

June 30, 2015

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

Konica Minolta, Inc.

Stock exchange listings: Tokyo (First Sections)
Local securities code number: 4902
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(Units of less than 1 million yen have been omitted.)

1. Overview of performance (From April 1, 2014 to March 31, 2015)

(1) Business performance

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

	[Millions of yen]							
	Revenue		Operating profit		Profit before tax		Profit	
Fiscal Year ended Mar 2015	1,002,758	7.2%	65,762	65.0%	65,491	73.5%	40,969	44.1%
Fiscal Year ended Mar 2014	935,214	—	39,859	—	37,736	—	28,431	—

	[Millions of yen]			
	Profit attributable to owners of the parent		Total comprehensive income	
Fiscal Year ended Mar 2015	40,934	44.4%	59,274	13.9%
Fiscal Year ended Mar 2014	28,354	—	52,021	—

	Basic earnings per share attributable to owners of the parent	Diluted earnings per share attributable to owners of the parent	Profit ratio to equity attributable to owners of the parent	Profit before tax ratio to total assets	Operating profit ratio to net sales
Fiscal Year ended Mar 2015	81.01 yen	80.79 yen	8.0 %	6.6 %	6.6 %
Fiscal Year ended Mar 2014	53.67 yen	53.54 yen	5.9 %	3.9 %	4.3 %

Note: Share of profit (loss) of investments accounted for using the equity method:

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

(2) Financial position

	Total assets	Total equity	[Millions of yen] Equity attributable to owners of the parent	Equity ratio attributable to owners of the parent	Equity per share attributable to owners of the parent
As of March 31, 2015	994,256	529,504	528,432	53.1 %	1,052.94 yen
As of March 31, 2014	985,239	492,822	492,081	49.9 %	955.60 yen

(3) Cash flows

	Operating activities	Investing activities	Financing activities	[Millions of yen] Cash and cash equivalents at the end of the year
Fiscal Year ended Mar 2015	101,989	(54,014)	(62,128)	177,496
Fiscal Year ended Mar 2014	90,058	(54,143)	(63,672)	188,489

2. Dividends per share

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

	Total dividends (annual) [millions of yen]	Dividend pay-out ratio (consolidated) [%]	Dividend on equity attributable to owners of the parent ratio [%]
Fiscal Year ended Mar 2014	9,165	32.6	1.9
Fiscal Year ended Mar 2015	10,058	24.7	2.0
Fiscal Year ending Mar 2016 (forecast)		30.1	

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

Common dividend:	¥ 7.50
Commemorative dividend:	¥ 2.50

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

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

	Revenue		Operating profit		Profit attributable to owners of the parent		Basic earnings per share attributable to owners of the parent
		%		%		%	
Full year	1,100,000	9.7	77,000	17.1	50,000	22.1	99.63 yen

■ **Notes**

- (1) The company adopts International Financial Reporting Standards (IFRS) beginning with the consolidated financial statements in the security report for the fiscal year ended March 31, 2015.
- (2) The consolidated financial results and the supplementary information are voluntary disclosures that provides selected financial data based on IFRS for the fiscal year ended March 31, 2015.
- (3) The Company previously disclosed the consolidated financial results based on Japanese GAAP for the fiscal year ended March 31, 2015 on May 13, 2015.
- (4) The consolidated financial results contain projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. There is a possibility that diverse factors may cause actual performance, etc. to differ materially from the projections.

Supplementary Information

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1. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	Transition date (April 1, 2013)	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Assets			
Current assets			
Cash and cash equivalents	214,556	188,489	177,496
Trade and other receivables	214,616	247,067	252,962
Inventories	113,472	115,175	120,803
Income tax receivables	2,470	2,727	559
Other financial assets	1,386	1,537	1,715
Other current assets	13,304	13,961	16,431
Subtotal	559,806	568,958	569,968
Assets held for sale	—	594	672
Total current assets	559,806	569,552	570,640
Non-current assets			
Property, plant and equipment	180,311	177,056	181,641
Goodwill and intangible assets	110,942	119,563	126,132
Investments accounted for using the equity method	1,490	486	524
Other financial assets	29,517	38,151	41,420
Deferred tax assets	71,605	74,348	64,291
Other non-current assets	4,764	6,080	9,605
Total non-current assets	398,632	415,687	423,615
Total assets	958,439	985,239	994,256

(Millions of yen)

	Transition date (April 1, 2013)	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Liabilities			
Current liabilities			
Trade and other payables	146,605	171,309	177,564
Bonds and borrowings	93,076	66,054	53,349
Income tax payables	7,934	6,238	7,522
Provisions	4,212	6,787	5,542
Other financial liabilities	2,342	1,026	1,020
Other current liabilities	28,360	32,178	36,889
Total current liabilities	282,530	283,595	281,889
Non-current liabilities			
Bonds and borrowings	137,359	136,384	112,236
Retirement benefit liabilities	65,082	64,928	62,039
Provisions	1,136	1,161	1,135
Other financial liabilities	230	226	539
Deferred tax liabilities	2,634	2,794	2,944
Other non-current liabilities	2,888	3,327	3,967
Total non-current liabilities	209,331	208,821	182,863
Total liabilities	491,862	492,417	464,752
Equity			
Share capital	37,519	37,519	37,519
Share premium	204,140	203,421	203,395
Retained earnings	221,802	239,453	251,323
Treasury shares	(1,548)	(17,322)	(10,727)
Subscription rights to shares	764	910	1,016
Other components of equity	3,150	28,100	45,905
Equity attributable to owners of the parent	465,830	492,081	528,432
Non-controlling interests	747	740	1,071
Total equity	466,577	492,822	529,504
Total liabilities and equity	958,439	985,239	994,256

(2) Consolidated Statement of Profit or Loss

(Millions of yen)

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Revenue	935,214	1,002,758
Cost of sales	490,479	513,084
Gross profit	444,734	489,673
Other income	4,866	6,817
Selling, general and administrative expenses	371,935	411,132
Other expenses	37,806	19,595
Operating profit	39,859	65,762
Finance income	2,125	2,541
Finance costs	3,084	2,848
Share of profit or loss of investments accounted for using the equity method	(1,163)	35
Profit before tax	37,736	65,491
Income tax expense	9,305	24,521
Profit	28,431	40,969
Profit attributable to:		
Owners of the parent	28,354	40,934
Non-controlling interests	77	35
Earnings per share		
Basic	¥53.67	¥81.01
Diluted	¥53.54	¥80.79

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Profit	28,431	40,969
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans	(1,428)	(222)
Net gain (loss) on revaluation of financial assets measured at fair value	1,776	3,840
Share of other comprehensive income of investments accounted for using the equity method	2	5
Total items that will not be reclassified to profit or loss	350	3,623
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow	187	(348)
Exchange differences on translation of foreign operations	23,051	15,029
Total items that may be subsequently reclassified to profit or loss	23,239	14,680
Total other comprehensive income	23,590	18,304
Total comprehensive income	52,021	59,274
Total comprehensive income attributable to:		
Owners of the parent	51,892	59,232
Non-controlling interests	129	42

(4) Consolidated Statement of Changes in Equity

(Millions of yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Subscriptions on rights to shares	Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at transition date: April 1, 2013	37,519	204,140	221,802	(1,548)	764	3,150	465,830	747	466,577
Profit	-	-	28,354	-	-	-	28,354	77	28,431
Other comprehensive income	-	-	-	-	-	23,537	23,537	52	23,590
Total comprehensive income	-	-	28,354	-	-	23,537	51,892	129	52,021
Dividends	-	-	(9,280)	-	-	-	(9,280)	-	(9,280)
Acquisition and disposal of treasury shares	-	-	(11)	(15,774)	-	-	(15,786)	-	(15,786)
Share-based payment transactions (Subscription rights to shares)	-	-	-	-	145	-	145	-	145
Changes in the ownership interest in subsidiaries	-	(719)	-	-	-	-	(719)	(135)	(855)
Transfer from other components of equity to retained earnings	-	-	(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	-	-	40,934	-	-	-	40,934	35	40,969
Other comprehensive income	-	-	-	-	-	18,297	18,297	6	18,304
Total comprehensive income	-	-	40,934	-	-	18,297	59,232	42	59,274
Dividends	-	-	(8,902)	-	-	-	(8,902)	-	(8,902)
Acquisition and disposal of treasury shares	-	-	(13)	(14,169)	-	-	(14,183)	-	(14,183)
Cancellation of the treasury shares	-	-	(20,765)	20,765	-	-	-	-	-
Share-based payment transactions (Subscription rights to shares)	-	-	-	-	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	-	-	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

(5) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Profit before tax	37,736	65,491
Depreciation and amortization expense	43,827	47,905
Impairment losses	17,487	5,185
Share of profit or loss in investments accounted for using the equity method	1,163	(35)
Interest and dividend income	(2,122)	(2,533)
Interest expense	2,852	2,398
(Gain) loss on sales and disposals of property, plant and equipment and intangible assets	2,048	(1,152)
Loss (gain) on sales of investments in subsidiaries	—	949
(Increase) decrease in trade and other receivables	(1,710)	10,622
(Increase) decrease in inventories	9,198	685
Increase (decrease) in trade and other payables	(617)	(5,586)
Decrease in transfer of lease assets	(5,837)	(6,785)
Increase (decrease) in retirement benefit liabilities	(1,412)	(2,960)
Others	2,073	(595)
Subtotal	104,687	113,588
Dividends received	493	853
Interest received	1,598	1,682
Interest paid	(2,927)	(2,386)
Income taxes paid	(13,793)	(11,748)
Net cash flows from operating activities	90,058	101,989

(Millions of yen)

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Cash flows from investing activities		
Purchase of property, plant and equipment	(36,487)	(39,063)
Proceeds from sales of property, plant and equipment	2,355	8,630
Purchase of intangible assets	(8,654)	(8,676)
Purchase of investments in subsidiaries	(2,393)	(4,360)
Purchase of investment securities	(4,910)	(729)
Proceeds from sales of investment securities	397	3,266
Payments for loans receivable	(306)	(97)
Collection of loans receivable	159	83
Payments for transfer of business	(2,102)	(6,709)
Others	(2,199)	(6,358)
Net cash flows from investing activities	(54,143)	(54,014)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(35,013)	(11,411)
Proceeds from bond issuance and long-term loans payable	25,598	—
Redemption of bonds and repayments of long-term loans payable	(26,805)	(30,493)
Purchase of treasury shares	(15,806)	(13,509)
Cash dividends paid	(9,284)	(8,908)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,633)	(293)
Others	(727)	2,486
Net cash flows from financing activities	(63,672)	(62,128)
Effect of exchange rate changes on cash and cash equivalents	1,690	3,160
Net increase (decrease) in cash and cash equivalents	(26,067)	(10,993)
Cash and cash equivalents at the beginning of the year	214,556	188,489
Cash and cash equivalents at the end of the year	188,489	177,496

(6) Notes to Consolidated Financial Statements

[Segment Information]

Operating Segments

(a) Reportable segments

Reportable segments of the Konica Minolta Group (“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 of each business category. This results in three reportable business segments: “Business Technologies Business”, “Healthcare Business” and “Industrial Business”. The “Others” includes the planetarium business and other businesses not included in these reportable segments.

The business content of each reportable segment is as follows:

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

(b) Information on Reportable Segments

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

Transition Date (April 1, 2013)

(Millions of yen)

	Reportable segments				Others	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Subtotal		
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)

	Reportable segments				Others	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Subtotal		
Revenue						
External	731,371	82,375	116,126	929,874	5,340	935,214
Intersegment (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 expense	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	24,188	2,708	13,302	40,200	903	41,103

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

Current Consolidated Fiscal Year (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Others	Total
	Business Technologies Business	Healthcare Business	Industrial Business	Subtotal		
Revenue						
External	808,241	78,568	112,780	999,591	3,167	1,002,758
Intersegment (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 expense	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	29,591	2,605	6,720	38,917	415	39,333

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

Differences between the amount of "Totals" for reportable segments and the amount of the consolidated financial statements and the principal content of these differences is provided below.

(Millions of yen)

Revenue	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Total revenue of reportable segments	934,953	1,004,228
Revenue categorized in "Others"	27,748	26,270
Total of reportable segments and "Others"	962,701	1,030,498
Adjustments (Note)	(27,487)	(27,740)
Revenue reported in consolidated financial statements	935,214	1,002,758

(Note) Adjustments are intersegment eliminations.

(Millions of yen)

Profit	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Total operating profit of reportable segments	74,697	94,548
Operating profit categorized in "Others"	806	969
Total of reportable segments and "Others"	75,504	95,517
Adjustments (Note)	(35,645)	(29,755)
Operating profit reported in consolidated financial statements	39,859	65,762

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

(Millions of yen)

Assets	Transition date (April 1, 2013)	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Total assets of reportable segments	701,284	777,111	826,371
Assets categorized in "Others"	43,654	26,598	24,937
Total of reportable segments and "Others"	744,938	803,710	851,309
Adjustments (Note)	213,500	181,528	142,946
Assets reported in consolidated financial statements	958,439	985,239	994,256

(Note) Adjustments include intersegment eliminations transactions and corporate assets, which are mainly surplus funds (cash on hand and in banks and short-term investment securities), long-term investment funds (investment securities), property, plant and equipment, and intangible assets not attributed to any reportable segment.

(Millions of yen)

Liabilities	Transition date (April 1, 2013)	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Total liabilities of reportable segments	386,724	420,267	423,932
Liabilities categorized in "Others"	21,551	10,312	8,390
Total of reportable segments and "Others"	408,276	430,580	432,323
Adjustments (Note)	83,585	61,837	32,429
Liabilities reported in consolidated financial statements	491,862	492,417	464,752

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

(Millions of yen)

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

(Note) Adjustments for depreciation and amortization expense 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.

(c) Information by Geographical Area

External revenue by geographical area is as follows:

(Millions of yen)

Revenue	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Japan	204,792	194,645
United States	205,810	235,628
Europe	309,624	328,663
China	58,484	68,055
Asia	85,472	88,578
Others	71,029	87,187
Total	935,214	1,002,758

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

A geographic breakdown of the carrying amounts of non-current assets (excluding financial assets, deferred tax assets and post-retirement benefit assets) is as follows:

(Millions of yen)

Non-current assets	Transition date (April 1, 2013)	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Japan	134,821	138,296	143,804
United States	74,346	76,859	84,778
Europe	49,140	60,356	53,945
China	20,028	20,210	20,816
Asia	17,408	5,794	9,568
Others	1,573	1,449	4,786
Total	297,317	302,966	317,699

(e) Information on Principal Customers

Transactions with no single external customer account for 10% or more of revenue.

[Earnings per share]

A calculation of basic and diluted earnings per share attributable to owners of the parent company is as follows:

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Basis of calculating basic earnings per share		
Profit for the year attributable to owners of the parent entity (millions of yen)	28,354	40,934
Profit for the year not attributable to owners of the parent entity (millions of yen)	—	—
Profit for the year to calculate basic earnings per share (millions of yen)	28,354	40,934
Weighted average number of ordinary shares outstanding during the period (thousands of shares)	528,269	505,282
Basic earnings per share attributable to owners of the parent (yen)	53.67	81.01
Basis of calculating diluted earnings per share		
Profit for the year to calculate basic earnings per share (millions of yen)	28,354	40,934
Adjustment of profit for the year (millions of yen)	—	—
Profit for the year to calculate diluted earnings per share (millions of yen)	28,354	40,934
Weighted average number of ordinary shares outstanding during the period (thousands of shares)	528,269	505,282
Increased number of ordinary shares under subscription rights to shares (thousands of shares)	1,281	1,412
Weighted average number of diluted ordinary shares outstanding during the period (thousands of shares)	529,550	506,695
Diluted earnings per share (yen)	53.54	80.79

[Events after the reporting period]

At the Board of Directors meeting held on May 13, 2015, Konica Minolta, Inc. (the "Company") approved the item related to the acquisition of treasury shares based on Article 156 of the Company Law, which is applicable in accordance with Article 165, Paragraph 3 of the same law as well as the cancellation of treasury shares based on Article 178 of the same law. Details are follows.

(a) Reason for Acquisition of Treasury Shares and Cancellation of Treasury Shares

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

(b) Details of the Acquisition of Treasury Shares

- | | |
|---|---|
| (i) Type of shares to be acquired: | Ordinary shares |
| (ii) Number of shares to be acquired: | Limited to 10 million
(2.0% of the total number of outstanding shares (excluding treasury shares)) |
| (iii) Total value of shares to be acquired: | Limited to ¥10 billion |
| (iv) Acquisition period: | May 14, 2015 to August 31, 2015 |
| (v) Method of acquisition: | Discretionary trading by a securities company |

(c) Details of the Cancellation of Treasury Shares

- | | |
|---|--|
| (i) Type of shares to be canceled: | Ordinary shares |
| (ii) Number of shares to be canceled: | 9 million
(1.8% of the total number of issued shares prior to cancellation (including treasury shares)) |
| (iii) Number of issued shares after cancellation: | 502,664,337 shares |
| (iv) 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. First-time Adoption

Consolidated financial statements based on IFRS are presented for the first time this fiscal year. The most recent consolidated financial statements prepared based on Japanese GAAP are for the consolidated 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 signs 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 adjustment charts indicate presentations required for first-time adoption of IFRS.

The “reclassification” column in the adjustment chart includes items that do not affect retained earnings and comprehensive income, while the “differences in recognition and measurement” column includes items that affect retained earnings and comprehensive income.

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

(Millions of yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS		
Accounts	Amounts			Amounts	Notes	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		Reclassification	Differences in recognition and measurement	IFRS		
Accounts	Amounts			Amounts	Notes	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		Reclassification	Differences in recognition and measurement	IFRS		
Accounts	Amounts			Amounts	Notes	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 of consolidation as of April 1, 2013.

Reconciliation of Equity for the Previous Consolidated Fiscal Year (March 31, 2014)

(Millions of yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS		
Accounts	Amounts			Amounts	Notes	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 for the Previous Consolidated Fiscal Year (March 31, 2014)

(Millions of yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS		
Accounts	Amounts			Amounts	Notes	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 for the Previous Consolidated Fiscal Year (March 31, 2014)

(Millions of yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS		
Accounts	Amounts			Amounts	Notes	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 Income and Comprehensive Income for the Previous Consolidated Fiscal Year
(From April 1, 2013 to March 31, 2014)

(Millions of yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS		
Accounts	Amounts			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
Selling, general and administrative expenses	393,346	4,882	(15)	4,866	A	Other income
		—	(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
		21,861	6,492	28,354		Profit attributable to:
		77	—	77		Owners of the parent
						Non-controlling interests

(Millions of yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS		
Accounts	Amounts			Amounts	Notes	Accounts
Income before minority interests	21,939	—	6,492	28,431		Profit
Other comprehensive income						Other comprehensive income (net of tax)
						Items that will not be reclassified to profit or loss
			(1,428)	(1,428)	G	Remeasurements of defined benefit pension plans
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
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
						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
Foreign currency translation adjustment	23,299	—	(247)	23,051	C,D,E, G,I	Exchange differences on translation of foreign operations
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
Comprehensive income attributable to owners of the parent	46,810	—	5,081	51,892		Owners of the parent
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 of consolidation as of April 1, 2013.

Notes related to adjustments to equity and 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. Under IFRS, 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 IFRS transition date, with impairment tests conducted annually.
- D. Changes in interest in a subsidiary not accompanied by loss of control
Additional purchase of shares in subsidiaries resulting in the acquisition of control and the partial sale of shares in subsidiaries not resulting in loss of control are handled as income/loss 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 transaction.
- 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 is applied 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 recorded as assets or liabilities.
- G. Retirement benefit liabilities
Under Japanese GAAP, actuarial gains and losses are amortized as incurred for each consolidated 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 other components of equity through other comprehensive income, they are immediately reclassified to retained earnings.
Under Japanese GAAP, prior service cost is recognized as income/loss 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/loss 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.
Also, the recoverability for deferred tax assets are measured based on IFRS, and deferred tax assets are increased.
- 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 a provision.

- 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 IFRS transition date 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 revenue exclusions.
- M. Reclassification in the consolidated statement of financial position
Principal reclassification based on IFRS provisions for presentation are as follows:
- Deferred tax assets and deferred tax liabilities are classified as non-current assets.
 - Financial assets and financial liabilities are recorded separately.
 - Investments accounted for using the equity method are recorded separately.
 - Non-current assets or disposal groups held for sale are recorded separately.
- N. Changes in presentation in the consolidated statements of income
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 previous consolidated fiscal year
(From April 1, 2013 to March 31, 2014)

No significant differences exist between the consolidated statements of cash flow presented under Japanese GAAP and those presented under IFRS.