**	**95,517**
Segment assets	**641,271**	**65,376**	**119,723**	**826,371**	**24,937**	**851,309**
Segment liabilities	**326,801**	**43,708**	**53,422**	**423,932**	**8,390**	**432,323**
Other items						
Depreciation and amortization expenses	**32,253**	**3,377**	**7,013**	**42,644**	**373**	**43,017**
Impairment losses on non-financial assets	**3,127**	**74**	**1,026**	**4,228**	**-**	**4,228**
Investments accounted for using the equity method	**-**	**524**	**-**	**524**	**-**	**524**
Capital expenditures on property, plant and equipment and intangible assets	**¥ 29,591**	**¥ 2,605**	**¥ 6,720**	**¥ 38,917**	**¥ 415**	**¥ 39,333**

(Note) Inter-segment revenue is based on market prices, etc.

	Thousands of U.S. dollars					
	2015					
	Business Technologies	Healthcare	Industrial Business	Subtotal	Others	Total
Revenue						
External	$6,725,813	$653,807	$938,504	$8,318,141	$ 26,354	$8,344,495
Inter-segment	15,769	2,630	20,180	38,579	192,253	230,840
Total	6,741,591	656,437	958,692	8,356,728	218,607	8,575,335
Segment profit	604,876	17,567	164,334	786,785	8,064	794,849
Segment assets	5,336,365	544,029	996,280	6,876,683	207,514	7,084,206
Segment liabilities	2,719,489	363,718	444,554	3,527,769	69,818	3,597,595
Other items						
Depreciation and amortization expenses	268,395	28,102	58,359	354,864	3,104	357,968
Impairment losses on non-financial assets	26,021	616	8,538	35,183	-	35,183
Investments accounted for using the equity method	-	4,360	-	4,360	-	4,360
Capital expenditures on property, plant and equipment and intangible assets	$ 246,243	$ 21,678	$ 55,921	$ 323,850	$ 3,453	$ 327,311

Differences between totals for reportable segments and the financial information in the consolidated financial statements are itemized and presented as below.

	Millions of yen		Thousands of U.S. dollars
Revenue	2015	2014	2015
Total revenue of reportable segments	¥1,004,228	¥934,953	$8,356,728
Revenue categorized in “Others”	26,270	27,748	218,607
Total of reportable and Others segments	1,030,498	962,701	8,575,335
Adjustments (Note)	(27,740)	(27,487)	(230,840)
Revenue reported in consolidated statement of profit or loss	¥1,002,758	¥935,214	$8,344,495

(Note) Adjustments are due to inter-segment eliminations.

	Millions of yen		Thousands of U.S. dollars
Profit	2015	2014	2015
Total profit of reportable segments	¥94,548	¥74,697	$ 786,785
Segment profit categorized in “Others”	969	806	8,064
Total of reportable and Others segments	95,517	75,504	794,849
Adjustments (Note)	(29,755)	(35,645)	(247,608)
Operating profit reported in consolidated statement of profit or loss	¥65,762	¥39,859	$ 547,241

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

	Millions of yen			Thousands of U.S. dollars
Assets	2015	2014	2013	2015
Total assets of reportable segments	¥826,371	¥777,111	¥701,284	$6,876,683
Assets categorized in “Others”	24,937	26,598	43,654	207,514
Total of reportable and Others segments	851,309	803,710	744,938	7,084,206
Adjustments (Note)	142,946	181,528	213,500	1,189,531
Assets reported in consolidated statement of financial position	¥994,256	¥985,239	¥958,439	$8,273,746

(Note) Adjustments include eliminations for inter-segment transactions and corporate assets that are not attributable to any reportable segment. These corporate assets comprise operating funds (cash and cash deposits and securities), long-term investment funds (investment securities), property, plant and equipment and intangible assets, etc.

Liabilities	Millions of yen 2015	2014	2013	Thousands of U.S. dollars 2015
Total liabilities of reportable segments	¥423,932	¥420,267	¥386,724	$3,527,769
Liabilities categorized in "Others"	8,390	10,312	21,551	69,818
Total of reportable and Others segments	432,323	430,580	408,276	3,597,595
Adjustments (Note)	32,429	61,837	83,585	269,859
Liabilities reported in consolidated statement of financial position	¥464,752	¥492,417	¥491,862	$3,867,454

(Note) Adjustments include eliminations for inter-segment transactions and corporate liabilities, which are mainly interest-bearing debts (bonds and borrowings, etc.) not attributed to any reportable segment.

	Millions of yen							
	Total of reportable segments		Others		Adjustments (Note)		Reported in consolidated financial statements	
Other items	2015	2014	2015	2014	2015	2014	2015	2014
Depreciation and amortization expenses	¥42,644	¥38,565	¥373	¥262	¥4,887	¥4,999	¥47,905	¥43,827
Impairment losses on non-financial assets	4,228	13,236	-	-	957	4,250	5,185	17,487
Investments accounted for using the equity method	524	486	-	-	-	-	524	486
Capital expenditures on property, plant and equipment and intangible assets	¥38,917	¥40,200	¥415	¥903	¥6,766	¥6,280	¥46,100	¥47,383

(Note) Adjustments for depreciation and amortization expenses and impairment losses are mainly for buildings that are not attributed to any reportable segment.
In relation to other items, adjustments to capital expenditures are mainly for capital expenditures for buildings that are not attributed to any reportable segment.

	Thousands of U.S. dollars			
	Total of reportable segments	Others	Adjustments	Reported in consolidated financial statements
Other items	2015			
Depreciation and amortization expenses	$354,864	$3,104	$40,667	$398,644
Impairment losses on non-financial assets	35,183	-	7,964	43,147
Investments accounted for using the equity method	4,360	-	-	4,360
Capital expenditures on property, plant and equipment and intangible assets	$323,850	$3,453	$56,304	$383,623

(3) Financial information by geographical region

External revenue by geographical area is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Japan	¥ 194,645	¥204,792	$1,619,747
United States	235,628	205,810	1,960,789
European countries	328,663	309,624	2,734,984
China	68,055	58,484	566,323
Asia, excluding Japan and China	88,578	85,472	737,106
Others	87,187	71,029	725,530
Total	¥1,002,758	¥935,214	$8,344,495

(Note) Revenue classifications are based on customers' geographical regions. However, individual items not allocable to a primary country are classified in "Others."

Summary by geographical region of the carrying amounts of non-current assets (excluding financial assets, deferred tax assets and post-retirement benefit assets) is set out as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
Japan	¥143,804	¥138,296	¥134,821	$1,196,671
United States	84,778	76,859	74,346	705,484
European countries	53,945	60,356	49,140	448,906
China	20,816	20,210	20,028	173,221
Asia, excluding Japan and China	9,568	5,794	17,408	79,621
Others	4,786	1,449	1,573	39,827
Total	¥317,699	¥302,966	¥297,317	$2,643,746

(4) Information on principal customers

No single external customer contributed to 10% of revenue or more.

6. Business Combinations

For fiscal year ended March 31, 2014, contingent consideration related to an equity interest acquired in Instrument Systems GmbH dated of November 30, 2012 are measured at fair value on the Transition Date and recorded in "other financial liabilities." Under the agreement with the acquired company, a contingent consideration is to be paid if performance levels exceed certain level. That estimated amount is calculated by taking into account the time value, of money specific to the acquired company. The fair value of the contingent consideration as of the Transition Date is ¥603 million, and the fair value of the contingent consideration as of the settlement date is ¥709 million. The changes in far value between the Transition Date and the settlement date, resulting from changes in exchange rates and time value are recorded as "finance costs."

There was no significant business combination in the fiscal year ended March 31, 2015.

7. Trade and other receivables

The components of trade and other receivables as of March 31, 2015, 2014, and the Transition Date are as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
Notes and accounts receivable–trade	¥225,816	¥219,247	¥192,851	$1,879,138
Finance lease receivables	23,010	21,211	16,007	191,479
Others	10,193	12,251	10,325	84,822
Allowance for doubtful accounts	(6,057)	(5,643)	(4,568)	(50,404)
Total	¥252,962	¥247,067	¥214,616	$2,105,035

8. Inventories

The components of inventories as of March 31, 2015, 2014, and the Transition Date are as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
Merchandise and finished goods	**¥ 92,335**	¥ 87,700	¥ 83,782	**$ 768,370**
Work in progress	**10,316**	9,615	10,610	**85,845**
Materials and supplies (Note 1)	**18,151**	17,858	19,080	**151,044**
Total	**¥120,803**	¥115,175	¥113,472	**$1,005,268**

(Note 1) Materials include spare parts for maintenance purpose to be used after 12 months from each fiscal year-end. They are included as inventories as they are held within the ordinary course of business.
(Note 2) The acquisition costs of inventories recognized as expenses during the current fiscal year is primarily included in "cost of sales."
(Note 3) The amount of inventories written down to their net realizable value in the current fiscal year is ¥1,546 million (previous fiscal year: ¥1,552 million), which is included in "cost of sales."

9. Other financial assets

The components of other financial assets as of March 31, 2015, 2014, and the Transition Date are as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
Loans receivable	**¥ 198**	¥ 1,189	¥ 1,065	**$ 1,648**
Investment securities	**30,534**	27,621	20,325	**254,090**
Lease and guarantee deposits	**7,163**	7,390	6,772	**59,607**
Others	**6,093**	4,370	4,106	**50,703**
Allowance for doubtful accounts	**(853)**	(883)	(1,366)	**(7,098)**
Total	**43,135**	39,688	30,903	**358,950**
Current	**1,715**	1,537	1,386	**14,271**
Non-current	**¥41,420**	¥38,151	¥29,517	**$344,678**

10. Non-current assets held-for-sale and disposal groups

For fiscal year ended March 31, 2014, the board of directors of the Group resolved on October 31, 2013 to withdraw from the manufacturing of glass substrates used for hard disk drives (HDDs), a constituent of the Industrial Business segment. Accordingly, the Group presented this business as a non-current assets held for sale. Production ceased in November 2013, and sales were suspended December 2013. The assets and liabilities of the business that were classified as non-current assets held for sale were sold in June and July 2014. The value of the non-current assets held-for-sale, excluding selling costs, was measured at fair value, recognizing ¥10,717 million in impairment losses. These impairment losses are recognized as "other expenses" in the consolidated statements of profit or loss for the previous fiscal year. Fair value excluding selling costs was calculated using a valuation technique (market approach), which included unobservable inputs. It is therefore classified within level 3 of fair value hierarchy.

For fiscal year ended March 31, 2015, in line with the mid-term management plan to improve asset efficiency, the Group resolved to sell land, buildings, and other items in North America and Japan that are not attributable to reportable segments.

11. Property, plant and equipment

Changes in the carrying amounts of property, plant and equipment for fiscal years ended March 31, 2015 and 2014, are as follows:

(Cost)

	Millions of yen						
	Buildings and structures	Machinery and vehicles	Tools and equipment	Rental assets	Land	Construction in progress	Total
Balance at April 1, 2013	¥181,050	¥256,304	¥148,330	¥41,700	¥35,303	¥ 7,020	¥669,711
Acquisitions	1,324	2,078	9,584	6,762	-	25,188	44,939
Acquisitions through business combinations	-	3	26	7	-	-	37
Transfer from construction in progress to other account	5,461	7,174	5,713	-	-	(18,348)	-
Disposals	(6,604)	(32,310)	(13,452)	(4,696)	-	(180)	(57,243)
Others	62	(8,326)	(1,249)	(4,131)	(33)	31	(13,647)
Effect of foreign currency exchange differences	3,829	2,721	4,323	3,167	455	180	14,677
Balance at March 31, 2014	185,124	227,644	153,278	42,810	35,725	13,891	658,475
Acquisitions	**674**	**1,732**	**8,582**	**8,627**	**472**	**25,110**	**45,200**
Acquisitions through business combinations	**11**	**58**	**46**	**-**	**-**	**-**	**115**
Transfer from construction in progress to other account	**13,310**	**15,206**	**5,557**	**-**	**-**	**(34,074)**	**-**
Disposals	**(9,611)**	**(7,882)**	**(11,165)**	**(4,504)**	**(2,538)**	**(120)**	**(35,824)**
Others	**197**	**(14)**	**(512)**	**(3,931)**	**(689)**	**(718)**	**(5,669)**
Effect of foreign currency exchange differences	**2,722**	**2,530**	**5,063**	**954**	**326**	**148**	**11,746**
Balance at March 31, 2015	**¥192,428**	**¥239,275**	**¥160,849**	**¥43,957**	**¥33,296**	**¥ 4,236**	**¥674,043**

(Note) Others is transfer to other account.

	Thousands of U.S. dollars						
	Buildings and structures	Machinery and vehicles	Tools and equipment	Rental assets	Land	Construction in progress	Total
Balance at March 31, 2014	$1,540,518	$1,894,350	$1,275,510	$356,245	$297,287	$115,595	$5,479,529
Acquisitions	**5,609**	**14,413**	**71,415**	**71,790**	**3,928**	**208,954**	**376,134**
Acquisitions through business combinations	**92**	**483**	**383**	**-**	**-**	**-**	**957**
Transfer from construction in progress to other account	**110,760**	**126,537**	**46,243**	**-**	**-**	**(283,548)**	**-**
Disposals	**(79,978)**	**(65,590)**	**(92,910)**	**(37,480)**	**(21,120)**	**(999)**	**(298,111)**
Others	**1,639**	**(117)**	**(4,261)**	**(32,712)**	**(5,734)**	**(5,975)**	**(47,175)**
Effect of foreign currency exchange differences	**22,651**	**21,054**	**42,132**	**7,939**	**2,713**	**1,232**	**97,745**
Balance at March 31, 2015	**$1,601,298**	**$1,991,138**	**$1,338,512**	**$365,790**	**$277,074**	**$ 35,250**	**$5,609,079**

(Accumulated depreciation and impairment losses)

	Millions of yen						
	Buildings and structures	Machinery and vehicles	Tools and equipment	Rental assets	Land	Construction in progress	Total
Balance at April 1, 2013	(¥112,400)	(¥222,040)	(¥123,374)	(¥30,243)	(¥1,290)	(¥51)	(¥489,399)
Depreciation expenses	(5,708)	(9,830)	(10,181)	(5,774)	(2)	-	(31,497)
Impairment losses	(9,397)	(7,293)	(648)	(25)	-	(37)	(17,401)
Disposals	6,337	30,964	12,291	4,225	-	3	53,822
Others	(129)	7,674	502	3,628	(119)	13	11,569
Effect of foreign currency exchange differences	(2,008)	(1,701)	(2,845)	(1,953)	(2)	0	(8,512)
Balance at March 31, 2014	(123,307)	(202,226)	(124,255)	(30,142)	(1,415)	(72)	(481,418)
Depreciation expenses	**(5,513)**	**(8,747)**	**(12,423)**	**(7,180)**	**(3)**	**-**	**(33,868)**
Impairment loss	**(826)**	**(1,188)**	**(128)**	**(15)**	**(275)**	**(10)**	**(2,444)**
Disposals	**7,531**	**7,423**	**9,631**	**4,346**	**386**	**-**	**29,319**
Others	**(82)**	**(244)**	**344**	**2,819**	**-**	**-**	**2,837**
Effect of foreign currency exchange differences	**(1,425)**	**(1,572)**	**(3,288)**	**(545)**	**3**	**-**	**(6,828)**
Balance at March 31, 2015	**(¥123,623)**	**(¥206,554)**	**(¥130,120)**	**(¥30,717)**	**(¥1,304)**	**(¥82)**	**(¥492,402)**

(Note) Others is transfer to other account.

	Thousands of U.S. dollars						
	Buildings and structures	Machinery and vehicles	Tools and equipment	Rental assets	Land	Construction in progress	Total
Balance at March 31, 2014	($1,026,105)	($1,682,833)	($1,033,994)	($250,828)	($11,775)	($599)	($4,006,141)
Depreciation expenses	**(45,877)**	**(72,789)**	**(103,379)**	**(59,749)**	**(25)**	**-**	**(281,834)**
Impairment loss	**(6,874)**	**(9,886)**	**(1,065)**	**(125)**	**(2,288)**	**(83)**	**(20,338)**
Disposals	**62,670**	**61,771**	**80,145**	**36,165**	**3,212**	**-**	**243,979**
Others	**(682)**	**(2,030)**	**2,863**	**23,458**	**-**	**-**	**23,608**
Effect of foreign currency exchange differences	**(11,858)**	**(13,081)**	**(27,361)**	**(4,535)**	**25**	**-**	**(56,820)**
Balance at March 31, 2015	**($1,028,734)**	**($1,718,848)**	**($1,082,799)**	**($255,613)**	**($10,851)**	**($682)**	**($4,097,545)**

(Carrying amount)

	Millions of yen						
	Buildings and structures	Machinery and vehicles	Tools and equipment	Rental assets	Land	Construction in progress	Total
Balance at April 1, 2013	¥68,650	¥34,264	¥24,956	¥11,457	¥34,013	¥ 6,969	¥180,311
Balance at March 31, 2014	61,816	25,418	29,023	12,668	34,310	13,819	177,056
Balance at March 31, 2015	**¥68,805**	**¥32,720**	**¥30,729**	**¥13,240**	**¥31,992**	**¥ 4,153**	**¥181,641**

	Thousands of U.S. dollars						
	Buildings and structures	Machinery and vehicles	Tools and equipment	Rental assets	Land	Construction in progress	Total
Balance at March 31, 2015	**$572,564**	**$272,281**	**$255,713**	**$110,177**	**$266,223**	**$34,559**	**$1,511,534**

The carrying amount of property, plant and equipment as of March 31, 2015, 2014 and the Transition Date includes the carrying amount of the following leased assets:

(Carrying amount of lease assets)

	Millions of yen				
	Buildings and structures	Machinery and vehicles	Tools and equipment	Rental assets	Land
Balance at April 1, 2013	¥2,246	¥320	¥641	¥1,663	¥762
Balance at March 31, 2014	2,380	306	806	1,795	831
Balance at March 31, 2015	**¥1,188**	**¥264**	**¥694**	**¥2,055**	**¥966**

	Thousands of U.S. dollars				
	Buildings and structures	Machinery and vehicles	Tools and equipment	Rental assets	Land
Balance at March 31, 2015	**$9,886**	**$2,197**	**$5,775**	**$17,101**	**$8,039**

12. Goodwill and intangible assets

The changes in goodwill and intangible assets for fiscal years ended March 31, 2015 and 2014, are set out as follows:

(Cost)

	Millions of yen				
	Goodwill	Customer relationships	Softwares	Others (Note 1)	Total
Balance at April 1, 2013	¥69,465	¥23,654	¥48,931	¥14,382	¥156,434
Acquisitions	-	-	2,785	5,919	8,705
Acquisitions through business combinations	1,468	1,897	-	9	3,375
Disposal	-	-	(4,269)	(470)	(4,739)
Others	(245)	-	7,551	(4,639)	2,666
Effect of foreign currency exchange differences	3,247	2,739	3,029	1,578	10,594
Balance at March 31, 2014	73,935	28,291	58,028	16,780	177,036
Acquisitions	**-**	**-**	**2,366**	**6,310**	**8,676**
Acquisitions through business combinations	**5,819**	**4,471**	**26**	**842**	**11,160**
Disposal	**(2,626)**	**-**	**(7,127)**	**(116)**	**(9,870)**
Others	**-**	**(215)**	**7,221**	**(5,171)**	**1,834**
Effect of foreign currency exchange differences	**715**	**3,744**	**1,005**	**(279)**	**5,186**
Balance at March 31, 2015	**¥77,843**	**¥36,292**	**¥61,521**	**¥18,366**	**¥194,023**

(Note 1) Software in progress is included in “others” within intangible assets.
(Note 2) There is no significant internally generated intangible asset as of March 31, 2014 and 2015.

	Thousands of U.S.dollars				
	Goodwill	Customer relationships	Softwares	Others	Total
Balance at March 31, 2014	$615,253	$235,425	$482,883	$139,636	$1,473,213
Acquisitions	**-**	**-**	**19,689**	**52,509**	**72,198**
Acquisitions through business combinations	**48,423**	**37,206**	**216**	**7,007**	**92,868**
Disposal	**(21,852)**	**-**	**(59,308)**	**(965)**	**(82,134)**
Others	**-**	**(1,789)**	**60,090**	**(43,031)**	**15,262**
Effect of foreign currency exchange differences	**5,950**	**31,156**	**8,363**	**(2,322)**	**43,156**
Balance at March 31, 2015	**$647,774**	**$302,005**	**$511,950**	**$152,833**	**$1,614,571**

(Accumulated amortization and accumulated impairment losses)

	Millions of yen				
	Goodwill	Customer relationships	Softwares	Others (Note 1)	Total
Balance at April 1, 2013	¥ -	(¥ 8,842)	(¥32,768)	(¥3,881)	(¥45,492)
Amortization expenses (Note 2)	-	(3,316)	(7,746)	(1,267)	(12,329)
Impairment losses	-	-	(76)	(8)	(85)
Disposals	-	-	4,089	146	4,235
Others	-	-	162	56	219
Effect of foreign currency exchange differences	-	(976)	(2,499)	(545)	(4,021)
Balance at March 31, 2014	-	(13,136)	(38,838)	(5,499)	(57,473)
Amortization expenses (Note 2)	**-**	**(4,016)**	**(8,628)**	**(1,392)**	**(14,037)**
Impairment losses	**(2,551)**	**-**	**(188)**	**0**	**(2,740)**
Disposals	**2,626**	**-**	**7,040**	**86**	**9,753**
Others	**-**	**1**	**(343)**	**112**	**(229)**
Effect of foreign currency exchange differences	**(75)**	**(2,265)**	**(869)**	**45**	**(3,164)**
Balance at March 31, 2015	**¥ -**	**(¥19,416)**	**(¥41,828)**	**(¥6,646)**	**(¥67,891)**

(Note 1) Software in progress is included in “others” within intangible assets.
(Note 2) Amortization expenses on intangible assets are included in “cost of sales” and “selling, general and administrative expenses” in the consolidated statements of profit or loss.
(Note 3) There is no significant internally generated intangible asset as of March 31, 2014 and 2015.

	Thousands of U.S.dollars				
	Goodwill	Customer relationships	Softwares	Others	Total
Balance at March 31, 2014	$ -	($109,312)	($323,192)	($45,760)	($478,264)
Amortization expenses	**-**	**(33,419)**	**(71,798)**	**(11,584)**	**(116,810)**
Impairment losses	**(21,228)**	**-**	**(1,564)**	**0**	**(22,801)**
Disposals	**21,852**	**-**	**58,584**	**716**	**81,160**
Others	**-**	**8**	**(2,854)**	**932**	**(1,906)**
Effect of foreign currency exchange differences	**(624)**	**(18,848)**	**(7,231)**	**374**	**(26,329)**
Balance at March 31, 2015	**$ -**	**($161,571)**	**($348,074)**	**($55,305)**	**($564,958)**

(Carrying amount)

	Millions of yen				
	Goodwill	Customer relationships	Softwares	Others (Note 1)	Total
Balance at April 1, 2013	¥69,465	¥14,812	¥16,163	¥10,501	¥110,942
Balance at March 31, 2014	73,935	15,155	19,190	11,281	119,563
Balance at March 31, 2015	**¥77,843**	**¥16,876**	**¥19,693**	**¥11,719**	**¥126,132**

(Note 1) Software in progress is included in “others” within intangible assets.
(Note 2) There is no significant internally generated intangible asset as of March 31, 2014 and 2015.

	Thousands of U.S.dollars				
	Goodwill	Customer relationships	Softwares	Others	Total
Balance at March 31, 2015	**$647,774**	**$140,434**	**$163,876**	**$97,520**	**$1,049,613**

13. Impairment losses on non-financial assets

The Group recognizes impairment losses when the recoverable amount of assets falls below their carrying amount. Impairment losses are included in other expenses in the consolidated statements of profit or loss.

Impairment losses on property, plant and equipment and goodwill and intangible assets are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Property, plant and equipment	**¥2,444**	¥17,401	**$20,338**
Goodwill	**2,551**	-	**21,228**
Intangible assets	**188**	85	**1,564**
Total	**¥5,185**	¥17,487	**$43,147**

(1) Impairment losses

For fiscal year ended March 31, 2014, impairment losses were recognized on manufacturing equipment of glass substrates for HDDs as a result of the resolution to withdraw from this business and on manufacturing equipments of medical-use X-ray films as no further use was expected due to the cessation of manufacturing.

Manufacturing equipments of glass substrates for HDDs ("machinery and vehicles," "buildings and structures," etc.) was written down to the recoverable amounts of ¥3,852 million for these assets, and impairment losses of ¥11,910 million were recognized for the Industrial Business segment. The recoverable amounts were calculated using a valuation technique (market approach) which included unobservable inputs. They are therefore classified within level 3 of fair value hierarchy.

As manufacturing equipments for medical-use X-ray films ("buildings and structures") are specialty assets that cannot be easily converted or sold, the recoverable amounts of these assets were estimated at zero, and impairment losses of ¥3,516 million were recorded. These impairment losses were generated on assets not attributed to reportable segments.

For fiscal year ended March 31, 2015, impairment losses were recognized on goodwill at sales sites in Europe due to ongoing losses stemming from worsening of market environment, on manufacturing equipments of optical products and film manufacturing equipments located in Japan in the Industrial Business segment due to reduced utilization rates, and on company-wide idle assets, etc., due to reduced utilization rates and review of asset values.

With regard to sales sites in Europe, the recoverable amount of goodwill and intangible assets associated with the acquisition of sales subsidiaries was estimated at zero, and impairment losses of ¥2,733 million were recognized in the Business Technologies business.

With regard to manufacturing equipments of optical products ("machinery and vehicles" and "tools and equipment," etc.), the recoverable amounts of these assets was written down to ¥188 million, and impairment losses of ¥473 million were recognized for the Industrial Business segment. The recoverable amounts is the fair value less costs of disposal, calculated using the valuation technique (market approach) which included unobservable inputs.It is therefore classified within level 3 of fair value hierarchy.

With regard to film manufacturing equipment located in Japan ("machinery and vehicles" and "tools and equipment"), as these are specialty assets that cannot be easily converted or sold, the recoverable amounts of these assets was estimated at zero, and impairment losses of ¥553 million were recorded in the Industrial Business segment.

With regard to idle assets, etc. ("buildings and structures," "machinery and vehicles" and "land," etc.), the recoverable amount for land was written down to ¥50 million, the recoverable amount of assets other than land was estimated at zero, and company-wide impairment losses of ¥957 million were recognized. The recoverable amount of land is fair value less costs of disposal, calculated using the valuation technique (market approach) which included unobservable inputs. It is therefore classified within level 3 of fair value hierarchy. These impairment losses were generated on assets not attributable to reportable segments.

(2) Goodwill impairment tests

Goodwill of ¥46,208 million was generated during management integration with Minolta Co., Ltd. At the Transition Date and for each fiscal year, ¥41,613 million is allocated to Business Technologies and ¥4,595 million to the Industrial Business segment. No impairment losses were recognized at the Transition Date or in any fiscal year. Calculation of the recoverable amount for each cash-generating unit is based on value in use. Value in use is calculated as future cash flows discounted to the present value, based on the most recent business plans approved by the Board of Directors. Estimated future cash flows for periods subsequent to approved business plans are calculated by using a fixed growth rate based on the long-term average rate of growth for markets to which the cash-generating unit belongs. The pre-tax discount rate used during the fiscal year under review was 7.52% (previous fiscal year: 7.89%, Transition Date: 7.62%). In the event of changes in principal assumptions used in the impairment tests within the scope of rational forecasting possibility, management judges that the likelihood that significant impairment losses will be generated for these cash-generating units is low.

14. Investments accounted for using the equity method

Information related to associates is below. The Company has no material associates.

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
Carrying amount of investments accounted for using the equity method	¥524	¥486	¥1,490	$4,360

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Share of profit in investments accounted for using the equity method	¥35	(¥1,163)	$291
Share of other comprehensive income of investments accounted for using the equity method	5	2	42
Total share of comprehensive income for the year	¥41	(¥1,160)	$341

15. Leases

(1) As lessee

1)Finance leases

The Group leases a variety of property, plant and equipment under finance lease agreements. Some of these leases include a renewal-or-purchase option. The Group does not engage in sublease agreements, escalation clauses or restrictions imposed by lease agreement (such as limitations on dividend, additional borrowing or additional leases).

For each reporting date, future minimum lease payments and their present values based on finance lease agreements for each repayment period are as follows:

	Millions of yen			Thousands of U.S. dollars	Millions of yen			Thousands of U.S. dollars
	Minimum lease payments				Present value of minimum lease payments			
	2015	2014	2013	2015	2015	2014	2013	2015
Less than 1 year	¥2,948	¥2,365	¥1,921	$24,532	¥2,704	¥1,973	¥1,686	$22,501
1-5 years	3,679	4,412	4,022	30,615	3,428	4,218	3,702	28,526
More than 5 years	115	130	151	957	111	122	149	924
Total	6,743	6,908	6,095	56,112	¥6,244	¥6,315	¥5,538	$51,960
Less:Future finance cost	498	593	556	4,144				
Present value of minimum lease payments	¥6,244	¥6,315	¥5,538	$51,960				

2) Operating leases

The Group uses a variety of property, plant and equipment under non-cancellable operating lease agreements.

Lease expenses presented in the consolidated statements of profit or loss for fiscal year ended March 31, 2014 and 2015 are ¥5,696 million and ¥8,913 million, respectively.

Future minimum lease payments under non-cancellable operating leases are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Less than 1 year	¥ 7,546	¥ 7,532	$ 62,794
1-5 years	11,804	12,767	98,228
More than 5 years	1,379	1,221	11,475
Total	¥20,729	¥21,521	$172,497

(2) As lessor

1)Finance leases

The Group primarily leases business technologies equipments based on finance lease agreements.

Gross investment in leases under finance lease agreements and the present value of minimum lease payments receivables are as follows:

	Millions of yen			Thousands of U.S. dollars	Millions of yen			Thousands of U.S. dollars
	Gross investment in the lease				Present value of minimum lease receivable			
	2015	2014	2013	2015	2015	2014	2013	2015
Less than 1 year	¥ 9,382	¥ 9,183	¥ 7,405	$ 78,073	¥ 8,514	¥ 8,615	¥ 6,953	$ 70,850
1-5 years	15,415	13,085	9,446	128,277	14,395	12,480	9,014	119,789
More than 5 years	103	127	41	857	100	115	39	832
Total	24,901	22,396	16,893	207,215	¥23,010	¥21,211	¥16,007	$191,479
Less: Unearned finance income	1,891	1,185	886	15,736				
Present value of minimum lease payments receivable	¥23,010	¥21,211	¥16,007	$191,479				

(Note 1) No material unguaranteed residual values are set for the lease transactions stated above.
(Note 2) No material allowance for doubtful accounts is recorded for finance lease receivables.

2) Operating leases

The Group principally leases business information equipments under non-cancellable operating lease agreements.

Future minimum lease receivables under non-cancellable operating leases are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Less than 1 year	¥4,157	¥2,076	$34,593
1-5 years	5,163	3,007	42,964
More than 5 years	14	2	117
Total	¥9,334	¥5,087	$77,673

16. Income taxes

(1)Deferred tax assets and deferred tax liabilities

1) Recognized deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are attributable to the following factors:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
Retirement benefits	¥27,565	¥30,626	¥30,660	$229,383
Property, plant and equipment	2,851	3,157	3,700	23,725
Intangible assets	(2,927)	(2,834)	(2,859)	(24,357)
Inventories	13,145	12,086	8,728	109,387
Others	7,122	10,707	5,882	59,266
Net losses carried forward	19,501	35,192	50,283	162,278
Valuation allowance	(5,912)	(17,382)	(27,424)	(49,197)
Total	61,346	71,553	68,970	510,493
Deferred tax assets	64,291	74,348	71,605	535,000
Deferred tax liabilities	¥ 2,944	¥ 2,794	¥ 2,634	$ 24,499

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance, beginning of the year	¥71,553	¥68,970	$595,431
Recognized in profit or loss	(10,056)	2,318	(83,681)
Recognized in other comprehensive income	(1,651)	(780)	(13,739)
Business combinations	19	-	158
Others	1,481	1,044	12,324
Balance, end of the year	¥61,346	¥71,553	$510,493

2) Temporary differences not recognized as deferred tax assets

The Group recognizes deferred tax assets after taking into consideration deductible temporary differences, the forecasted future taxable profits and tax planning. Deductible temporary differences and net losses carried forward that are not recognized for deferred tax assets on this basis are as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
Deductible temporary differences	¥ 1,463	¥16,958	¥20,094	$ 12,174
Net losses carried forward	¥15,625	¥30,651	¥52,207	$130,024

Net losses carried forward that are not expected to recognized for deferred tax assets, as of the end of the current fiscal year is as follows;

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
5 years or less	¥ 636	¥ 7,721	¥ 5,122	$ 5,293
More than 5 years	14,988	22,929	47,084	124,723
Total	¥15,625	¥30,651	¥52,207	$130,024

(2)Income tax expense

1) Income tax expense recognized in profit or loss

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Current income tax expense	**¥14,465**	¥11,624	**$120,371**
Deferred income tax expense			
(Increase) Decrease in temporary differences	**5,834**	(7,367)	**48,548**
(Increase) Decrease in net losses carried forward	**15,690**	15,091	**130,565**
Increase (Decrease) in valuation allowance	**(11,469)**	(10,042)	**(95,440)**
Subtotal	**10,056**	(2,318)	**83,681**
Total	**¥24,521**	¥ 9,305	**$204,053**

2) Income tax expense recognized in other comprehensive income

Income tax expense recognized in other comprehensive income is indicated in note 30 “Other Comprehensive Income”.

3) Reconciliation of the effective tax rate

The Japanese statutory income tax rate is used by the Company and its domestic consolidated subsidiaries as a basis for calculating corporate tax, inhabitant tax and business tax deductions. The tax rate is 38.01% for the previous fiscal year, 35.64% for the current fiscal year, 33.10% for the next fiscal year (ending March 31, 2016) and 32.34% for the following fiscal year (ending March 31, 2017). These figures are the result of decreases in the corporate tax rate and the cessation of the Special Reconstruction Surtax.

Income taxes for foreign operations are based on the tax laws of the respective jurisdictions.

Differences in the statutory income tax rate and average effective tax rate are attributable to the following.

	%	
	2015	2014
Statutory income tax rate	**35.6**	38.0
Valuation allowance	**(10.3)**	(25.0)
Non-taxable revenue	**(2.6)**	(1.4)
Non-deductible expenses	**4.3**	2.5
Difference in statutory tax rate of foreign subsidiaries	**(2.9)**	(3.1)
Tax credits for research and development cost and others	**(4.7)**	(1.3)
Year-end adjustment to deferred tax assets due to tax rate revisions	**11.6**	5.0
Others	**6.5**	9.9
Average effective tax rate after application of tax effect accounting	**37.4**	24.7

17. Trade and other payables

The components of trade and other payables as of March 31, 2015, 2014, and the Transition Date are as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	**2015**
Notes and accounts payable-trade	**¥ 98,152**	¥ 96,240	¥ 85,534	**$ 816,776**
Accounts payable-capital expenditure	**5,128**	6,768	4,526	**42,673**
Accounts payable-others	**73,868**	67,898	56,075	**614,696**
Others	**414**	402	469	**3,445**
Total	**¥177,564**	¥171,309	¥146,605	**$1,477,607**

18. Bonds and borrowings

Summary of bonds and borrowings is as follows:

	Millions of yen					Millions of U.S. dollars
	2015	2014	2013	interest rate (%) (Note1)	Repayment or redemption date	2015
Short-term loans payable	¥ 25,644	¥ 37,078	¥ 67,398	1.080	-	$ 213,398
Current portion of bonds	20,000	-	-	0.609	-	166,431
Current portion of long-term loans payable	5,001	27,003	23,990	2.012	-	41,616
Current portion of lease obligations (Note 2)	2,704	1,973	1,686	-	-	22,501
Non-current portion of bonds (Note 3)(Note 4)	50,000	70,000	70,000	0.796	-	416,077
Non-current portion of long-term loans payable (Note 4)	58,696	62,042	63,507	1.144	May 2016 to February 2022	488,441
Non-current portion of lease obligations (Note 2)(Note 4)	3,540	4,341	3,852	-	April 2016 to September 2026	29,458
Total	165,586	202,439	230,435	-		1,377,931
Current	53,349	66,054	93,076	-		443,946
Non-current	¥112,236	¥136,384	¥137,359	-		$ 933,977

(Note 1) Interest rates indicated are weighted average interest rates at the end of the fiscal year.
(Note 2) Interest rates on lease obligations are not indicated, as lease obligations stated in the consolidated statement of financial position are inclusive of the interests.
(Note 3) The carrying amounts of bond are as follows:

			Millions of yen					Millions of U.S. dollars
Company	Name	Issue date	2015	2014	2013	interest rate (%)	Redemption date	2015
Konica Minolta	No1 Unsecured Bonds	December 2, 2010	¥20,000	¥20,000	¥20,000	0.609	December 2, 2015	$166,431
Konica Minolta	No2 Unsecured Bonds	December 2, 2010	10,000	10,000	10,000	0.956	December 1, 2017	83,215
Konica Minolta	No3 Unsecured Bonds	December 2, 2011	20,000	20,000	20,000	0.610	December 2, 2016	166,431
Konica Minolta	No4 Unsecured Bonds	December 2, 2011	20,000	20,000	20,000	0.902	November 30, 2018	166,431
Total	-	-	¥70,000	¥70,000	¥70,000	-	-	$582,508

(Note 4) Bonds, long-term borrowings and lease obligations that are as due for repayment after one year but within five years of the end of the fiscal year are listed in note 32 "Financial instruments".

19. Provisions

Summary of provisions and the changes are as follows:

	Millions of yen				
	Provision for product warranties (Note 1)	Provision for restructuring (Note 2)	Asset retirement obligations (Note 3)	Other provisions (Note 4)	Total
Balance at March 31,2014	¥1,441	¥3,092	¥1,268	¥2,146	¥7,948
Provisions made	1,092	798	111	1,749	3,751
Provisions utilized	(534)	(2,692)	(81)	(817)	(4,125)
Provisions reversed	(245)	(78)	(158)	(399)	(882)
Effects of changes in foreign exchange rates	16	(24)	1	(8)	(14)
Balance at March 31,2015	**1,770**	**1,095**	**1,141**	**2,671**	**6,678**
Current	1,770	1,095	164	2,512	5,542
Non-current	¥ -	¥ -	¥ 976	¥ 159	¥1,135

	Thousands of U.S. dollars				
	Provision for product warranties (Note 1)	Provision for restructuring (Note 2)	Asset retirement obligations (Note 3)	Other provisions (Note 4)	Total
Balance at March 31,2014	$11,991	$25,730	$10,552	$17,858	$66,140
Provisions made	9,087	6,641	924	14,554	31,214
Provisions utilized	(4,444)	(22,402)	(674)	(6,799)	(34,326)
Provisions reversed	(2,039)	(649)	(1,315)	(3,320)	(7,340)
Effects of changes in foreign exchange rates	133	(200)	8	(67)	(117)
Balance at March 31,2015	**14,729**	**9,112**	**9,495**	**22,227**	**55,571**
Current	14,729	9,112	1,365	20,904	46,118
Non-current	$ -	$ -	$ 8,122	$ 1,323	$ 9,445

(Note 1) The provision for product warranties is the amount set by the Group to guarantee the reliability and functionality of its products. This provision is calculated based on the historical customer claim. Future occurrence of such claims may differ from past experience. However, the company is of the opinion that the provision amounts will not be significantly different should the assumptions and estimates change.
(Note 2) The provision for restructuring is an expense recognized for rationalization or business restructuring to improve the profitability of the Group's businesses. Payment periods are affected by future business plans and other factors.
(Note 3) Asset retirement obligations are provided for the Group's obligation to restore leased offices, buildings and other facilities to their original condition. Recognized amounts are future payment estimated based on past experience with restoring properties to their original condition. In principle, these obligations are paid more than one year after incurred. However, they may be affected by future business plans and other factors.
(Note 4) Others include a provision for loss on litigation.

20. Other financial liabilities

The components of other financial liabilities as of March 31, 2015, 2014, and the Transition Date are as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	**2015**
Derivative financial liabilities	**¥1,559**	¥758	¥1,342	**$12,973**
Contingent consideration	**-**	494	1,230	**-**
Total	**1,559**	1,252	2,573	**12,973**
Current	**1,020**	1,026	2,342	**8,488**
Non-current	**¥ 539**	¥ 226	¥ 230	**$ 4,485**

21. Employee benefits

The Group has in place a corporate pension plan and a lump-sum payments on retirement plan as defined benefit pension plans, and a defined contribution-type corporate pension plan as a defined contribution pension plan.

In some cases, the Group pays additional severance benefits to retiring employees.

An employee pension trust has been established for the Company's plan assets.

Funding standards, fiduciary responsibility and disclosure are consistent for domestic corporate pension plans, and the Asset Investment Committee meets regularly. An actuarial review is conducted every five years based on the Company's financial condition and asset investment forecast. If funding standards are not satisfied, premiums are increased.

Plan assets are legally separate from the Group. Asset investment beneficiaries are responsible for plan assets and have a duty of loyalty to pension plan enrollees, such management responsibilities as a dispersed investment obligation, and a duty to prevent conflicts of interest.

Plan assets are invested on the basis of soundness. However financial instruments have inherent investment risks. Discount rates and other aspects of defined benefit plan obligations are based on pension actuarial assumptions. Accordingly, there exists a risk that these assumptions may change.

A defined contribution plan is a post-retirement benefit plan under which an employer contributes a fixed amount to an independent company and has no legal or constructive obligation to pay an amount in excess of the contributed amount.

1) Defined benefit plan

Amounts of defined benefit plan in the consolidated statement of financial position are as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	**2015**
Present value of the defined benefit obligation	**¥197,483**	¥183,425	¥173,976	**$1,643,364**
Fair value of the plan assets	**135,649**	118,718	109,085	**1,128,809**
Net liability in the consolidated statement of financial position	**61,833**	64,707	64,890	**514,546**
Defined benefit assets	**205**	221	191	**1,706**
Defined benefit liabilities	**¥ 62,039**	¥ 64,928	¥ 65,082	**$ 516,260**

Changes in the present value of the defined benefit obligation are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Balance, beginning of the year	**¥183,425**	¥173,976	**$1,526,379**
Current service cost	**5,689**	4,849	**47,341**
Past service cost	**(81)**	-	**(674)**
Interest cost	**3,121**	3,583	**25,972**
Remeasurement:			
Actuarial gains and losses arising from changes in demographic assumptions	**1,566**	(145)	**13,032**
Actuarial gains and losses arising from changes in financial assumptions	**11,565**	4,806	**96,239**
Benefits paid	**(9,298)**	(9,453)	**(77,374)**
Effect of changes in foreign exchange rates and others	**1,495**	5,809	**12,441**
Balance, end of the year	**¥197,483**	¥183,425	**$1,643,364**

(Note) As of the end of the current fiscal year, the weighted average payment period for defined benefit plan obligations was 12.2 years.

Changes in the fair value of the plan assets are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance, beginning of the year	¥118,718	¥109,085	$ 987,917
Interest income	2,407	2,593	20,030
Remeasurement:			
Return on plan assets (net)	13,109	2,929	109,087
Contributions by the employer	7,246	7,104	60,298
Benefits paid	(7,328)	(7,881)	(60,980)
Effect of changes in foreign exchange rates and others	1,496	4,886	12,449
Balance, end of the year	¥135,649	¥118,718	$1,128,809

Summary of the fair value of the plan assets is as follows:

	Millions of yen								
	2015			2014			2013		
	Quoted market price in an active market			Quoted market price in an active market			Quoted market price in an active market		
	Yes	No	Total	Yes	No	Total	Yes	No	Total
Debt securities (Foreign)	¥27,010	¥ -	¥ 27,010	23,208	¥ -	¥ 23,208	22,038	¥ -	¥ 22,038
Debt securities (Domestic)	3,870	-	3,870	11,030	-	11,030	15,968	-	15,968
Equity securities (Foreign)	7,151	-	7,151	10,417	-	10,417	8,294	-	8,294
Equity securities (Domestic)	19,552	-	19,552	17,994	-	17,994	11,063	-	11,063
Employee pension trust (Foreign equity securities)	18,931	-	18,931	11,773	-	11,773	10,354	-	10,354
Employee pension trust (Domestic equity securities)	10,801	-	10,801	11,824	-	11,824	9,949	-	9,949
Life insurance company general accounts	-	11,920	11,920	-	11,824	11,824	-	17,544	17,544
Others	28,317	8,091	36,409	18,624	2,021	20,645	12,277	1,594	13,872
Total			¥135,649			¥118,718			¥109,085

(Note 1) Plan assets are invested in securities, shares and derivatives.
(Note 2) In accordance with the requirements of defined-benefit pension plans, a regular contribution must be made at least annually. To ensure a financial balance between forecasted benefit requirement and expected investment income, this amount is calculated based on the assumptions of interest rates, rates of mortality, withdrawal rates and forecast amounts for other required benefit expenses. Furthermore, this contribution amount is subject to actuarial review every five years. If the reserve amount is below that provided by minimum funding standards, a fixed amount must be contributed. The calculation method used for the Company's defined benefit plans takes into consideration deductible amounts under tax law, the status of plan assets reserves and various actuarial calculations.
(Note 3) Expected contributions to plan assets in the next fiscal year are ¥7,211 million.

	Thousands of U.S. dollars		
	2015		
	Quoted market price in an active market		
	Yes	No	Total
Debt securities (Foreign)	$224,765	$ -	$ 224,765
Debt securities (Domestic)	32,204	-	32,204
Equity securities (Foreign)	59,507	-	59,507
Equity securities (Domestic)	162,703	-	162,703
Employee pension trust (Foreign equity securities)	157,535	-	157,535
Employee pension trust (Domestic equity securities)	89,881	-	89,881
Life insurance company general accounts	-	99,193	99,193
Others	235,641	67,330	302,979
Total			$1,128,809

Principal actuarial assumptions used to measure defined benefit obligations are as follows:

	%		
	2015	2014	2013
Discount rate	**0.71**	1.00	1.42

The table below indicates the effect of a 0.5% increase or decrease in major actuarial assumptions, while other variables are kept constant. In reality, individual assumptions may be simultaneous affected by fluctuations in economic indicators and conditions. Accordingly, because fluctuations may occur independently or mutually, the actual impact of these fluctuations on defined benefit plan obligations may differ from these assumptions.

	Millions of yen				Thousands of U.S. dollars	
	2015		2014		**2015**	
	Increase	**Decrease**	Increase	Decrease	**Increase**	**Decrease**
Effect of change of discount rate	**(¥6,522)**	**¥6,698**	(¥6,467)	¥6,897	**($54,273)**	**$55,738**

2) Defined contribution plan

The amount recorded as expenses in relation to defined contribution plans are the amounts contributed to these plans during the year. This amount was ¥4,560 million for the current fiscal year (previous fiscal year: ¥4,102 million).

3) Other employee benefits

Certain U.S. subsidiaries employ a Supplemental Executive Retirement Plan (SERP). Obligations incurred under this plan amounted to ¥2,362 million for the current fiscal year (previous fiscal year: ¥1,646 million, Transition Date: ¥1,197 million). These amounts are recognized as other non-current liabilities.

22. Equity and other equity items

(1)Share capital and Treasury shares

	Number of authorized shares	Number of issued shares (Note 1) (Note 2)	Number of treasury shares
At April 1, 2013	1,200,000,000	531,664,337	1,346,048
Increase (Note 3)	-	-	15,402,953
Decrease	-	-	28,313
At March 31, 2014	1,200,000,000	531,664,337	16,720,688
Increase (Note 3)	**-**	**-**	**13,143,715**
Decrease (Note 4)	**-**	**20,000,000**	**20,063,332**
At March 31, 2015	**1,200,000,000**	**511,664,337**	**9,801,071**

(Note 1) Shares issued by the Company are non-par value ordinary shares.
(Note 2) Issued shares are fully paid.
(Note 3) Based on a Board of Directors resolution on January 30, 2014, and a Board of Directors resolution on July 30, 2014, 15,365,000 treasury shares were acquired in the previous fiscal year, and 13,135,900 treasury shares were acquired in the current fiscal year.
(Note 4) Based on a Board of Directors resolution on July 30, 2014, 20,000,000 treasury shares were cancelled on August 29, 2014.

(2) Share premium

Under the Companies Act of Japan (“Companies Act”), at least 50% of the proceeds of certain issues of common shares shall be credited to share capital. The remainder of the proceeds shall be credited to share premium. The Companies Act permits, upon approval at the general meeting of shareholders, the transfer of amounts from additional paid-in capital to share capital.

(3)Retained earnings

The Companies Act provides that a 10% dividend of retained earnings shall be appropriated as additional paid-in capital or as a legal reserve until the aggregate amount of the additional paid-in capital and the legal reserve equals 25% of share capital. The legal reserve may be used to eliminate or reduce a deficit or be transferred to retained earnings upon approval at the general meeting of shareholders.

(4)Other Components of Equity

	Millions of yen					
	Remeasurements of defined benefit plans (Note 1)	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income (Note 2)	Net gain (loss) on derivatives designated as cash flow hedges (Note 3)	Exchange differences on translating foreign operations (Note 4)	Share of other comprehensive income of investments accounted for using the equity method (Note 5)	Total
Balance at April 1, 2013	¥ -	¥3,322	(¥163)	¥ -	(¥7)	¥ 3,150
Increase (decrease)	(1,428)	1,776	187	22,999	2	23,537
Transfer to retained earnings	1,428	(16)	-	-	-	1,411
Balance at March 31, 2014	-	5,081	23	22,999	(4)	28,100
Increase (decrease)	**(222)**	**3,840**	**(348)**	**15,022**	**5**	**18,297**
Transfer to retained earnings	**222**	**(714)**	**-**	**-**	**-**	**(492)**
Balance at March 31, 2015	**¥ -**	**¥8,207**	**(¥324)**	**¥38,022**	**¥0**	**¥45,905**

(Note 1) Remeasurements of defined benefit pension plans are differences in return on plan assets and interest income on plan assets due to differences between actuarial assumptions at the start of the year and actual results.
(Note 2) Net gain (loss) on revaluation of financial assets measured at fair value through OCI is cumulative in nature.
(Note 3) Net gain (loss) on derivatives designated as cash flow is that the effective portion of the cumulative differences in fair value of derivative transactions designated as cash flow hedges.
(Note 4) Exchange differences on translation of foreign operations are exchange differences resulting from the translation of financial statements of foreign operations and exchange differences on the net investment hedge on foreign operations.
(Note 5) Share of other comprehensive income of associates accounted for using the equity method includes the cumulative net gain (loss) on revaluation of financial assets measured at fair value held by associates.

	Thousands of U.S. dollars					
	Remeasurements of defined benefit plans	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translating foreign operations	Share of other comprehensive income of investments accounted for using the equity method	Total
Balance at March 31, 2014	$ -	$42,282	$ 191	$191,387	($33)	$233,835
Increase (decrease)	**(1,847)**	**31,955**	**(2,896)**	**125,006**	**42**	**152,259**
Transfer to retained earnings	**1,847**	**(5,942)**	**-**	**-**	**-**	**(4,094)**
Balance at March 31, 2015	**$ -**	**$68,295**	**($2,696)**	**$316,402**	**$ 0**	**$382,000**

23. Dividends

Dividend payments are as follows. The source of dividends is retained earnings.

Previous fiscal year (From April 1, 2013 to March 31, 2014)

		Millions of Yen	Yen		
Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date
Board of Directors' meeting held on May 10, 2013	Ordinary shares	¥3,977	¥ 7.50	March 31, 2013	May 27, 2013
Board of Directors' meeting held on October 31, 2013	Ordinary shares	¥5,303	¥10.00	September 30, 2013	November 27, 2013

(Note) Based on a resolution at a Board of Directors meeting held on October 31, 2013, the interim dividend of ¥10 per share includes a commemorative dividend of ¥2.50.

Current fiscal year (From April 1, 2014 to March 31, 2015)

		Millions of Yen	Yen			Thousands of U.S. dollars	U.S.dollars
Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Amount of dividends	Dividends per share
Board of Directors' meeting held on May 9, 2014	Ordinary shares	**¥3,862**	**¥ 7.50**	March 31, 2014	May 27, 2014	**$32,138**	**$0.06**
Board of Directors' meeting held on October 31, 2014	Ordinary shares	**¥5,039**	**¥10.00**	September 30, 2014	November 27, 2014	**$41,932**	**$0.08**

Dividends with an effective date in the following fiscal year are as follows. The source of dividends is retained earnings.

		Millions of Yen	Yen			Thousands of U.S. dollars	U.S.dollars
Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Amount of dividends	Dividends per share
Board of Directors' meeting held on May 13, 2015	Ordinary shares	**¥5,018**	**¥10.00**	March 31, 2015	May 28, 2015	**$41,758**	**$0.08**

24. Revenue

The components of revenue for fiscal years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Sales of goods	**¥ 591,891**	¥592,222	**$4,925,447**
Rendering of services	**410,866**	342,992	**3,419,040**
Total	**¥1,002,758**	¥935,214	**$8,344,495**

25. Other income

The components of other income for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Gain on sale of property, plant and equipment and intangible assets (Note)	**¥3,486**	¥ 624	**$29,009**
Gain on sale of patents	**81**	809	**674**
Others	**3,249**	3,433	**27,037**
Total	**¥6,817**	¥4,866	**$56,728**

(Note) The gain on sale of property, plant and equipment and intangible assets in the current fiscal year was primarily attributable to the sale of idle assets in Japan.

26. Other expenses

The components of other expenses for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Impairment losses (Note 1) (Note 6)	¥ 5,185	¥17,487	$ 43,147
Business restructuring improvement expenses (Note 2)	3,857	8,927	32,096
Loss on sales and disposals of property, plant and equipment and intangible assets	2,333	2,672	19,414
Environmental expenditures (Note 3)	1,169	641	9,728
Loss on disposal of mass-produced trial products (Note 4)	1,096	-	9,120
Loss on sales of shares of subsidiaries and associates (Note 5)	1,016	-	8,455
Loss on business withdrawal (Note 6)	-	4,222	-
Others	4,936	3,855	41,075
Total	¥19,595	¥37,806	$163,061

(Note 1) For details on impairment losses, please refer to “13 Impairment losses on non-financial assets.”
(Note 2) Business restructuring expenses for the current fiscal year include expenses related to structural reform of sales sites in Europe in 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. Business restructuring expenses for the previous consolidated fiscal year include expenses related to structural reform of sales sites in Europe and North America for the Business Technologies Business, a review of the production system for lens units used in mobile phones in the Industrial Business and termination of the Group’s film production in the Healthcare Business, as well as extra retirement payments to early retirees in line with the implementation of an early retirement incentive program.
(Note 3) Environmental expenditures primarily comprise expenses related to soil remediation on idle land in North America and Japan.
(Note 4) Loss on disposal of mass-produced trial products is the loss on disposal of mass-produced trial products generated by the Industrial Business in the process of launching new products.
(Note 5) Loss on sales of shares of subsidiaries and associates is a loss on the transfer of shares in subsidiaries and associates in relation to the structural reform of sales sites of Europe for the Business Technologies Business.
(Note 6) In the previous fiscal year, the loss on business withdrawal included an impairment loss associated with the withdrawal from the glass substrates for HDDs business for the Industrial Business, and losses on the disposal of inventories. Also, impairment losses include a loss of ¥11,910 million generated from the withdrawal of the glass substrates for HDDs business.

27. Operating expenses by nature

Principal components within operating expenses (total of cost of sales, selling, general and administrative expenses and other expenses) by nature are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Personnel expenses	¥321,111	¥299,559	$2,672,139
Depreciation and amortization expenses	¥ 47,905	¥ 43,827	$ 398,644

The total amount of research and development expenses included in operating expenses for the current fiscal year is ¥74,295 million (Previous fiscal year: ¥69,599 million).

28. Finance income and costs

The components of finance income and costs, for fiscal years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Finance income			
Interest income (Note 1)			
Financial assets measured at amortized cost	¥1,689	¥1,641	$14,055
Dividends received			
Financial assets measured at FVTOCI	844	480	7,023
Gain on valuation of investment securities			
Financial assets measured at FVTPL	7	3	58
Total	2,541	2,125	21,145
Finance costs			
Interest expense (Note 1)			
Financial assets measured at amortized cost	2,276	2,642	18,940
Financial assets measured at FVTPL	121	209	1,007
Foreign exchange loss (net) (Note 2)	449	232	3,736
Total	¥2,848	¥3,084	$23,700

(Note 1) Valuation gains or losses on interest rate derivatives are included in interest income or interest expense.
(Note 2) Valuation gains or losses on currency derivatives are included in foreign exchange differences.

29. Earnings per share

A calculation of basic and diluted earnings per share attributable to owners of the Company for fiscal years ended March 31, 2015 and 2014 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Basis of calculating basic earnings per share			
Profit for the year attributable to owners of the Company	¥40,934	¥28,354	$340,634
Profit for the year not attributable to owners of the Company	-	-	-
Profit for the year to calculate basic earnings per share	40,934	28,354	340,634
Adjustments of profit for the year	-	-	-
Profit for the year to calculate diluted earnings per share	¥40,934	¥28,354	$340,634

	Thousands of shares	
	2015	2014
Weighted average number of ordinary shares outstanding during the period	505,282	528,269
Increase in the number of ordinary shares under subscription rights to shares	1,412	1,281
Weighted average number of diluted ordinary shares outstanding during the period	506,695	529,550

	Yen		U.S. dollars
	2015	2014	2015
Basic earnings per share attributable to owners of the Company	¥81.01	¥53.67	$0.67
Diluted earnings per share attributable to owners of Company	¥80.79	¥53.54	$0.67

30. Other comprehensive income

Changes in other comprehensive income during the year are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Items that will not be reclassified to profit or loss			
Remeaurements of defined benefit pension plans			
Amount arising during the year	(¥ 21)	(¥ 1,731)	($ 175)
Income tax expense	(201)	303	(1,673)
Net of tax effects	(222)	(1,428)	(1,847)
Net gain (loss) on revaluation of financial assets measured at fair value			
Amount arising during the year	5,468	2,759	45,502
Income tax expense	(1,627)	(983)	(13,539)
Net of tax effects	3,840	1,776	31,955
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	5	2	42
Subtotal	3,623	350	30,149
Items that may be subsequently reclassified to profit or loss			
Net gain (loss) on derivatives designated as cash flow hedge			
Amount arising during the year	327	(1,405)	2,721
Reclassification adjustments	(848)	1,692	(7,057)
Income tax expense	171	(99)	1,423
Net of tax effects	(348)	187	(2,896)
Exchange differences on translation of foreign operations			
Amount arising during the year	14,778	23,051	122,976
Reclassification adjustments	245	-	2,039
Income tax expense	5	-	42
Net of tax effects	15,029	23,051	125,064
Subtotal	14,680	23,239	122,160
Total	¥18,304	¥23,590	$152,318

In addition to the above, amounts attributable to non-controlling interests are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Exchange differences on translation of foreign operations	¥6	¥52	$50
Total	¥6	¥52	$50

31. Share-based payments

The Group's share-based payments arise from the share options to the Company's directors (excluding outside directors) and executive officers.

No vesting conditions are attached, but in the event that an executive officer retires prior to the completion of his target service period, he may retain a number of subscription rights to shares corresponding to that number granted multiplied by the number of months in appointment (from the month prior to the month in which the target service period started until the month in which the executive retired) and divided by 12. The remaining subscription rights to shares are to be returned free of charge.

The exercise period is defined in an allocation agreement, and the options are forfeited if not exercised during that period. Options are also forfeited if the executive retires between the grant date and the date of rights allotment.

Rights exercise conditions stipulate that the rights exercise period as one year from the date when the executive steps down from his position.The Group accounts for share-based payments as equity-settled share-based payments. Expenses related to equity-settled share-based payment transactions are recognized as selling, general and administrative expenses in the consolidated statements of profit or loss. This amount for the current fiscal year is ¥159 million (previous fiscal year: ¥165 million)

	Number of share options granted	Grant date	Exercise Period	Exercise price (Yen)	Fair value at the grant date (Yen)
1st	194,500	August 23, 2005	June 30, 2025	¥1	¥1,071
2nd	105,500	September 1, 2006	June 30, 2026	1	1,454
3rd	113,000	August 22, 2007	June 30, 2027	1	1,635
4th	128,000	August 18, 2008	June 30, 2028	1	1,419
5th	199,500	August 19, 2009	June 30, 2029	1	776
6th	188,000	August 27, 2010	June 30, 2030	1	664
7th	239,500	August 23, 2011	June 30, 2031	1	428
8th	285,500	August 22, 2012	June 30, 2032	1	518
9th	257,500	August 22, 2013	June 30, 2043	1	678
10th	159,600	September 11, 2014	June 30, 2044	¥1	¥1,068

	2015		2014	
	Number of shares	Weighted average exercise price (Yen)	Number of shares	Weighted average exercise price (Yen)
Outstanding at April 1, 2014	**1,373,000**	**¥1**	1,148,000	¥1
Granted	**159,600**	**1**	257,500	1
Exercised	**63,000**	**1**	27,500	1
Forfeited	**9,500**	**1**	5,000	1
Outstanding at March 31, 2015	**1,460,100**	**1**	1,373,000	1
Exercisable at March 31, 2015	**1,460,100**	**¥1**	1,373,000	¥1

(Note 1) The number of share options outstanding for each fiscal year is converted to the number of shares.
(Note 2) The weighted average share price for share options exercised during the year was ¥1,013 (Previous consolidated fiscal year: ¥833).
(Note 3) The weighted average remaining number of years for unexercised share options in the current fiscal year was 18 years (previous fiscal year: 18 years).

The Group uses valuation technique, i.e. Black-Scholes model, to estimate the fair value of the share options, and the primary underlying data and estimation methods are as follows:

	2015	2014
	10th	9th
Share price at the date of grant (Yen)	¥1,228	¥799
Exercise price (Yen)	¥ 1	¥ 1
Expected volatility (Note 1)	39.743%	40.573%
Expected option life (Note 2)	9yrs10mnts	8yrs10mnts
Expected dividends (Per share) (Note 3)	¥ 17.50	¥ 15.00
Risk-free interest rate (Note 4)	0.530%	0.669%

(Note 1) Calculations are based on share price performance up to the grant date, according to expected option life.
(Note 2) Estimates are based on the weighted average appointment period of grantees and the subsequent exercisable period for rights.
(Note 3) Estimates are based on past dividend performance and the Company's dividend policy.
(Note 4) This is the compound interest yield on long-term interest-bearing government bonds within three months of the redemption date from the expected option life.

32. Financial instruments

(1) Capital management

The Group actively monitors and manages its capital and debt structure in relation to economic conditions and current company circumstances, and raises necessary funds for working capital, capital expenditure, investment and loans and other items. Short-term working capital is primarily funded through bank loans. In addition, the Group maintains commitment-type credit lines with financial institutions. These credit lines are limited to 100 billion Japanese yen and with expire at the end of September 2019. Temporary surpluses are invested in extremely safe financial assets.

Under "TRANSFORM 2016," the Group's three-year medium-term plan from fiscal year 2014 through fiscal year 2016, the Group is working to boost capital efficiency, streamline the balance sheet and strengthen shareholder returns. The Group aims to achieve return on equity (ROE) of 10% or more by fiscal year 2016 . (This figure is based on shareholders' equity under Japanese GAAP, and is the total of share capital, share premium, retained earnings and treasury shares.) The Group is not subject to any material capital restrictions.

The principal indicators the Company uses for capital management are as follows:

	2015	2014
ROE (Note)	8.0%	5.9%

(Note) Profit for the year attributable to owners of the Company / equity attributable to owners of the Company (average for the period)

	2015	2014	2013
Equity ratio (Note 1)	53.1%	49.9%	48.6%
D/E ratio (Note 2)	0.31 times	0.41 times	0.49 times
Net D/E ratio (Note 3)	- 0.02 times	0.03 times	0.03 times

(Note 1) Equity attributable to owners of the Company / total equity
(Note 2) Interest-bearing debt / equity attributable to owners of the Company
(Note 3) (Interest-bearing debt - cash and cash equivalents) / equity attributable to owners of the Company

(2)Categories of financial instruments

1) The Group classifies financial instruments as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	**2015**
Financial assets				
Cash and cash equivalents	**¥177,496**	¥188,489	¥214,556	**$1,477,041**
Financial assets measured at amortized cost				
Trade and other receivables (net)	**252,962**	247,067	214,616	**2,105,035**
Other financial assets	**7,690**	8,960	8,374	**63,993**
Financial assets measured at FVTOCI				
Other financial assets	**30,428**	27,514	20,237	**253,208**
Financial assets measured at FVTPL				
Other financial assets	**5,017**	3,213	2,291	**41,749**
Total	**473,594**	475,245	460,076	**3,941,034**
Financial liabilities				
Financial liabilities measured at amortized cost				
Trade and other payables	**177,564**	171,309	146,605	**1,477,607**
Bonds and borrowings	**165,586**	202,439	230,435	**1,377,931**
Financial liabilities measured at FVTPL				
Other financial liabilities	**1,559**	1,252	2,573	**12,973**
Total	**¥344,710**	¥375,001	¥379,614	**$2,868,520**

2) Financial assets designated as FVTOCI

Shares and other equity financial instruments are held primarily for the purpose of participating in the management of the investees, encouraging an alliance of enterprises or reinforcing sales foundations. These are financial assets designated as FVTOCI.

The names and fair value of principal equity financial instruments are as follows:

	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	**2015**
OMRON Corporation	**¥2,900**	¥2,248	¥1,291	**$24,132**
Marubeni Corporation	**2,593**	2,527	2,588	**21,578**
MGI Digital Graphic Technology S.A.	**1,829**	2,884	-	**15,220**
ROHM Co., Ltd.	**1,813**	1,068	-	**15,087**
Mitsubishi Logistics Corporation	**¥1,642**	¥1,200	¥1,486	**$13,664**

To increase the efficiency of held assets, the fair value of equity financial instruments is periodically reviewed. The financial condition of the issuers determined and the ongoing holding status of these instruments are reviewed.

The fair value at the time of sale of shares during the year, cumulative gains or losses recognized in other components of equity (net of tax effects), and total dividends received are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Fair value at time of sale	**¥3,266**	¥397	**$27,178**
Cumulative gains (net of tax effects)	**1,065**	75	**8,862**
Dividends received	**¥ 112**	¥ 2	**$ 932**

(3)Financial risk management

1) Credit risk (risk that counterparties will fail to fulfill their contractual obligations)

Customer credit risk is an inherent part of trade and other receivables. For that reason, with regard to its trade receivables the Group regularly monitors the condition of its key business partners to determine potential unrecoverability due to worsening financial conditions at an early stage and to reduce this risk. The Group also has a policy of managing receivables for each of its transaction partners by date and balance. For new customers, the Group employs third-party credit ratings, bank references and other available information to analyze individual credit conditions. The Group's policy is to set credit limits for each customer and monitor these on an ongoing basis.

The Group uses derivative transactions to hedge foreign exchange fluctuation risk and interest rate fluctuation risk. The financial institutions that are counterparties to such transactions present credit risks. However, the Group believes its credit risk related to counterparties failing to fulfill their obligations is low, as the Group only conducts such transactions with financial institutions of high credit ratings. Any major exposure to credit risk in financial assets is stated in the carrying amounts presented in the consolidated statement of financial position.

(a) Past-due receivables

The allowance for doubtful accounts on past-due trade and other receivables is as follows:

As of April 1, 2013

	Millions of yen			
	Amount past due			
	Less than 3 months	More than 3 months, less than 6 months	More than 6 months, less than 12 months	More than 12 months
Trade and other receivables (Gross)	¥20,113	¥3,483	¥1,892	¥3,681
Allowance for doubtful accounts	(462)	(690)	(702)	(1,798)
Trade and other receivables (Net)	¥19,650	¥2,793	¥1,190	¥1,883

As of March 31, 2014

	Millions of yen			
	Amount past due			
	Less than 3 months	More than 3 months, less than 6 months	More than 6 months, less than 12 months	More than 12 months
Trade and other receivables (Gross)	¥25,617	¥3,797	¥2,988	¥4,633
Allowance for doubtful accounts	(816)	(604)	(929)	(2,265)
Trade and other receivables (Net)	¥24,800	¥3,193	¥2,059	¥2,367

As of March 31, 2015

	Millions of yen			
	Amount past due			
	Less than 3 months	More than 3 months, less than 6 months	More than 6 months, less than 12 months	More than 12 months
Trade and other receivables (Gross)	**¥26,958**	**¥3,938**	**¥3,022**	**¥4,406**
Allowance for doubtful accounts	**(458)**	**(453)**	**(1,401)**	**(2,758)**
Trade and other receivables (Net)	**¥26,500**	**¥3,484**	**¥1,621**	**¥1,647**

As of March 31, 2015

	Thousands of U.S. dollars			
	Amount past due			
	Less than 3 months	More than 3 months, less than 6 months	More than 6 months, less than 12 months	More than 12 months
Trade and other receivables (Gross)	**$224,332**	**$32,770**	**$25,148**	**$36,665**
Allowance for doubtful accounts	**(3,811)**	**(3,770)**	**(11,658)**	**(22,951)**
Trade and other receivables (Net)	**$220,521**	**$28,992**	**$13,489**	**$13,706**

(b) Allowance for doubtful accounts

The Group uses an allowance for doubtful accounts to record impairment losses on individually significant financial assets for their non-recoverable amounts and on financial assets that are not individually significant for the non-recoverable amounts estimated based on such factors as past performance of such financial assets.

The allowance for doubtful accounts for these financial assets is included in “trade and other receivables” and “other financial assets” in the consolidated statement of financial position. Changes in allowances for doubtful accounts for trade receivables and other financial assets in the respective fiscal years are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Balance, beginning of the year	**¥6,527**	¥5,934	**$54,315**
Provisions made	**2,210**	1,267	**18,391**
Provisions utilized	**(1,061)**	(1,192)	**(8,829)**
Provisions reversed	**(768)**	(410)	**(6,391)**
Effects of changes in foreign exchange rates	**3**	928	**25**
Balance, end of the year	**¥6,911**	¥6,527	**$57,510**

Taking into account such factors as customers’ financial conditions and past-due status, impairment losses recognized on trade and other receivables were ¥6,000 million, ¥6,218 million and ¥10,002 million at the Transition Date, end of the previous fiscal year and end of the current fiscal year, respectively. Allowances for doubtful accounts on these receivables were ¥685 million, ¥785 million and ¥1,407 million, respectively.

2) Liquidity risk (Risk of not being able to pay on the payment due date)

The Group raises funds through borrowings and other means. With these liabilities, the Group assumes liquidity risk arising from the possibility that it may become unable to meet its payment obligations on their due date, owing to deterioration in the fund-raising environment.

To control liquidity risk, the Company’s finance department creates and updates cash plans as necessary, based on information obtained from its consolidated subsidiaries and various departments. At the same time, the Company constantly monitors the operating environment to maintain and ensure appropriate on-hand liquidity in response to changing conditions.

Balances of long-term financial liabilities by due date are shown below. Contractual cash flows are undiscounted cash flows that do not include interest payment amounts.

As of April 1, 2013

	Millions of yen							
	Carrying amounts	Contractual cash flows	Less than 1 year	More than 1 year, less than 2 years	More than 2 years, less than 3 years	More than 3 years, less than 4 years	More than 4 years, less than 5 years	More than 5 years
Long-term loans payable	¥ 87,498	¥ 87,498	¥23,990	¥27,004	¥ 5,000	¥ 4,000	¥ 9,000	¥18,501
Bonds	70,000	70,000	-	-	20,000	20,000	10,000	20,000
Lease obligations	5,538	5,538	1,686	1,445	1,543	520	192	149
Others	2,573	2,573	2,342	230	-	-	-	-
Total	¥165,610	¥165,610	¥28,020	¥28,680	¥26,544	¥24,520	¥19,193	¥38,650

As of March 31, 2014

	Millions of yen							
	Carrying amounts	Contractual cash flows	Less than 1 year	More than 1 year, less than 2 years	More than 2 years, less than 3 years	More than 3 years, less than 4 years	More than 4 years, less than 5 years	More than 5 years
Long-term loans payable	¥ 89,045	¥ 89,045	¥27,003	¥ 5,001	¥ 4,001	¥ 9,001	¥ 3,000	¥41,038
Bonds	70,000	70,000	-	20,000	20,000	10,000	20,000	-
Lease obligations	6,315	6,315	1,973	2,333	1,123	575	186	122
Others	1,252	1,252	1,026	-	-	-	-	226
Total	¥166,613	¥166,613	¥30,003	¥27,335	¥25,124	¥19,576	¥23,186	¥41,387

As of March 31, 2015

	Millions of yen							
	Carrying amounts	Contractual cash flows	Less than 1 year	More than 1 year, less than 2 years	More than 2 years, less than 3 years	More than 3 years, less than 4 years	More than 4 years, less than 5 years	More than 5 years
Long-term loans payable	¥ 63,697	¥ 63,697	¥ 5,001	¥ 4,001	¥ 9,000	¥ 3,000	¥5,500	¥37,193
Bonds	70,000	70,000	20,000	20,000	10,000	20,000	-	-
Lease obligations	6,244	6,244	2,704	1,818	1,012	487	109	111
Others	1,559	1,559	1,020	-	-	-	-	539
Total	¥141,501	¥141,501	¥28,725	¥25,820	¥20,013	¥23,488	¥5,610	¥37,844

As of March 31, 2015

	Thousands of U.S. dollars							
	Carrying amounts	Contractual cash flows	Less than 1 year	More than 1 year, less than 2 years	More than 2 years, less than 3 years	More than 3 years, less than 4 years	More than 4 years, less than 5 years	More than 5 years
Long-term loans payable	$ 530,057	$ 530,057	$ 41,616	$ 33,294	$ 74,894	$ 24,965	$45,768	$309,503
Bonds	582,508	582,508	166,431	166,431	83,215	166,431	-	-
Lease obligations	51,960	51,960	22,501	15,129	8,421	4,053	907	924
Others	12,973	12,973	8,488	-	-	-	-	4,485
Total	$1,177,507	$1,177,507	$239,036	$214,862	$166,539	$195,456	$46,684	$314,921

3) Market risks (foreign exchange, share price and interest rate fluctuation risks)

(a) Foreign exchange fluctuation risk

As part of developing its global business, the Group has foreign currency receivables and payables, which are subject to foreign exchange fluctuation risk. To manage this risk, the Group determines its foreign exchange fluctuation risk in each currency every month and, in principle, hedges this risk by using forward exchange transactions and currency option transactions. Depending on foreign exchange market conditions, the Group may also enter into forward exchange contracts and currency option transactions on foreign currency receivables and payables for expected transactions it deems certain to occur.

Foreign exchange sensitivity analysis

The table below shows the impact on profit before tax in the consolidated statement of profit or loss of a 1% change in value of the U.S.dollar, the euro and the pound sterling against the yen due to its holdings of foreign currency receivables and payables at the end of each fiscal year. In making these calculations, the Group has assumed no changes in currencies other than those used.

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
U.S. dollar	¥246	¥127	$2,047
Euro	(9)	(17)	(75)
Pound sterling	¥ 17	¥ 67	$ 141

(b) Share price fluctuation risk

The Group holds shares in other listed companies in the interest of cultivating business relationships, and these equity financial instruments are subject to share price fluctuation risk. Equity financial instruments are held to ensure the smooth operation of business strategies by participating in the management of the investees, encouraging an alliance of enterprises or reinforcing sales foundations, and not for earning investment returns through sales. With regard to equity financial instruments, the Group regularly monitors share prices and checks the issuing entity's financial condition.

Share price fluctuation sensitivity analysis

In the sensitivity analysis below, the Group calculates sensitivity based on the price risk on equity financial instruments at the end of the fiscal year. A 1% increase or decrease in share prices had a ¥261 million impact on cumulative other comprehensive income (net of taxes) as of the end of the previous fiscal year. As of the end of the current fiscal year, the sensitivity was a 283 million.

(c) Interest rate fluctuation risk

For debt instrument bearing variable interest rates, the Company enters into interest-rate swap contracts to hedge the potential risk to cash flows of interest rate fluctuations. The Company uses these derivative transactions according to defined policies for the purpose of reducing risk. No interest rate sensitivity analysis is conducted, as interest rate payments have only a slight impact on profits and losses on the Group's performance.

(4) Fair value of financial instruments

Fair value calculation method

The fair value of financial assets and financial liabilities is calculated as described below.

1) Derivative financial assets and liabilities

Fair value of currency derivatives is based on forward quotations and prices quoted by financial institutions that enter into these contracts. Fair value of interest rate derivatives is based on prices quoted by financial institutions that enter into these contracts.

2) Investment securities

Where market prices are available, fair value is based on market prices. For financial instruments whose market prices are not available, fair value is measured by discounting future cash flows or using other appropriate valuation methods, taking into account the individual nature, characteristics and risks of the assets.

3) Borrowings

As short-term loans payable are to be settled in a short period of time, their fair value is assumed to be equivalent to the carrying amounts.

For long-term borrowings with fixed interest rates, fair value is calculated by discounting the total amount of principal and interest using assumed interest rate of a new similar borrowing. As the fair value of long-term borrowings with variable interest rates is revised for each repricing period the carrying amounts,their fair value is assumed to be equivalent to carrying amounts.

4) Bonds

Fair value is calculated on the basis of market value.

5) Financial instruments other than those indicated above

Financial instruments other than those indicated above are mainly settled in the short term, so fair value is assumed to be equivalent to their carrying amounts.

The carrying amounts and fair values of principal financial instruments are as follows:

	Millions of yen						Thousands of U.S. dollars	
	2015		2014		2013		**2015**	
	Carrying amounts	Fair value	Carrying amounts	Fair value	Carrying amounts	Fair value	Carrying amounts	Fair value
Long-term loans payable	**¥ 63,697**	**¥ 63,317**	¥ 89,045	¥ 87,926	¥ 87,498	¥ 87,440	**$ 530,057**	**$ 526,895**
Bonds	**70,000**	**70,887**	70,000	71,040	70,000	71,309	**582,508**	**589,889**
Total	**¥133,697**	**¥134,204**	¥159,045	¥158,966	¥157,498	¥158,749	**$1,112,566**	**$1,116,785**

(Note) Long-term borrowings and bonds include balances redeemable within one year.

(5)Fair value hierarchy

Financial instruments which are measured at fair value are classified according to fair value hierarchy. The fair value hierarchy comprises levels 1 through 3, defined as follows:

Level 1: Fair value measured at the quoted price in the active market
Level 2: Fair value that is calculated using the observable market inputs other than quoted price directly or indirectly
Level 3: Fair value that is calculated based on valuation techniques which include inputs that are not based on observable market data
Transfers between fair value hierarchy levels are recognized on the date the event or condition prompting the transfer occurred.

Financial assets and financial liabilities measured at fair value as of the Transition Date, previous fiscal year and current fiscal year, by fair value hierarchy are as follows:

	Millions of yen			
	2013			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment securities	¥18,889	¥ -	¥1,436	¥20,325
Others	1,933	15	254	2,203
Total	20,823	15	1,690	22,529
Financial liabilities				
Others	-	1,342	1,230	2,573
Total	¥ -	¥1,342	¥1,230	¥ 2,573

	Millions of yen			
	2014			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment securities	¥26,103	¥ -	¥1,517	¥27,621
Others	2,478	324	303	3,106
Total	28,581	324	1,821	30,728
Financial liabilities				
Others	-	758	494	1,252
Total	¥ -	¥758	¥ 494	¥ 1,252

	Millions of yen			
	2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment securities	**¥28,305**	**¥ -**	**¥2,228**	**¥30,534**
Others	**3,111**	**1,235**	**564**	**4,911**
Total	**31,416**	**1,235**	**2,793**	**35,445**
Financial liabilities				
Others	**-**	**1,559**	**-**	**1,559**
Total	**¥ -**	**¥1,559**	**¥ -**	**¥ 1,559**

(Note) No transfers between levels 1, 2 and 3 occurred during these fiscal years.

	Thousands of U.S. dollars			
	2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment securities	$235,541	$ -	$18,540	$254,090
Others	25,888	10,277	4,693	40,867
Total	261,430	10,277	23,242	294,957
Financial liabilities				
Others	-	12,973	-	12,973
Total	$ -	$12,973	$ -	$ 12,973

Increases or decreases in financial instruments classified as Level 3

Increases or decreases in financial instruments classified as Level 3 in each fiscal year are as follows:

	Millions of yen	
	Financial assets	Financial liabilities
Balance at April 1, 2013	¥1,690	¥1,230
Gains (losses) (Note 1)		
Profit for the year	3	106
Other comprehensive income	98	-
Acquisitions	50	-
Disposals and settlements	(35)	(1,083)
Business combinations (Note 2)	-	187
Effects of changes in foreign exchange rates	13	54
Balance at March 31, 2014	1,821	494
Gains (losses) (Note 1)		
Profit for the year	7	-
Other comprehensive income	6	-
Acquisitions	977	-
Disposals and settlements	(0)	(499)
Business combinations (Note 2)	-	-
Effects of changes in foreign exchange rates	(19)	4
Balance at March 31, 2015	¥2,793	¥ -

(Note 1) Gains or losses recognized in profit for the year are presented in the consolidated statements of profit or loss as "finance income" or "finance costs." Gains or losses recognized in other comprehensive income are presented in the consolidated statement of comprehensive income as "net gain (loss) on revaluation of financial assets measured at fair value."

(Note 2) When acquiring shares in acquired companies through business combinations, the Company and its consolidated subsidiaries recognize the obligation of a portion of consideration as contingent consideration.

	Thousands of U.S. dollars	
	Financial assets	Financial liabilities
Balance at March 31, 2014	$15,154	$ 4,111
Gains (losses)		
Profit for the year	58	-
Other comprehensive income	50	-
Acquisitions	8,130	-
Disposals and settlements	(0)	(4,152)
Business combinations	-	-
Effects of changes in foreign exchange rates	(158)	33
Balance at March 31, 2015	$23,242	$ -

(6) Derivatives and hedge accounting

The Group enters into derivative contracts with financial institutions, hedging fluctuations in cash flows on its financial assets and financial liabilities, and not for speculation purposes. In principle, the Group uses forward exchange contracts and currency options to hedge foreign exchange fluctuation risk categorized by currency and by month. Depending on foreign exchange market conditions, the Group may enter into forward exchange contracts and conduct currency option transactions for limited time periods on foreign currency receivables and payables for expected transactions it deems are certain to occur.

The Group uses currency swap and interest-rate swap transactions to reduce interest rate fluctuation risk for borrowings with variable interest rates, as well as to mitigate fluctuation risk on expected future funding costs, and makes use of cash flow hedges.

The contact amounts and fair value of derivatives are as follows:

	Millions of yen									Thousands of U.S. dollars		
	2015			2014			2013			**2015**		
	Contract amounts	Contract amounts (of which maturing in more than one year)	Fair value	Contract amounts	Contract amounts (of which maturing in more than one year)	Fair value	Contract amounts	Contract amounts (of which maturing in more than one year)	Fair value	Contract amounts	Contract amounts (of which maturing in more than one year)	Fair value
Derivatives employing hedge accounting												
Currency derivatives	**¥ 7,536**	**¥ -**	**¥238**	¥10,939	¥ -	(¥ 59)	¥ 5,789	¥ -	¥ 103	**$ 62,711**	**$ -**	**$1,981**
Interest rate derivatives	**23,570**	**23,570**	**(539)**	22,450	22,450	95	36,058	7,450	(353)	**196,139**	**196,139**	**(4,485)**
Derivatives not employing hedge accounting												
Currency derivatives	**34,121**	**-**	**(23)**	28,341	-	(470)	25,711	-	(1,076)	**283,939**	**-**	**(191)**
Total	**¥65,227**	**¥23,570**	**(¥323)**	¥61,731	¥22,450	(¥433)	¥67,558	¥7,450	(¥1,327)	**$542,789**	**$196,139**	**($2,688)**

(Note 1) Interest rate derivatives in the table is including cross-currency interest rate swaps.
(Note 2) In addition to the items, from the current fiscal year, hedging instruments are designated to hedge foreign-currency borrowings of ¥5,587 million as part of the net investments in foreign operations, and a net investment hedge is used.

33. Related parties

(1) Principal subsidiaries

The Company's subsidiaries as of March 31, 2015 are as follows:

Name	Location	Ownership interest (%)
Konica Minolta Business Solutions Japan Co., Ltd.	Minato-ku, Tokyo	100
Kinko's Japan Co., Ltd.	Minato-ku, Tokyo	100
Konica Minolta Supplies Manufacturing Co., Ltd.	Kofu, Yamanashi	100
Konica Minolta Opto Products Co., Ltd.	Fuefuki, Yamanashi	100
Konica Minolta Health Care Co., Ltd.	Shinjyuku-ku, Tokyo	100
Konica Minolta Technoproducts Co., Ltd.	Sayama, Saitama	100
Konica Minolta Planetarium Co., Ltd.	Toshima-ku, Tokyo	100
Konica Minolta Business Associates Co., Ltd.	Hino, Tokyo	100
Konica Minolta Engineering Co., Ltd.	Hino, Tokyo	100
Konica Minolta Information System Co., Ltd.	Tachikawa, Tokyo	100
Konica Minolta Business Solutions U.S.A., Inc.	New Jersey, U.S.A.	100
Konica Minolta Business Solutions Europe GmbH	Langenhagen, Germany	100
Konica Minolta Business Solutions Deutschland GmbH	Langenhagen, Germany	100
Konica Minolta Business Solutions France S.A.S.	Carrieres-sur-Seine, France	100
Konica Minolta Business Solutions (UK) Ltd.	Essex, United Kingdom	100
Charterhouse PM Ltd.	Hertfordshire, United Kingdom	100
Konica Minolta Business Solutions Australia Pty. Ltd.	New South Wales, Australia	100
Ergo Asia Pty Limited	Sydney, Australia	100
Konica Minolta Business Solutions (CHINA) Co., Ltd.	Shanghai, China	100
Konica Minolta Business Technologies Manufacturing (HK) Ltd.	Hong Kong, China	100
Konica Minolta Business Technologies (WUXI) Co., Ltd.	Wuxi, China	100
Konica Minolta Business Technologies (DONGGUAN) Ltd.	Dongguan, China	100
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	Melaka, Malaysia	100
Konica Minolta Medical Imaging U.S.A., Inc.	New Jersey, U.S.A.	100
Konica Minolta Medical & Graphic Imaging Europe B.V.	Amsterdam, The Netherlands	100
Konica Minolta Medical & Graphic (Shanghai) Co., Ltd.	Shanghai, China	100
Konica Minolta Sensing Americas, Inc.	New Jersey, U.S.A.	100
Instrument Systems GmbH	Munich, Germany	100
Konica Minolta Sensing Europe B.V.	Nieuwegein, The Netherlands	100
Konica Minolta Sensing Singapore, Pte. Ltd.	Singapore	100
Konica Minolta Glass Tech Malaysia Sdn. Bhd.	Melaka, Malaysia	100
Konica Minolta Opto (Shanghai) Co., Ltd.	Shanghai, China	100
Konica Minolta Opto (Dalian) Co., Ltd.	Dalian, China	100
Konica Minolta Holdings U.S.A., Inc.	New Jersey, U.S.A.	100
Konica Minolta (China) Investment Ltd.	Shanghai, China	100
105 other companies		

(2) Remuneration for directors and audit and supervisory board members

Remuneration for directors and audit and supervisory board members for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Fixed remuneration	¥ 636	721	$5,293
Performance-linked remuneration	233	238	1,939
Share-based remuneration	159	165	1,323
Total	¥1,029	¥1,125	$8,563

34. Commitments

The amount of contractual commitments to acquire assets is negligible.

35. Contingencies

The Group guarantees borrowings and lease obligations, etc., to financial institutions for companies outside the Group. As of the end of the current fiscal year, guarantee obligations totaled to ¥277 million (previous fiscal year: ¥427 million, Transition Date: ¥456 million). As the likelihood of performance of these guarantee obligations is low, they are not recognized as financial liabilities.

36. Events after the reporting period

(1) Acquisition of own shares and cancellation of treasury stocks

At the Board of Directors meeting held on May 13, 2015, the Company approved the item related to the acquisition of its own shares based on Article 156 of the Company Act, 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 act. Details are as follows.

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

(a) Type of shares to be acquired: ······ Ordinary shares
(b) Number of shares to be acquired: ······ Limited to 10 million
(2.0% of the total number of outstanding shares (excluding treasury shares))
(c) Total value of shares to be acquired: ······ Limited to ¥10 billion
(d) Acquisition period: ······ May 14, 2015 to August 31, 2015
(e) Method of acquisition: ······ Discretionary trading by a securities company

3) Details of the cancellation of treasury shares

(a) Type of shares to be canceled: ······ Ordinary shares
(b) Number of shares to be canceled: ······ 9 million
(1.8% of the total number of issued shares prior to cancellation (including treasury shares))
(c) Number of issued shares after cancellation: ······ 502, 664, 337 shares
(d) 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

(2) Business Combinations

On August 3, 2015, the Group acquired, in cash, 100% of the shares in Radiant Vision Systems, LLC ("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 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.

Fair value of the consideration for acquisition includes the base amount of US$230 million and adjusted based on the statement of financial position of Radiant as of the acquisition date.

Detailed information relating to the accounting for this business combination is not specified because the initial accounting for acquisition of shares of Radiant has not been completed as of the date the Group's consolidated financial statements for the fiscal year ended March 31, 2015 were authorized to issue.

37. Disclosure of interests in other entities

Principal subsidiaries
For information on principal subsidiaries and associates, please refer to note 33 “Related parties”.

The Group has no material non-controlling interests in subsidiaries and no associates are individually material.
No significant legal or contractual limitations exist with regard to the transfer or use of assets or liability settlement capabilities within the Group.

38. First-time adoption

The Group prepared its consolidated financial statements in conformity with IFRS for the first time for fiscal year ended March 31, 2015. The most recent consolidated financial statements prepared in conformity with Japanese GAAP are for the fiscal year ended March 31, 2014. The Transition Date is April 1, 2013.

IFRS 1 “First-Time Adoption of International Financial Reporting Standards” requires that an entity adopting IFRS for the first time must retroactively apply IFRS. However, certain limited exemptions are granted with regard to the retroactive application of these standards. The Group has applied the exemptions outlined below.

(1) Business Combinations
The Group has elected not to retroactively apply IFRS 3 “Business Combinations” for business combinations that occurred prior to the Transition Date. Consequently, goodwill generated from business combinations that occurred prior to the Transition Date is presented at the carrying amount under Japanese GAAP. Impairment tests have been conducted on this goodwill as of the Transition Date, regardless of whether indicators of impairment exist.

(2) Accumulated Exchange Differences on Translation of Foreign Operations
The Group has elected not to retroactively apply IAS 21 “The Effects of Changes in Foreign Exchange Rates” for cumulative exchange differences on foreign operations. Consequently, cumulative exchange differences on foreign operations have been set to zero as of the Transition Date, and all such differences have been reclassified to retained earnings.

The following tables present the adjustment required for first-time adoption of IFRS.

The “reclassification” column present the adjustments that do not affect retained earnings and total comprehensive income, while the “differences in recognition and measurement” column present the adjustments that affect retained earnings and total comprehensive income.

Reconciliation of equity as of the Transition Date (April 1, 2013)

(Millions of yen)

Japanese GAAP Accounts	Japanese GAAP Amounts	Reclassification	Differences in recognition and measurement	IFRS Amounts	IFRS Notes	IFRS Accounts
Assets						Assets
Current assets						Current assets
Cash and deposits	¥ 94,055	¥120,501	¥ -	¥214,556		Cash and cash equivalents
Securities	120,501	(120,501)	-			
Notes and accounts receivable–trade	193,555	21,060	-	214,616		Trade and other receivables
Lease receivables and investment assets	16,007	(16,007)	-			
Accounts receivable–other	12,507	(12,507)	-			
Allowance for doubtful accounts	(4,568)	4,568	-			
Inventories	113,472	-	-	113,472		Inventories
Deferred tax assets	20,259	(20,259)	-			
Other	14,978	(14,978)	-			
		2,470	-	2,470		Income tax receivables
		1,386	-	1,386		Other financial assets
		13,304	-	13,304		Other current assets
Total current assets	580,769	(20,963)	-	559,806		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	180,113	-	198	180,311	A,B	Property, plant and equipment
Intangible assets	110,942	-	-	110,942		Goodwill and intangible assets
Investment securities	22,553	(21,062)	-	1,490		Investments accounted for using the equity method
Long-term loans receivable	126	28,995	395	29,517	F	Other financial assets
Allowance for doubtful accounts	(1,366)	1,366	-			
Deferred tax assets	33,000	16,213	22,391	71,605	A,B,E, F,G,H, I,J	Deferred tax assets
Long-term prepaid expenses	2,387	3,435	(1,058)	4,764	G	Other non-current assets
Other	12,735	(12,735)	-			
Total non-current assets	360,491	16,213	21,927	398,632		Total non-current assets
Total assets	¥941,261	(¥ 4,749)	¥21,927	¥958,439		Total assets

Reconciliation of equity as of the Transition Date (April 1, 2013)

(Millions of yen)

Japanese GAAP Accounts	Japanese GAAP Amounts	Reclassification	Differences in recognition and measurement	IFRS Amounts	IFRS Notes	IFRS Accounts
Liabilities						Liabilities
Current liabilities						Current liabilities
Notes and accounts payable–trade	¥ 85,534	¥61,071	¥ -	¥146,605		Trade and other payables
Notes payable–facilities	975	(975)	-			
Accounts payable–other	32,462	(32,462)	-			
Accrued expenses	28,993	(28,993)	-			
Short-term loans payable	67,398	25,600	77	93,076	B	Bonds and borrowings
Current portion of long-term loans payable	23,990	(23,990)	-			
Income taxes payable	7,376	557	-	7,934		Income tax payables
Provision for product warranties	1,199	3,280	(267)	4,212	I	Provisions
Asset retirement obligations	33	(33)	-			
Provision for bonuses	10,841	(10,841)	-			
Provision for directors' bonuses	229	(229)	-			
Other	24,086	(24,086)	-			
		1,470	872	2,342	E,F	Other financial liabilities
		28,218	141	28,360	J	Other current liabilities
Total current liabilities	283,122	(1,415)	823	282,530		Total current liabilities
Non-current liabilities						Non-current liabilities
Bonds payable	70,000	67,238	121	137,359	B	Bonds and borrowings
Long-term loans payable	63,507	(63,507)	-			
Provision for retirement benefits	43,754	251	21,076	65,082	G	Retirement benefit liabilities
Deferred tax liabilities for land revaluation	3,269	(635)	-	2,634		Deferred tax liabilities
Provision for directors' retirement benefits	282	(282)	-			
Asset retirement obligations	981	(981)	-			
Other	9,671	(9,671)	-			
		1,136	-	1,136		Provisions
		230	-	230		Other financial liabilities
		2,888	-	2,888		Other non-current liabilities
Total non-current liabilities	191,467	(3,334)	21,197	209,331		Total non-current liabilities
Total liabilities	¥474,590	(¥ 4,749)	¥22,021	¥491,862		Total liabilities

Reconciliation of equity as of the Transition Date (April 1, 2013)

(Millions of yen)

Japanese GAAP Accounts	Japanese GAAP Amounts	Reclassification	Differences in recognition and measurement	IFRS Amounts	Notes	IFRS Accounts
Net assets						Equity
Shareholders' equity						
Capital stock	¥ 37,519	¥ -	¥ -	¥ 37,519		Share capital
Capital surplus	204,140	-	-	204,140		Share premium
Retained earnings	229,890	-	(8,087)	221,802	A,B,E, G,H,I, J,K	Retained earnings
Treasury shares	(1,548)	-	-	(1,548)		Treasury shares
Subscription rights to shares	764	-	-	764		Subscription rights to shares
Valuation difference on available-for-sale securities	3,345	(8,189)	7,994	3,150	F,G, H,K	Other components of equity
Deferred gains or losses on hedges	2	(2)	-			
Foreign currency translation adjustment	(8,191)	8,191	-			
Minority interests	747	-	-	747		Non-controlling interests
Total net assets	466,670	-	(93)	466,577		Total equity
Total liabilities and net assets	¥941,261	(¥4,749)	¥21,927	¥958,439		Total liabilities and equity

(Note) Amounts under Japanese GAAP include the assets, liabilities and net assets of subsidiaries included in the scope for consolidation as of April 1, 2013.

Reconciliation of equity as of March 31, 2014

(Millions of yen)

Japanese GAAP Accounts	Japanese GAAP Amounts	Reclassification	Differences in recognition and measurement	IFRS Amounts	Notes	IFRS Accounts
Assets						Assets
Current assets						Current assets
Cash and deposits	¥ 95,490	¥92,999	¥ -	¥188,489		Cash and cash equivalents
Securities	92,999	(92,999)	-			
Notes and accounts receivable–trade	220,120	26,946	-	247,067		Trade and other receivables
Lease receivables and investment assets	21,211	(21,211)	-			
Accounts receivable–other	14,636	(14,636)	-			
Allowance for doubtful accounts	(5,643)	5,643	-			
Inventories	115,275	-	(100)	115,175	A	Inventories
Deferred tax assets	18,806	(18,806)	-			
Other	16,435	(16,435)	-			
		2,727	-	2,727		Income tax receivables
		1,537	-	1,537		Other financial assets
		13,961	-	13,961		Other current assets
		594	-	594		Assets held for sale
Total current assets	589,331	(19,679)	(100)	569,552		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	173,362	-	3,693	177,056	A,B	Property, plant and equipment
Intangible assets	111,362	-	8,200	119,563	C,D,E	Goodwill and intangible assets
Investment securities	29,256	(28,769)	-	486		Investments accounted for using the equity method
Long-term loans receivable	83	37,312	755	38,151	F	Other financial assets
Allowance for doubtful accounts	(883)	883	-			
Deferred tax assets	48,040	14,534	11,772	74,348	A,B,F, G,H,I,J	Deferred tax assets
Long-term prepaid expenses	3,230	2,850	-	6,080		Other non-current assets
Other	12,277	(12,277)	-			
Total non-current assets	376,729	14,534	24,422	415,687		Total non-current assets
Total assets	¥966,060	(¥ 5,144)	¥24,322	¥985,239		Total assets

Reconciliation of equity as of March 31, 2014 (Millions of yen)

Japanese GAAP Accounts	Amounts	Reclassification	Differences in recognition and measurement	IFRS Amounts	Notes	IFRS Accounts
Liabilities						Liabilities
Current liabilities						Current liabilities
Notes and accounts payable–trade	¥ 96,240	¥75,069	¥ -	¥171,309		Trade and other payables
Notes payable–facilities	1,185	(1,185)	-			
Accounts payable–other	39,824	(39,824)	-			
Accrued expenses	34,509	(34,509)	-			
Short-term loans payable	37,078	28,910	65	66,054	B	Bonds and borrowings
Current portion of long-term loans payable	27,003	(27,003)	-			
Income taxes payable	5,652	585	-	6,238		Income tax payables
Provision for product warranties	1,441	5,489	(144)	6,787	I	Provisions
Asset retirement obligations	256	(256)	-			
Provision for bonuses	13,007	(13,007)	-			
Provision for directors' bonuses	244	(244)	-			
Provision for discontinued operations	195	(195)	-			
Other	28,580	(28,580)	-			
		1,026	-	1,026		Other financial liabilities
		32,001	177	32,178	J	Other current liabilities
Total current liabilities	285,220	(1,723)	99	283,595		Total current liabilities
Non-current liabilities						Non-current liabilities
Bonds payable	70,000	66,266	117	136,384	B	Bonds and borrowings
Long-term loans payable	62,042	(62,042)	-			
Retirement benefit liabilities	53,563	251	11,113	64,928	G	Retirement benefit liabilities
Deferred tax liabilities for land revaluation	3,269	(475)	-	2,794		Deferred tax liabilities
Provision for directors' retirement benefits	237	(237)	-			
Asset retirement obligations	1,012	(1,012)	-			
Other	10,658	(10,658)	-			
		1,161	-	1,161		Provisions
		-	226	226	F	Other financial liabilities
		3,327	-	3,327		Other non-current liabilities
Total non-current liabilities	200,785	(3,420)	11,457	208,821		Total non-current liabilities
Total liabilities	¥486,005	(¥ 5,144)	¥11,556	¥492,417		Total liabilities

Reconciliation of equity as of March 31, 2014 (Millions of yen)

Japanese GAAP Accounts	Amounts	Reclassification	Differences in recognition and measurement	IFRS Amounts	Notes	IFRS Accounts
Net assets						Equity
Shareholders' equity						
Capital stock	¥ 37,519	¥ -	¥ -	¥ 37,519		Share capital
Capital surplus	204,140	-	(719)	203,421	D	Share premium
Retained earnings	242,460	-	(3,007)	239,453	A,B,C, E,G,H, I,J,K	Retained earnings
Treasury shares	(17,322)	-	-	(17,322)		Treasury shares
Subscription rights to shares	910	-	-	910		Subscription rights to shares
Valuation difference on available-for-sale securities	5,086	6,520	16,492	28,100	C,D,E, F,G,H, I,K	Other components of equity
Deferred gains or losses on hedges	(38)	38	-			
Foreign currency translation adjustment	15,055	(15,055)	-			
Remeasurements of retirement benefit plans	(8,497)	8,497	-			
Minority interests	740	-	-	740		Non-controlling interests
Total net assets	480,055	-	12,766	492,822		Total equity
Total liabilities and net assets	¥966,060	(¥ 5,144)	¥24,322	¥985,239		Total liabilities and equity

Reconciliation of total comprehensive income for the fiscal year March 31, 2014

(Millions of yen)

Japanese GAAP			Differences in recognition and measurement	IFRS		
Accounts	Amounts	Reclassification		Amounts	Notes	Accounts
Net Sales	¥943,759	¥ -	(¥ 8,545)	¥935,214	L	Revenue
Cost of sales	492,269	-	(1,789)	490,479	A,G,J	Cost of sales
Gross profit	451,490	-	(6,755)	444,734		Gross profit
		4,882	(15)	4,866	A	Other income
Selling, general and administrative expenses	393,346	-	(21,410)	371,935	A,B,C, G,J,L	Selling, general and administrative expenses
		37,533	273	37,806	A,I	Other expenses
Operating income	58,144	(32,651)	14,365	39,859		Operating profit
Non-operating income	5,559	(5,559)	-			
Non-operating expenses	9,083	(9,083)	-			
Extraordinary income	1,524	(1,524)	-			
Extraordinary losses	32,642	(32,642)	-			
		2,201	(75)	2,125	F	Finance income
		3,028	56	3,084	B,E,F	Finance costs
		(1,163)	-	(1,163)		Share of profit of investments accounted for using the equity method
Income before income taxes and minority interests	23,503	-	14,233	37,736		Profit before tax
Income taxes–current	11,624	(11,624)	-			
Income taxes–deferred	(10,060)	10,060	-			
Total income taxes	1,564	-	7,741	9,305	A,B,E, F,G,H, I,J	Income tax expense
Income before minority interests	21,939	(21,939)	-			
Minority interests in income	77	(77)	-			
Net income	21,861	77	6,492	28,431		Profit for the year
						Profit for the year attributable to:
		21,861	6,492	28,354		Owners of the Company
		¥ 77	¥ -	¥ 77		Non-controlling interests

(Millions of yen)

Japanese GAAP			Differences in recognition and measurement	IFRS		
Accounts	Amounts	Reclassification		Amounts	Notes	Accounts
Income before minority interests	¥21,939	¥-	¥6,492	¥28,431		Profit for the year
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss
			(1,428)	(1,428)	G	Remeasurements of defined benefit pension plans (net of tax)
Valuation difference on available-for-sale securities	1,738	-	37	1,776	F	Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)
Share of other comprehensive income of associates accounted for using equity method	2	-		2		Share of other comprehensive income of investments accounted for using the equity method (net of tax)
						Items that may be subsequently reclassified to profit or loss
Deferred gains or losses on hedges	(40)	-	228	187	F	Net gain (loss) on derivatives designated as cash flow hedges (net of tax)
Foreign currency translation adjustment	23,299	-	(247)	23,051	C,D,E, G,I	Exchange differences on translation of foreign operations (net of tax)
Total other comprehensive income	25,000	-	(1,410)	23,590		Total other comprehensive income
Comprehensive income	46,939	-	5,081	52,021		Total comprehensive income for the year
Comprehensive income attributable to owners of the Company	46,810	-	5,081	51,892		Total comprehensive income for the year attributable to: Owners of the Company
Comprehensive income attributable to minority interests	¥ 129	¥-	¥ -	¥ 129		Non-controlling interests

(Note) Amounts under Japanese GAAP include the assets, liabilities and net assets of subsidiaries included in the scope for consolidation as of April 1, 2013.

Notes related to adjustments to equity and total comprehensive income from Japanese GAAP to IFRS

A. Methods of depreciation property, plant and equipment
Under Japanese GAAP, the Company and its domestic subsidiaries mainly use the declining- balance method to calculate depreciation expenses. Under IFRS, however, the straight-line method is used.

B. Leases
Under Japanese GAAP, finance lease transactions less than a certain fixed amount are accounted for in the same manner as operating leases. Under IFRS, they are accounted for as finance leases.

C. Goodwill
Under Japanese GAAP, goodwill is amortized evenly over a rational time period within 20 years. However, the amortization of goodwill has been suspended as of the Transition Date to IFRS, with impairment tests conducted annually.

D. Changes in interest in a subsidiary without loss of control
Additional purchase of shares in subsidiaries resulting in the acquisition of control and the partial sale of shares in subsidiaries without loss of control are handled as income or expense transactions under Japanese GAAP. Under IFRS, these are handled as equity transactions.

E. Contingent consideration
Contingent consideration in business combinations is recognized under Japanese GAAP at the point when delivery or transfer is certain. Under IFRS, these are recognized at fair value at the time of business combinations.

F. Financial instruments
Investments in equity financial instruments with no market value are measured at historical cost under Japanese GAAP. Under IFRS, these are measured at fair value.

Financial assets whose fair value is measured through other comprehensive income are reclassified to income/loss under Japanese GAAP. Under IFRS, these are not reclassified.

Under Japanese GAAP, designated accounting applies to currency swaps that fulfill specified requirements, and specified accounting is used for interest-rate swaps that fulfill specified requirements. Under IFRS, these are measured at fair value and recognized as assets or liabilities respectively.

G. Retirement benefit liabilities
Under Japanese GAAP, actuarial gains and losses are amortized as incurred for each fiscal year using the straight-line method over certain periods within the average remaining years of service of the employees at the time the service costs is generated. Under IFRS, after recognizing these entire amounts as incurred as components of equity through other comprehensive income, they are immediately reclassified to retained earnings.

Under Japanese GAAP, prior service cost is recognized as income or expense as incurred using the straight-line method over certain periods within the average remaining years of service of the employees. Under IFRS, the entire amount is recognized as income or expense as incurred.

H. Income taxes
Under Japanese GAAP, the deferral approach is used for tax effects related to the extinguishment of unrealized gains and losses. Under IFRS, the asset and liability approach is used.

In addition, the recoverability for deferred tax assets are measured based on IFRS and the carrying amount deferred tax assets increases as a result.

I. Provisions
A portion of the provision for restructuring under Japanese GAAP does not fulfill the condition for provisions under IFRS, and is therefore not recognized as such.

J. Unused paid vacation entitlement
Under Japanese GAAP, the unused paid vacation entitlement is not recognized as a liability. Under IFRS, this is recognized as a liability.

K. Exchange differences on translation of foreign operations
As an exemption selected under the provisions of IFRS 1, the entire amount of cumulative exchange differences on foreign operations as of the Transition Date to IFRS is reclassified to retained earnings.

L. Revenue
A portion of rebates is presented as selling, general and administrative expenses under Japanese GAAP. Under IFRS, these are deducted from total revenue.

M. Reclassification in the consolidated statement of financial position
Principal reclassification based on IFRS provisions for presentation are as follows:
•Net deferred tax position are reclassified as non-current assets.
•Financial assets and liabilities are presented separately.
•Investments accounted for using the equity method are presented separately.
•Non-current assets or disposal groups held for sale are presented separately.

N. Changes in presentation in the consolidated statements of profit or loss
With regard to items presented as non-operating income, non-operating expenses, extraordinary income and extraordinary loss under Japanese GAAP, based on IFRS presentation provisions, finance-related items are presented as finance income or finance costs. Other items are, according to their nature, presented as other income and expenses, share of profit of entities accounted for using the equity method, selling, general and administrative expenses, etc.

Principal adjustments to the consolidated statements of cash flow for the fiscal year ended March 31, 2014
No significant differences exist between the consolidated statements of cash flow presented under Japanese GAAP and those presented under IFRS for fiscal year ended March 31, 2014.

KPMG

Independent Auditor's Report

To the Shareholders and Board of Directors of Konica Minolta, Inc.:

We have audited the accompanying consolidated financial statements of Konica Minolta, Inc. and its consolidated subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Konica Minolta, Inc. and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2015 are presented solely for convenience of the reader. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

KPMG AZSA LLC

August 11, 2015
Tokyo, Japan