Consolidated Financial Results
for the Nine Months
of the Fiscal Year Ending March 31, 2016
<under Japanese GAAP>

February 5, 2016

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange
Representative: Hiroyuki Sasa, Representative Director, President
Contact: Masahide Aramoto, General Manager, Accounting Department
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Scheduled date to submit the Quarterly Securities Report: February 5, 2016
Scheduled date to commence dividend payments: –
Presentation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2016 (From April 1, 2015 to December 31, 2015)

(1) Consolidated Results of Operations (cumulative) (% indicate changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Nine months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
December 31, 2015	592,541	7.7	73,673	18.7	64,715	34.3	42,851	34.2
December 31, 2014	550,015	7.1	62,068	24.4	48,203	41.3	31,926	446.4

Note: Comprehensive income: Nine months ended December 31, 2015: ¥45,427 million [(47.7)%]
Nine months ended December 31, 2014: ¥86,844 million [33.1%]

	Net income per share	Fully diluted net income per share
Nine months ended	(¥)	(¥)
December 31, 2015	125.21	125.17
December 31, 2014	93.29	93.27

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	(¥ million)	(¥ million)	%
December 31, 2015	1,082,868	399,366	36.7
March 31, 2015	1,081,551	357,254	32.9

Note: Equity as of December 31, 2015: ¥397,427 million March 31, 2015: ¥355,462 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2015	–	0.00	–	10.00	10.00
Fiscal year ending March 31, 2016	–	0.00	–		
Fiscal year ending March 31, 2016 (Forecast)				17.00	17.00

Note: Revisions of the forecast most recently announced: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2016
(From April 1, 2015 to March 31, 2016)

(% indicate changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	816,000	6.7	100,000	9.9	86,000	18.2	56,000	–	163.63

Note: Revisions of the forecast most recently announced: No

* Notes

(1) Changes in significant subsidiaries during the nine months under review (changes in specified subsidiaries resulting in the changes in scope of consolidation): Yes

[New: — Excluded: 1 company (Olympus Imaging Corp.)]

Note: For details, please refer to the section of “(1) Changes in Significant Subsidiaries during the Nine Months under Review” of “2. Matters Regarding Summary Information (Notes)” on page 5 of the attached material to the quarterly financial results report.

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

Note: For details, please refer to the section of “(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements” of “2. Matters Regarding Summary Information (Notes)”on page 5 of the attached material.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

1) Changes in accounting policies due to revisions to accounting standards, and other regulations: Yes
2) Changes in accounting policies due to other reasons: Yes
3) Changes in accounting estimates: Yes
4) Restatement of prior period financial statements after error corrections: No

Note: For details, please refer to the section of “(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements after Error Corrections” of “2. Matters Regarding Summary Information (Notes)” on page 5 of the attached material.

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2015	342,671,508 shares
As of March 31, 2015	342,671,508 shares

2) Total number of treasury shares at the end of the period

As of December 31, 2015	436,317 shares
As of March 31, 2015	434,236 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2015	342,236,322 shares
Nine months ended December 31, 2014	342,239,226 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Law. At the time of disclosure of this quarterly financial results report, the quarterly review procedures to the quarterly consolidated financial statements are in progress.

* Proper use of the forecast of financial results, and other special matters

The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of “Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements” on page 4 of the attached material to the quarterly financial results report for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof.

Attached Material

Contents

1. Qualitative Information Regarding Settlement of Accounts for the Nine Months

(1) Explanation of Results of Operations

Overall

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	550,015	592,541	42,526	7.7%
Operating income	62,068	73,673	11,605	18.7%
Ordinary income	48,203	64,715	16,512	34.3%
Net income attributable to owners of the parent	31,926	42,851	10,925	34.2%
Exchange rate (Yen/U.S. dollar)	106.87	121.70	14.83	
Exchange rate (Yen/Euro)	140.30	134.36	(5.94)	

In the global economy for the nine months ended December 31, 2015, monetary policy is moving toward normalization in the U.S. as a result of the economic environment continuing to be strong, while in Europe the economy has also been recovering gradually. In emerging countries such as China, however, the economic slowdown has become apparent, and is intensifying. In the Japanese economy, the outlook remains uncertain due to the downside risk in the Chinese economy, although there are signs of improvement in corporate earnings and the employment situation.

Faced with this business environment, the Olympus Group's overall net sales increased over the nine months of the fiscal year under review to ¥592,541 million (up 7.7% year on year), reflecting the increases in sales in all three core businesses of the Medical Systems Business, the Scientific Solutions Business and Imaging Systems Business. Operating income was ¥73,673 million (up 18.7% year on year), reflecting income growth in the Medical Systems Business and the Scientific Solutions Business, and improvement in the operating income/loss for the Imaging Systems Business as well. Ordinary income was ¥64,715 million (up 34.3% year on year), due to decreases in interest expenses and other non-operating expenses in addition to the rise in operating income. Net income attributable to owners of the parent was ¥42,851 million (up 34.2% year on year). This reflected the recording of extraordinary losses of ¥20,599 million mainly from loss related to the U.S. Anti-kickback Statute, and income taxes of ¥3,421 million.

Regarding foreign exchange, the yen depreciated against the U.S. dollar, on the other hand, it appreciated against the euro compared to the same period of the previous fiscal year. The average exchange rate during the period was ¥121.70 against the U.S. dollar (¥106.87 in the same period of the previous fiscal year) and ¥134.36 against the euro (¥140.30 in the same period of the previous fiscal year), which caused net sales and operating income to rise by ¥26,000 million and ¥12,500 million, respectively, year on year.

From the first quarter ended June 30, 2015, a new business previously classified under the "Imaging Systems Business" (a new cross-functional business field aiming for a combination of medical systems and scientific solutions based on the optical technology, electronic and imaging technology, network technology and manufacturing technology accumulated in the Imaging Systems Business, and growth in this form) has been changed to "Others." In the following increase (decrease) ratio, the figures of the same period of the previous fiscal year have been restated to reflect the segment classification after this change.

Medical Systems Business

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	398,109	445,224	47,115	11.8%
Operating income	84,043	98,631	14,588	17.4%

Net sales in the Medical Systems Business during the nine months ended December 31, 2015 amounted to ¥445,224 million (up 11.8% year on year), while operating income amounted to ¥98,631 million (up 17.4% year on year).

In gastrointestinal endoscope field, both sales of the endoscopy platform systems “EVIS EXERA III” and “EVIS LUCERA ELITE,” which are our mainstay products, were strong. In the surgical field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, and the 3D laparoscopy system were strong, while the sales of “THUNDERBEAT” integrated energy device with both advanced bipolar and ultrasonic energy continued to grow. In the therapeutic devices field, there was growth in sales of “VisiGlide 2” disposable guidewire for use in endoscopic diagnosis and treatment of biliary and pancreatic ducts and others. As a result, sales increased in all fields, driving an increase in sales in the Medical Systems Business.

Operating income in the Medical Systems Business increased due to the increase in sales.

Scientific Solutions Business

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	72,775	73,519	744	1.0%
Operating income	3,576	5,569	1,993	55.7%

Net sales in the Scientific Solutions Business during the nine months ended December 31, 2015 amounted to ¥73,519 million (up 1.0% year on year), while operating income amounted to ¥5,569 million (up 55.7% year on year).

In the life science field, sales remained flat year on year, reflecting the effect of a slowdown in budget execution by research institutions in Japan. However, in the industrial field, industrial microscopes such as the “STM7” series of measuring microscopes used in the manufacturing process for electronic components experienced growth in sales driven by an expansion in sales for smartphone-related customers. As a result, the Company recorded higher sales in the Science Solutions Business.

Operating income in the Science Solutions Business increased due to efficiency gains through such means as cost cuts and the integration of sales offices.

Imaging Systems Business

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	60,593	61,993	1,400	2.3%
Operating income/loss	(4,915)	99	5,014	–

Net sales in the Imaging Systems Business during the nine months ended December 31, 2015 amounted to ¥61,993 million (up 2.3% year on year), while operating income amounted to ¥99 million (compared with an operating loss of ¥4,915 million in the same period of the previous fiscal year).

In the mirrorless interchangeable-lens camera field, mainly the OM-D series increased sales in Japan and Europe, with sales also boosted by a contribution from the high performance interchangeable lenses "M.ZUIKO DIGITAL PRO" series with additions of new models bringing the lineup to four models. In the compact camera field, the Company continued to limit the number of units sold in response to market shrinkage, however sales in the Imaging Systems Business overall increased year on year.

The Imaging Systems Business's operating income/loss improved compared with the same period of the previous fiscal year, mainly due to the increase in sales and progress in reducing expenses.

Others

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Increase (Decrease) Ratio
Net sales	18,538	11,805	(6,733)	(36.3)%
Operating income/loss	(415)	(4,832)	(4,417)	–

Net sales for other businesses during the nine months ended December 31, 2015 amounted to ¥11,805 million (down 36.3% year on year) and operating loss was ¥4,832 million (compared with an operating loss of ¥415 million in the same period of the previous fiscal year).

Net sales for other businesses declined due to reorganization of our non-core business domains in order to allocate management resources to our business domains in a more concentrated manner.

Operating loss for other businesses increased, mainly reflecting investments in the creation of new businesses in the medical and imaging technology domains.

(2) Explanation of Financial Position

As of the end of the third quarter under review, total assets increased ¥1,317 million compared to the end of the previous fiscal year to ¥1,082,868 million.

This was primarily as a result of an increase in property, plant and equipment of ¥17,515 million, and a decrease in notes and accounts receivable of ¥16,518 million.

Total liabilities decreased ¥40,795 million compared to the end of the previous fiscal year to ¥683,502 million due mainly to decreases in short-term borrowings of ¥20,539 million, long-term borrowings, less current maturities of ¥19,678 million and provision for loss on litigation of ¥8,695 million.

Net assets increased ¥42,112 million compared to the end of the previous fiscal year to ¥399,366 million, primarily due to an increase in retained earnings mainly reflecting ¥42,851 million in net income attributable to owners of the parent.

As a result of the foregoing, equity ratio increased from 32.9% as of the end of the previous fiscal year to 36.7%.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements

Regarding the forecast of consolidated financial results for the fiscal year ending March 31, 2016, the forecast for the full year is unchanged from the forecast announced in the Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2016, which was released on November 6, 2015.

2. Matters Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Nine Months under Review

Olympus Imaging Corp., a specified subsidiary of the Company, was absorbed in an absorption-type merger with the Company as the surviving company, carried out on April 1, 2015. Olympus Imaging Corp. has therefore been excluded from the scope of consolidation effective from the first quarter ended June 30, 2015.

(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements

Taxes are mainly calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the third quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements after Error Corrections

(Application of Accounting Standard for Business Combination, etc.)

Effective from the first quarter ended June 30, 2015, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. As a result, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the first quarter ended June 30, 2015, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of business combination belongs. In addition, the presentation method for “net income” and other related items was changed, and the presentation of “minority interests” was changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the nine months ended December 31, 2014 and the fiscal year ended March 31, 2015.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company is applying the said standard, etc. prospectively from the beginning of the first quarter ended June 30, 2015.

The effect of these changes in accounting policies on quarterly consolidated financial statements is immaterial.

(Change in Method of Depreciation)

Previously, the Company and its consolidated subsidiaries in Japan have used the declining balance method for depreciating property, plant and equipment (excluding lease assets). From the first quarter ended June 30, 2015, this has been changed to the straight-line method.

To achieve the basic strategy of the “Medium-Term Vision” announced by the Group in June 2012, of rebuilding of the business portfolio and optimal allocation of management resources, the Group has positioned the business domains of the Medical Systems Business, Scientific Solutions Business (formerly the Life Science and Industrial Systems Business), and the Imaging Systems Business, and set a clear policy of strategically concentrating management resources in the core Medical Systems Business.

As part of this strategy, the Group conducted a management integration and shifted to a new organization structure in April 2015, shifting from the in-house company system with three highly independent businesses, the Medical Systems Business, the Scientific Solutions Business, and the Imaging Systems Business, to a business operation structure that facilitates concentrated allocation of management resources in the Medical Systems Business. In doing so, the Group has reexamined its depreciation method in order to reflect the usage status of its property, plant and equipment more appropriately.

The Medical Systems Business is the Group’s core business and the majority of the Group’s property, plant and equipment in Japan are allocated to it. In the reorganization of the production system of the Medical Systems Business, the Group plans to transfer production of certain medical therapeutic devices overseas, while conducting stable production in Japan in high-value-added fields such as gastrointestinal endoscopes. Furthermore, from the fiscal year ending March 31, 2016, the new buildings in the main production sites in Japan will successively start operations, and relative proportion of depreciation for buildings within overall depreciation cost will increase. Given this situation, the Group expects to conduct stable, long-term operation of its property, plant and equipment in Japan in general, and has therefore changed the method of depreciation by uniformly adopting the straight-line method.

As a result, compared with the results under the previous method, operating income has increased by ¥2,286 million, and ordinary income and income before provision for income taxes have both increased by ¥2,812 million.

3. Important Event Regarding Premise of Going Concern

No items to report

4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
ASSETS		
Current assets		
Cash and time deposits	209,875	208,785
Notes and accounts receivable	148,127	131,609
Merchandise and finished goods	57,179	57,496
Work in process	24,585	23,456
Raw materials and supplies	25,623	31,392
Other current assets	116,408	119,824
Allowance for doubtful accounts	(4,269)	(5,638)
Total current assets	577,528	566,924
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	48,753	54,606
Machinery and equipment, net	11,420	11,900
Tools, furniture and fixtures, net	59,413	58,627
Land	16,073	21,724
Lease assets, net	8,891	9,994
Construction in progress	5,595	10,809
Net property, plant and equipment	150,145	167,660
Intangible assets		
Goodwill	114,025	106,951
Others	66,622	59,112
Total intangible assets	180,647	166,063
Investments and other assets		
Investment securities	72,263	75,291
Other assets	110,524	117,135
Allowance for doubtful accounts	(9,556)	(10,205)
Total investments and other assets	173,231	182,221
Total fixed assets	504,023	515,944
Total assets	1,081,551	1,082,868

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
LIABILITIES		
Current liabilities		
Notes and accounts payable	39,155	39,327
Short-term borrowings	101,135	80,596
Current maturities of bonds	–	10,000
Income taxes payable	12,612	9,287
Provision for product warranties	5,116	5,976
Provision for loss on business liquidation	481	302
Provision for loss on litigation	11,000	2,305
Provision related to the U.S. Anti-kickback Statute	58,883	77,301
Other current liabilities	146,411	138,578
Total current liabilities	374,793	363,672
Non-current liabilities		
Long-term bonds, less current maturities	55,000	45,000
Long-term borrowings, less current maturities	198,286	178,608
Net defined benefit liability	38,429	38,315
Other reserves	34	37
Other non-current liabilities	57,755	57,870
Total non-current liabilities	349,504	319,830
Total liabilities	724,297	683,502
NET ASSETS		
Shareholders' equity		
Common stock	124,520	124,520
Capital surplus	90,940	90,940
Retained earnings	113,817	153,246
Treasury stock, at cost	(1,111)	(1,121)
Total shareholders' equity	328,166	367,585
Accumulated other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	24,764	27,639
Net unrealized gains (losses) on hedging derivatives, net of taxes	(8)	(0)
Foreign currency translation adjustments	15,285	13,259
Remeasurements of defined benefit plans	(12,745)	(11,056)
Total accumulated other comprehensive income	27,296	29,842
Subscription rights to shares	260	430
Non-controlling interests	1,532	1,509
Total net assets	357,254	399,366
Total liabilities and net assets	1,081,551	1,082,868

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

Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	550,015	592,541
Costs of sales	199,580	198,738
Gross profit	350,435	393,803
Selling, general and administrative expenses	288,367	320,130
Operating income	62,068	73,673
Non-operating income		
Interest income	562	721
Dividends income	1,500	1,204
Others	2,128	2,461
Total non-operating income	4,190	4,386
Non-operating expenses		
Interest expenses	6,672	5,762
Foreign currency exchange loss	581	2,943
Advanced repayment expenses	1,117	–
Others	9,685	4,639
Total non-operating expenses	18,055	13,344
Ordinary income	48,203	64,715
Extraordinary income		
Gain on sales of investment securities	–	2,207
Total extraordinary income	–	2,207
Extraordinary losses		
Impairment loss on fixed assets	119	–
Loss on sales of investment securities	473	–
Loss on liquidation of business	1,456	–
Soil improvement cost	745	–
Business restructuring expenses	–	790
Loss related to securities litigation	4,660	1,442
Loss related to the U.S. Anti-kickback Statute	–	18,367
Total extraordinary losses	7,453	20,599
Income before provision for income taxes	40,750	46,323
Income taxes	8,973	(116)
Income taxes for prior periods	–	3,537
Net income	31,777	42,902
Net income (loss) attributable to non-controlling interests	(149)	51
Net income attributable to owners of the parent	31,926	42,851

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net income	31,777	42,902
Other comprehensive income		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	6,719	2,875
Net unrealized gains (losses) on hedging derivatives, net of taxes	(7)	8
Foreign currency translation adjustments	50,224	(2,045)
Remeasurements of defined benefit plans, net of taxes	(1,872)	1,689
Share of other comprehensive income of associates accounted for using equity method	3	(2)
Total other comprehensive income	55,067	2,525
Comprehensive income	86,844	45,427
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	86,927	45,397
Comprehensive income attributable to non-controlling interests	(83)	30

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report

(Notes on Significant Changes in the Amount of Shareholders' Equity)

No items to report

(Segment Information, etc.)

[Segment Information]

I. Nine months of the fiscal year ended March 31, 2015 (from April 1, 2014 to December 31, 2014)

1. Information regarding net sales and income/loss by reportable segment

(Millions of yen)

	Reportable Segment					Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Medical Systems	Scientific Solutions	Imaging Systems	Others	Total		
Sales							
Sales to outside customers	398,109	72,775	60,593	18,538	550,015	–	550,015
Internal sales or transfer among segments	85	41	12	391	529	(529)	–
Total	398,194	72,816	60,605	18,929	550,544	(529)	550,015
Segment income (loss)	84,043	3,576	(4,915)	(415)	82,289	(20,221)	62,068

Notes:

1. The deduction of ¥20,221 million listed as an adjustment to segment income (loss) includes corporate expenses of ¥20,221 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the Corporate Center (management departments such as the Administrative Department) and Research & Development Center of the parent company.
2. Segment income (loss) is adjusted to agree with operating income on quarterly consolidated statements of income.

2. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Significant gain on negative goodwill)

No items to report

II. Nine months of the fiscal year ending March 31, 2016 (from April 1, 2015 to December 31, 2015)

1. Information regarding net sales and income/loss by reportable segment

(Millions of yen)

	Reportable Segment					Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Medical Systems	Scientific Solutions	Imaging Systems	Others	Total		
Sales							
Sales to outside customers	445,224	73,519	61,993	11,805	592,541	–	592,541
Internal sales or transfer among segments	0	38	10	279	327	(327)	–
Total	445,224	73,557	62,003	12,084	592,868	(327)	592,541
Segment income (loss)	98,631	5,569	99	(4,832)	99,467	(25,794)	73,673

Notes:

1. The deduction of ¥25,794 million listed as an adjustment to segment income (loss) includes corporate expenses of ¥25,794 million not allocated to any reportable segment. These corporate expenses mostly consisted of expenses related to the Corporate Group (management departments such as the Administrative Department) and R&D Group of the parent company.
2. Segment income (loss) is adjusted to agree with operating income on quarterly consolidated statements of income.

2. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Significant gain on negative goodwill)

No items to report

3. Matters concerning change in reportable segments

(Change in Method of Depreciation of Property, Plant and Equipment)

As noted under “Changes in Accounting Policies,” with respect to the change in the method of depreciation of property, plant and equipment, whereas the Company and its consolidated subsidiaries in Japan have previously used the declining balance method, from the first quarter ended June 30, 2015, the method has been changed to the straight-line method.

In accordance with this change, compared to the results under the previous method, segment income for the nine months ended December 31, 2015 increased by ¥974 million in the Medical Systems Business, ¥164 million in the Scientific Solutions Business, and ¥402 million in the Imaging Systems Business, respectively, while segment loss in the Others decreased by ¥745 million.

(Change in Classification of Reportable Segments)

From the first quarter ended June 30, 2015, in conjunction with changes in the Company’s organization, a new business previously classified under the Imaging Systems Business (a new cross-functional business field aiming for a combination of medical systems and scientific solutions based on the optical technology, electronic and imaging technology, network technology and manufacturing technology accumulated in the Imaging Systems Business, and growth in this form) has been changed to “Others.” Moreover, segment information for the nine months of the fiscal year ended March 31, 2015 has been stated to reflect the segment classification after this change.