

Konica Minolta, Inc.

Q&A from 2Q/ March 2019 Financial Results Briefing Session

Date: October 30, 2018 17:30 – 18:30 JST

Place: Nomura conference plaza Nihonbashi (Tokyo, Japan)

Cautionary Statement

This material was prepared for those who were unable to attend the financial results briefing in person and is intended only for reference purposes. Readers are asked to acknowledge in advance that the following text is not a verbatim account of everything that was said at the briefing but a basic summary whose content was determined by Konica Minolta.

Moreover, readers are asked to further acknowledge in advance that the business performance outlook and other content concerning future results in this document is based upon information that the company has at present and upon a rational evaluation based on certain assumptions and, additionally, that actual business performance can greatly vary due to a number of factors.

[Q&A regarding Results for Konica Minolta as a whole]

Q: Around ¥6.0 billion of expenses related to the CRE strategy are expected to be posted in the second half. Please explain how these will be used.

A: For the full year it is about ¥7.0 billion. This is scheduled to be allocated to repair/removal expenses, such as improving the seismic resistance of older buildings that have seen some deterioration.

[Q&A regarding Business segments]

Q: With regard to the regional breakdown of revenue, you mentioned that India has been showing extremely high growth recently. Going forward, which regions do you think will be the drivers of growth?

A: We will of course move forward with our plans to strengthen developed countries, but it is in markets such as China, India as well as ASEAN nations, and those in Eastern Europe that the color ratio is relatively low, and where we can leverage our strengths, and that is where we will actively work to expand the business.

Q: Non-hardware is expanding year on year, but what is your view on the sustainability of this growth?

A: In the Office Business, the strengthening of the hybrid sales approach being adopted in Europe and the US is bearing fruit, resulting in growth in sales of high-speed color products, leading in turn to an increase in units installed in the market and also in print volumes, so we believe this is sustainable.

In Professional Print also, in addition to the unit growth in MPP, the effect of installing the high value-added IQ-501 option is appearing as an increase in print volume per unit, so our view is that growth here is also sustainable.

In FY2019 we plan to enter the HPP market, as well as launching new products for the LPP and ELPP areas, so we intend to accelerate this further.

Q: In relation to these most recent revisions to earnings forecasts, what was the background to the revisions to forecasts for New Business?

A: Progress in Bio-healthcare was in line with internal plans in 2Q also, but sales of Workplace Hub began a month behind schedule, and have taken the somewhat conservative view of the risk that profit at the end of the year will slip into FY2019, which is why we adjusted the size of the loss.

-END-