

Konica Minolta, Inc.

3<sup>rd</sup> Quarter/FY2016 ending in March 2017

## Consolidated Financial Results – Earnings –

Three months: October 1, 2016 – December 31, 2016

Nine months: April 1, 2016 – December 31, 2016

– Announced on January 31, 2017 –

– Earnings –

Seiji Hatano  
Senior Executive Officer  
Chief Financial Officer  
Konica Minolta, Inc.

– Measurement –

Shoei Yamana  
President and CEO  
Konica Minolta, Inc.

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3<sup>rd</sup> Quarter/FY2016 ending in March 2017  
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# FY2016 3Q Overview



KONICA MINOLTA

		[¥ billions]												
		1Q	2Q	3Q	YoY				9 month Total	YoY				
							w/o FOREX					w/o FOREX		
Konica Minolta	Revenue	229.1	232.8	237.7	- 17.4	- 7%	+ 7.5	+ 3%	699.6	- 62.7	- 8%	+ 21.6	+ 3%	
	BCP	9.1	10.7	8.7	- 5.6	- 39%	+ 0.5	+ 4%	28.5	- 15.7	- 36%	+ 1.5	+ 3%	
	OP	8.9	9.6	15.9	+ 2.5	+ 19%	+ 8.6	+ 65%	34.5	- 7.1	- 17%	+ 10.2	+ 24%	
	Profit*	6.4	6.9	11.7	+ 2.5	+ 27%	-	-	24.9	- 1.6	- 6%	+ 0.0	-	
Business Technologies	Revenue	186.3	184.3	191.6	- 15.3	- 7%	+ 7.3	+ 4%	562.2	- 53.9	- 9%	+ 22.5	+ 4%	
	BCP	13.2	13.4	12.0	- 4.6	- 28%	+ 1.1	+ 7%	38.6	- 10.5	- 21%	+ 5.2	+ 11%	
	OP	13.3	12.8	12.0	- 4.6	- 28%	+ 1.1	+ 7%	38.1	- 12.8	- 25%	+ 3.0	+ 6%	
Forex	US\$	¥ 108	¥ 102	¥ 109	¥ -12	- 10%	-	-	¥ 107	¥ -15	- 12%	-	-	
	euro	¥ 122	¥ 114	¥ 118	¥ -15	- 11%	-	-	¥ 118	¥ -16	- 12%	-	-	

- In spite of lower revenue and profit due to yen appreciation, recognized increased revenue and profit in 3Q and the 9-month without FOREX impact.

Revenue increased if FOREX is excluded due to increased sales of mainstay products in Business Technology Business and Healthcare Business.

Profit\* posted ¥7.8 billion in patent-related income due to the implementation of management measures aimed at maximizing the value of intellectual property.

Revenue effectively increased in both 3Q and the 9-month cumulative period w/o FOREX and patent-related income.

- Business Technology Business saw increased revenue and profit if FOREX is excluded, through hybrid-type sales and the shift to color mid- and high-speed models.
- Industrial Business secured increased profit by posting patent-related income, in spite of reduced revenue due to a fall in sales of mainstay products.

\* Profit: Profit attributable to owners of the company,

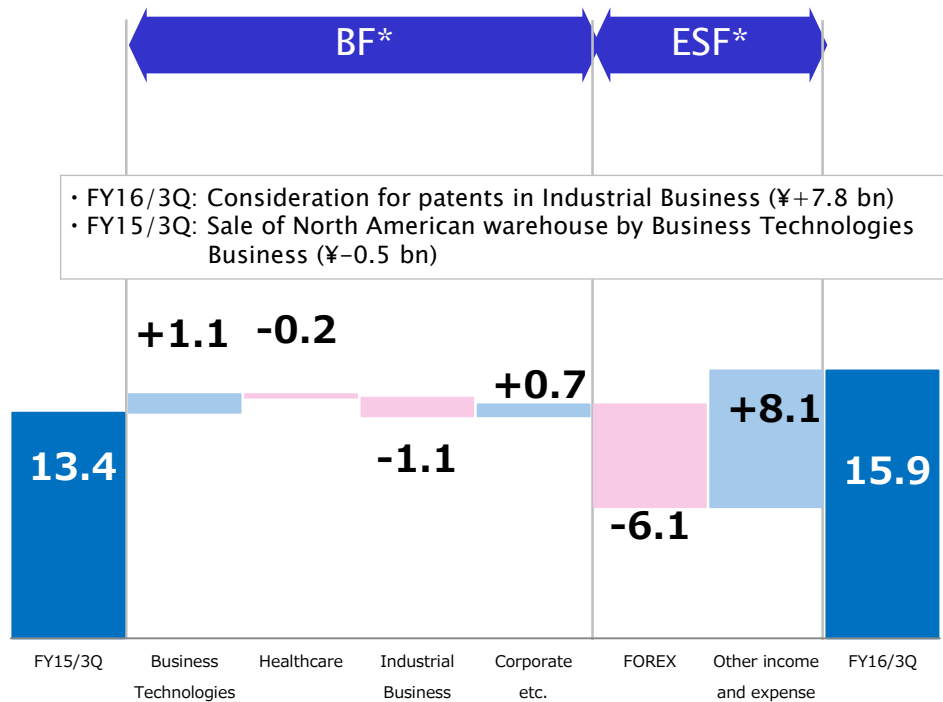
BCP: Operating profit excluding Other Income/Expense, OP: Operating profit.

# FY2016 3Q / 9months Operating Profit Analysis

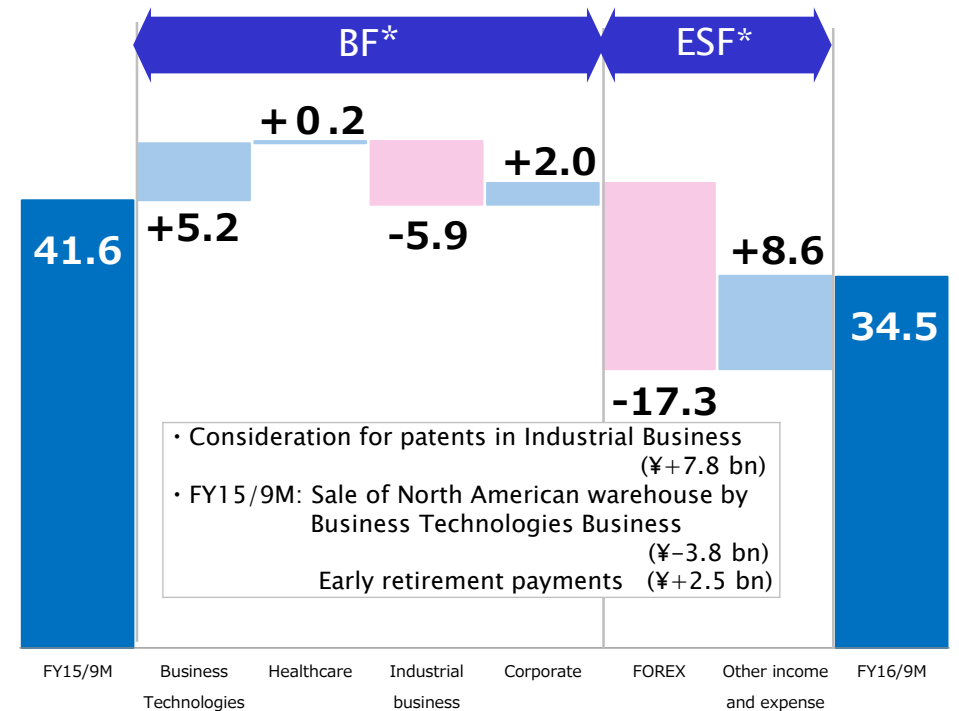
YoY w/o Forex Impact and Other Income/Expense		1 Q	2 Q	3 Q	9 month Total
Group	Revenue	2 %	4 %	3 %	3 %
	Operating Profit	- 0 %	5 %	4 %	4 %
Business Technologies	Revenue	3 %	4 %	4 %	4 %
	Operating Profit	17 %	9 %	7 %	10 %

[¥ billions]

3 month



9 month



\* BF: Business Factors, OP: Operating profit, ESF: External and Special Factors

# FY2016 3Q Financial Results – Segment



[¥ billions]

Revenue	9M		YoY	3Q		YoY
	Mar 2017	Mar 2016		Mar 2017	Mar 2016	
Business Technologies	562.2	616.1	- 9%	191.6	206.9	- 7%
Office Services	407.3	450.6	- 10%	138.5	150.5	- 8%
Commercial/Industrial print	155.0	165.5	- 6%	53.1	56.4	- 6%
Healthcare	63.4	62.2	+ 2%	22.0	22.0	- 0%
Industrial Business	65.5	81.7	- 20%	21.4	25.5	- 16%
Industrial Optical Systems	33.5	39.9	- 16%	10.7	12.8	- 17%
Performance Materials	32.0	41.8	- 23%	10.7	12.6	- 16%
Others	8.5	2.3	-	2.8	0.8	-
<b>Group Overall</b>	<b>699.6</b>	<b>762.3</b>	<b>- 8%</b>	<b>237.7</b>	<b>255.1</b>	<b>- 7%</b>

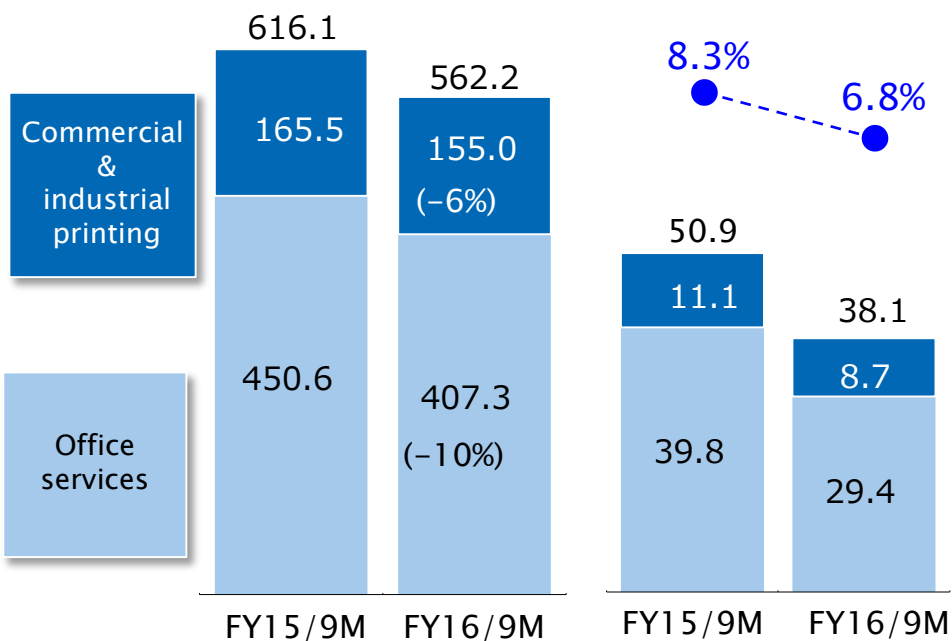
Operating Profit	9M		YoY	3Q		YoY
	Mar 2017	Mar 2016		Mar 2017	Mar 2016	
Business Technologies	38.1	50.9	- 25%	12.0	16.5	- 28%
Office Services	29.4	39.8	- 26%	9.0	12.3	- 27%
Commercial/Industrial print	8.7	11.1	- 21%	2.9	4.2	- 30%
Healthcare	1.5	2.3	- 34%	0.3	0.8	- 67%
Industrial Business	14.4	13.3	+ 9%	9.7	2.8	+ 244%
Others	-19.6	-24.9	-	-6.0	-6.8	-
<b>Group Overall</b>	<b>34.5</b>	<b>41.6</b>	<b>- 17%</b>	<b>15.9</b>	<b>13.4</b>	<b>+ 19%</b>

# Business Technologies Business 9 months Overview

- ▣ **Revenue :**    ¥562.2bn 9% down (FOREX Impact: ¥-76.4bn, +4% w/o FOREX)
  - Excluding FOREX, revenues rose due to higher sales of top-of-the-line color PP and A3 mid-to high-speed color models.
- ▣ **Operating Profit:** ¥38.1bn 25% down (FOREX Impact: ¥-15.8bn, +6% w/o FOREX)
  - Product mix improved due to rising sales of high-end color models, leading to higher profit before FOREX effects.

## Revenue/Operating Profit

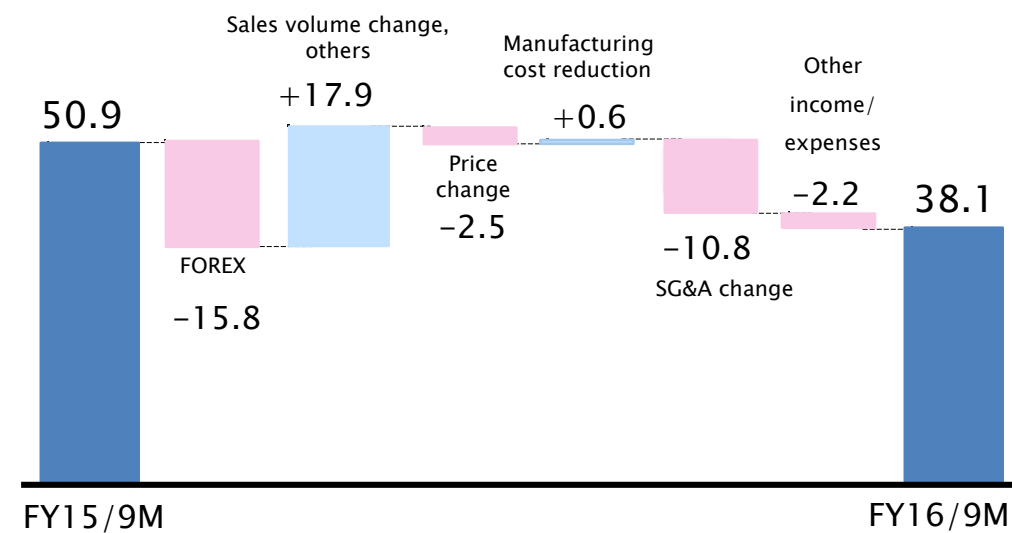
Left: Revenue Right: Operating Profit ●: OP Ratio [¥ billions]



## Operating Profit Analysis

[¥ billions]

\*Includes ¥1.7 billion in SG&A expenses from newly consolidated companies



# Business Technologies Business: 3Q Office Services Performance



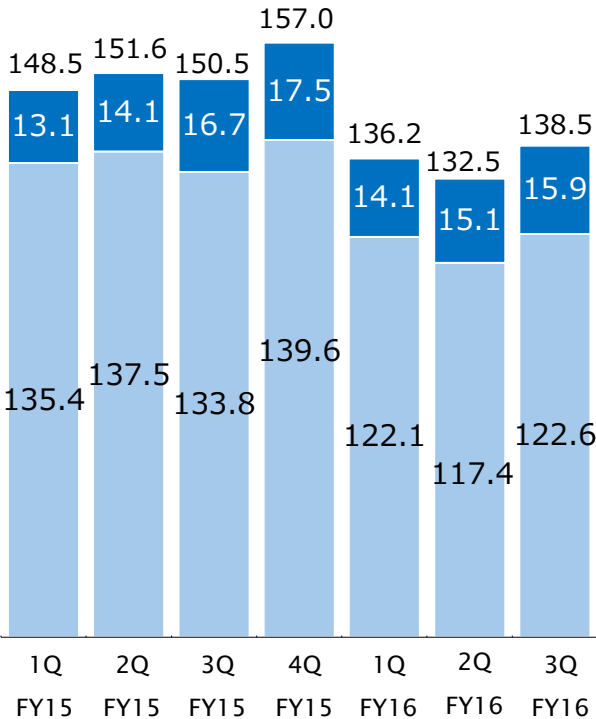
- Revenue: ¥138.5bn 8 % down (FOREX Impact: ¥-15.7bn, +2% w/o FOREX)
- Operating Profit: ¥9.0bn 27% down (FOREX Impact: ¥-4.1bn, +7% w/o FOREX)
  - Strong sales in A3 color segment 4\* and higher due to hybrid-type sales. Higher revenue and higher profit, excluding FOREX.

Quarterly Revenue Transition

Revenue

3Q Summary

【¥ billions】



IT service solutions

¥15.9bn

YoY -5%  
w/o FOREX +6%

- ✓ Won major deals in the US by expanding content management services.

Office Products

¥122.6bn

YoY -8%  
w/o FOREX +2%

- ✓ Sales shift in A3 color models to segment 4 and higher is accelerating.
- ✓ Won long-term seven-year contract with German pharmaceutical company with global presence.
- ✓ Won new business from major Chinese mobile communication carrier.

OPS ¥22.6bn

YoY -2%

GMA ¥7.3bn

YoY -6%

\*Seg4: MFP printing A4 45~69 page per minutes

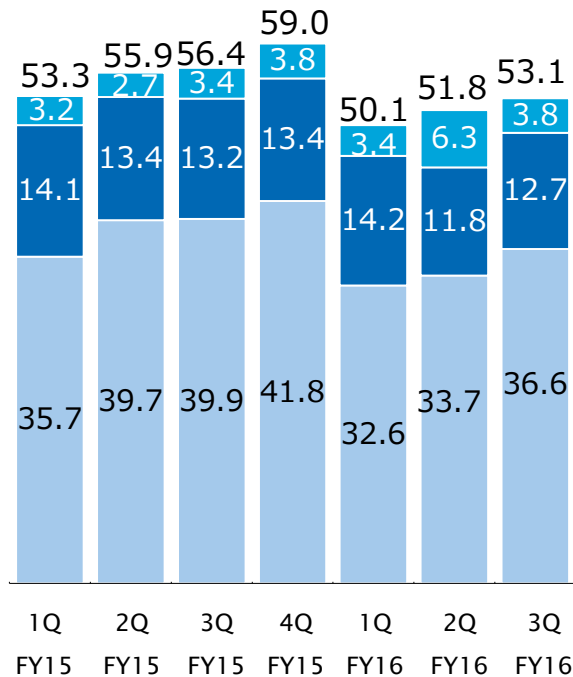
\*Seg5: MFP printing A4 70~90 page per minutes

# Business Technologies Business: 3Q Commercial and Industrial Printing

- Revenue: ¥53.1 bn 6% down (FOREX Impact: ¥-6.9bn, +6% YoY w/o FOREX)
- Operating Profit: ¥2.9bn 30% down (FOREX Impact: ¥-1.6bn, +7% YoY w/o FOREX)
  - Strong sales of top-of-the-line color as well as B&W models. Both revenue and profit were effectively higher, excluding FOREX.

Quarterly Revenue Transition

[¥ billions]



Revenue

Industrial print / Inkjet

¥3.8bn

YoY +13%  
w/o FOREX +24%

MPM/ Print Services

¥12.7bn

YoY -4%  
w/o FOREX +12%

Production Print

¥36.6bn

YoY -8%  
w/o FOREX +3%

3Q Summary

- ✓ The “Nassenger SP-1” textile printer won orders in France and Turkey, contributing to higher revenue.
- ✓ Began rolling out the “KM-1” digital inkjet press to customers.
- ✓ Higher revenue on a local currency basis due to solid service provision in European continent.
- ✓ Sales of the top-of-the-line color “bizhub PRESS C1100” rose, mostly in North America and China.
- ✓ The “bizhub Pro1100” has won major orders from educational organizations in the US and from an agency of the Mexican government.

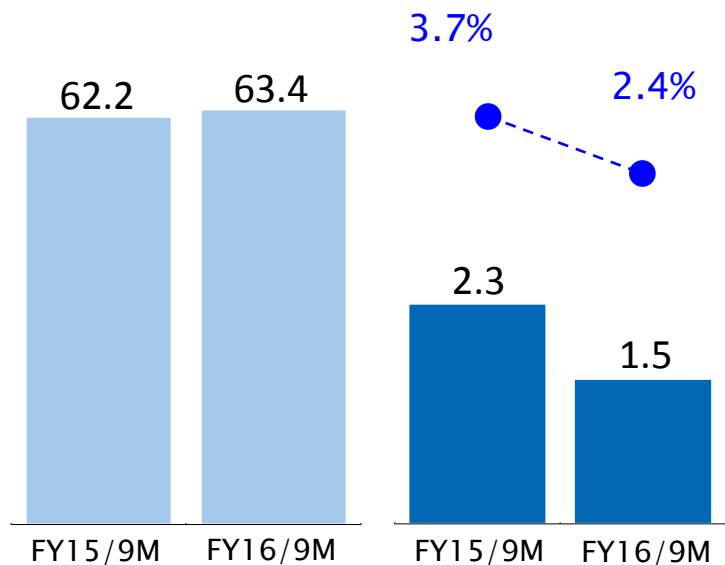


# Healthcare Business 9 months Overview

- Revenue: ¥63.4bn 2% down (FOREX Impact: ¥-4.7bn, +9% w/o FOREX)
- Operating Profit: ¥1.5bn 34% down (FOREX Impact: ¥-1.6bn, +35% w/o FOREX)
- Sales of DR and diagnostic ultrasound systems were strong, and revenue rose due to the contribution from the acquisition in the previous year of Viztek, operating in the US primary care market.

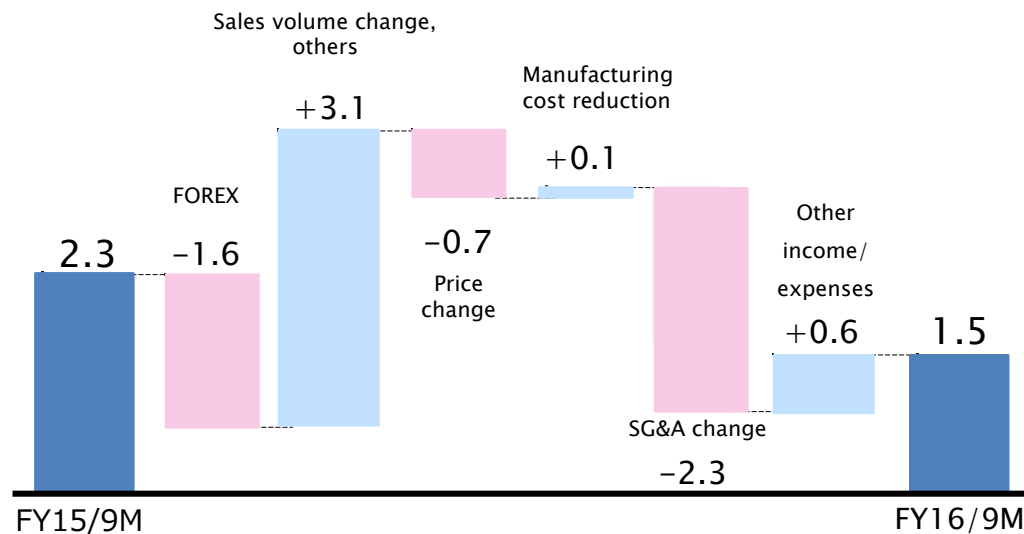
## Revenue/Operating Profit

Left: Revenue Right: Operating Profit ●: OP Ratio [¥ billions]



## Operating Profit Analysis

[¥ billions]



# Healthcare Business 3Q Performance

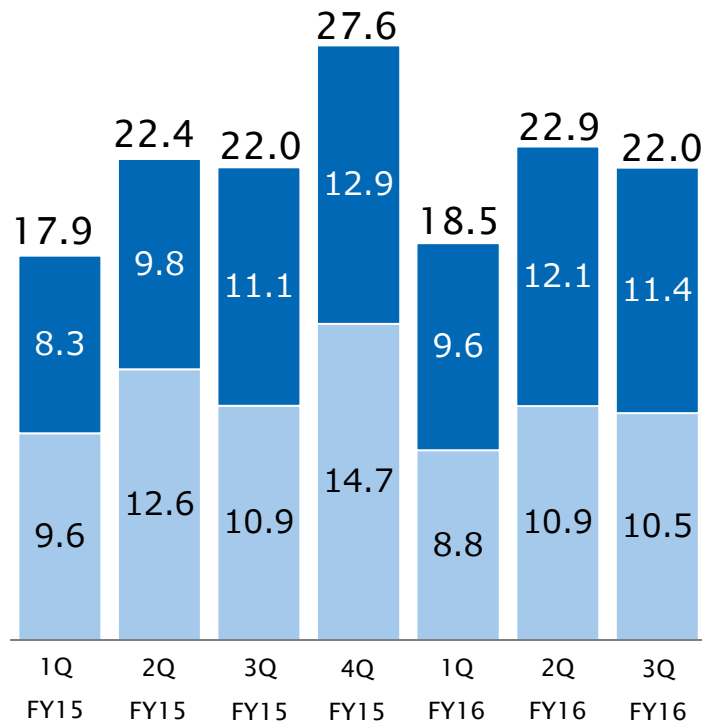
- Revenue: ¥22.0bn 0% down (FOREX Impact: ¥-1.4bn, +6% w/o FOREX)
- Operating Profit: ¥0.3bn 67% down (FOREX Impact: ¥-0.5bn, -6% w/o FOREX)

Quarterly Revenue Transition

Revenue

3Q Summary

【¥ billions】



Digital

¥11.4bn  
YoY +3%

Analog / Others

¥10.5bn  
YoY -3%

- ✓ Launched new DR products in Japan and the US. Sales in Japan. Sales increased in the US, and China. In the US, sales increased sharply due to collaborations with other companies.
- ✓ Began sales of diagnostic ultrasound systems in China, while sales in Japan continued to be favorable. New version with a high-resolution probe introduced.
- ✓ In Medical IT, the network service business grew. In PACS, we launched new high-end models aimed at hospitals.
- ✓ CR was hit by amendments to the payment system for medical services in the US, and sales volumes declined.

- ✓ Due to the ongoing shift towards digital products, analog (primarily film) posted lower revenue.

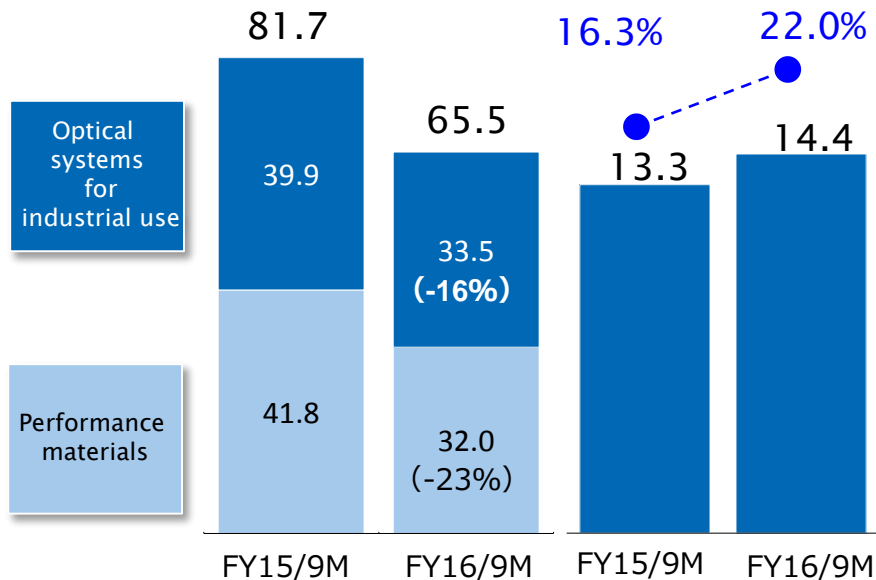
\* Digital: X-ray systems (DR, CR), ultrasound diagnostic imaging systems, medical IT service, etc.  
Analog and others: Film, imager, local procurements, etc.

# Industrial Business 9 months Overview

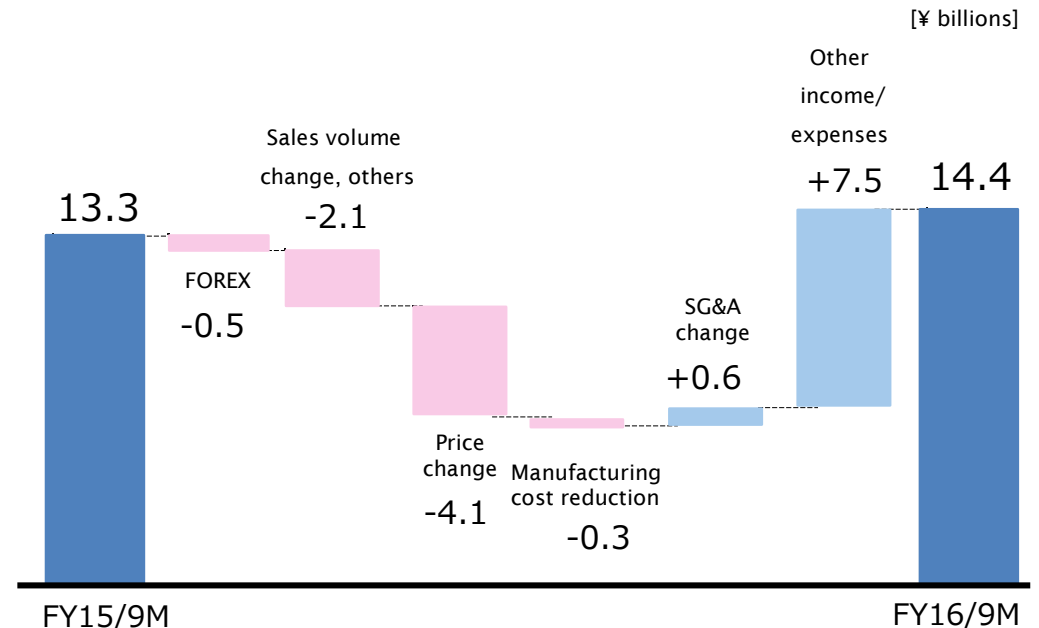
- ▣ **Revenue: ¥65.5bn 20% down (FOREX Impact: ¥-3.2bn, -16% w/o FOREX)**
  - In optical systems for industrial use, lenses for industrial and professional use were hit by contracting demand, while a major deal in measuring instruments was postponed into 4Q or beyond.
  - In performance materials, the trend towards reduced revenue continued, due to concentration on high value-added products, as TAC film experienced pressure on prices.
- ▣ **Operating Profit: ¥14.4bn 9% up (FOREX Impact: ¥-0.5bn, +12% w/o FOREX)**
  - Despite falling sales volumes and declining prices in both fields, these were offset by patent-related income and profits rose.

Revenue/Operating Profit

Left: Revenue Right: Operating Profit ● : OP Ratio [¥ billions]



Operating Profit Analysis

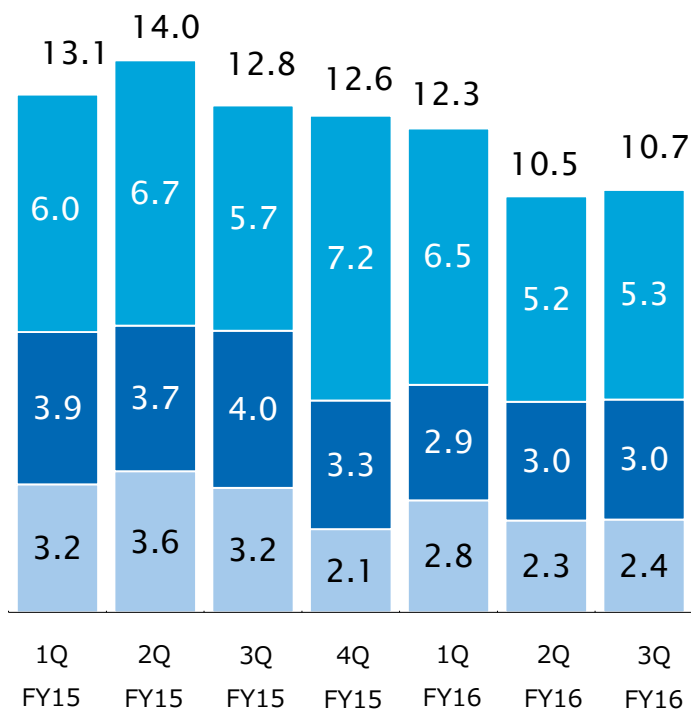


# Industrial Business: 3Q Optical Systems for Industrial Use

□ Revenue : ¥10.7bn 17% down (FOREX Impact: ¥-1.0bn, -9% w/o FOREX)

Quarterly Revenue Transition

【¥ billions】



Measuring Instruments

¥5.3bn

YoY -7%

- ✓ Sales of display measurement equipment were strong.
- ✓ Major deal postponed to 4Q or next fiscal year.

Industrial & Professional lenses

¥3.0bn

YoY -24%

- ✓ Lower revenue due to slowing demand in end-product markets.

Others

¥2.4bn

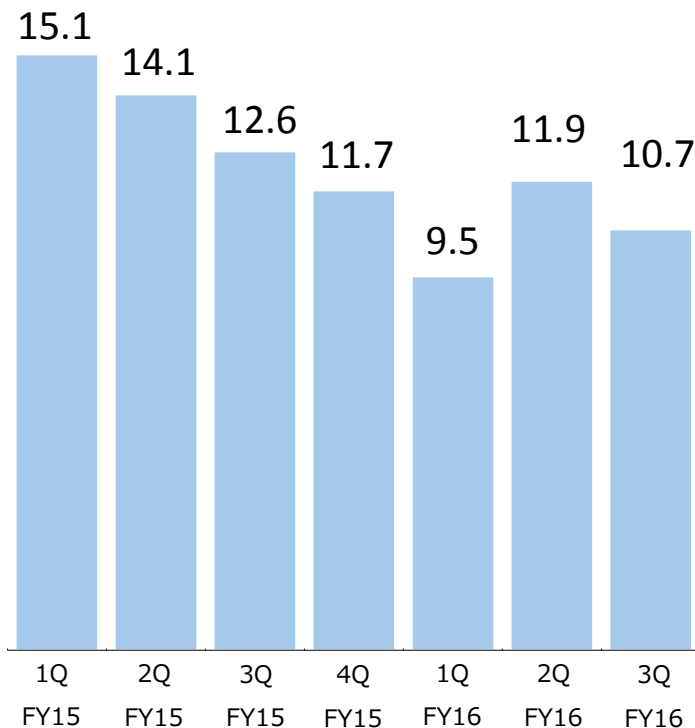
YoY -25%

- ✓ Declining revenue caused by decline of compact camera market.

□ Revenue :        ¥10.7bn    16% down (FOREX Impact: ¥-0.0bn)

## Quarterly Revenue Transition

[¥ billions]



## 3Q Summary

- For FPD
  - Large size
  - Small & medium size
- Other
  - Window film
  - Barrier film
  - Precision Photo Plate
  - Raw material

- ✓ Amid intensifying price pressure, focused on high value-added products which led to revenue falling below previous-year levels.
- ✓ For large LCD TVs, ZeroTAC for IPS panels and new VA-TAC film maintained the robust tone of 2Q.
- ✓ Ultra-thin TAC film for small and medium-sized panels started to grow since 2Q.

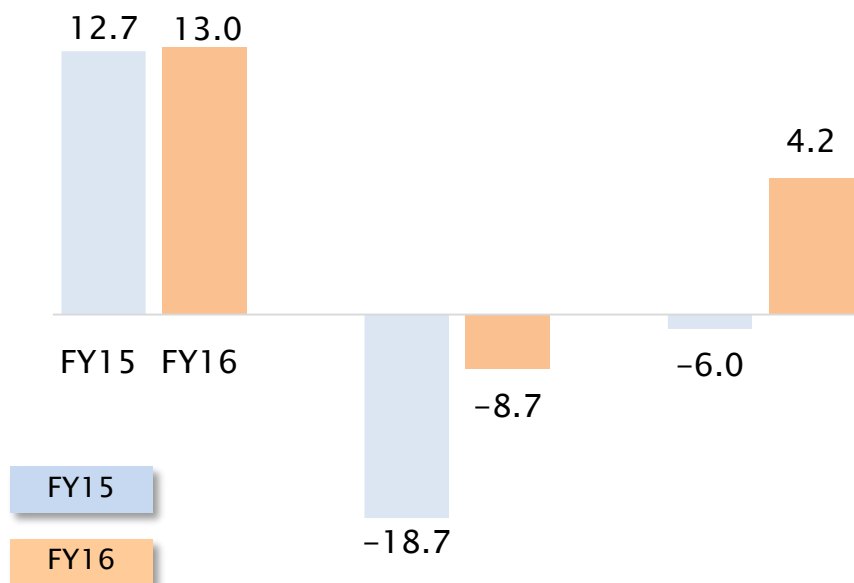
The trend toward improvement in free cash flow (FCF) continued

In addition to increased operating CF from improvements in working capital, FCF improved to ¥10.2 billion (3Q)/36.7 billion (9 month), due to reduced investment.

## 3Q Comparison between FY15 and FY16

【¥ billions】

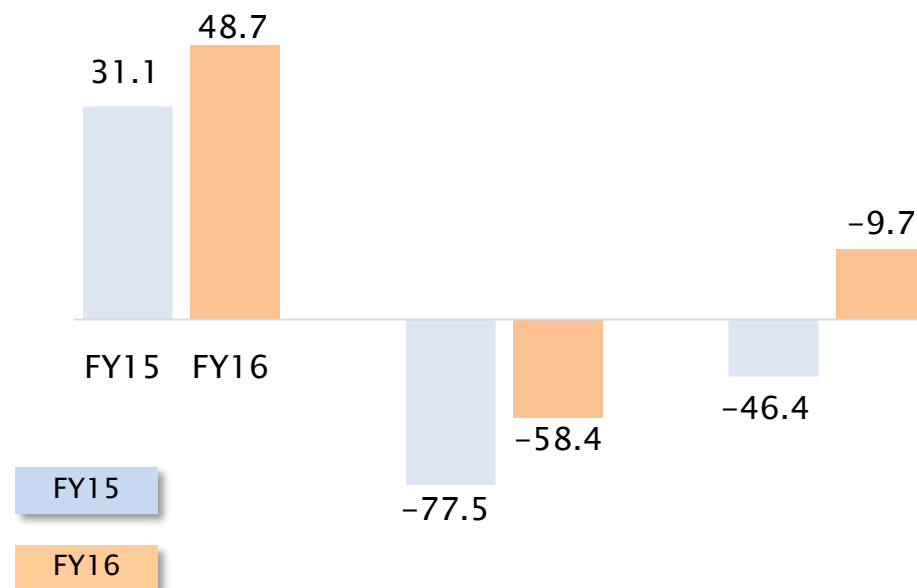
Net cash flows from investing activities      Net cash from operating activities      FCF



## 9M Comparison between FY15 and FY16

【¥ billions】

Net cash flows from investing activities      Net cash from operating activities      FCF



# FY2016 Earnings Forecast

[¥ billions]

	FY2016 Earnings Forecast	FY2015 Earning Result	Difference
Revenue	1,030.0	1,031.7	- 0 %
Operating Profit	55.0	60.1	- 8 %
Profit	36.0	32.0	+ 13 %
Forex	US\$ ¥ 110.00	¥ 120.14	-
	euro ¥ 115.00	¥ 132.58	-

- Exchange rate assumptions: US\$: ¥110 and euro: ¥115
- Earnings Forecast: Maintain previous earning forecast.  
Focus on achieving +13% Profit YoY
- Dividend forecast: Unchanged at ¥30 per share annually, with ¥15 at both interim and period-end.

## Business Technologies

- **Steadily contribute to profit for both office and PP by major projects for which agreements have already been concluded.**
- Further reduce production and procurement costs.
- Reduce service and administration costs.

## Office Service

- **Ensure application of hybrid sales and the value-added approach**
- Reap the benefits of pricing management.
- Increase print volume with A3 color mid- and high-speed models (Seg4/5).

## Commercial/ Industrial Printing

- **Priority sales of color PP models, “C1100” and a new model, “C2070.”.**
- Expand customer development for MGI products (JETvarnish series).



## Healthcare

- **Maximize business operating profit during periods of peak demand, based on our 3 digital pillars (DR, ultrasound imaging, and medical IT)**
- DR: Strengthen alliances with partners and expand sales of new products.
- Ultrasound diagnostic imaging systems: In Japan, expand area from orthopedics to internal medicine. Increase overseas sales, focusing on the US and China.
- Medical ITS :Viztek solution products for the primary care surely contributed to the profit.

## Measuring Instruments

- **Ensure delivery of projects, and contributions to operating profit.**
- Ensure realization of projects that are underway at Instrument Systems and Radiant.

## Performance Materials

- **Expand sales of the strategic products, optical ultra-thin film, QWP, new VA-TAC, and ZeroTAC for IPS.**
- Secure product supply capacity for sales expansion, also leveraging external resources.

Konica Minolta, Inc.

3<sup>rd</sup> Quarter/FY2016 ending in March 2017

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# Intellectual Property Value Maximized through Signing of Patent Licensing Agreement

# Intellectual Property Value Maximized through Signing of Patent Licensing Agreement

## Overview

- Konica Minolta has signed a patent licensing agreement concerning its micro lens for mobile devices sector (December 31, 2016).
- In compensation, 7.8 billion yen in patent-related income was posted in the third quarter.

## Background

- Konica Minolta has downsized its optical business for digital appliances, whose end-product market exhibits wide fluctuations in demand and prices, and moved forward with a shift toward the industrial and professional market for large projectors, etc.
- The decision to downsize the lens units for mobile devices business was made in 2014, and some production-related assets have been sold to an external enterprise.

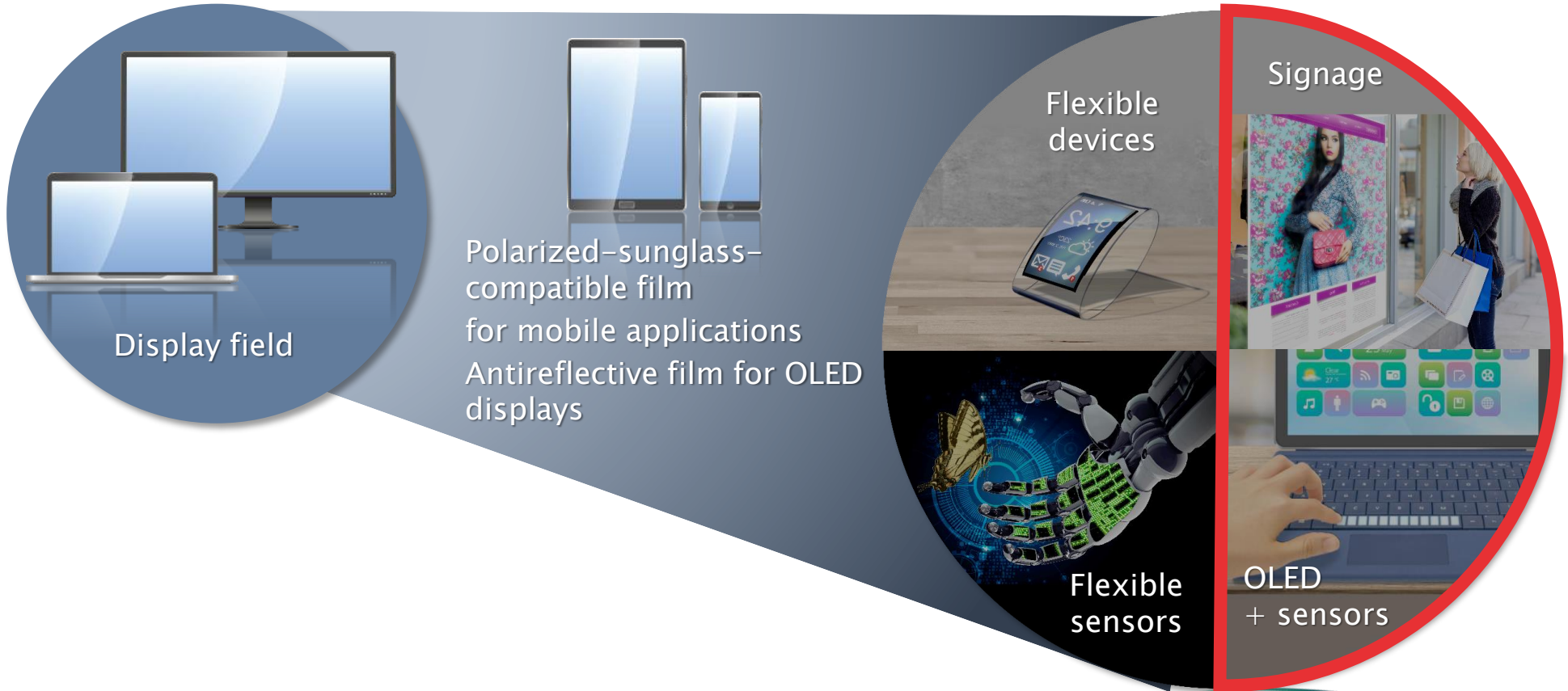
## Goals

- This management measure is aimed at maximizing the value of Konica Minolta's intellectual property and contributing to profit as the lens units for mobile devices business is downsized.
- Konica Minolta's patents will be applied to business expansion in the optical systems for industrial use field, such as automotive applications.

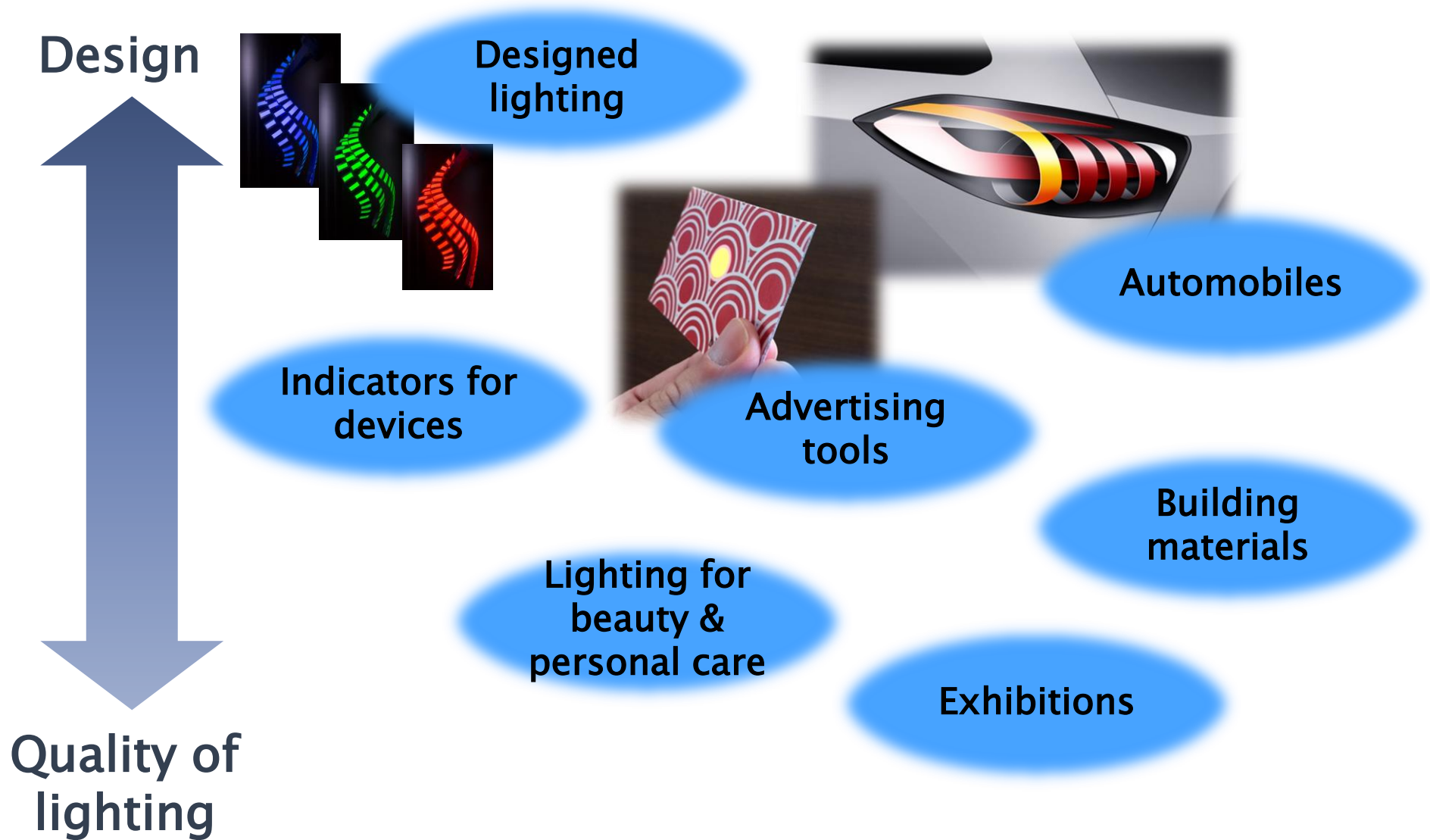
# Strengthening OLED lighting business

# Konica Minolta's Business Initiatives in the High-Performance Film and OLED Fields

## High-performance films for the mobile device & IoT fields



**Creation of a new market capitalizing on the strengths of OLED lighting**



Acceleration of business development for emerging automotive lighting market

Expansion of new applications capitalizing on the strengths of OLED lighting

**Consolidation of strength  
through the alliance**



## **Konica Minolta**

Roll-to-roll manufacturing  
equipment and mass-production  
capabilities for flexible OLED panels



## **Pioneer**

OLED panel mass-production,  
market introduction/track record  
and established expertise in  
car electronics OEM business



# Overview of Joint Venture

## Overview

Pioneer Cooperation and Konica Minolta, Inc. have signed an agreement to form a joint venture company integrating the functions of planning, development, and sales for an OLED lighting business.

## Company name

KONICA MINOLTA PIONEER OLED, INC.

## Location

1-1-1 Hamamatsucho Building, Minato-ku,  
Tokyo

## Establishment

May 2017 (tentative)

## Capital

490 million yen

## Equity stake

Konica Minolta (50% stake)  
Pioneer (50% stake)

## Konica Minolta

Light, thin, and flexible OLED technology

Top-class mass-production facility (Kofu Site)

Comprehensive strength as a problem-solving digital company

Strengths

Achievements

## Pioneer

Business achievement in the automobile market

Commercialized the world's first OLED display

Accomplishments in OLED (incl. OLED for car) mass production over 20 years



Flexible OLEDs



Konica Minolta Kofu Site



Tail lamps for automobiles

# Major Business Targets

**Automotive  
use**



Market size forecast

¥50 bill. (2025)

**Advertising  
tools**



Market size forecast

※ High grade greeting card market

¥50 bill. (2025)

**Beauty care**



## Expansion of applications for OLED lighting

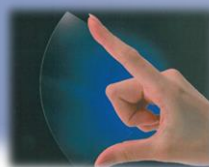


**Establishment of JV**

**Profitability in FY19**

**Mid- to long-term**

**Revenue over ¥25 bn**



Barrier film



Advertising tools/indicators



Signage



Automotive applications

Beauty care

OLED material for display products

## Business development for OLED materials and devices

# Appendix

# FY2016 3Q Financial Results Highlight - Overview

[¥ billions]

	9M Mar 2017	9M Mar 2016	YoY	3Q Mar 2017	3Q Mar 2016	YoY
Revenue	699.6	762.3	- 8%	237.7	255.1	- 7%
Gross Profit	339.1	366.9	- 8%	112.0	122.7	- 9%
Gross Profit ratio	48.5%	48.1%	-	47.1%	48.1%	-
Operating Profit	34.5	41.6	- 17%	15.9	13.4	+ 19%
Operating Profit ratio	4.9%	5.5%	-	6.7%	5.2%	-
Profit before tax	34.1	40.5	- 16%	16.6	13.2	+ 26%
Profit before tax ratio	4.9%	5.3%	-	7.0%	5.2%	-
Profit attributable to owners of the company	24.9	26.5	- 6%	11.7	9.2	+ 27%
Profit attributable to owners of the company ratio	3.6%	3.5%	-	4.9%	3.6%	-
EPS [Yen]	50.27	53.32		23.54	18.49	
CAPEX	27.5	35.2		10.1	13.1	
Depreciation and Amortization Expenses	39.1	37.5		13.6	12.5	
R&D expenses	53.5	56.8		17.3	18.7	
FCF	-9.7	-46.4		4.2	-6.0	
Investment and lending	36.4	51.6		0.0	8.9	
FOREX [Yen] USD	106.63	121.70	-15.07	109.30	121.50	-12.20
euro	118.02	134.36	-16.34	117.78	132.95	-15.17

# Operating Profit Analysis

[¥ billions]

FY2016/9M vs FY2015/9M		Business Technologies	Healthcare	Industrial Business	Total
<b>[Factors]</b>					
Forex impact		-15.8	-1.6	-0.5	-17.3
Price change		-2.5	-0.7	-4.1	-7.3
Sales volume change, and other, net		17.9	3.1	-2.1	23.1
Cost up/down		0.6	0.1	-0.3	0.5
SG&A change, net		-10.8	-2.3	0.6	-14.7
Other income and expense		-2.2	0.6	7.5	8.7
<b>[Operating Profit]</b>					
Change, YoY		-12.8	-0.8	1.2	-7.1
FY2016/3Q vs FY2015/3Q		Business Technologies	Healthcare	Industrial Business	Total
<b>[Factors]</b>					
Forex impact		-5.7	-0.5	-0.1	-6.1
Price change		-0.7	-0.2	-1.6	-2.5
Sales volume change, and other, net		2.8	0.3	0.1	4.5
Cost up/down		0.9	0.0	0.3	1.2
SG&A change, net		-1.9	-0.3	0.2	-2.7
Other income and expense		0.0	0.1	8.1	8.1
<b>[Operating Profit]</b>					
Change, YoY		-4.6	-0.5	6.9	2.5

# SG&A, Other Income/ Expenses • Finance Income/Loss

	[¥ billions]					
	9M Mar 2017	9M Mar 2016	YoY	3Q Mar 2017	3Q Mar 2016	YoY
<b>SG&amp;A:</b>						
Selling expenses - variable	34.8	36.8	-2.0	11.1	12.0	-0.9
R&D expenses	53.5	56.8	-3.3	17.3	18.7	-1.4
Personnel expenses	142.3	148.1	-5.8	47.5	50.3	-2.8
Other	80.0	81.0	-1.0	27.4	27.4	0.0
<b>SG&amp;A total</b>	<b>310.6</b>	<b>322.7</b>	<b>-12.1</b>	<b>103.4</b>	<b>108.5</b>	<b>-5.1</b>
	<i>* Forex impact: □26.8 bn. (Actual: □14.7bn.)</i>			<i>□7.8 bn. (Actual: □2.7bn.)</i>		
<b>Other income:</b>						
Gain on sales of property, plant and equipment	0.2	3.8	-3.7	0.0	0.5	-0.5
Patent-related income	7.8	-	7.8	7.8	-	7.8
Other income	2.6	2.2	0.4	0.8	0.5	0.3
<b>Other income total</b>	<b>10.5</b>	<b>6.0</b>	<b>4.5</b>	<b>8.6</b>	<b>1.0</b>	<b>7.6</b>
<b>Other expenses</b>						
Loss on sales of property, plant and equipment	0.6	1.2	-0.6	0.2	0.1	0.1
Special extra retirement payments	0.2	2.5	-2.4	0.2	0.0	0.2
Other expenses	3.7	4.9	-1.2	1.0	1.8	-0.7
<b>Other expenses total</b>	<b>4.5</b>	<b>8.6</b>	<b>-4.1</b>	<b>1.4</b>	<b>1.9</b>	<b>-0.5</b>
<b>Finance income/loss:</b>						
Interest income/Dividends received/Interest expense	-0.1	-0.1	0.0	0.0	0.0	0.0
Foreign exchange gain/loss (net)	0.1	-0.7	0.9	0.8	-0.2	1.0
Other	-0.2	-0.2	-0.0	-0.1	-0.0	-0.0
<b>Finance income/loss, net</b>	<b>-0.2</b>	<b>-1.1</b>	<b>0.9</b>	<b>0.8</b>	<b>-0.2</b>	<b>1.0</b>



# FY2016 Earnings Forecast- Overview

[¥ billions]

	Earnings Forecast		Results	
	Mar 2017		Mar 2016	YoY
Revenue	1,030.0		1,031.7	-0%
Operating Profit	55.0		60.1	-8%
	<i>Operating Profit ratio</i>	<i>5.3%</i>	<i>5.8%</i>	
Profit before tax	52.5		58.0	-10%
Profit attributable to owners of the company	36.0		32.0	+13%
	<i>Profit attributable to owners of the company ratio</i>	<i>3.5%</i>	<i>3.1%</i>	
EPS [Yen]	72.60		64.39	
ROE* (%)	7.2%		6.5%	
CAPEX	50.0		52.6	
Depreciation and Amortization Expenses	50.0		51.3	
R&D expenses	75.0		76.3	
FCF	39.0		-51.5	
Investment and loan	50.0		68.2	
*Purchase of tangible/intangible assets				
	FOREX [Yen] USD	110.00	120.14	
	euro	115.00	132.58	

# FY2016 Earnings Forecast – Segment



KONICA MINOLTA

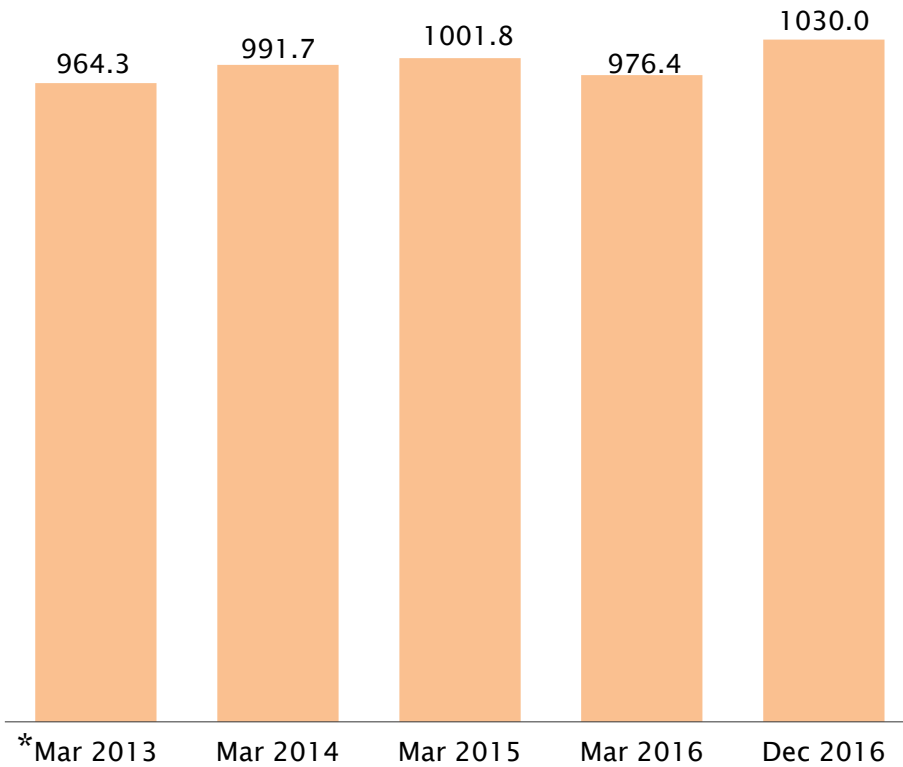
Revenue	Earnings Forecast		Results		YOY
	Mar 2017		Mar 2016		
Business Technologies	810.0		832.2		-3%
Office Services	575.0		607.6		-5%
Commercial/Industrial print	235.0		224.6		5%
Healthcare	100.0		89.9		11%
Industrial Business	115.0		106.0		8%
Industrial Optical Systems	58.0		52.5		10%
Performance Materials	57.0		53.5		7%
Others	5.0		3.7		-
<b>Group Overall</b>	<b>1,030.0</b>		<b>1,031.7</b>		<b>0%</b>

[¥ billions]

Operating Profit	Earnings Forecast		Results		YOY
	Mar 2017		Mar 2016		
Business Technologies	62.0	7.7%	70.2	8.4%	-12%
Office Services	44.5	7.7%	54.2	8.9%	-18%
Commercial/Industrial print	17.5	7.4%	16.0	7.1%	9%
Healthcare	5.0	5.0%	3.9	4.3%	28%
Industrial Business	17.0	14.8%	17.0	16.1%	0%
Others	-29.0		-31.1		-
<b>Group Overall</b>	<b>55.0</b>	<b>5.3%</b>	<b>60.1</b>	<b>5.8%</b>	<b>-8%</b>

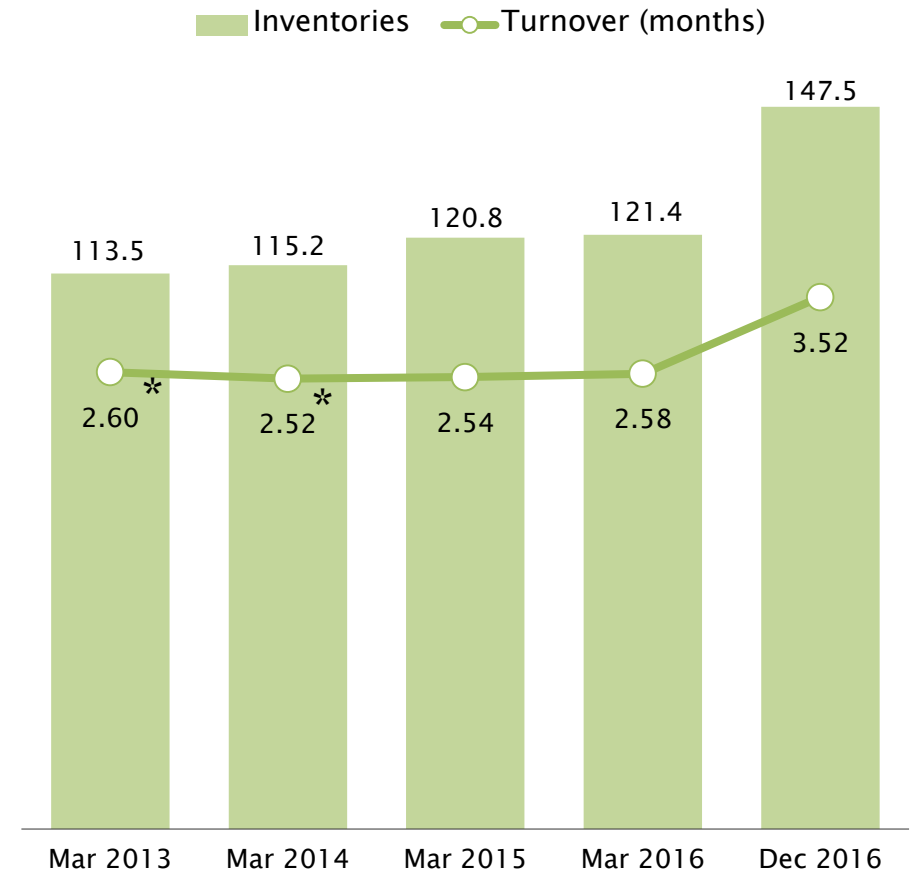
[¥ billions]

## Total Assets



[¥ billions]

## Inventories/Turnover

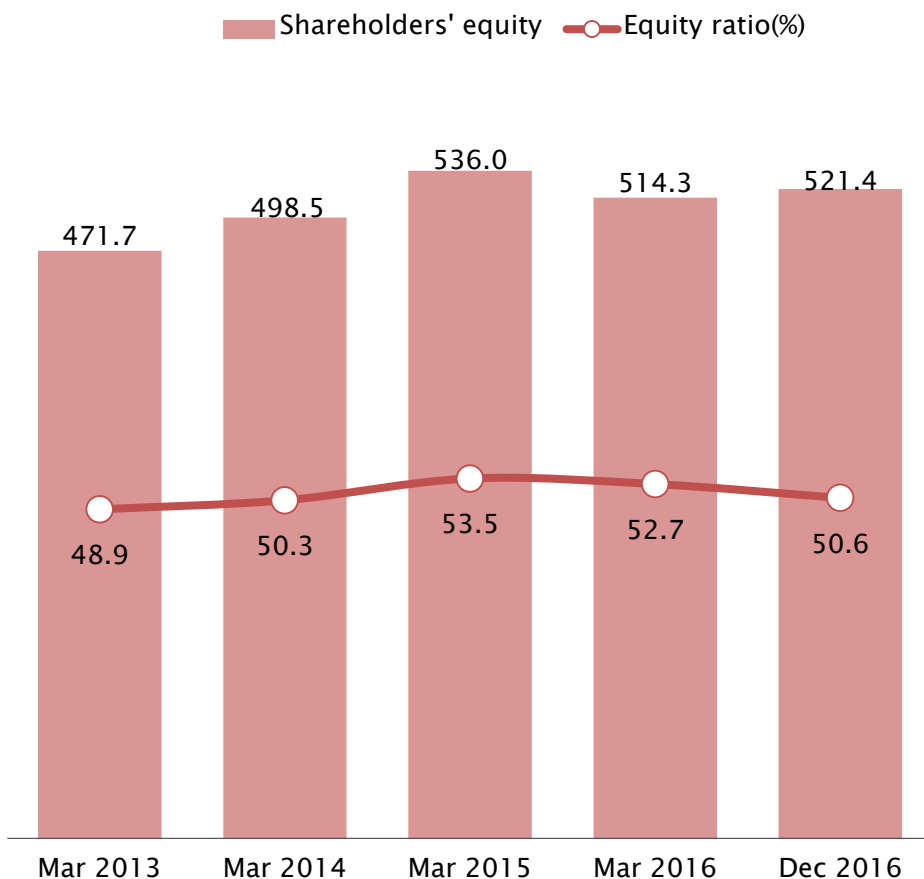


\*Mar 2013= 4/1 2013

\* Inventory turnover = Inventory balance at fiscal year end / Average cost of sales for most recent three months

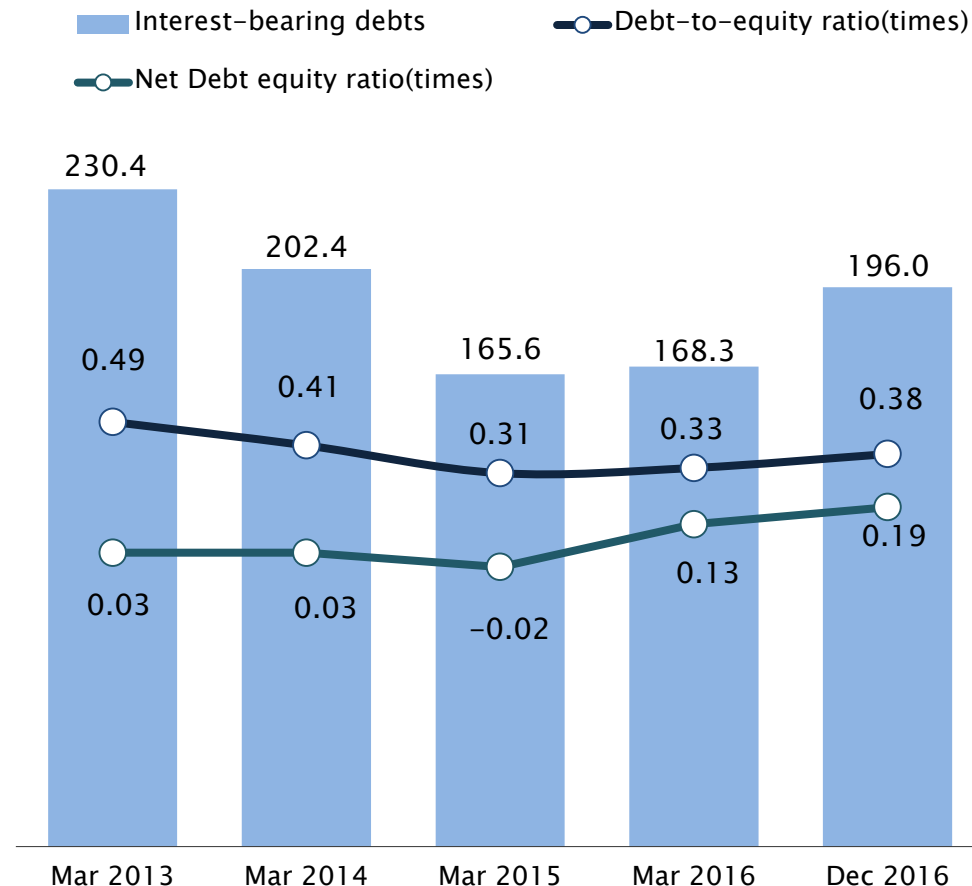
[¥ billions]

## Equity & Equity ratio attributable to owners of the parent company



[¥ billions]

## Interest-bearing liabilities & ratio of interest-bearing liabilities



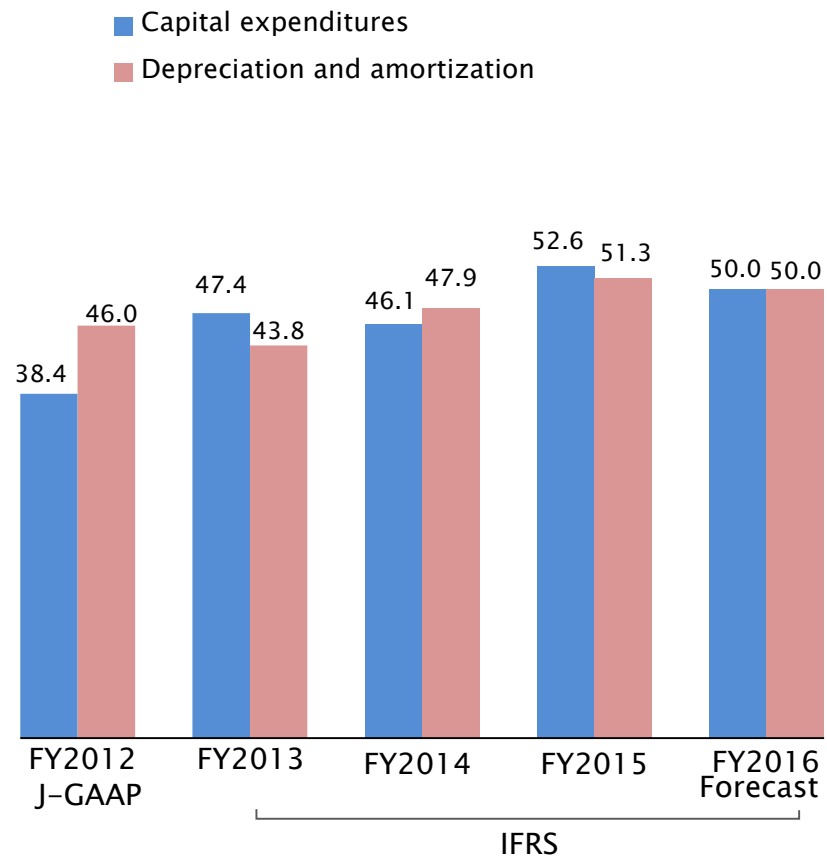
\*Mar 2013= 4/1 2013

\*Equity ratio attributable to owners of the company= Equity attributable to owners of the company /Total assets

# Outlook for Capital Expenditure and Depreciation and Amortization Expenses/ Free Cash Flows

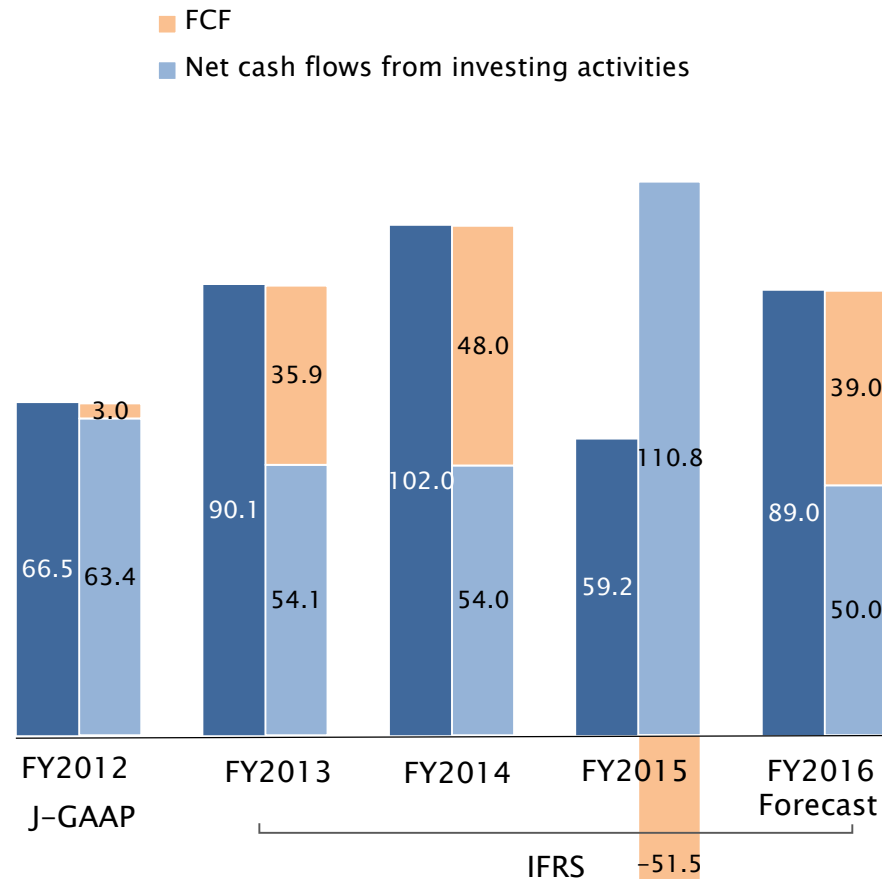
## Capital Expenditure and Depreciation and Amortization Expenses

[¥ billions]



## Free Cash Flows

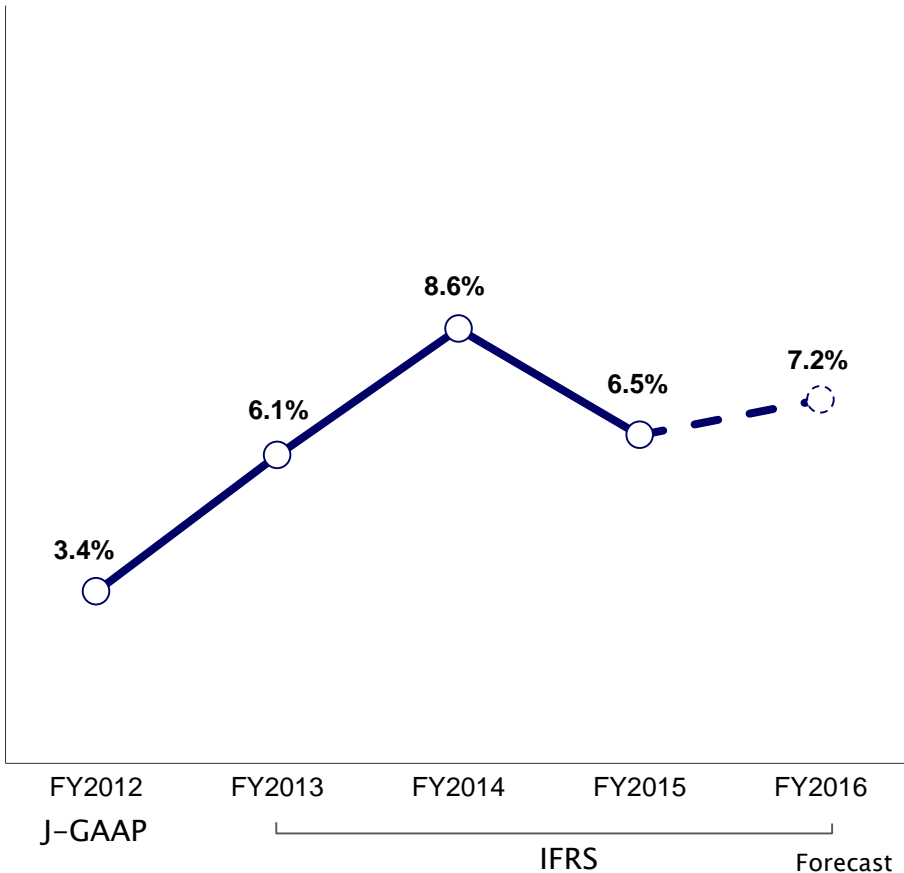
[¥ billions]



\*FCF forecast for Mar 2017 does not include investment and lending

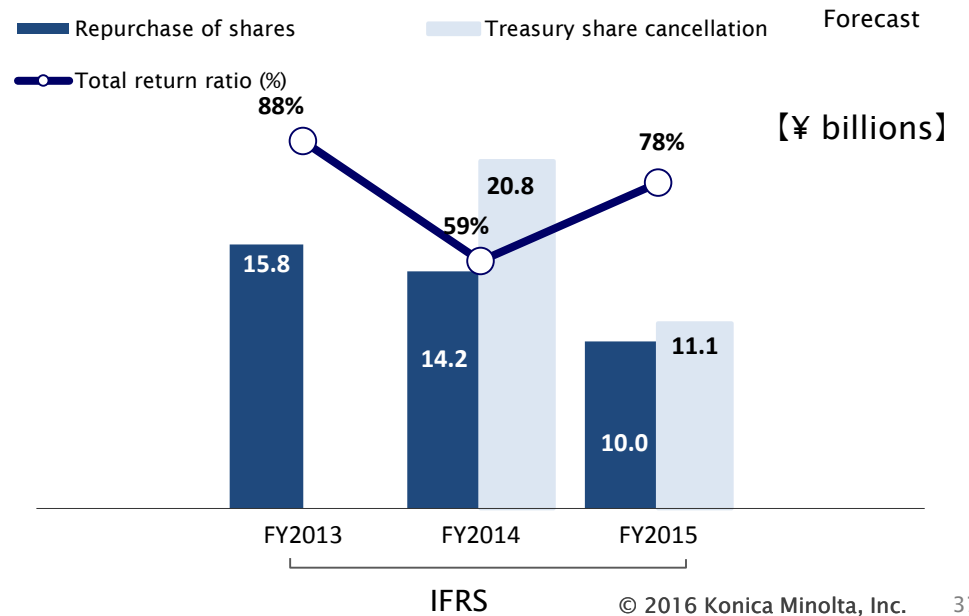
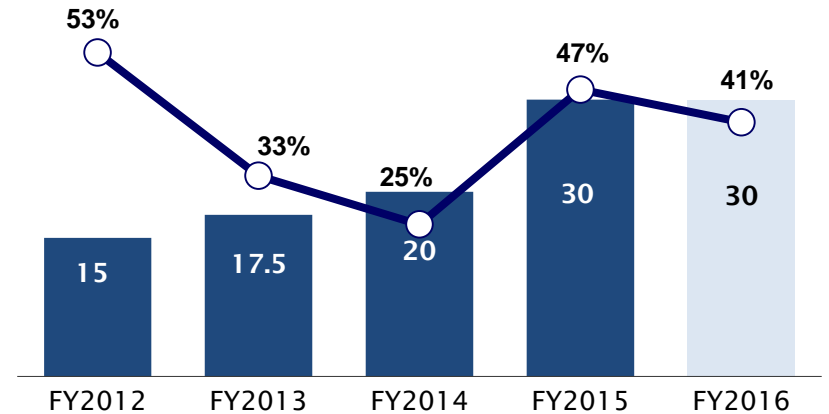
## ROE

ROE: profit for the year attributable to the owners of the company, divided by the average (using figures from start and end of year) of the sum of share capital, share premium, retained earnings and treasury shares



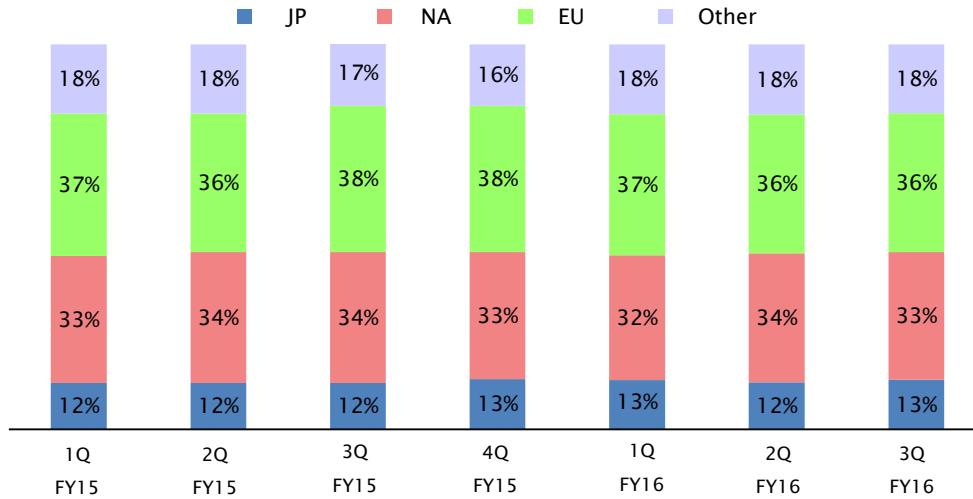
## Shareholder Returns

■ Dividends (per share)    ● Dividend payout ratio (%)  
 [per one share/Yen]

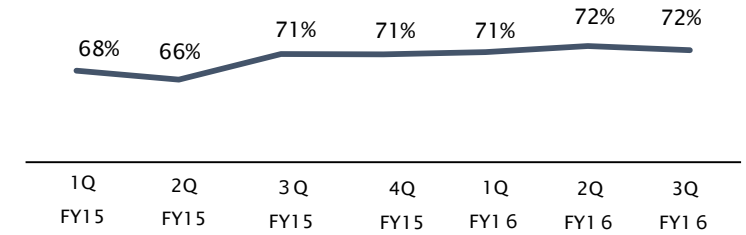


# Revenue Trend: Business Technologies

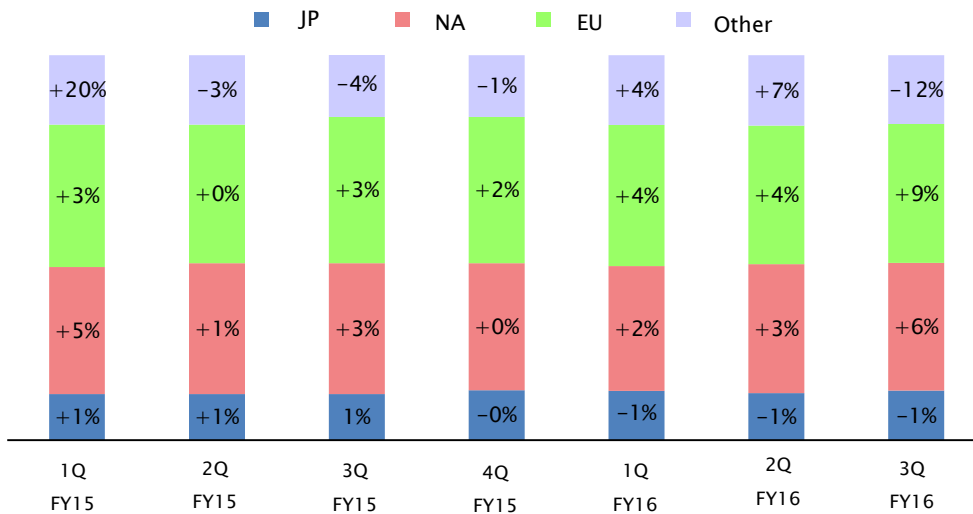
## ■ Composition of Revenue by region (in yen)



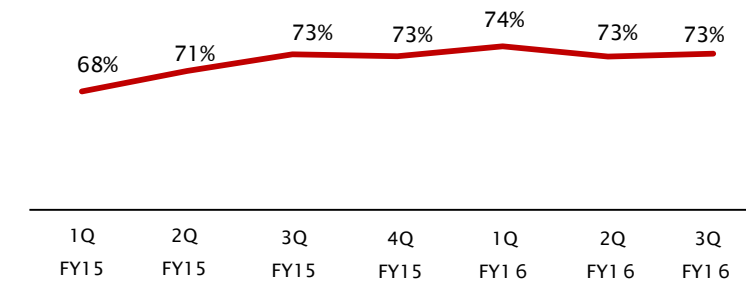
## ■ Percentage of color in sales of hardware (Office)



## ■ Change in Revenue by region (w/o FOREX)



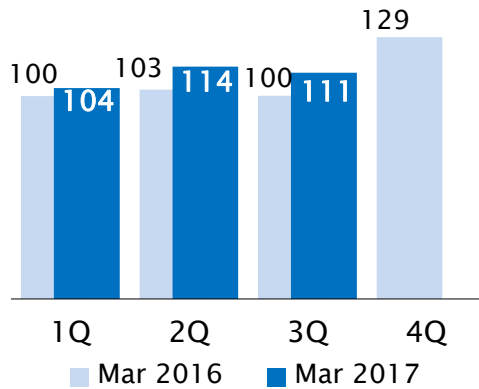
## ■ Percentage of color in sales of hardware (PP)



# Unit Sales Trend: Business Technologies

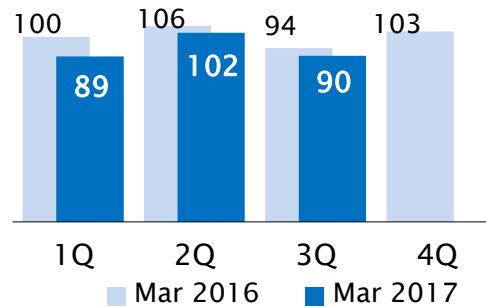
## A3 color MFP- Units\*

YoY : +11%    QoQ : -3%



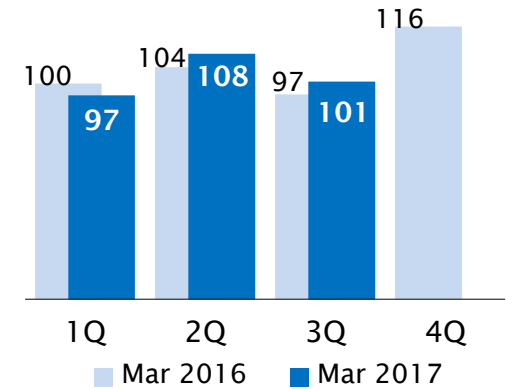
## A3 B&W MFP- Units\*

YoY : -4%    QoQ : -12%



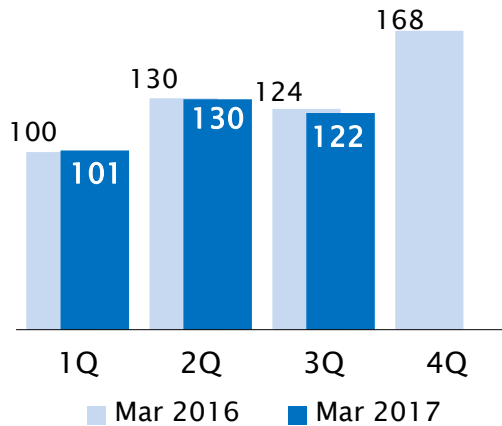
## A3 MFP TTL- Units\*

YoY : +4%    QoQ : -7%



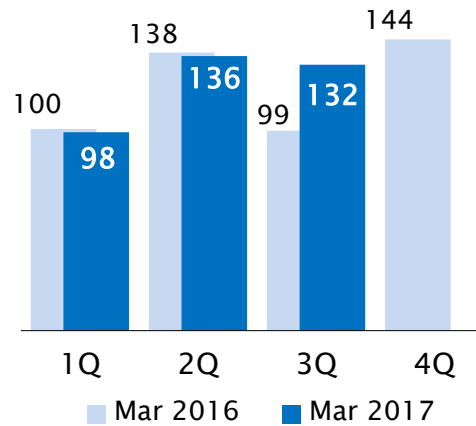
## Color Production Print - Units\*

YoY : -2%    QoQ : -6%



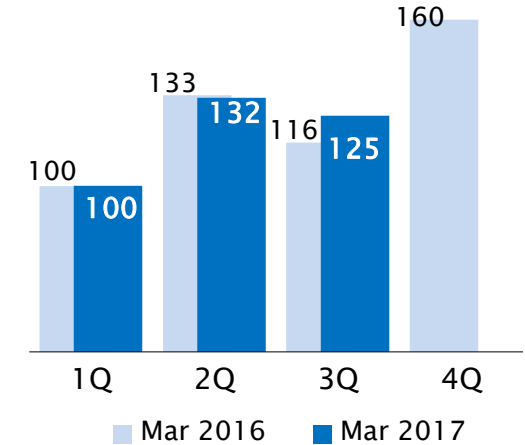
## B&W Production Print - Units\*

YoY : +33%    QoQ : -3%



## Production Print - Units\*

YoY : +8%    QoQ : -5%



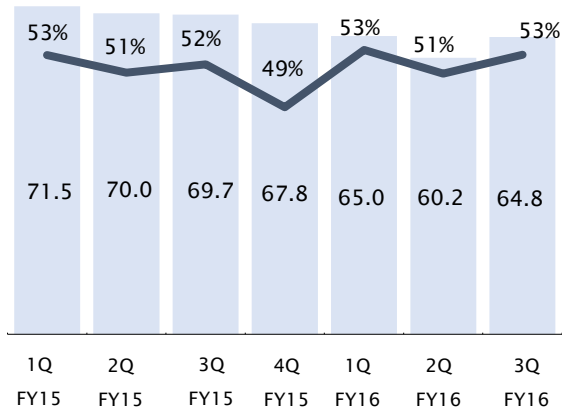
\* Base index : "1Q Mar2016" = 100



# Business Technologies Business: Sales Results of Non-Hard

## Revenue & ratio of non-hard

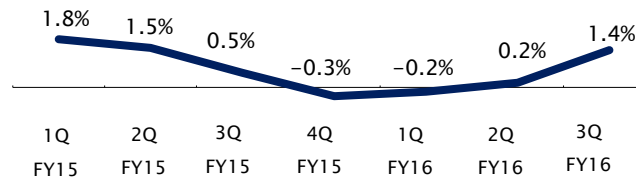
### Office product 【¥billions】



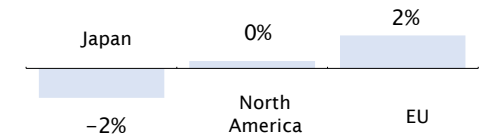
## YoY Revenue increase of non-hard

(w/o FOREX)

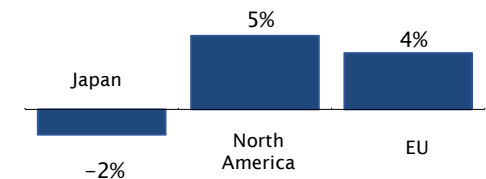
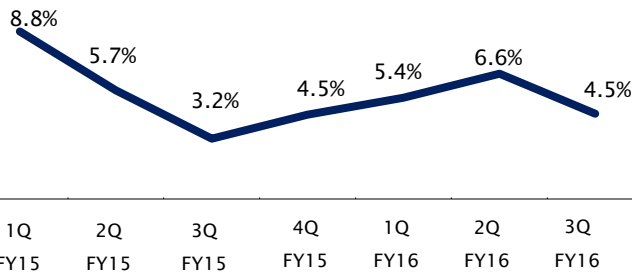
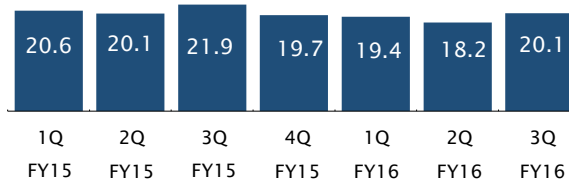
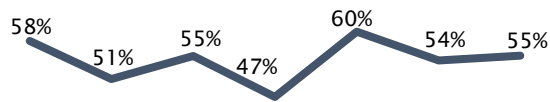
### 【YoY】



### 【Regional】



## Production print



# FOREX Impact to Revenue and Operating Profit

[¥ billions]

(FOREX Rate/¥)	FY15 3Q	FY16 3Q	Impact to FY15		FY15 9mth	FY16 9mth	Impact to FY15		FX Sensitivity*2	
			Revenue (bn yen)	OP (bn yen)			Revenue (bn yen)	OP (bn yen)	Revenue	OP
USD	121.50	109.30	¥ - 9.2 bn	¥ 0.3 bn	121.70	106.63	¥ - 33.1 bn	¥ 0.9 bn	¥ 3.0 bn	¥ - 0.0 bn
EUR	132.95	117.78	¥ - 6.5 bn	¥ - 5.5 bn	134.36	118.02	¥ - 20.3 bn	¥ - 14.8 bn	¥ 1.8 bn	¥ 0.9 bn
GBP	184.42	135.82	¥ - 4.1 bn	¥ - 0.0 bn	186.65	141.86	¥ - 11.6 bn	¥ - 0.5 bn	¥ 0.4 bn	¥ 0.1 bn
European Currencies*1	-	-	¥ - 12.2 bn	¥ - 5.6 bn	-	-	¥ - 36.9 bn	¥ - 15.5 bn	¥ 2.6 bn	¥ 1.2 bn
CNY	18.92	15.97	¥ - 1.9 bn	¥ - 0.5 bn	19.26	15.95	¥ - 6.3 bn	¥ - 0.9 bn	¥ 2.5 bn	¥ 0.3 bn
AUD	87.42	81.92	¥ - 0.5 bn	¥ - 0.1 bn	90.18	80.02	¥ - 3.1 bn	¥ - 0.7 bn	¥ 0.4 bn	¥ 0.1 bn
Other	-	-	¥ - 1.0 bn	¥ - 0.2 bn	-	-	¥ - 4.9 bn	¥ - 1.1 bn	-	-
<b>Total Impact from FY2015</b>			Revenue: OP:	¥ - 24.9 bn ¥ - 6.1 bn			Revenue: OP:	¥ - 84.3 bn ¥ - 17.3 bn		

\*1 European currencies: Currencies in Europe except EUR/GBP

\*2 FOREX Sensitivity: FOREX impact at ¥1 change (Annual )

# FY2016 3Q FOREX Impact – Segment

		Revenue				Operating Profit			
		1Q	2Q	3Q	9month	1Q	2Q	3Q	9month
Business Technologies	Result	¥ 186.3 bn	¥ 184.3 bn	¥ 191.6 bn	¥ 562.2 bn	¥ 13.3 bn	¥ 12.8 bn	¥ 12.0 bn	¥ 38.1 bn
	YoY	¥ - 15.5 bn	¥ - 23.1 bn	¥ - 15.3 bn	¥ - 53.9 bn	¥ 0.1 bn	¥ - 8.3 bn	¥ - 4.6 bn	¥ - 12.8 bn
	FOREX Impact	¥ - 21.5 bn	¥ - 32.3 bn	¥ - 22.5 bn	¥ - 76.4 bn	¥ - 2.9 bn	¥ - 7.2 bn	¥ - 5.7 bn	¥ - 15.8 bn
	Net Result	¥ + 6.1 bn	¥ + 9.1 bn	¥ + 7.3 bn	¥ + 22.5 bn	¥ + 2.9 bn	¥ - 1.1 bn	¥ + 1.1 bn	¥ + 3.0 bn
Healthcare	Result	¥ 18.5 bn	¥ 22.9 bn	¥ 22.0 bn	¥ 63.4 bn	¥ 0.2 bn	¥ 1.0 bn	¥ 0.3 bn	¥ 1.5 bn
	YoY	¥ 0.6 bn	¥ 0.6 bn	¥ - 0.0 bn	¥ 1.1 bn	¥ 0.1 bn	¥ - 0.3 bn	¥ - 0.5 bn	¥ - 0.8 bn
	FOREX Impact	¥ - 1.3 bn	¥ - 2.0 bn	¥ - 1.4 bn	¥ - 4.7 bn	¥ - 0.4 bn	¥ - 0.7 bn	¥ - 0.5 bn	¥ - 1.6 bn
	Net Result	¥ + 1.9 bn	¥ + 2.6 bn	¥ + 1.4 bn	¥ + 5.9 bn	¥ + 0.5 bn	¥ + 0.4 bn	¥ - 0.0 bn	¥ + 0.8 bn
Industrial Business	Result	¥ 21.7 bn	¥ 22.4 bn	¥ 21.4 bn	¥ 65.5 bn	¥ 2.3 bn	¥ 2.4 bn	¥ 9.7 bn	¥ 14.4 bn
	YoY	¥ - 6.5 bn	¥ - 5.6 bn	¥ - 4.1 bn	¥ - 16.2 bn	¥ - 3.5 bn	¥ - 2.2 bn	¥ 6.9 bn	¥ 1.2 bn
	FOREX Impact	¥ - 0.9 bn	¥ - 1.3 bn	¥ - 1.0 bn	¥ - 3.2 bn	¥ - 0.3 bn	¥ - 0.1 bn	¥ - 0.1 bn	¥ - 0.5 bn
	Net Result	¥ - 5.5 bn	¥ - 4.3 bn	¥ - 3.2 bn	¥ - 13.0 bn	¥ - 3.3 bn	¥ - 2.1 bn	¥ + 7.0 bn	¥ + 1.6 bn

- **Business Technologies : OPS/ Optimized Print Services**

OPS provides services to boost efficiency and reduce costs through optimization of the customer's print environment (output and document management environment).

- **Business Technologies : GMA/ Global Major Account**

Refers to our major enterprise customers (businesses) that operate on a global scale.

- **Business Technologies : MPM/ Marketing Production Management**

MPM provides services optimizing the production cost of marketing materials for customers using our own supplier network. KonicaMinolta consolidated Charterhouse(U.K.) from 2012 and Ergo(Australia) from 2014.

- **Healthcare : DR/ Digital Radiography**

A technique that detects the intensity distribution of the X-rays that pass through the body when an X-ray is taken, and then converts the data to a digital signal, which is processed by computer.

- **Healthcare : PACS/ Picture Archiving and Communication System**

An image storage and communication system for medical image processing. More generally, any system for managing a large number of images, such as CT, MRI, and X-ray images from DR or CR.

- **Industrial : ZeroTAC film**

A TAC film with phase difference reduced to zero. Used primarily in IPS displays, with characteristics that improve visibility.

- **Industrial – Performance materials: OLED / Organic Light Emitting Diode**

Also known as organic EL (organic electroluminescence). OLED applies the phenomenon of organic compounds producing light when voltage is applied to lighting and display products.



**KONICA MINOLTA**