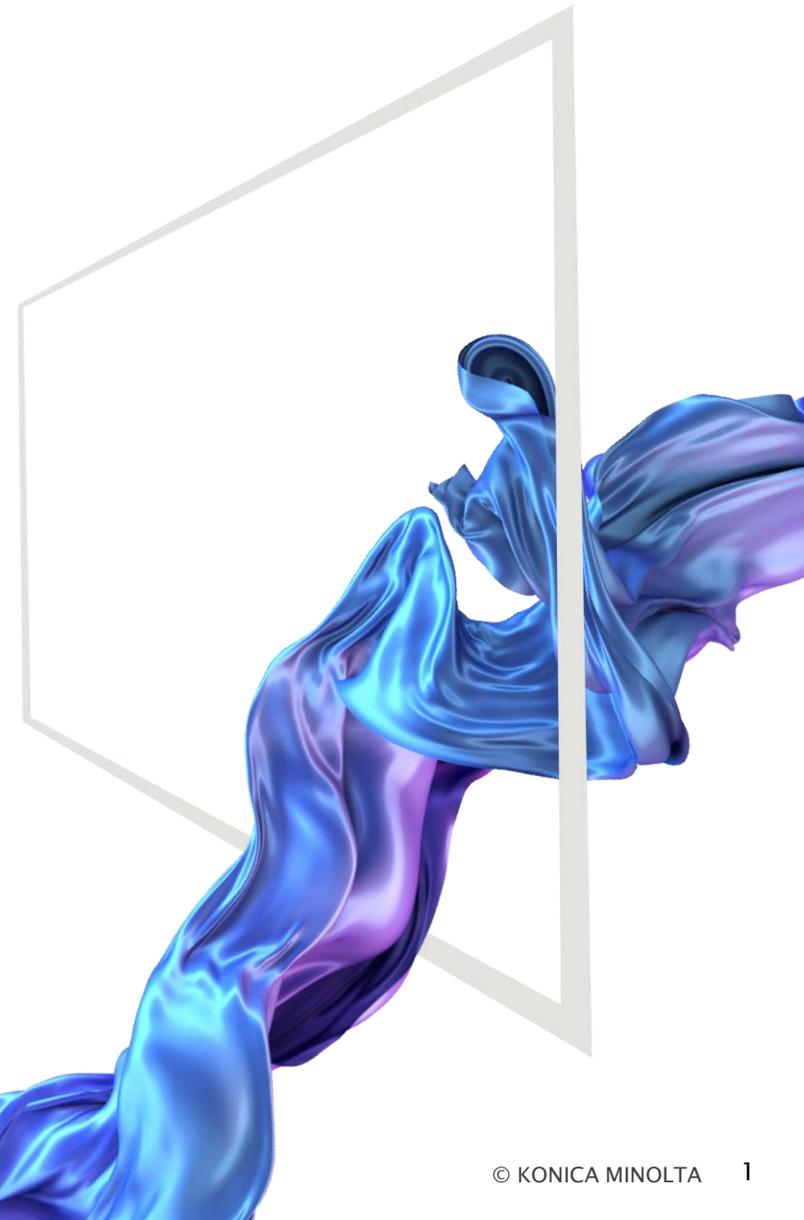




Konica Minolta, Inc. 1st Quarter/FY2022 ending in March 2023 Consolidated Financial Results

Toshimitsu Taiko
President and CEO

Three months : April 1, 2022 – June 30, 2022
– Announced on July 28, 2022 –





FY2022 Q1 Performance Overview and FY2022 Earnings Forecast



Brought forward some structural reforms and overall progress somewhat exceeded expectations

Revenue

- Revenue increased in Professional Print and Healthcare Business, decreased in Industry Business.
- Although Digital Workplace Business received stable orders, order backlog increased owing to lockdowns in Shanghai in addition to semiconductor and other components shortage.

Operating Profit and Cash Flows

- Operating profit: Even revising prices, Operating profit decreased due to worsened gross profit ratio owing to rapid increases in components and logistics expenses, increased SG&A owing to air transportation, recorded business structural reform (Digital Workplace Business) of ¥3.5 billion.
- FCF: Negative owing to the loss in the period and an increase in inventories in transit and component inventory stockpiling, etc.

	FY2022 1Q	FY2021 1Q	YOY	YOY (W/O Forex)	[¥ billions]
Revenue	247.8	229.9	8%	-1%	
Gross Profit	104.8	101.3	3%	-5%	
Gross Profit ratio	42.3%	44.1%	-1.8pt		
SG & A	110.7	99.2	12%	+4%	
Business Contribution Profit	-5.9	2.1	-	-	
Operating Profit	-11.0	3.1	-	-	
Profit attributable to owners of the Company	-8.7	1.0	-	-	
FCF	-24.9	-2.8	-	-	
FOREX [Yen]					
USD	129.57	109.49			
EUR	138.12	131.96			

(*) Business contribution to profit calculated by adding other income and costs back to operating profit under IFRS

FY2022 Q1 Performance | Revenue & Operating Profit by Segment



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[¥ billions]

Revenue	FY2022 Q1	FY2021 Q1	YoY	YoY (W/O Forex)
Digital Workplace	128.9	121.2	+6%	-3%
Professional Print	55.1	47.9	+15%	+5%
Healthcare	28.7	25.2	+14%	+3%
Industry	34.9	35.2	-1%	-7%
Corporate, etc.	0.3	0.3	-7%	-1%
Company overall	247.8	229.9	+8%	-1%

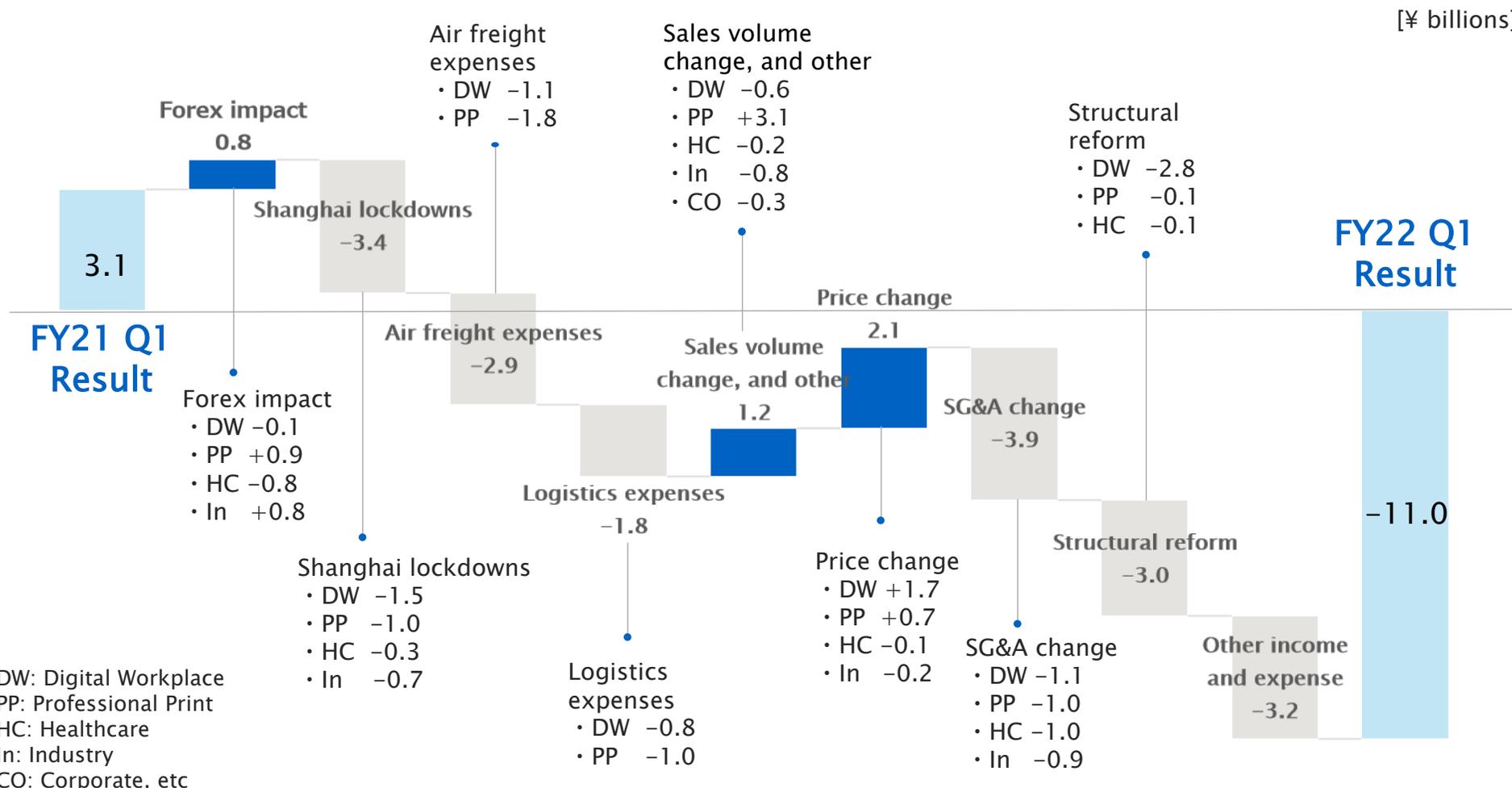
Operating Profit	FY2022 Q1	FY2021 Q1	YoY	YoY (W/O Forex)
Digital Workplace	-7.6	1.1	-	-
Professional Print	0.9	1.0	-4%	-96%
Healthcare	-6.5	-3.2	-	-
Industry	6.2	8.0	-22%	-31%
Corporate, etc.	-4.1	-3.7	-	-
Company overall	-11.0	3.1	-	-

FY2022 Q1 Performance | Factors of Increase/Decrease of Operating Profit



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- Impact of Shanghai lockdowns -3.4 :will be recovered in this fiscal year
- Air freight expense -2.9 :will be needed in this fiscal year because of tonner factory accidents
- Logistics expenses spikes-1.8 :will be absorbed by price revision
- Price change(+2.1) and sales volume change (+1.2) absorbed increases in components expenses
- Sales volume change in Digital Workplace (-0.6) is affected by semiconductor shortage





Achievements

- **Office and production print:** Sales of hardware and non-hard increased owing to increased supply by early unloading in destinations and forwarding to customers comparing to our presumption. Toner supply improved as expected.
- **Digital Workplace:** Brought forward recording one-time expenses for structural reforms planned in Q2 (resulting in expanding the effect)
- **Sensing:** Good start (exceeded target)
Created further business opportunities through M&A in the light source color measurement area (Continual investment in growth area)
- **Industrial print:** Non-hard revenue grew in all fields
- **Imaging IoT:** Expanding strategic partnerships of FORXAI, creating high added value with the acquisition of Vaxtor Ltd, and building a system for utilizing sales companies
- **Precision medicine:** Obtained pharmaceutical approval for GenMineTOP cancer genome profiling system in Japan (Realizing precision medicine by promoting precise cancer diagnosis. Contributing higher patient QOL)

Things we did not achieve (issues)

- **Digital Workplace :** Delay in and shipping hardware owing to Shanghai and localized lockdowns (Catching up in the year)
- **Precision medicine:** The number of genetic testing was below expectations, and improvements in profitability was delayed
- **Performance materials:** Revenues declined owing to the impact of adjustments in market inventories, partly owing to a fallback from special demand related to teleworking in the mobile and IT sectors (Expecting recovery from H2)

Countermeasures to Q1 Issues Executed from Q2 Onward | Digital Workplace



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Initiative (Addressed)

Office

DW-DX



Gross profit



Revenue



Cost of sales

SG&A



Conversion of hardware order backlog into revenue

- Having incorporated lockdowns in China into plans, strengthening our manufacturing regime, recovering from the affect of lockdowns in the year
- Secure semiconductor and other components etc.



Increase in amount of supply

- Securing goods for IT services through addition of procurement routes for servers, etc.
- Strengthening service delivery capabilities by enhancing human resources in Europe



Reduction of transportation expenses in cost of sales

- Reduction of air freight expense as manufacturing and supply amounts normalize (air freight of toner to continue until market inventories have normalized)



Reduction of service cost

- Make delivery processes for small customer projects more efficient by packaging solutions



Create benefits from structural reforms and enhance efficiency by promoting DX

- Implement structural reforms and generate benefits Q1: ¥3.5 billion, (implemented in advance) Q2: ¥2.5 billion, FY22 benefit of ¥4.0 billion (adding 0.5 billion from begging of the fiscal year), yearly benefit:6.5 billion
- Optimize human resources allocation
- Make sales more efficient with DX, including promoting the use of AI to target customers

Countermeasures to Q1 Issues Executed from Q2 Onward | Precision Medicine

Initiative (Addressed)

Genetic testing

Drug discovery support

Increase in number of samples eligible for insurance reimbursement

Stable growth in contracted testing field

Increase in number of samples ordered (including partner strategy)

Expansion of project orders in oncology sector

Revenue

Increase in insurance reimbursement rate

- Increasing the efficiency of insurance reimbursement operations
- Measures to address facilities with low reimbursement rates
- Revisions of sales incentives

Reduction in testing costs

- Reduction in costs owing to increase in utilization of new type sequencer

Cost of sales

Reconfiguration and optimization of SG&A expenses in line with revenue levels

- Sales partnerships and collaboration in genetic testing
- Optimization of personnel

Gross profit

SG&A

Digital Workplace

Improving efficiency of process and organization in sales and services with presumption of sales scale after recovery and implementing measures to improve the profitability of IT services.

Expanding the introduction of AI and inside sales

Simplifying management structures

Improving sales efficacy by packaging IT services

- One-time expenses of approx. ¥6.0 billion (q1: approx. ¥3.5 billion, Q2: approx. ¥2.5 billion)
- Benefit of approx. ¥4.0 billion in this fiscal year (adding 0.5 billion from beginning of the fiscal year), ※yearly impact of ¥6.5 billion in the next fiscal year (Q2: approx. ¥0.5 billion, H2: approx. 3.5 billion)

Precision Medicine

Changing to the business management policy that places the top priority on profitability. As the additional measure, optimizing this business by major personnel cuts centered on our salesforce, which we had expanded from two years ago.

Selection of sales areas and downsizing projects with low gross profits

Integration of functions and selection of development themes

Improving sales efficiency with partner strategy

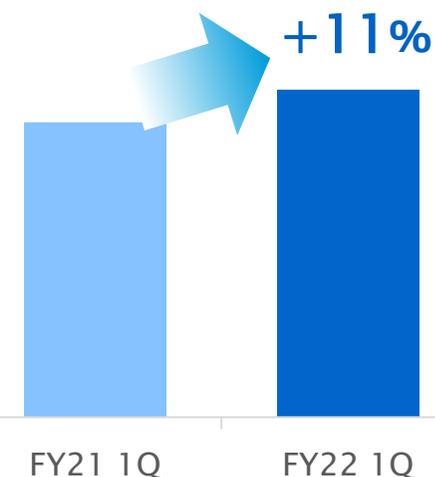
- One-time expenses of approx. ¥0.3 billion (Q1: approx. ¥0.1 billion, Q2: approx. ¥0.2 billion)
- Benefit of approx. ¥2.0 billion in this fiscal year (Q1: Approx. ¥0.15 billion, Q2: approx. ¥0.35 billion, H2: approx. ¥1.5)

Q1: Robust performance for ICT inspection applications

- **Core businesses:** Light source color (displays for ICT devices, lighting, etc.) and object color testing grew 11% YoY. Forex also acted as a tailwind
- **Strategic businesses:** Revenue in Q1 was on par with the previous year owing to the impact of component shortages, and orders grew at a steady pace
 - **HSI (hyperspectral imaging) :**
Increasing demand for sorting in chemical recycling in Europe
 - **Visual inspection:**
ICT applications: Robust orders. Impacted by component procurement delays, expected to be resolved in Q2
 - Automotive applications:** Orders grew globally, despite the impact of customer production adjustments caused by component shortages



Growth in light source color and object color measurement
(YoY revenue growth)



After Q2

- Continue the favorable trend in Q1
- **Strengthen inspection business for optical devices:**
Concluded an SPA with Kimsop Tech Co., Ltd. (Korea) through the Company's subsidiary Instrument Systems GmbH (Germany, "IS"), and plan to consolidate this company in Q2. It will strengthen IS' contact points with customers in Asia. It will also contribute to the advancement of displays and new AR/VR displays, while also entering to the 3D sensor device inspection business for certification, etc.



Ongoing issues / status in Q1

Measures from Q2 onward

Performance materials

- Firmly maintained our position in VA phase difference film in the large TV market
- Revenue declined owing to the impact of adjustments to market inventories as a result of the fallback from special demand related to tele-working in the IT and smartphone market
- Increase in costs, including the impact of the weak yen on materials procurement

- Continuing to expand our market share in the TV field as our strength
- Preparing for the rapid increase in demand after market inventory adjustments
- Promoting the addition of materials procurement routes



IJ components

- Decline in sales to Chinese customers owing to lockdowns in Shanghai
- Favorable sales for high-resolution sign graphics applications in the European market

- Increase new orders from recovering European market
- Expansion of printed electronics and other industrial application sectors



Medical imaging*

- Robust performance of X-ray related devices (DR/systems) and medical IT in Japan and the U.S.
- Advance launch of mobile x-ray system with Dynamic Digital Radiography in Japan

- Promoting the creation of high added value in X-ray devices and medical IT
- Accelerating the domestic rollout of mobile x-ray system with Dynamic Digital Radiography and launching it in the U.S.



Contributing to solving the issues of customers and society with imaging technology and DX. Creating markets with strategic new businesses

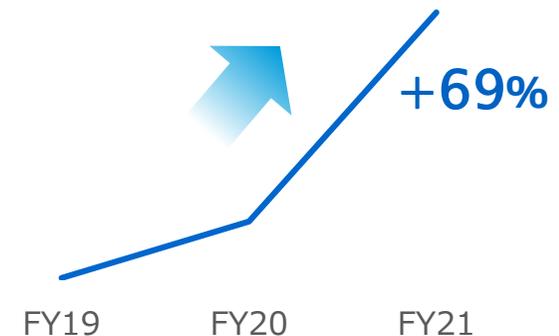
Industrial print

- **Driving the expansion of the digital printing market with our imaging technology and ability to develop markets**
 - Growing non-hard revenue in high-end commercial printing, packaging, labels, and textile fields (YoY 42%)
 - TAM: Commercial printing (digital) ¥1.4 trillion
Label and packaging ¥300 billion



Growth in digital printing

(Non-hard revenue growth vs. FY19)

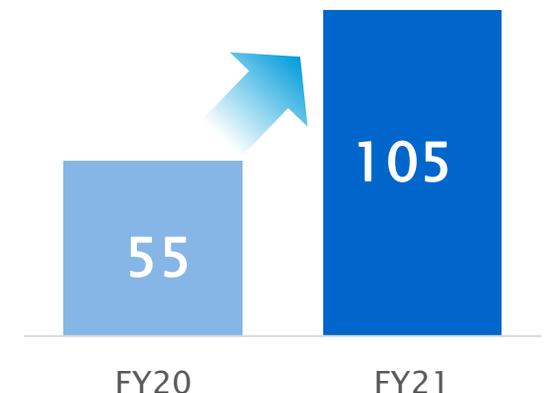


Imaging-IoT solutions

- **Strategic partnerships with partners and pursuit of M&A opportunities**
 - SoftBank: Developing local government disaster prevention solution
 - Kyndryl: Promoting DX in the smart factory sector
 - Vaxtor: Acquiring number-plate recognition and OCR technologies (M&A by Mobotix)
- **Strengthening and developing imaging IoT and AI human resources:**

Three of the Company's data scientists and AI engineers won gold medals at "Kaggle," the world's largest AI competition

Expansion of number of imaging-IoT partners



FY2022 Earnings Forecast | Summary



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- Revised revenue forecast upward as a result of updating our USD and EUR assumptions to actual rates.
- For operating profit, we expect USD to be a negative factor and EUR and CNY to be positive factors, but we maintained our forecast with considering uncertainty regarding China's zero COVID-19 policy.

[¥ billions]

	FY2022 Forecast (Current)	FY2022 Forecast (Previous)	FY2021 Result	Change	Change rate
Revenue	1,020.0	980.0	911.4	+108.6	+ 12%
Operating Profit	15.0	15.0	-22.3	+37.3	-
Profit attributable to owners of the Company	5.5	5.5	-26.1	+31.6	-
CAPEX	50.0	50.0	42.4		
Depreciation and Amortization Expenses*	50.0	50.0	55.8		
R&D expenses	63.0	63.0	62.7		
FCF	20.0	20.0	-13.6		
Investment and lending	16.0	16.0	0.0		
	FOREX [Yen]				
	USD	135.0	110.0	112.4	+22.6
	EUR	135.0	125.0	130.6	+4.4

* Depreciation and amortization expenses: IFRS16 right-of-use assets amortization expenses not included.

FY2022 Earnings Forecast | Revenue & Operating Profit by Segments



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[¥ billions]

Revenue	FY2022 Forecast (Current)	FY2022 Forecast (Previous)	FY2021 Result	Change	Change rate
Digital Workplace	520.0	495.0	465.4	+54.6	+12%
Professional Print	220.0	210.0	194.7	+25.3	+13%
Healthcare	127.5	125.0	109.9	+17.6	+16%
Industry	152.5	150.0	139.2	+13.3	+10%
Sensing	45.0	42.0	42.4	+2.6	+6%
Materials and Components	92.5	93.0	84.2	+8.3	+10%
Imaging-IoT solutions	15.0	15.0	12.6	+2.4	+19%
Corporate, etc.	0.0	0.0	2.1	- 2.1	-
Company overall	1,020.0	980.0	911.4	+108.6	+12%

Operating profit/OPM	FY2022 Forecast (Current)		FY2022 Forecast (Previous)	FY2021 Result		Change	Change rate
Digital Workplace	3.5	0.7%	3.5	-6.2	-	+9.7	-
Professional Print	7.5	3.4%	5.0	1.0	0.5%	+6.5	+624%
Healthcare	-9.0	-	-6.5	-20.3	-	+11.3	-
Industry	30.0	19.7%	30.0	18.5	13.3%	+11.5	+62%
Corporate, etc.	-17.0	-	-17.0	-15.3	-	- 1.7	-
Company overall	15.0	1.5%	15.0	-22.3	-	+37.3	-

FY2022 Earnings Forecast | FY2022 Priority Initiatives

– Toward Transformation of Business Portfolio



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Priority initiatives in FY2022

Planning Executing Done

	Planning	Executing	Done
Business with stable profit Office Production print	<ul style="list-style-type: none"> Implement structural reforms to make sales/services/management more efficient and higher quality 		
	<ul style="list-style-type: none"> Revise manufacturing strategies in consideration of geopolitical risk (including partner strategies) in the medium- to long-term perspective 		
Core businesses Sensing, Performance materials, IJ components, Healthcare (Modality)	<ul style="list-style-type: none"> Continue strengthening business development in growth areas 		
	<ul style="list-style-type: none"> Conduct M&A (sensing), make selective and strategic capital investments (performance materials), generate results from strategic partnerships (healthcare), and invest in human resources, in the medium- to long-term perspective 		
Strategic new businesses Precision medicine, Imaging-IoT solutions, DW-DX, Industrial print	<ul style="list-style-type: none"> Continue IPO preparations while watching for the appropriate opportunity (precision medicine) 		
	<ul style="list-style-type: none"> (Additional) Optimizing measures to prioritize profit (precision medicine) 		
	<ul style="list-style-type: none"> Maximize synergies within the Group (imaging-IoT solutions), and accelerate business growth to capture the shift to digital printing (industrial print) 		
	<ul style="list-style-type: none"> Focus on generating results based on previous investments in human resources and development, and make selective investments in advanced development 		
Businesses with low profit Optical components, Marketing services	<ul style="list-style-type: none"> Continue to promote measures with the utilization of external capital in mind 		
	<ul style="list-style-type: none"> Aggregate resources in upstream part of value chain 		

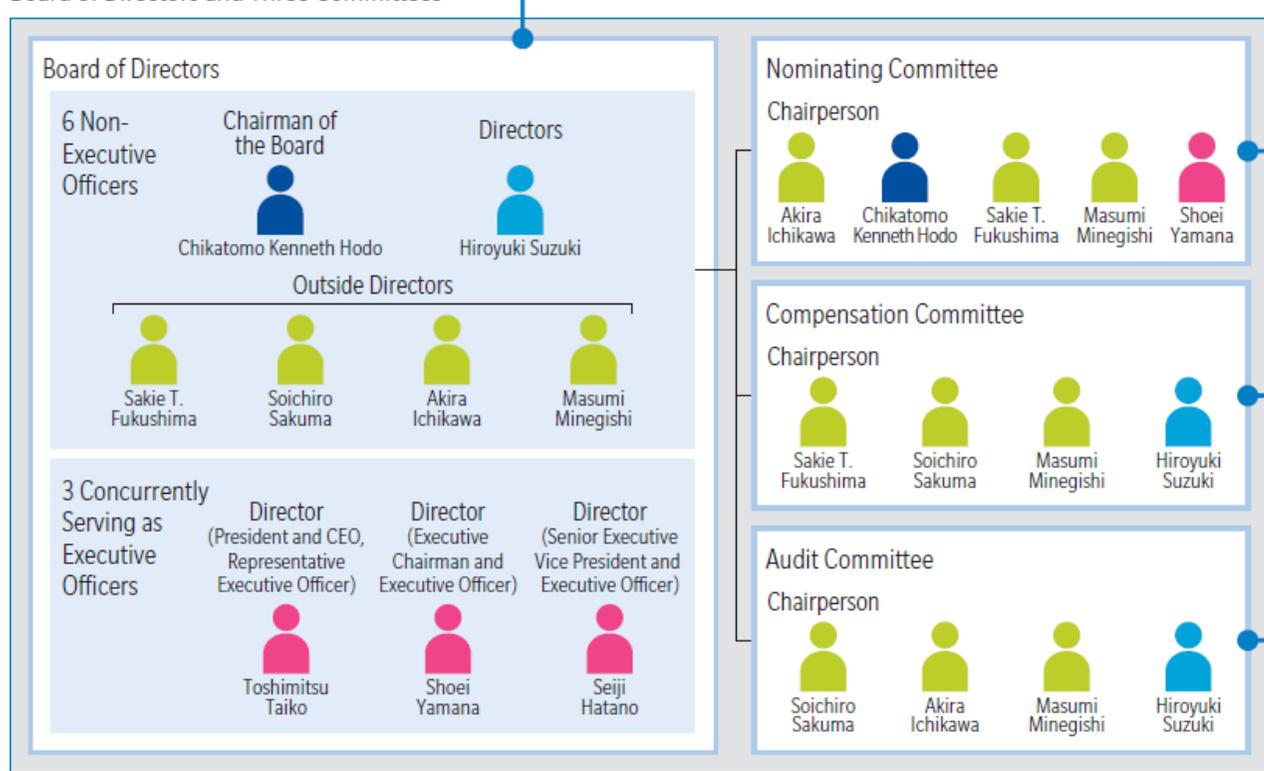


ESG Initiatives



- An Outside Director serving as Chairman of the Board for the first time, and Outside Directors comprising a majority of members of the Board of Directors
- Further developing highly transparent corporate governance systems that separate supervision and execution functions

Board of Directors and Three Committees



Key characteristics of the Board of Directors

- All Outside Directors are Independent Directors
- Outside Directors comprise the majority
- Chairman is an Outside Director
- At least one Inside Director does not concurrently serve as an Inside Directors

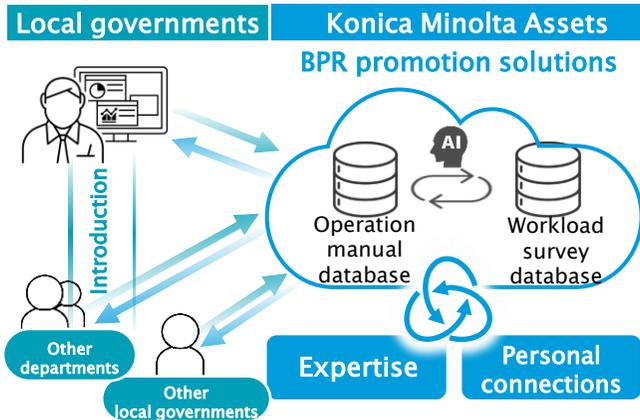
Key characteristics of the three committees

- Chairpersons are Outside Directors.
- Directors who are concurrently representative Officers are not allowed to be committee members.

Result of ESG x DX promotion

Local government support

- Govmates received an order for ¥500 million for a “project to build a standardized model of operations for cities and towns” in Ehime Prefecture
- Concluded comprehensive partnership agreement with the City of Minoh and the Minoh City Board of Education



Professional Print Business

- The Virtual Showroom won a “German Innovation Award 2022”



- The “AccurioPress C14000” digital printing system won a “technical award” from the Imaging Society of Japan



External evaluation of ESG

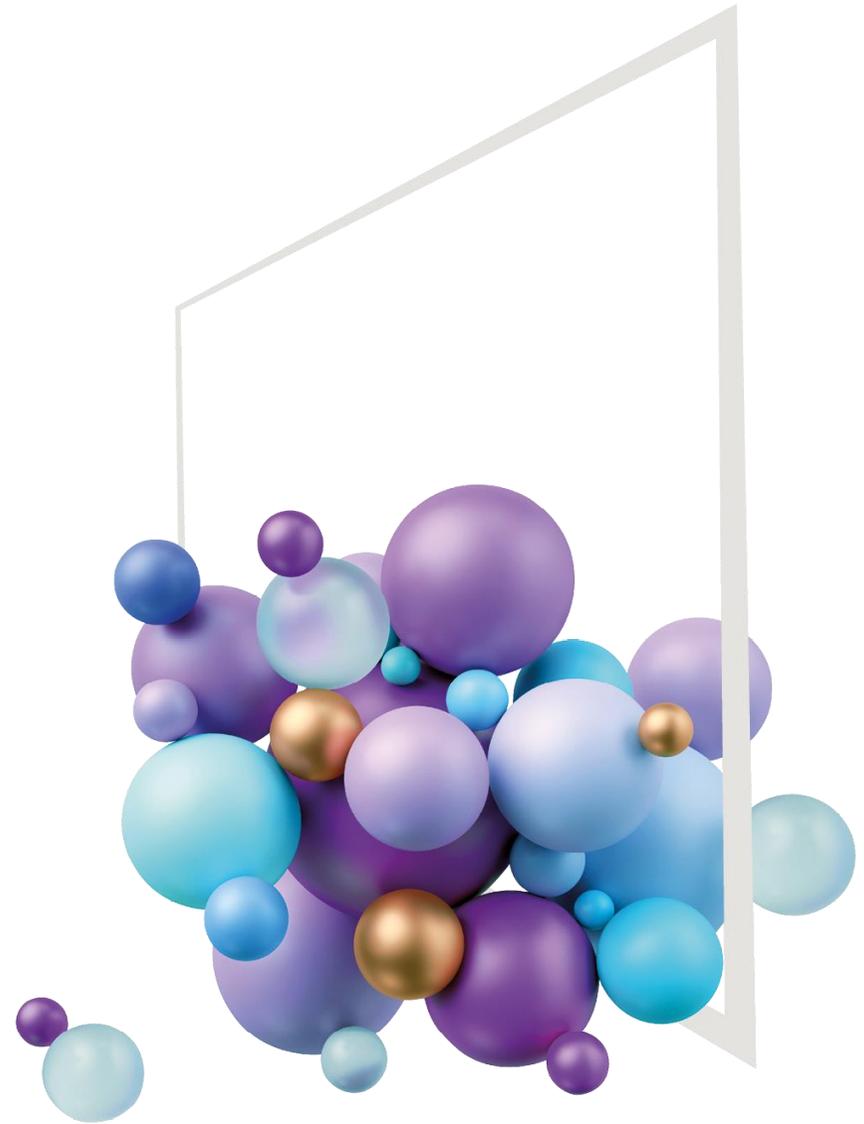
- Selected for all ESG indexes adopted by the GPIF for six consecutive years
 - “FTSE Blossom Japan Index,” “FTSE Blossom Japan Sector Relative Index,” “MSCI Japan ESG Select Leaders Index,” “MSCI Japan Empowering Women Index,” “S&P/JPX Carbon Efficient Index”
- Also selected for the “FTSE4Good Index Series” for 19 consecutive years



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Appendix



Perceptions of Environment after FY2022 Q2 (Previous and Current presumption)



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Perceptions of environment surrounding our businesses		
	Previous presumption	Current presumption
FOREX/Interest rate	Comprehensively taking into consideration recent actual rates and market forecasts (forecast rate: ¥110/USD, ¥125/EUR)	Forecast rate: after July ¥135/USD, ¥135/EUR Interest rates to rise around the world
COVID-19	Expect economic activity to normalize in many countries, but uncertainty remains owing to variants. Greater impact from lockdowns in China owing to zero COVID-19 policy	lockdowns in Shanghai were lifted in early June, lockdowns implemented in other localized areas
Semiconductor shortage	Expect the pace of demand growth to outstrip supply capacity increases, resulting in continued shortages through 2022, particularly in semiconductors for automotive applications	No change
Prolonged logistics transportation periods /Spike in logistics cost	Expect tight logistics to continue, as there remains little sign of its improvement, namely port congestion, quarantine measures, and labor shortages	logistics expenses spikes more
Situation in Ukraine and Europe	Expect GDP to exceed pre-COVID-19 levels in North America, Japan, and major countries in the EU, but global economic forecast revised downward based on the situation in the Ukraine	The situation in Ukraine to become prolonged No change to the outlook of downward revisions for the global economy
Spike in materials and energy prices	Expect increases in crude oil and energy prices owing to the situation in the Ukraine, increases in prices of materials owing partly to a decrease in exports from China, and spike in silver market owing to speculator	



* Blue letters:
Change from
previous perception

Environment impacting our businesses

Perception of market / demand environment

Supply environment

Digital Workplace

- Non-hard demand to increase compared with FY2021 as the return of employees to the office at client companies becomes established
- Robust hardware demand. Market to be limited by supply constraints
- Growth in IT/DX demand in the office environment to continue
- **Impact of rising interest rates on the lease business(also affecting PP)**

Professional Print

- Acceleration of the shift from analog printing to digital printing in both commercial and industrial printing
- Demand to recover as economic activities normalize in North America and Europe
- 7-10% growth in MPP/HPP market, which the Company is focusing on

Healthcare

- Promoting the use of high value-added imaging in Healthcare (Modality)
- In Precision medicine, **slow growth** of the number of patients in the U.S. and restarting clinical trials

Industry

- **Delay of smartphone market recovery presumed at the beginning of this fiscal year**
- Growth in large display market. Continuing shift to China (total area: +5%, including ultra-wide: +20%)
- **Inventory adjustment of high-performance ultra-thin film for mobile applications (continue until Q2)**
- IP cameras to recover, but European market to be impacted by the situation in Eastern Europe

[Q1] Significant impact from lockdowns in Shanghai

- **Manufacturing have continued on a limited basis, but declined in operation rates**
- **Declined in sales in China**

[Outlook from Q2 onward]

- **Trending toward normalization from the second half of June, but some impact to remain, mainly in hardware supply in Europe and America by Q2**
- **Prolonged logistics transportation periods/component and goods shortages to continue**
- **Toner shortages to be resolved**
- **Constraint delivery due to spike of labor costs and shortage in IT human resources deliveries**

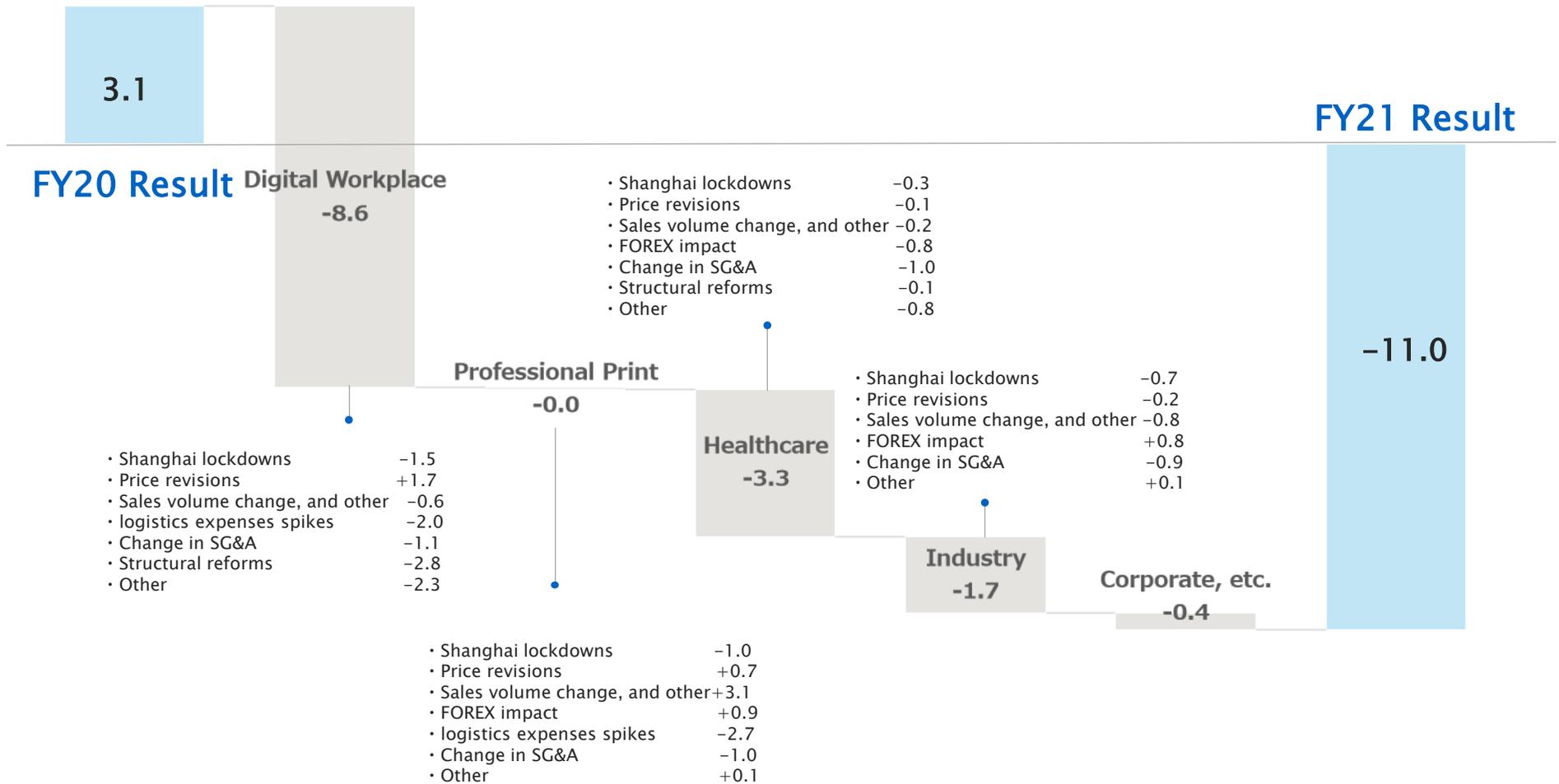
FY2022 Q1 Performance | Factors of Increase/Decrease of Operating Profit



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[¥ billions]

Operating Profit



Appendix Financial Result – Overview



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[¥ billions]

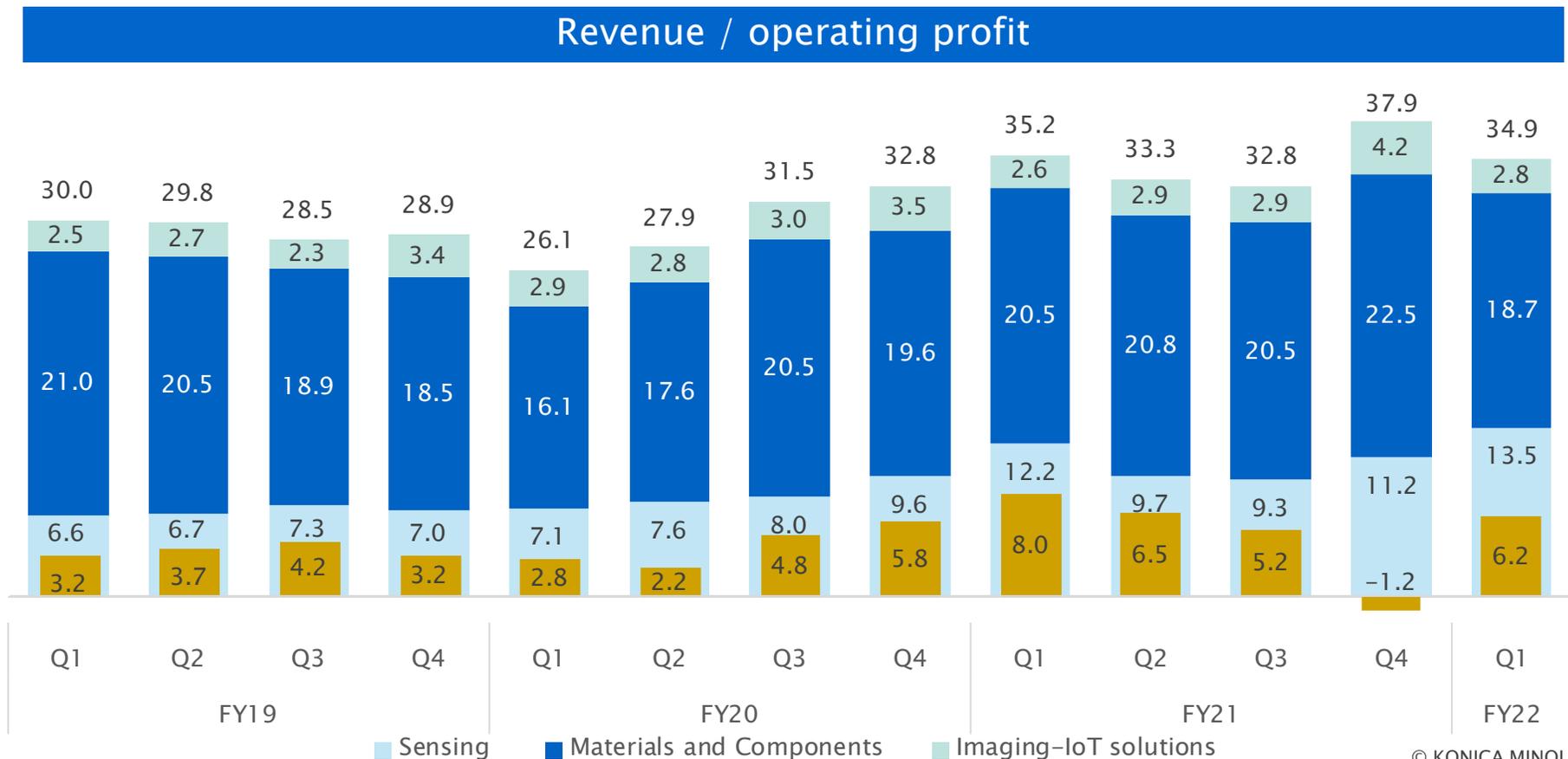
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Gross Profit	104.8	101.3	+3%
Gross Profit ratio	42.3%	44.1%	- 1.8pt
SG & A	110.7	99.2	+12%
Other income and costs	-5.1	1.0	-
Operating Profit	-11.0	3.1	-
Operating Profit ratio	-	1.4%	-
Finance income and costs	3.5	-0.6	-
Profit before tax	-7.6	2.5	-
Profit before tax ratio	-	1.1%	-
Profit attributable to owners of the Company	-8.7	1.0	-
Profit attributable to owners of the Company ratio	-	0.4%	-
EPS [Yen]	-17.69	1.98	
CAPEX	8.4	8.9	
Depreciation and Amortization Expenses *	18.8	19.0	
R&D expenses	15.3	15.3	
FCF	-24.9	-2.8	
Investment and lending	0.9	0.0	
FOREX [Yen] USD	129.57	109.49	+20.08
EUR	138.12	131.96	+6.16

* Depreciation and amortization expenses: IFRS16 right-of-use assets amortization expenses not included.



- Performance materials: Surplus inventory adjustments in the downstream of the supply chain have begun, and end-user film demand has rapidly declined. Even under these circumstances, demand was robust for the Company's mainstay VA phase difference film. Sales for IT and mobile applications declined.
- Sensing: Demand for light source color measuring instruments from major customers was robust, and orders for object color measuring instruments performed well in China and North America. Secured new orders of HSI for industrial applications, mainly in Europe and America.
- Imaging IoT solution: Although we won major orders for surveillance camera solutions for large logistics warehouses and education facilities, delivery in Europe was delayed.

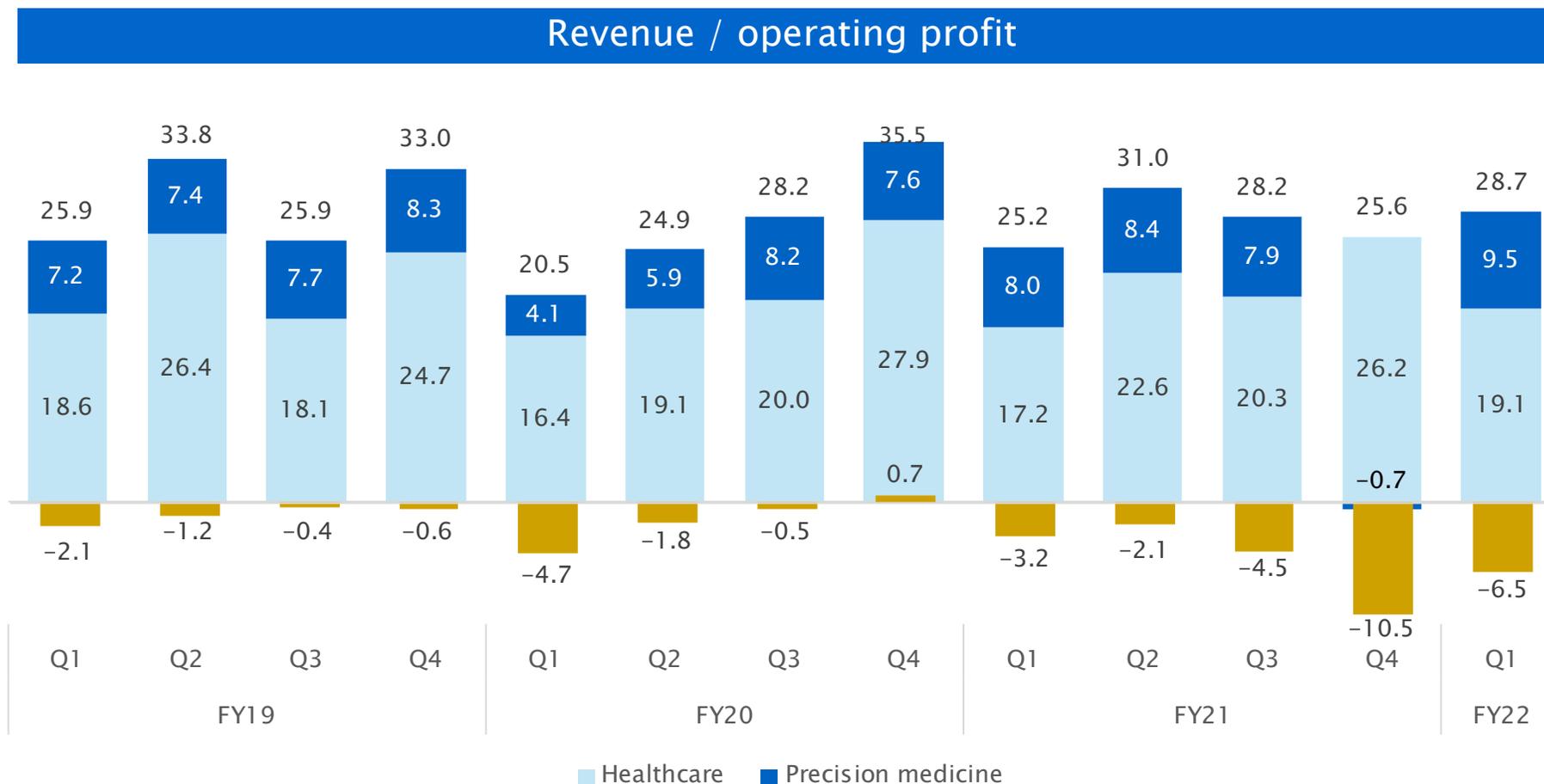
[¥ billions]





- Medical imaging*: X-ray devices and medical-IT performed robustly in Japan and the U.S. Sales of diagnostic ultrasound systems grew in Japan for orthopedics, and in Asia
- In Precision medicine: RNA testing increased, but recovery is still underway for genetic testing as a whole. In drug discovery support, preclinical trials grew

[¥ billions]

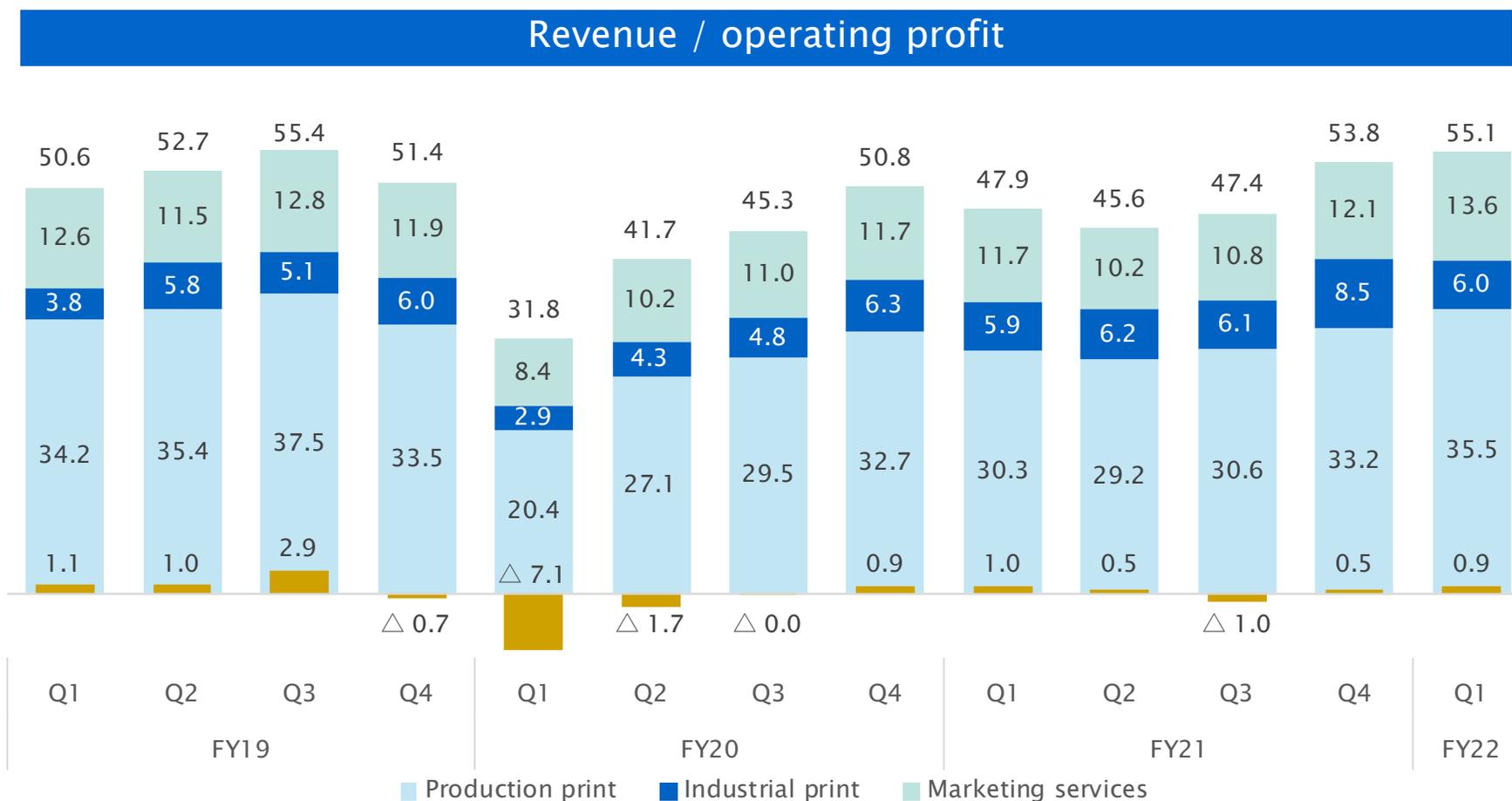


* Medical imaging : Healthcare Business (Healthcare unit)



- Production print: Hardware orders continued to perform well but were 89% of FY19 levels owing to the impact of lockdowns in Shanghai. Non-hard orders recovered to 95% of FY19 levels as expected. The order backlog was approx. ¥10.0 billion
- Industrial print: In hardware, supply delays occurred for multiple devices, while non-hard grew 42% YoY

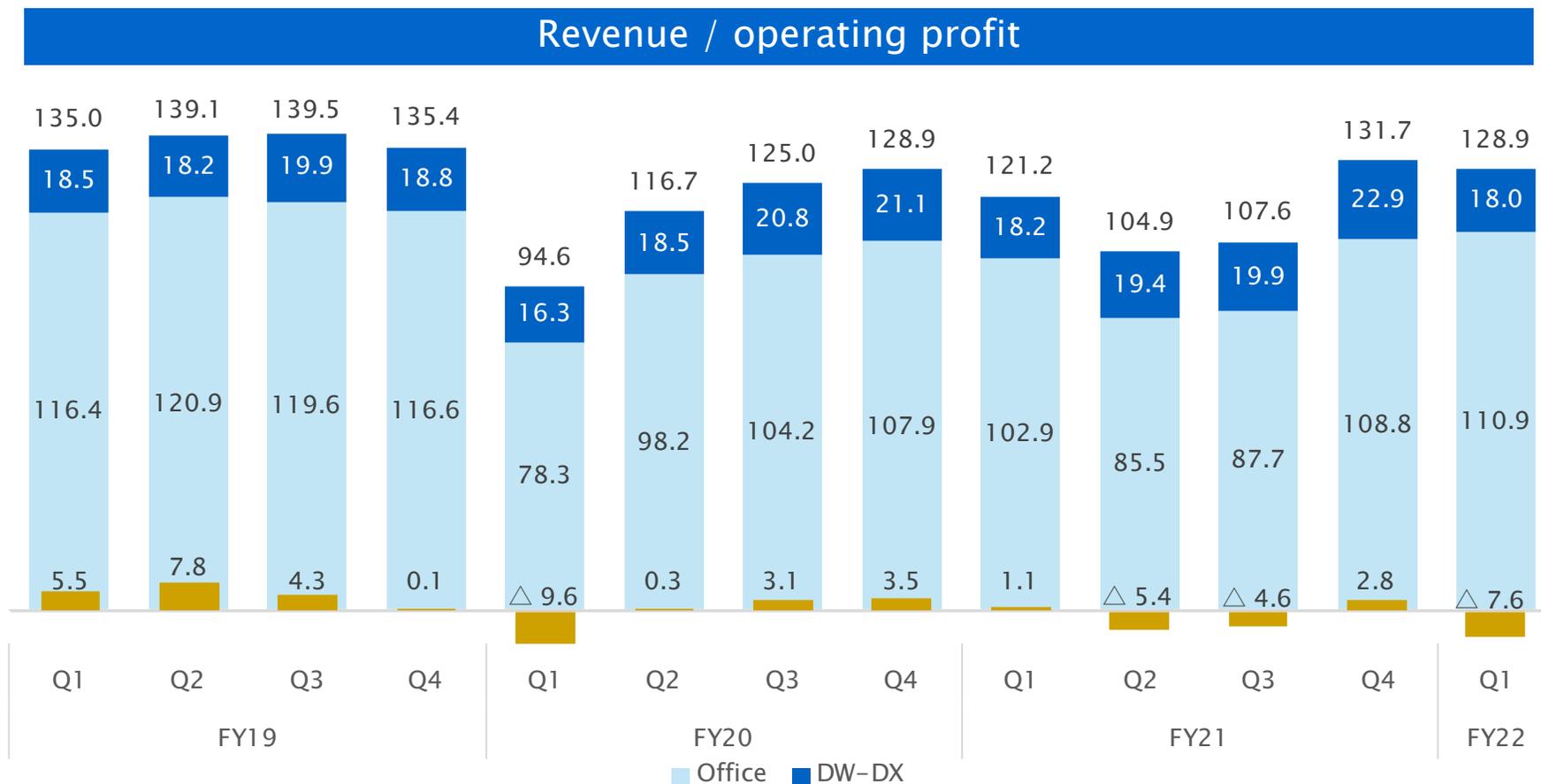
[¥ billions]



Office: Despite the continuing recovery in hardware demand, orders were 81% of FY19 levels owing to the impact of lockdowns in Shanghai and prolonged logistics transportation periods. Non-hard (toner, etc.) recovered to 85% of FY19 levels as expected. The order backlog was approx. ¥58.0 billion

DW-DX: Although recurring revenue performed well, there were supply shortages of procured items, resulting in weak growth.

[¥ billions]



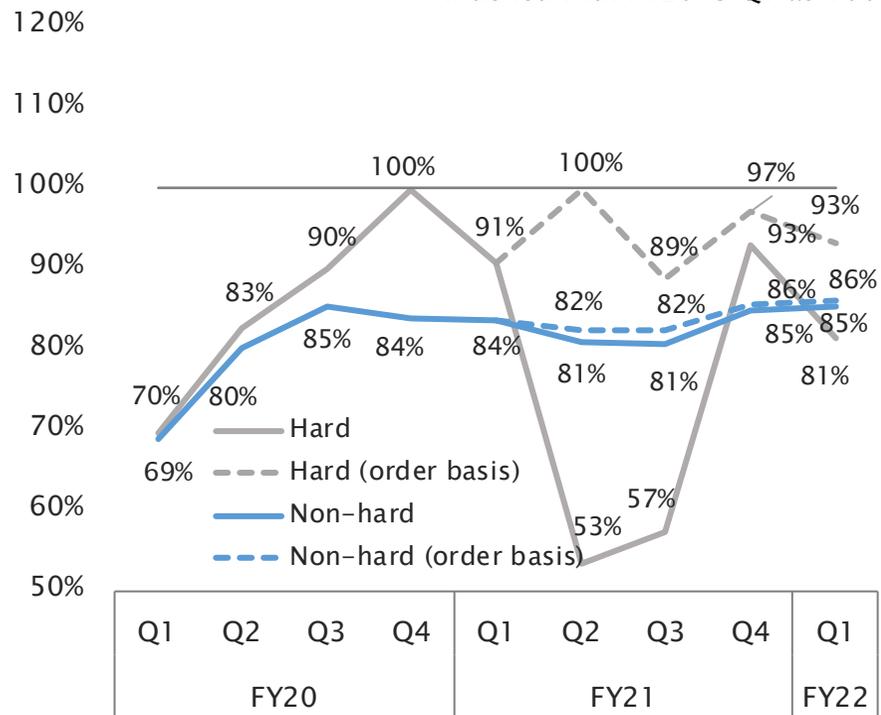
Hard and Non-hard Revenue comparing with FY19



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Office

Indexed with FY2019 Q1 as 100

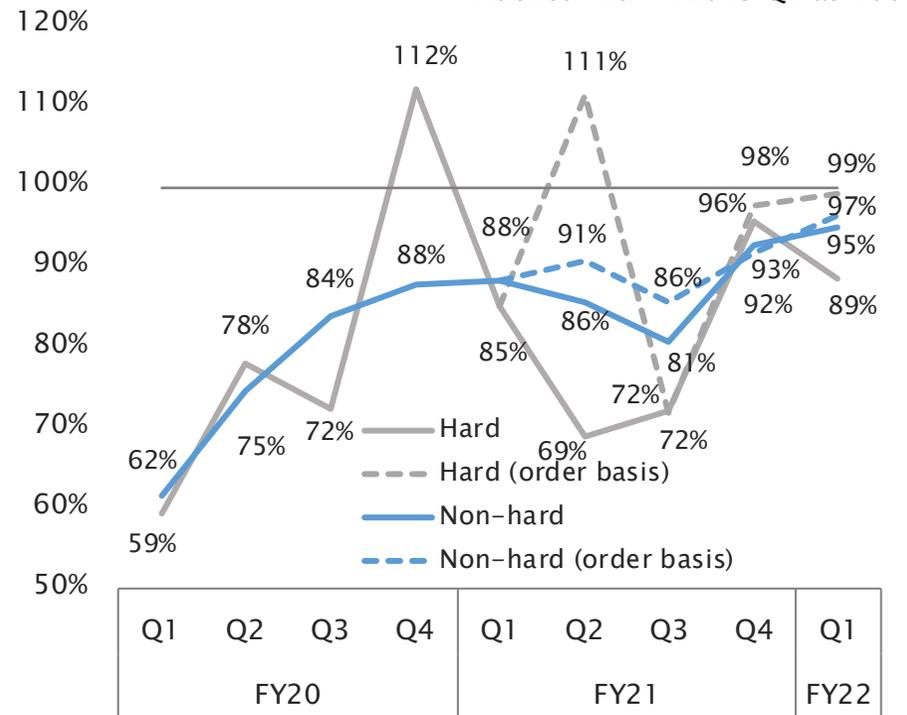


	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	FY20				FY21				FY22
Hard	70%	83%	90%	100%	91%	53%	57%	97%	93%
Hard (order basis)	69%	80%	85%	84%	84%	82%	82%	89%	93%
Non-hard	70%	80%	85%	84%	84%	81%	81%	85%	86%
Non-hard (order basis)	69%	80%	85%	84%	84%	82%	82%	85%	85%

Japan	85%	90%	94%	92%	92%	87%	91%	89%	89%
U.S.	62%	73%	78%	81%	77%	75%	74%	82%	77%
Europe	66%	82%	83%	78%	83%	82%	77%	82%	87%
China	107%	105%	115%	140%	109%	111%	75%	110%	114%
India	52%	68%	98%	113%	73%	103%	127%	108%	143%
Overall	69%	80%	85%	84%	84%	81%	81%	85%	85%

Production Print

Indexed with FY2019 Q1 as 100



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	FY20				FY21				FY22
Hard	59%	78%	72%	112%	85%	69%	72%	96%	89%
Hard (order basis)	62%	75%	84%	88%	88%	111%	86%	98%	97%
Non-hard	62%	75%	84%	88%	86%	81%	81%	93%	95%
Non-hard (order basis)	62%	75%	84%	88%	86%	86%	86%	92%	97%

Japan	76%	82%	88%	87%	81%	76%	66%	78%	75%
U.S.	52%	67%	77%	82%	76%	75%	76%	90%	81%
Europe	64%	77%	79%	78%	88%	94%	77%	86%	98%
China	113%	117%	140%	138%	176%	138%	98%	127%	120%
India	34%	71%	105%	113%	83%	107%	121%	114%	136%
Overall	62%	75%	84%	88%	88%	86%	81%	93%	95%

Appendix SG&A–Other Income/ Expenses–Finance Income/Loss



KONICA MINOLTA

[¥ billions]

	FY2022 Q1	FY2021 Q1	YoY
SG&A			
Selling expenses – variable	12.7	8.7	+4.0
R&D expenses	15.3	15.3	–0.0
Personnel expenses	52.2	48.5	+3.7
Others	30.4	26.7	+3.7
SG&A total	110.7	99.2	+11.4
	<i>* Forex impact: +7.5bn. (Actual: +3.9bn.)</i>		
Other income:			
Insurance income	1.0	0.0	+0.9
Subsidy income including compensation for sustaining bus	0.0	0.8	–0.8
Gain on transfer of business	–	1.5	–
Other income	0.8	0.9	–0.0
Other income total	1.8	3.2	–1.4
Other expenses			
Business structure improvement costs	3.5	0.3	+3.2
Settlement payments	1.6	–	–
Other expenses	1.7	1.9	–0.2
Other expenses total	6.8	2.2	+4.6
Finance income/loss:			
Interest income/Dividends received/Interest expense	–1.0	–0.5	–0.4
Foreign exchange gain/loss (net)	4.2	0.1	+4.1
Others	0.2	–0.1	+0.4
Finance income/loss, net	3.5	–0.6	+4.0

Appendix R&D expenses / CAPEX / Depreciation and Amortization Expenses



KONICA MINOLTA

R&D expenses	FY2022 Q1	FY2021 Q1	YoY
Digital Workplace Business/ Professional Print Business	6.6	7.4	-10%
Healthcare Business	3.1	2.7	+16%
Industry Business	3.3	3.2	+5%
Corporate etc.	2.3	2.1	+6%
Company overall	15.3	15.3	-0%

[¥ billions]

CAPEX	FY2022 Q1	FY2021 Q1	YoY
Digital Workplace Business/ Professional Print Business	4.3	5.3	-19%
Healthcare Business	1.8	1.3	+43%
Industry Business	1.0	1.1	-9%
Corporate etc.	1.3	1.2	+4%
Company overall	8.4	8.9	-6%

Depreciation and Amortization Expenses	FY2022 Q1	FY2021 Q1	YoY
Digital Workplace Business/ Professional Print Business	11.5	11.9	-4%
Healthcare Business	2.8	2.4	+16%
Industry Business	2.9	2.9	+0%
Corporate etc.	1.7	1.8	-7%
Company overall	18.8	19.0	-1%

Appendix Operating Profit Analysis

[¥ billions]

Comparison of Y on Y FY21/Q1 vs. FY20/Q1	Digital Workplace	Professional Print	Healthcare	Industry	corporate, etc.	Total
[Factors]						
Forex impact	- 0.1	+0.9	- 0.8	+0.8	- 0.0	+0.8
Sales volume change, and othe	- 4.1	- 0.6	- 0.5	- 1.5	- 0.2	- 6.9
Price change	+1.7	+0.7	- 0.1	- 0.2	-	+2.1
SG&A change, net	- 1.1	- 1.0	- 1.0	- 0.9	+0.0	- 3.9
Other income and expense	- 5.1	+0.1	- 1.0	+0.0	- 0.1	- 6.1
[Operating Profit]						
Change, YoY	- 8.6	- 0.0	- 3.3	- 1.7	- 0.4	- 14.1

Appendix Consolidated Statements of Financial Position



[¥ billions]

	Mar 2021	Mar 2022	Jun 2022
Cash and cash equivalents	123.8	117.7	108.2
Trade and other receivables	262.8	280.2	291.8
Inventories	156.9	185.7	214.6
Other current assets	38.4	35.3	48.7
Total current assets	582.0	618.9	663.4
Property, plant and equipment	292.5	287.7	290.6
Goodwill and intangible assets	347.5	354.1	380.4
Other non-current assets	77.7	77.4	77.1
Total non-current assets	717.7	719.3	748.2
Total assets	1299.8	1338.1	1411.5

	Mar 2021	Mar 2022	Jun 2022
Trade and other payables	185.8	182.1	193.3
Bonds and borrowings	315.3	354.3	381.2
Lease liabilities	95.4	94.3	97.5
Other liabilities	152.6	145.9	157.0
Total liabilities	749.0	776.6	829.0
Equity attributable to owners of the company	539.9	549.8	570.0
Non-controlling interests	10.8	11.7	12.5
Total equity	550.7	561.5	582.6
Total liabilities and equity	1299.8	1338.1	1411.5

	Mar 2021	Mar 2022	Jun 2022
Equity ratio (%)	41.5	41.1	40.4
Equity ratio for company rating (%)	45.3	44.8	43.9
D/E ratio	0.76	0.82	0.84

Appendix Consolidated Financial Statements | Consolidated Statements of Cash Flows

[¥ billions]

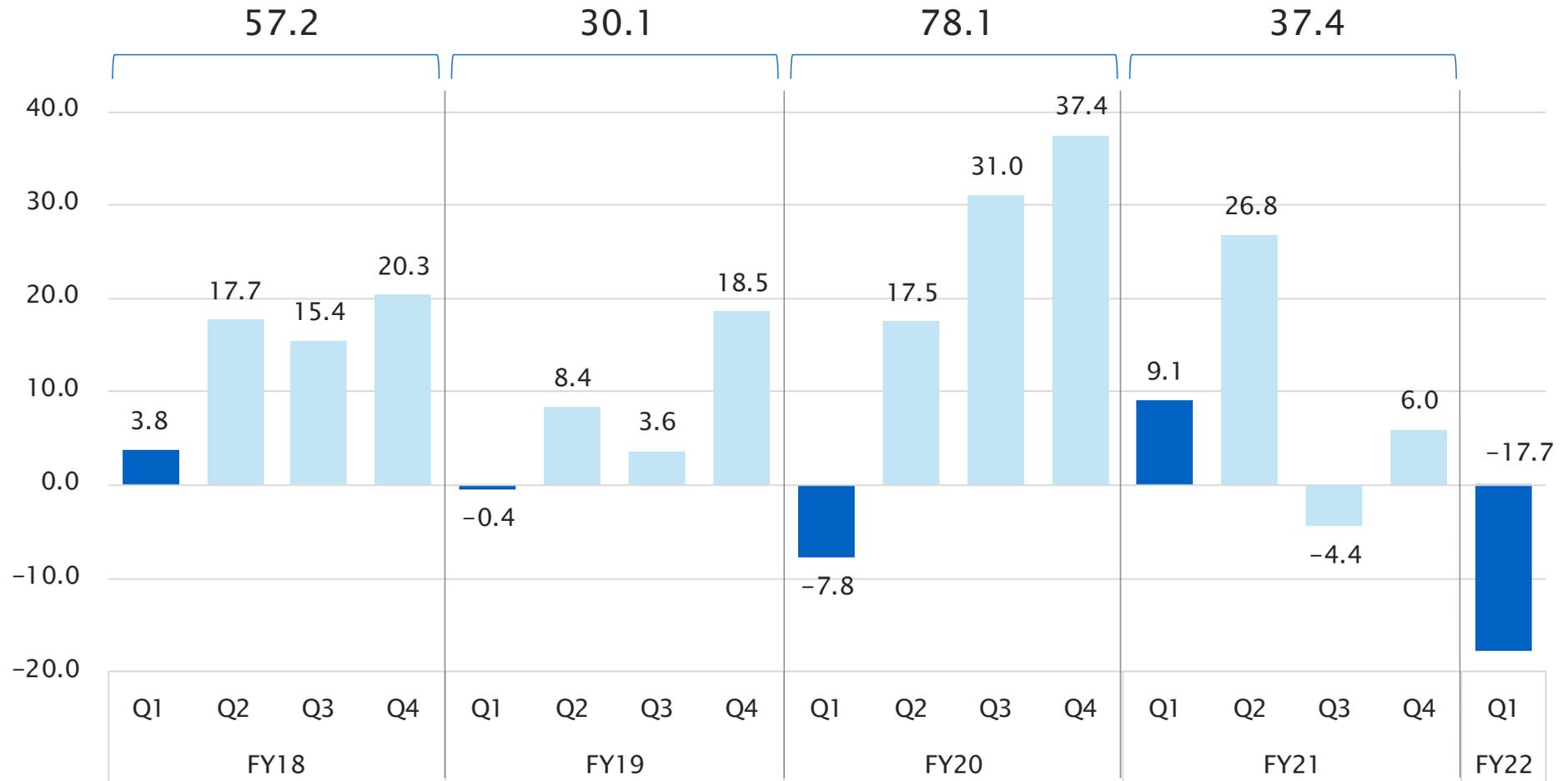
	FY20 Q1	FY21 Q1	FY22 Q1
Profit (loss) before tax	-23.8	2.5	-7.6
Depreciation and amortization expenses	19.4	19.0	18.8
(Increase) decrease in trade and other receivables	35.6	14.7	10.4
(Increase) decrease in inventories	-8.4	5.3	-16.4
Increase (decrease) in trade and other payables	-25.5	-14.7	-3.2
Othes	-5.1	-17.8	-19.7
Cash flows from operating activities	-7.8	9.1	-17.7
Purchase of property, plant and equipment	-6.1	-9.3	-4.9
Purchase of intangible assets	-2.3	-4.4	-4.6
Purchase of investments in subsidiaries	-0.2	0.0	-0.2
Others	2.5	1.8	2.5
Net cash provided by (used in) investing activities	-6.2	-11.9	-7.2
Free cash flows	-13.9	-2.8	-24.9



Appendix Consolidated Financial Statements | Quarterly Cash Flow from Operating Activities



[¥ billions]



Appendix FOREX Impact on Revenue and Operating Profit

[FOREX : ¥]
[Impact, Sensitivity : ¥ billions]

	FY20	FY21	YoY Impact		FX Sensitivity*2	
	3M	3M	Revenue	OP	Revenue	OP
USD	109.49	129.57	+14.2	- 1.0	+2.7	- 0.3
EUR	131.96	138.12	+2.4	+0.3	+1.5	+0.4
GBP	153.21	162.96	+0.6	- 0.0	+0.2	+0.1
European Currency*1	-	-	+3.0	+0.3	+2.1	+0.6
CNY	16.96	19.58	+1.9	+1.0	+3.2	+1.4
Other	-	-	+2.1	+0.2	-	-
Exchange contract effect	-	-	+0.0	+0.2	-	-
Total	-	-	+21.1	+0.8	-	-

*1 European currency: Currencies used in Europe including EUR/GBP

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

Appendix Quarterly Financial Results : Segments



KONICA MINOLTA

[¥ billions]

[Revenue]	FY21					FY22
	Q1	Q2	Q3	Q4	total	Q1
Digital Workplace	121.2	104.9	107.6	131.7	465.4	128.9
Professional Print	47.9	45.6	47.4	53.8	194.7	55.1
Healthcare	25.2	31.0	28.2	25.6	109.9	28.7
Industry	35.2	33.3	32.8	37.9	139.2	34.9
Corporate, etc.	0.3	0.4	0.5	1.0	2.1	0.3
Company overall	229.9	215.2	216.4	249.9	911.4	247.8

[Business Contribution Profit]	Q1	Q2	Q3	Q4	total	Q1
Digital Workplace	0.0	-5.6	-4.4	2.2	-7.7	-3.5
Professional Print	1.3	0.4	-0.5	2.1	3.3	1.2
Healthcare	-3.6	-2.3	-4.4	-10.5	-20.8	-5.9
Industry	8.0	6.5	5.3	8.2	27.9	6.2
Corporate, etc.	-3.7	-4.0	-3.5	-3.6	-14.8	-4.0
Company overall	2.1	-5.0	-7.6	-1.6	-12.2	-5.9

[Operating Profit]	Q1	Q2	Q3	Q4	total	Q1
Digital Workplace	1.1	-5.4	-4.6	2.8	-6.2	-7.6
Professional Print	1.0	0.5	-1.0	0.5	1.0	0.9
Healthcare	-3.2	-2.1	-4.5	-10.5	-20.3	-6.5
Industry	8.0	6.5	5.2	-1.2	18.5	6.2
Corporate, etc.	-3.7	-4.2	-3.7	-3.7	-15.3	-4.1
Company overall	3.1	-4.7	-8.6	-12.1	-22.3	-11.0

Appendix Quarterly Financial Results : Segments

[¥ billions]



KONICA MINOLTA

【Revenue】	FY21					FY22
	Q1	Q2	Q3	Q4	total	Q1
Digital Workplace Business	121.2	104.9	107.6	131.7	465.4	128.9
Office	102.9	85.5	87.7	108.8	385.0	110.9
DW-DX	18.2	19.4	19.9	22.9	80.5	18.0
Professional Print Business	47.9	45.6	47.4	53.8	194.7	55.1
Production print	30.3	29.2	30.6	33.2	123.3	35.5
Industrial print	5.9	6.2	6.1	8.5	26.7	6.0
Marketing services	11.7	10.2	10.8	12.1	44.7	13.6
Healthcare Business	25.2	31.0	28.2	25.6	109.9	28.7
Medical imaging	17.2	22.6	20.3	26.2	86.3	19.1
Precision medicine	8.0	8.4	7.9	-0.7	23.6	9.5
Industry Business	35.2	33.3	32.8	37.9	139.2	34.9
Sensing	12.2	9.7	9.3	11.2	42.4	13.5
Materials and Componen	20.5	20.8	20.5	22.5	84.2	18.7
Imaging-IoT solutions	2.6	2.9	2.9	4.2	12.6	2.8
Corporate etc.	0.3	0.4	0.5	1.0	2.1	0.3
Company overall	229.9	215.2	216.4	249.9	911.4	247.8
【Operating Profit】	Q1	Q2	Q3	Q4	total	Q1
Digital Workplace Business	1.1	-5.4	-4.6	2.8	-6.2	-7.6
Professional Print Business	1.0	0.5	-1.0	0.5	1.0	0.9
Healthcare Business	-3.2	-2.1	-4.5	-10.5	-20.3	-6.5
Industry Business	8.0	6.5	5.2	-1.2	18.5	6.2
Corporate etc.	-3.7	-4.2	-3.7	-3.7	-15.3	-4.1
Company overall	3.1	-4.7	-8.6	-12.1	-22.3	-11.0

Appendix Quarterly Financial Results : Industry Business



KONICA MINOLTA

[¥ billions]

【Revenue】	FY21					FY22
	Q1	Q2	Q3	Q4	total	1 Q
Industry Business	35.2	33.3	32.8	37.9	139.2	34.9
Sensing	12.2	9.7	9.3	11.2	42.4	13.5
Materials and components	20.5	20.8	20.5	22.5	84.2	18.7
Performance materials	13.2	12.8	12.7	13.6	52.2	11.3
Optical components	3.8	4.4	4.2	4.8	17.2	3.6
IJ components	3.5	3.6	3.6	4.1	14.8	3.7
Imaging-IoT solutions	2.6	2.9	2.9	4.2	12.6	2.8
Imaging-IoT solutions	2.3	2.4	2.1	2.1	8.8	2.0
Visual solutions	0.3	0.5	0.8	2.2	3.9	0.8

【Operating Profit】	FY21					FY22
	Q1	Q2	Q3	Q4	total	1 Q
Industry Business	8.0	6.5	5.2	-1.2	18.5	6.2



■ Composition of revenue by region (in yen)

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
Japan	12%	13%	13%	14%	13%	15%	14%	13%	14%	14%	12%	13%	14%	14%	13%	11%
North America	34%	33%	33%	33%	33%	33%	32%	30%	30%	31%	32%	31%	31%	30%	31%	34%
EU	36%	34%	37%	37%	36%	35%	37%	37%	37%	37%	37%	35%	35%	36%	36%	37%
China	6%	6%	5%	4%	5%	8%	8%	8%	7%	7%	7%	9%	7%	6%	7%	7%
Others	12%	13%	12%	12%	12%	10%	11%	12%	12%	11%	12%	13%	13%	13%	13%	12%

■ Change in revenue by region (w/o FOREX)

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
Japan	-8%	+4%	+1%	-3%	-2%	-19%	-17%	-7%	-4%	-11%	+12%	-9%	-7%	-2%	-2%	-7%
North America	-2%	-2%	-3%	-12%	-4%	-34%	-21%	-18%	-8%	-20%	+27%	-12%	-14%	-5%	+0%	-2%
EU	-2%	-1%	+6%	-7%	-2%	-31%	-15%	-13%	-9%	-17%	+28%	-13%	-18%	-1%	-3%	+4%
China	-4%	-1%	-8%	-40%	-14%	-4%	+6%	+19%	+56%	+16%	+15%	-1%	-21%	-13%	-4%	-12%
Others	-7%	+2%	+5%	-6%	-1%	-35%	-29%	-11%	-7%	-20%	+37%	+4%	-8%	+9%	+10%	+1%

■ Percentage of color in sales of hardware

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
Office	72%	73%	72%	75%	73%	69%	76%	75%	74%	74%	74%	72%	73%	77%	75%	73%
Professional Print	78%	82%	76%	80%	79%	75%	80%	80%	81%	79%	79%	82%	80%	79%	80%	77%

■ Transition of Office MFP Unit Sales Y o Y

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
A3 Color MFP	93%	99%	102%	93%	97%	72%	84%	92%	92%	85%	132%	62%	55%	103%	84%	89%
A3 Monochrome MFP	95%	95%	94%	60%	86%	76%	89%	98%	140%	97%	117%	83%	65%	75%	83%	63%
A3 MFP overall	94%	97%	99%	79%	92%	74%	86%	94%	107%	90%	126%	71%	59%	91%	84%	79%

■ Transition of Non-hard Revenue Y o Y

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
Revenue of non-hard	62.4	60.5	62.3	60.1	245.3	42.1	48.9	53.1	51.1	195.1	53.5	51.3	52.8	54.1	211.7	59.3
Ratio of non-hard	53%	50%	52%	51%	52%	53%	50%	51%	47%	50%	52%	60%	60%	49%	55%	53%

■ Transition of Regional Non-hard Revenue w/o Forex Y o Y

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
Japan	97%	100%	99%	98%	98%	85%	90%	94%	92%	90%	108%	98%	97%	97%	100%	96%
U.S.	99%	99%	98%	95%	97%	62%	73%	78%	81%	74%	124%	103%	94%	101%	105%	100%
Europe	96%	100%	102%	97%	99%	66%	82%	83%	78%	77%	126%	101%	93%	104%	105%	105%
China	105%	114%	96%	72%	96%	107%	105%	115%	140%	116%	102%	105%	65%	79%	87%	105%
India	115%	117%	101%	102%	109%	52%	68%	98%	113%	82%	141%	151%	130%	96%	125%	196%
Overall	98%	98%	99%	97%	98%	69%	80%	85%	84%	80%	120%	101%	94%	101%	103%	102%



■ Transition of Production Print Unit Sales Y o Y

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
Color	100%	97%	102%	72%	91%	51%	73%	65%	100%	73%	138%	83%	99%	71%	91%	105%
Monochrome	107%	87%	89%	76%	89%	59%	68%	71%	95%	72%	122%	83%	90%	83%	93%	86%
Overall	102%	93%	97%	73%	90%	54%	71%	67%	99%	72%	132%	83%	96%	74%	92%	98%

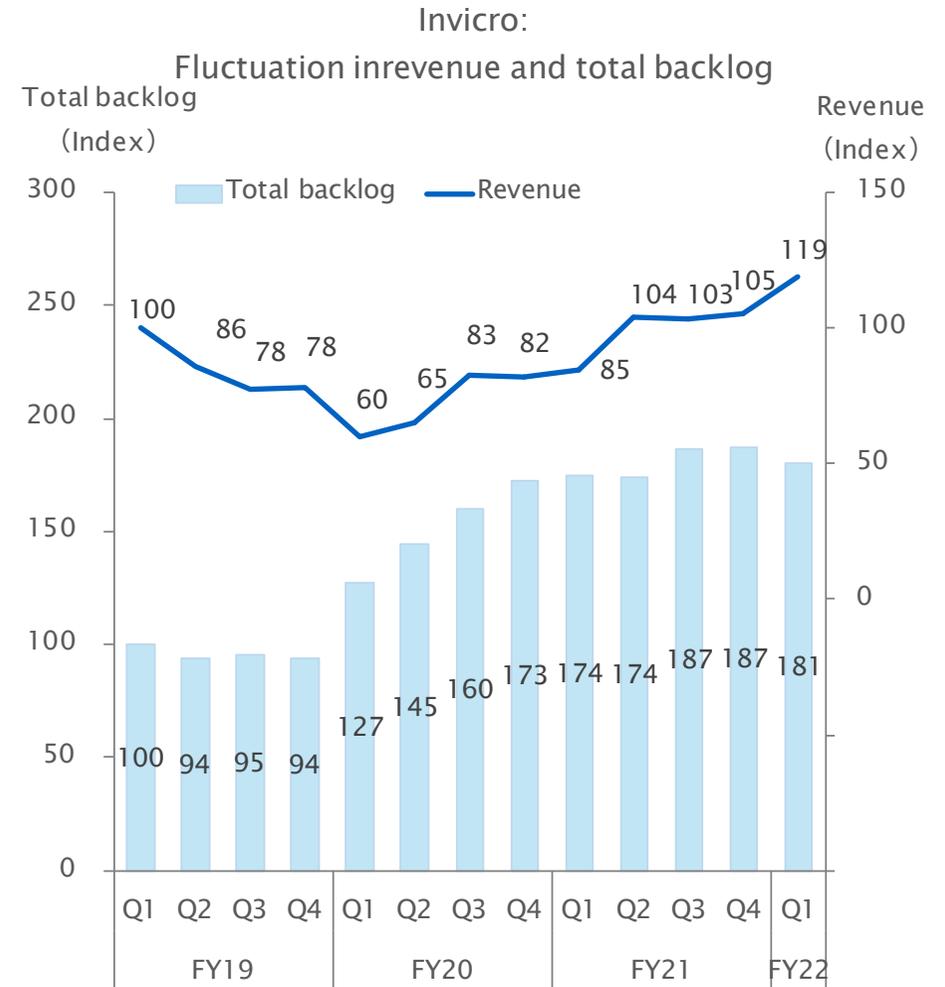
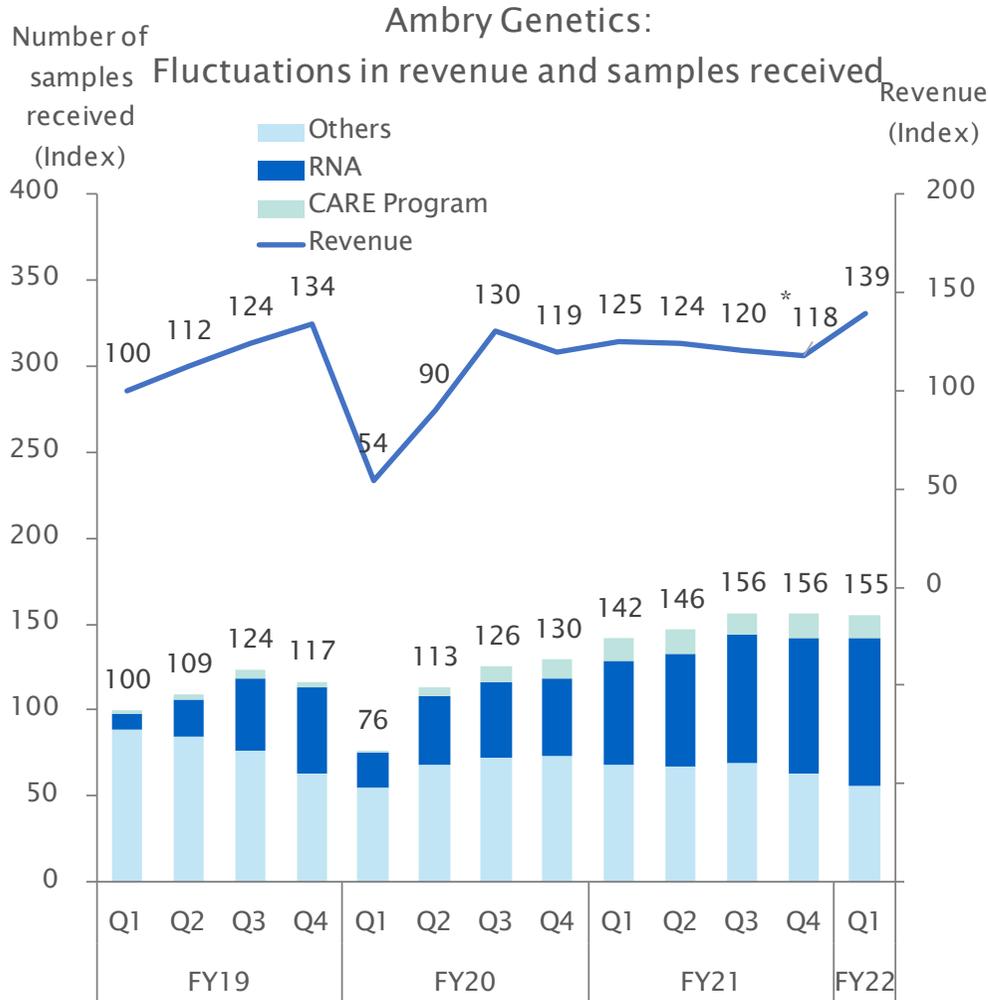
■ Transition of Non-hard Revenue Y o Y

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
Revenue of non-hard	20.3	19.9	21.5	19.8	81.6	12.2	14.8	17.9	17.5	62.4	18.3	17.9	18.3	19.6	74.0	21.7
Ratio of non-hard	59%	56%	57%	59%	58%	60%	55%	60%	53%	57%	60%	61%	60%	59%	60%	61%

■ Transition of Regional Non-hard Revenue w/o Forex Y o Y

	FY19					FY20					FY21					FY22
	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1	Q2	Q3	Q4	12M	Q1
Japan	97%	98%	94%	93%	96%	76%	82%	88%	87%	83%	107%	93%	75%	90%	90%	93%
U.S.	96%	101%	96%	94%	97%	52%	67%	77%	82%	69%	146%	111%	100%	110%	114%	106%
Europe	97%	97%	100%	100%	99%	64%	77%	79%	78%	75%	138%	121%	98%	110%	115%	112%
China	112%	121%	116%	92%	110%	113%	117%	140%	138%	127%	156%	118%	70%	92%	105%	68%
India	117%	121%	116%	105%	114%	34%	71%	105%	113%	81%	245%	151%	116%	101%	131%	164%
Overall	102%	99%	101%	99%	99%	62%	75%	84%	88%	77%	141%	115%	96%	106%	112%	108%

Appendix Revenue and KPI Trends of Genetic Testing and Drug Discovery support business

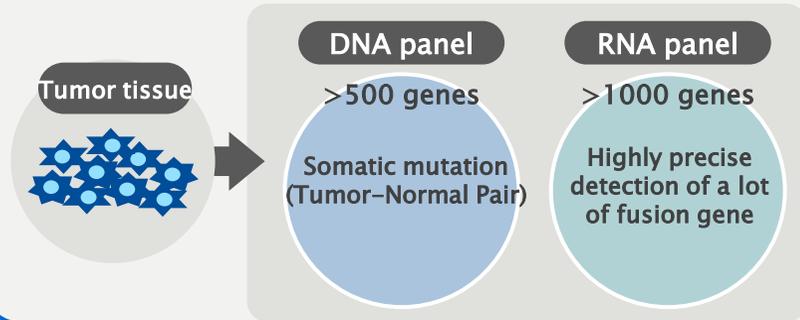


Indexed with FY2019 Q1 as 100.
 *Before reassessment of recoverable amount of accounts receivable

Todai OncoPanel (TOP2)

Oncogene mutation in tumor tissues

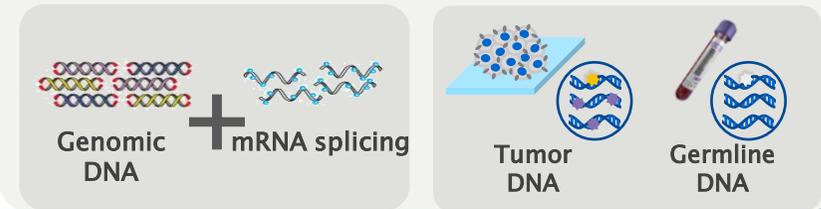
- Understand the characteristics of tumor tissues in a high sensitivity/precision manner
- Precise drug treatment selection



Ambry Genetics

Extensive performance of high-quality tests ranging from hereditary genetic tests to somatic tests

- Cutting-edge genetic diagnostic technology
- DNA/RNA pair test
- Results in somatic test in the U.S. market
- Database/AI analysis



Understanding genetic mutations in wide range of cancer

Improving understanding of genetic risks

Oncogene mutation data are accumulated as one of the largest panels and integrated into C-CAT, contributing to the development of drug discovery and diagnostic support system as a national initiative



Before March 31, 2021

Digital Workplace Business	<ul style="list-style-type: none"> ■ Office(OP) ■ IT service solutions(ITS) ■ Workplace Hub(WPH)
Professional Print Business	<ul style="list-style-type: none"> ■ Production print(PP) ■ Industrial print(IP) ■ Marketing services(MS)
Healthcare Business	<ul style="list-style-type: none"> ■ Healthcare(HC) ■ Precision medicine(APM)
Industry Business	Sensing
	<ul style="list-style-type: none"> ■ Measuring instruments(MI)
	Materials and components
	<ul style="list-style-type: none"> ■ Performance materials(PM) ■ Optical components(OC) ■ IJ components(IJ)
	Imaging-IoT solutions
	<ul style="list-style-type: none"> ■ Imaging-IoT solutions(IIS) ■ Visual solutions(VS)
Corporate, etc., QOL	

After April 1, 2021

Digital Workplace Business	<ul style="list-style-type: none"> ■ Office(OP) ■ DW-DX(DW-DX)
Professional Print Business	<ul style="list-style-type: none"> ■ Production print(PP) ■ Industrial print(IP) ■ Marketing services(MS)
Healthcare Business	<ul style="list-style-type: none"> ■ Healthcare(HC) ■ Precision medicine(APM)
Industry Business	Sensing
	<ul style="list-style-type: none"> ■ Measuring instruments(MI)
	Materials and components
	<ul style="list-style-type: none"> ■ Performance materials(PM) ■ Optical components(OC) ■ IJ components(IJ)
	Imaging-IoT solutions
	<ul style="list-style-type: none"> ■ Imaging-IoT solutions(IIS) ■ Visual solutions(VS)
Corporate, etc., QOL	

- **MFP (Multi Functional Peripheral) Speed Segment: Digital Workplace Business**
Seg. 1 to 20ppm, Seg.2 21–30ppm, Seg.3 31–40ppm, Seg.4 41–69ppm, Seg.5 70~ppm (A4 vertical, minute speed)
- **Color production print Machine Segments: Professional Print Business**
ELPP (Entry Light Production Print) Monthly printing volume: 1–0.3 million sheets for low-priced products mainly for large companies' centralized printing rooms
LPP (Light Production Print) Monthly printing volume: 0.1–0.3 million sheets for commercial printers
MPP (Mid Production Print) Monthly printing volume: 30–1 million sheets for commercial printing products
HPP (Heavy Production Print) Monthly printing volume: 1 million sheets or more for commercial printing products
- **RNA (ribonucleic acid) Testing: Healthcare Business**
Testing to identify changes in mRNA structure in the primary transcript of DNA (deoxyribonucleic acid). Analysis of transcript mRNA can provide more detailed test results on DNA mutations that used to be considered of undetermined clinical significance in conventional DNA testing.
- **CARE Program (Comprehensive Assessment, Risk & Education): Healthcare Business**
Program to provide total support for effective pick-up and genetic diagnostics of the high-risk group of genetic breast cancer.
- **FORXAI : Imaging IoT Solutions Business**
FORXAI is an imaging IoT platform that accelerates digital transformation of society together with customers and partners.



KONICA MINOLTA