



SHINKA 2019
Evolution



Konica Minolta, Inc. 3rd Quarter/FY2018 ending in March 2019 **Consolidated Financial Results**

Three months: October 1, 2018 – December 31, 2018
Nine months: April 1, 2018 – December 31, 2018
– Announced on February 1, 2019 –

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

FY2018 9M Financial Performance | Summary

[¥ billions]

	FY2018 9M	FY2017 9M	YoY	YoY (W/O Forex)	FY2018 3Q	FY2017 3Q	YoY	YoY (W/O Forex)
Revenue	777.6	750.3	+4%	+ 4%	260.5	262.2	-1%	+ 1%
Operating Profit	50.5	29.1	+74%	+ 56%	15.9	8.6	+84%	+ 82%
Profit attributable to owners of the parent	33.7	18.6	+81%		10.4	5.1	+104%	
FOREX [Yen]								
USD	111.14	111.70	- 1%		112.90	112.98	-0%	
EUR	129.49	128.53	+1%		128.78	133.01	- 3%	

Revenue

- In the Office Business, sales of color models and IT services grew, resulting in higher revenue. In the Professional Print Business, sales grew in both color models and monochrome models as well as in industrial printing, generating higher revenue. Healthcare Business posted lower revenue due to having discontinued the sale of certain purchased products. In Industrial Business, higher sales of Performance Materials partially compensated for lower revenue in the Measuring Instruments business unit, so that revenue for the Business as a whole declined slightly.

Operating Profit

- Office and Professional Print recorded increases in profits thanks to strengthened profitability in core businesses and other such factors. Profit in Healthcare fell, due in part to one-off profit posted in the previous year, and profits in Industrial were flat. Income generated by the liquidation of assets through sale and lease back was also recorded, leading to significant overall year-on-year increase in profit.

FY2018 9M Financial Performance | Revenue & Operating Profit by Segment



KONICA MINOLTA

[¥ billions]

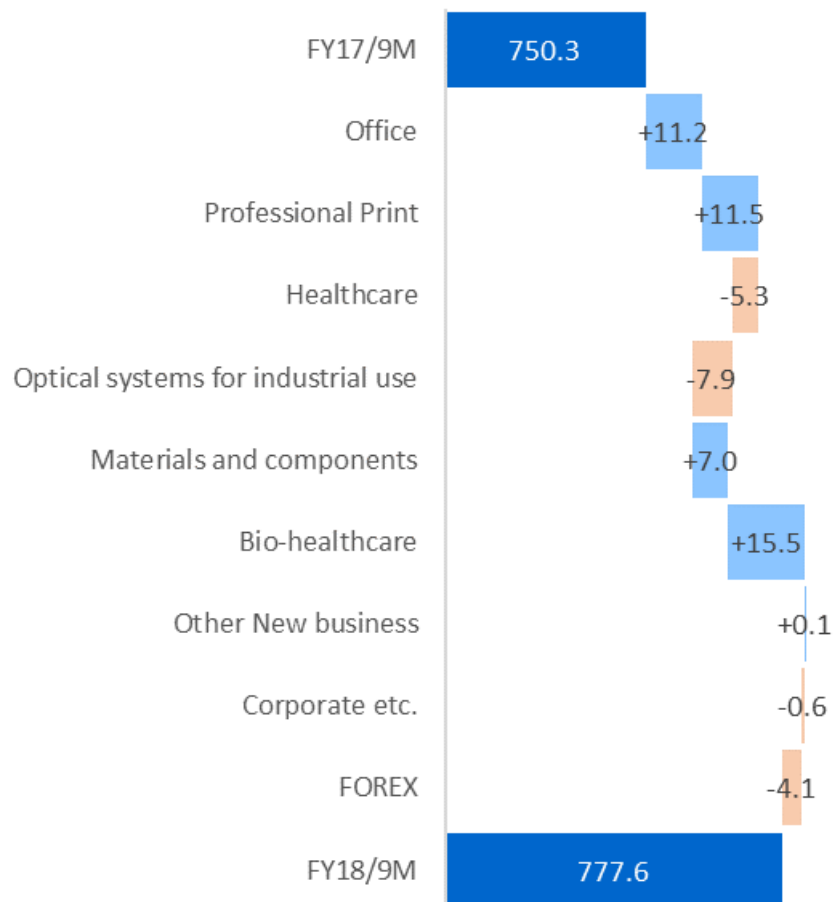
<u>Revenue</u>	FY2018 9M	FY2017 9M	YoY	YoY (W/O)	FY2018 3Q	FY2017 3Q	YoY	YoY (W/O)
Office	436.5	427.7	+2%	+3%	145.7	148.2	- 2%	+0%
Professional Print	165.1	155.0	+6%	+7%	55.8	53.9	+4%	+6%
Healthcare	61.1	66.9	-9%	-8%	20.9	24.0	- 13%	-12%
Industrial	88.4	90.1	-2%	-2%	28.8	30.1	- 4%	-4%
Optical systems for industrial use	26.2	34.3	-24%	-24%	8.2	11.1	- 26%	-25%
Materials and components	62.2	55.8	+12%	+12%	20.6	19.0	+9%	+9%
New business	25.5	9.9	+157%	+157%	8.8	5.7	+56%	+57%
Bio-healthcare	19.0	3.6	—	—	6.6	3.6	+86%	+86%
Others	6.5	6.4	+2%	+1%	2.2	2.1	+5%	+8%
Corporate, etc.	1.0	0.6	+61%	+51%	0.4	0.3	+30%	+34%
Company overall	777.6	750.3	+4%	+4%	260.5	262.2	- 1%	+1%

<u>Operating profit/OPM</u>	FY2018 9M	FY2017 9M	YoY	YoY (W/O)	FY2018 3Q	FY2017 3Q	YoY	YoY (W/O)
Office	34.3	29.9	+15%	+0%	11.6	9.8	+19%	+17%
Professional Print	8.7	5.1	+72%	+53%	3.3	2.6	+27%	+27%
Healthcare	1.2	3.9	-70%	-69%	0.3	1.0	- 65%	-52%
Industrial	17.0	17.6	-3%	-2%	5.6	5.6	- 0%	-1%
New business	-14.0	-10.3	—	—	-5.4	-4.4	—	—
Corporate, etc.	3.2	-17.1	—	—	0.4	-5.9	—	—
Company overall	50.5	29.1	+74%	+56%	15.9	8.6	+84%	+82%

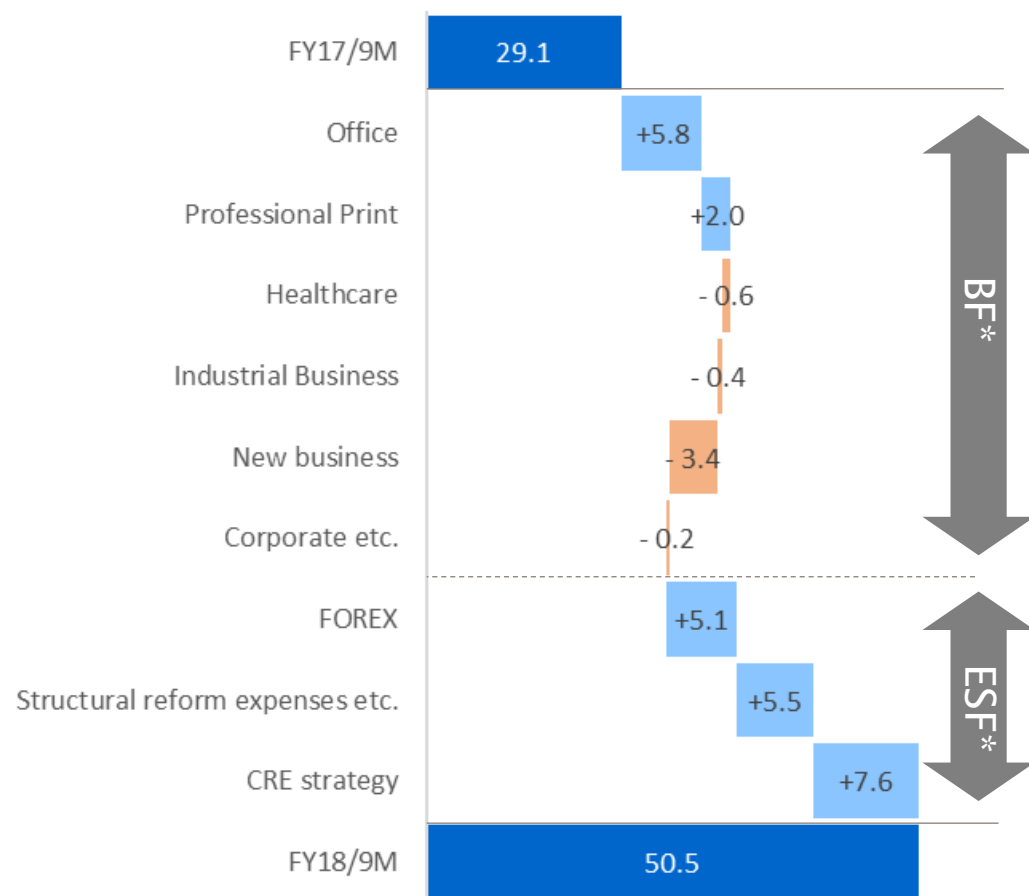
FY2018 9M Financial Performance | Bridge-Revenue & Operating Profit

[¥ billions]

Revenue



Operating Profit



* BF: Business Factors; OP: Operating Profit;

ESF: External and Special Factors

- Promotion of structural reforms in Japan and overseas continues as part of the strengthening of profitability in core businesses set out in Medium Term Business Plan SHINKA 2019.
- Implemented sale and lease back as part of corporate real estate (CRE) strategy, expenses related to repairs/removals, etc. also posted.
- As of June 27, the Company concluded sale and lease back contracts for ownership of the land on its Tokyo sites (Hachioji and Hino), with the procedures for the remaining plots being completed during 3Q for ¥5.4 billion, leading to a cumulative total of ¥20.3 billion for the fiscal year.
- As part of the Group's initiative to accelerate its digital transformation through the global optimization of R&D and production, it has begun a process of integrating and reorganizing certain R&D and production facilities in Japan (as disclosed December 6, 2018).

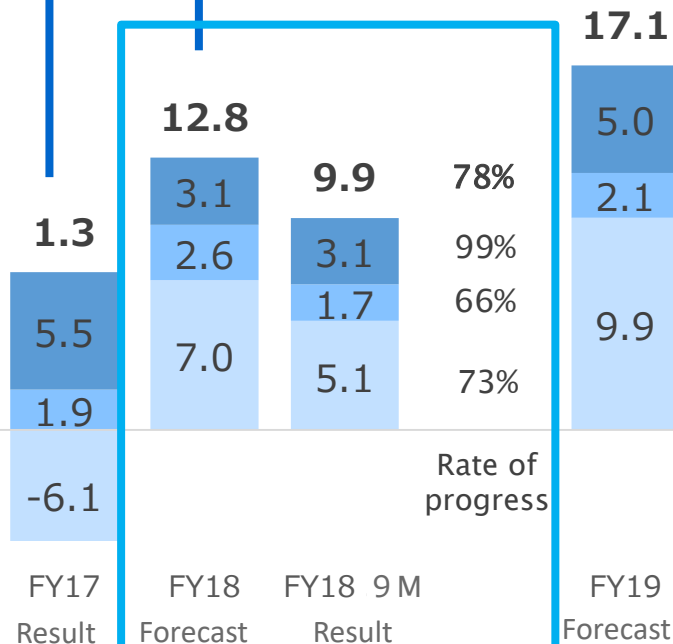
Target and purpose		Impact on profit and loss			
		FY17 9M	FY17 12M	FY18 9M	FY18 12M Forecast
(1) Structural reform expenses	Special early retirement program in Japan, consolidation of warehouses/outsourcing of back-office in Europe, consolidation of locations in North America, etc.	-¥6.7 bn	-¥10.0 bn	-¥2.1 bn	-¥2.0bn to -¥3.0 bn
(2) CRE strategy	Global optimization of facilities use (land/buildings)	¥11.5 bn	¥20.9 bn	¥19.2 bn (S&LB ¥20.3 bn, repairs, etc. ¥1.1 bn)	ca. ¥13.0 bn (S&LB ¥20.3 bn, repairs, etc.)
(1)+(2) Total of one-off profit		¥4.9 bn	¥10.9 bn	¥17.1 bn	¥10.0 bn to ¥11.0 bn

Strengthening Core Business Profitability: Progress of Improvement in Costs

In light of progress up to FY18-3Q, FY18/FY19 forecasts remain unchanged

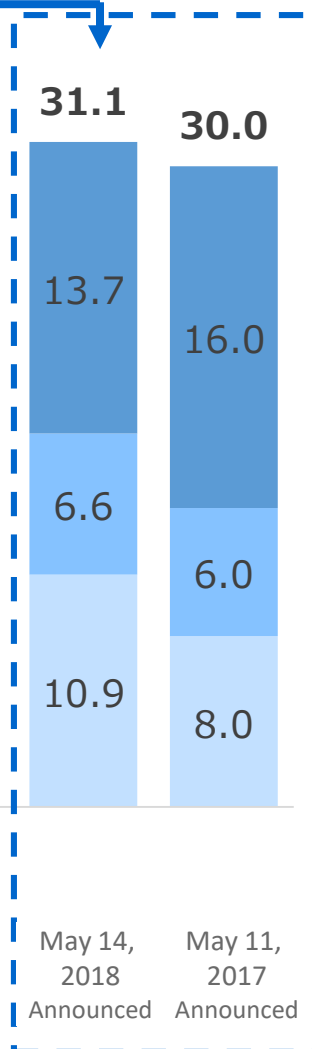
[¥ billions]

- Production costs
- Service costs
- Administration and indirect costs



Status of progress in FY18 3Q

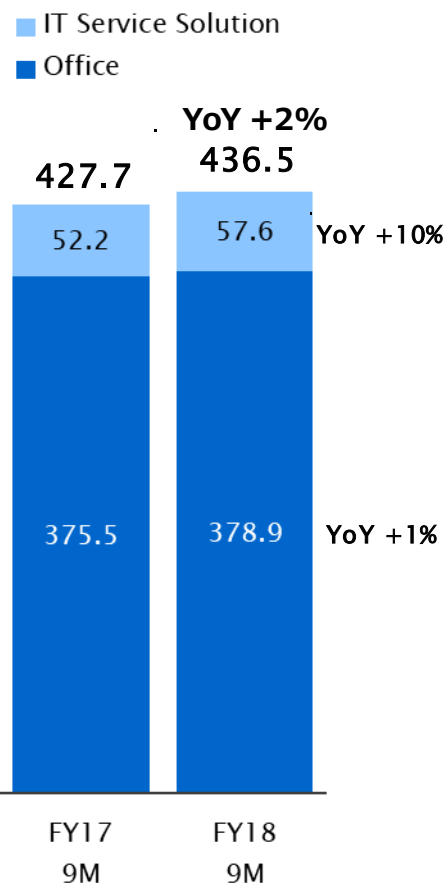
- | | |
|--|---|
| Reduction of production costs | <ul style="list-style-type: none"> Progress at over-rapid pace partly due to major growth in Office/PP unit sales Productivity improvement measures in Performance Materials are having greater effect than anticipated |
| Reduction of service costs | <ul style="list-style-type: none"> Catching up also with delays that occurred in the first half Expand/accelerate "shift-left" measures |
| Reduction of administration and indirect costs | <ul style="list-style-type: none"> Structural reforms implemented up to the first half are producing results |



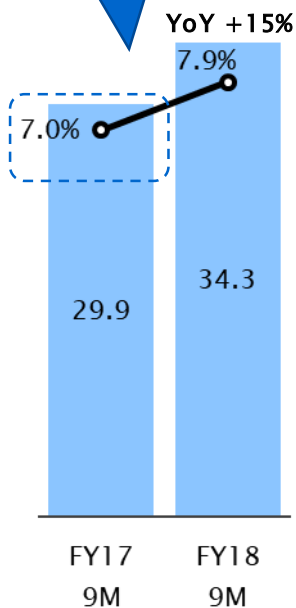
Revenue (9M)

Operating Profit (9M)

[¥ billions]



Includes around ¥5.2 billion in one-off item from the previous fiscal year



3Q (3M) Summary

Office

- Progress was made in line with Company regional strategy, and despite a decline in sales volumes for monochrome models, color model sales rose for an overall increase.
- In Europe, A3 high-speed color models continued to drive growth in sales volume. Although sales volumes stagnated in North America, a scientific approach to sales together with high value-added sales resulted in improved profitability.
- In growing countries such as China, India, and ASEAN, there was growth in A3 color models, from low-speed to high-speed. Partner sales also continued to grow.
- Preparations to launch new products that will contribute in the next fiscal year are making satisfactory progress.

IT Services Solutions

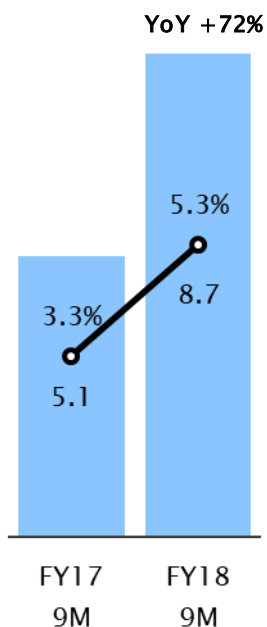
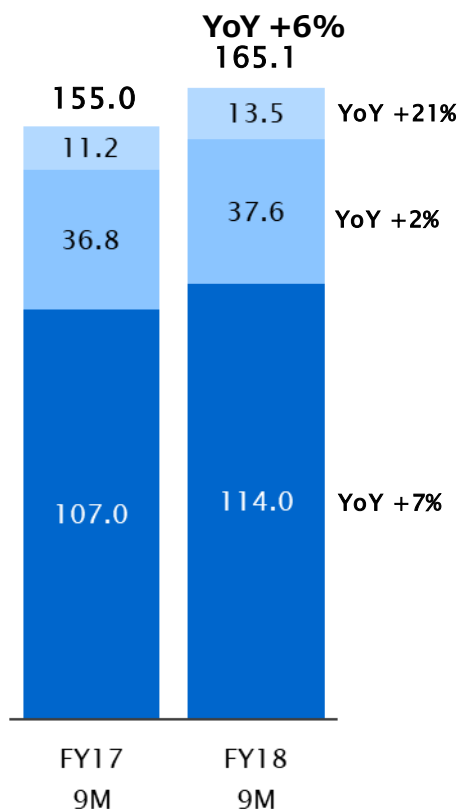
- In addition to the effects of newly consolidated subsidiaries arising from acquisitions in the United States and Europe, strengthening sales and service delivery capabilities of the managed IT services, as part of efforts to develop a sales structure for the Workplace Hub achieved the optimum results, driving increase in revenue.

Revenue (9M)

Operating Profit (9M)

[¥ billions]

- Industrial Print
- Marketing Service
- Production Print



3Q (3M) Summary

Production Print

- In Europe, color MPP/LPP and monochrome MPP saw considerable growth, and, in North America, in addition to the continued significant expansion in sales volumes of monochrome models, color models also recovered, yielding increases.
- In China, India, and ASEAN countries, there were significant increases for all models.
- Overall, there were year-on-year increases for both color and monochrome equipment.
- A new automatic product inspection system was added to the IQ-501. This supports further raising customer productivity and increases PV, which is anticipated to contribute in 4Q and beyond.

Marketing Services

- The acceleration of our shift to high value-added services led to improved profitability, with an increase in revenue driven by a recovery in demand at major customers also playing a part.

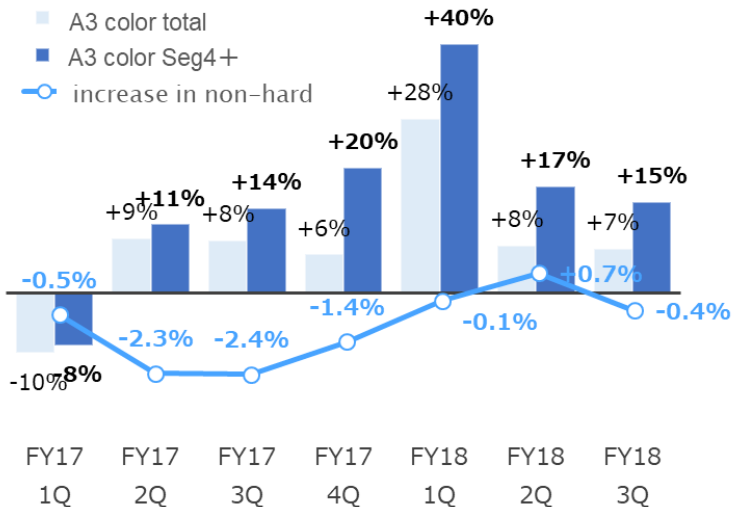
Industrial Printing

- Sales of the AccurioJet KM-1 digital inkjet press, label printers, and digital decoration printing equipment made by MGI expanded, primarily in the US and Europe.
- Sales also expanded in China, India, and ASEAN countries.

Office

- Europe continues to drive growth of Seg4/5 color models. China shows major growth concentrated in low-speed models. Australia, ASEAN, India, and partner sales show growth across the board from low-speed to high-speed models.
- Although non-hard revenue posted a decline due to delays in major project installations and other such factors in Western Europe that were not covered by the growth in Southern and Eastern Europe, gross profit showed growth.

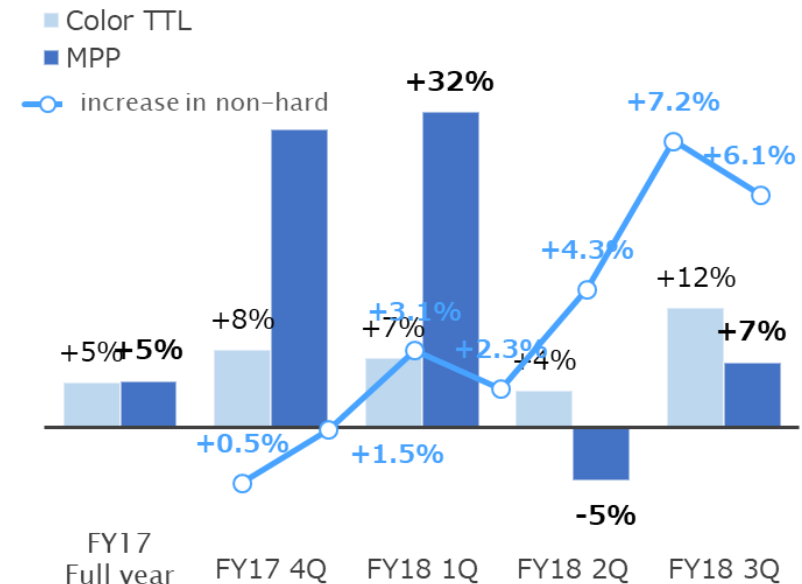
Year-on-year growth rate in A3 color MFP shipments



Production Print

- There were further increases in MPP sales in Europe and the US, while growth in China, India, and ASEAN countries was centered on LPP/ELPP equipment.
- IQ-501 installation is being maintained at a high rate, PV is growing and the non-hard growth rate is posting major growth.

Year-on-year growth rate in Production Print color models

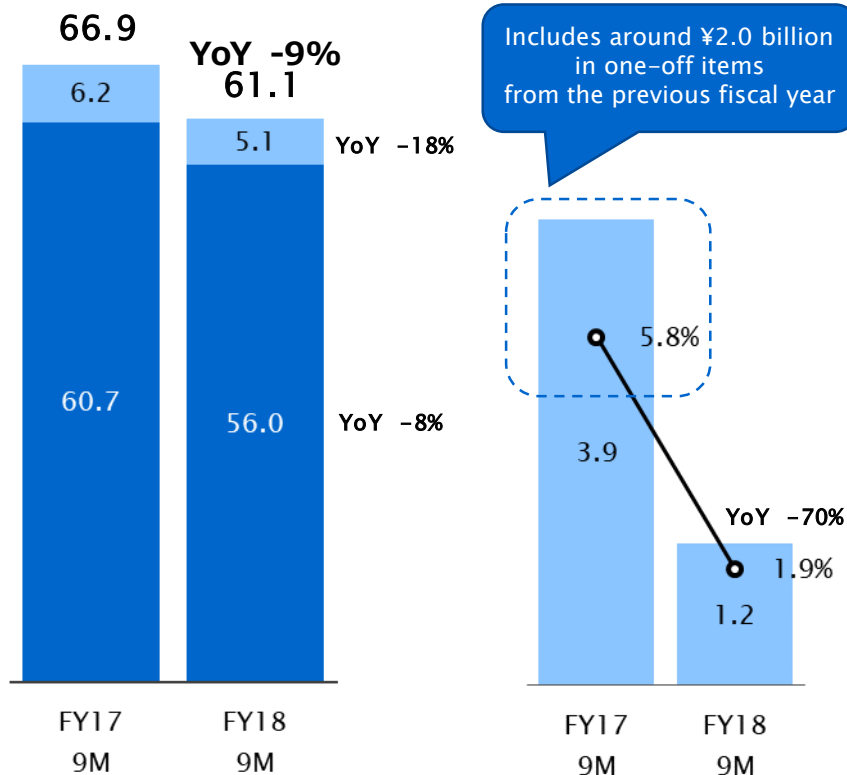


Revenue (9M)

Operating Profit (9M)

[¥ billions]

- Medical IT
- Healthcare (Modality)



3Q (3M) Summary

Healthcare (Modality)

- DR: Sales grew steadily in Japan, but sales volume in the US was lower, partly because sales to hospitals were influenced by the previous year's large-scale demand.
- Diagnostic ultrasound: Revenue expanded, driven by rising sales of the SONIMAGE MX1, a new product launched this fiscal year. The obstetrics and gynecology business acquired in January 2018 also contributed to sales.
- Service contract revenue remained stable.
- Lower revenue was posted due to having discontinued the sale of certain purchased products.

Medical IT

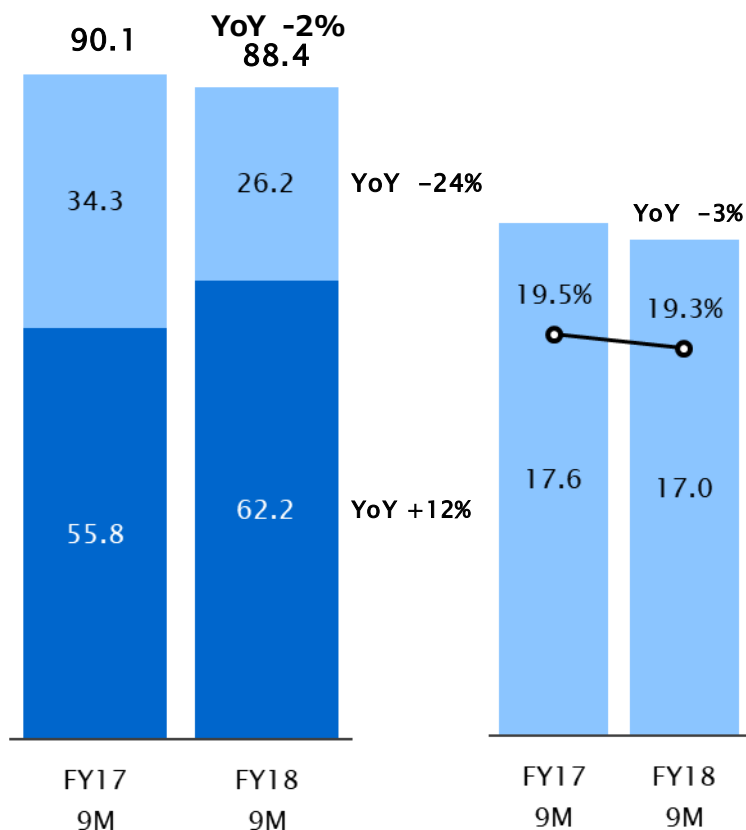
- Revenue fell in Japan due to the impact of major project sales occurring in the previous year.

Revenue (9M)

Operating Profit (9M)

[¥ billions]

- Optical systems for industrial use
- Materials and components



3Q (3M) Summary

Optical systems for industrial use

- Measuring instruments: Revenue declined year on year due to substantial display-related demand occurring in the same quarter of the previous year, but rose quarter on quarter due to the expansion of the customer base.

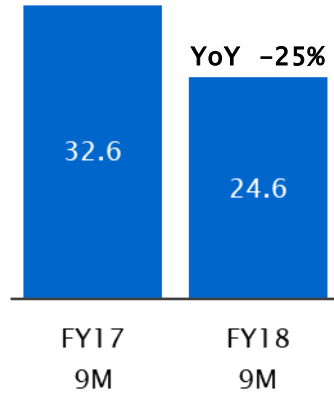
Materials and components

- Performance materials: Sales of high value-added products such as TAC film grew strongly, primarily in the expanding Chinese manufacturer market, in a continuation of the 2Q trend.
- Optical components: The impact on market demand of the slowdown in Asian economies led to lower sales volumes and a small year-on-year decline in revenue.
- IJ components: Sales of IJ heads are expanding, particularly in Europe and Asia, and revenue is increasing.

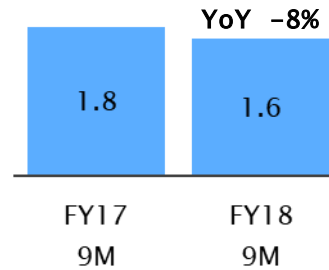
Optical systems for industrial use

[¥ billions]

Measuring Instruments

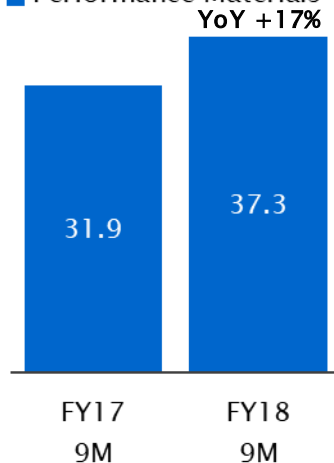


Imaging Solutions

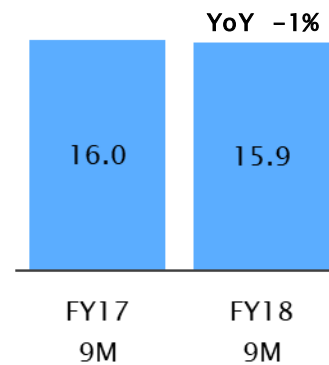


Materials and components

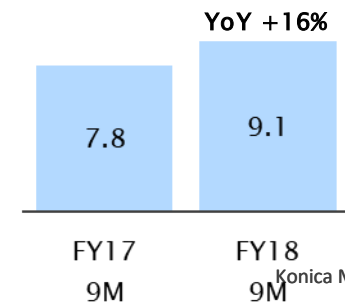
Performance Materials



Optical Components



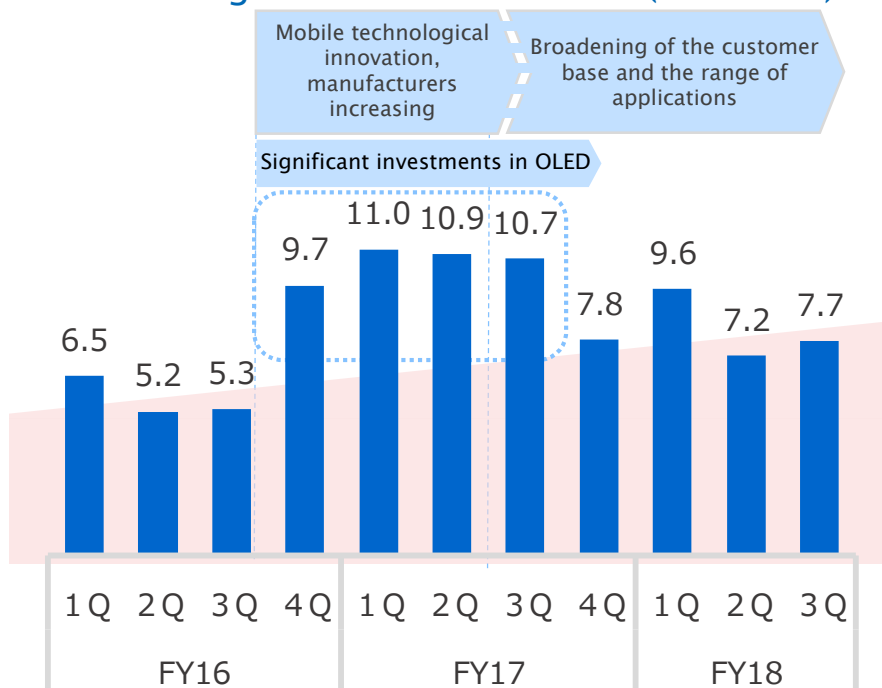
IJ (inkjet) Components



Measuring Instruments

- The trend of market growth over the medium term continues, driven by the evolution of displays.
- Despite concerns about slowing economic growth causing less rapid expansion in the customer/application base, sales benefitted from demand from displays for next fiscal year's smartphone models, and rose quarter on quarter.

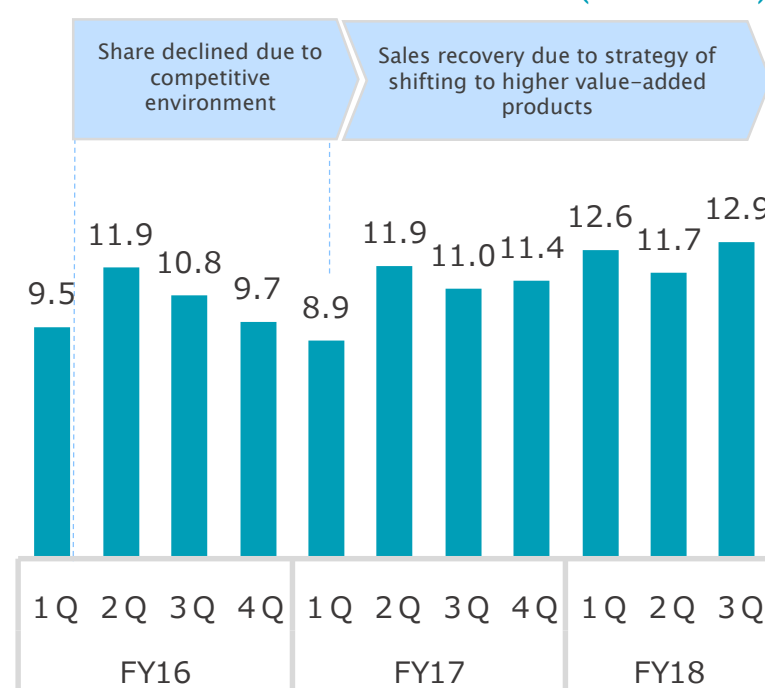
Measuring Instruments revenue (¥ billions)



Performance Materials

- Shipments of sample products in multiple categories using the new SANUQI resin were expanded.
- Revenue levels rose due to sales measures prioritizing high value-added TAC products, for which demand is strong.

Net sales of Performance Materials (¥ billions)



3Q (3M) Summary

Genetic Diagnostics (AG)

- Despite failing to reach internal targets for reasons of delay of implementing measures, the number of testing samples increased steadily, helped by the continued strengthening of the sales structure.
- We recognize the need to improve our project-by-project customization capabilities, and we are gradually expanding sales of services to major pharmaceutical companies.
- Progress in building partnerships with others as a strategy to open the channel for oncologists has been delayed.

Drug Discovery Support (IC)

- 3Q sales stagnated due to cancellations of part of major orders, but the value of new orders received increased.

Domestic Expansion

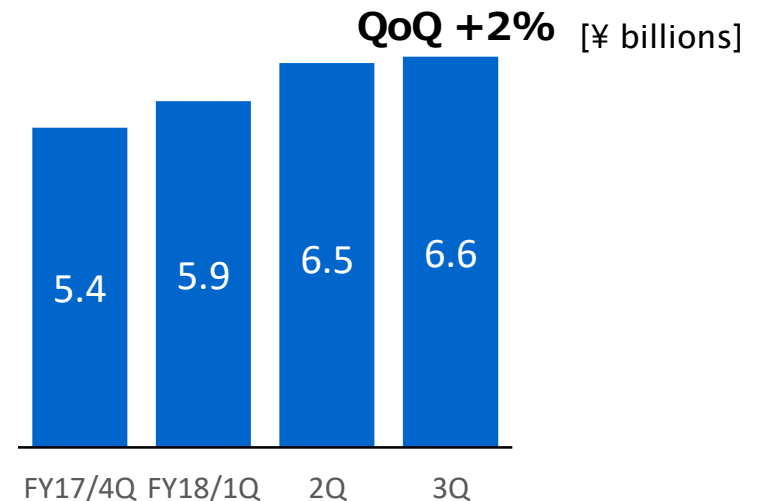
- Making drug discovery support service proposals to R&D division of multiple major domestic pharmaceutical companies, primarily for HSTT.
- Preparing the foundation for the full-blown start to genetic testing services.

Additional measures aimed at business growth

Genetic Diagnostics (AG)

1. Expand latent demand by increasing the screening rate of healthy individuals through the CARE program, targeting hospitals and health screening facilities (in cooperation with Healthcare Business).
2. Enhance competitive edge with products featuring greater accuracy through state-of-the-art RNA testing technology.

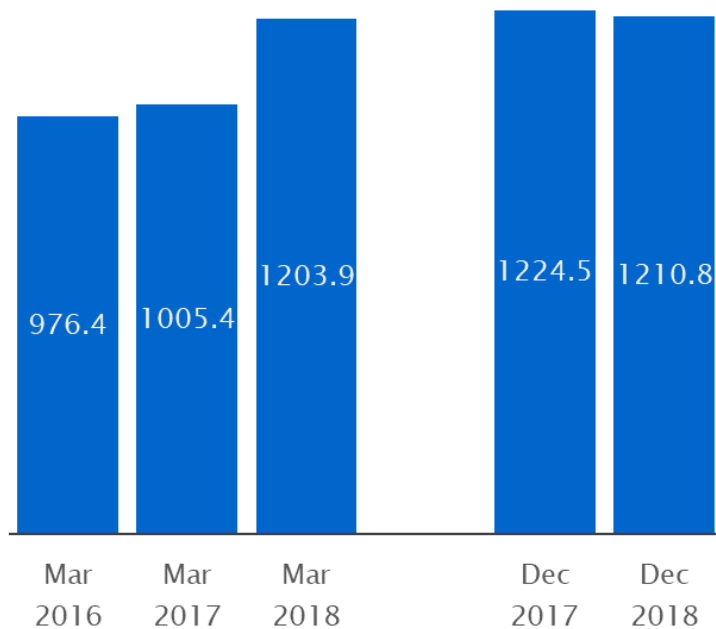
Revenue



Total Assets

[¥billions]

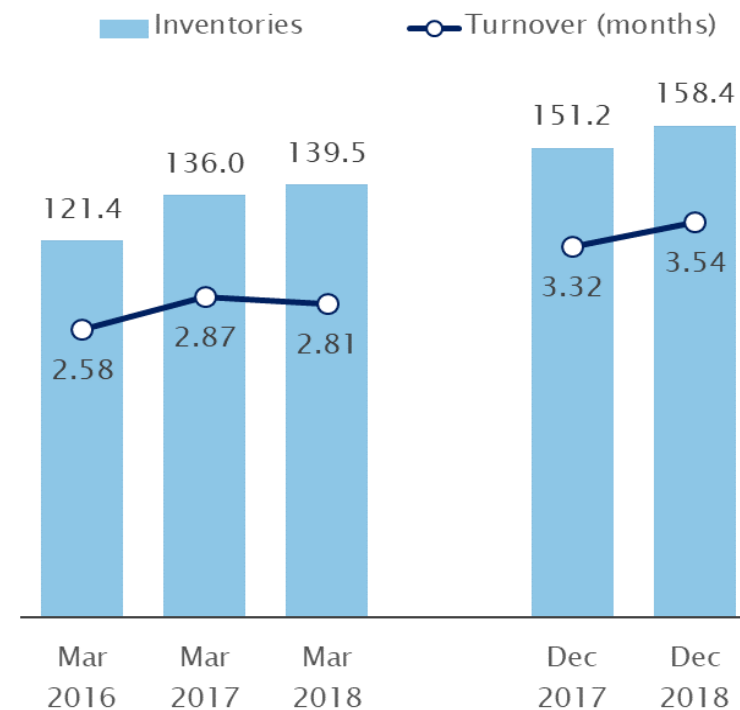
No major change from the end of the previous fiscal year



Inventory/Turnover

[¥billions]

Inventories have increased in anticipation of major projects in 4Q, and as a result of inventories to allow a margin for safety in response to limited marine transport space caused by trade friction between the US and China, and due to production being brought forward for current products in preparation for the production ramp of new A3 products. All of these increases are temporary.

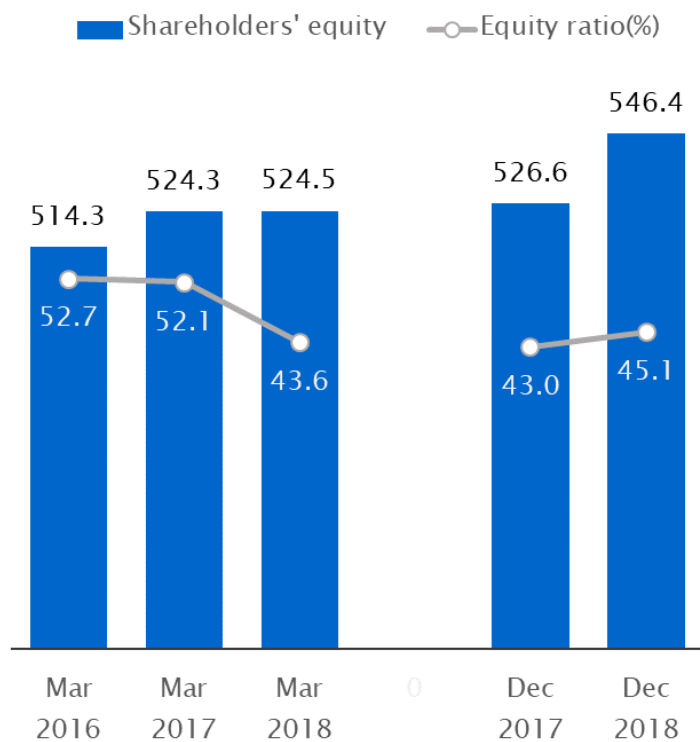


Inventory turnover, in months = Inventory balance at end of fiscal year / Average cost of sales for most recent three months

Equity & Equity Ratio [¥ billions]

Attributable to owners of the parent company

Equity and the equity ratio increased over the levels recorded at the end of the previous fiscal year



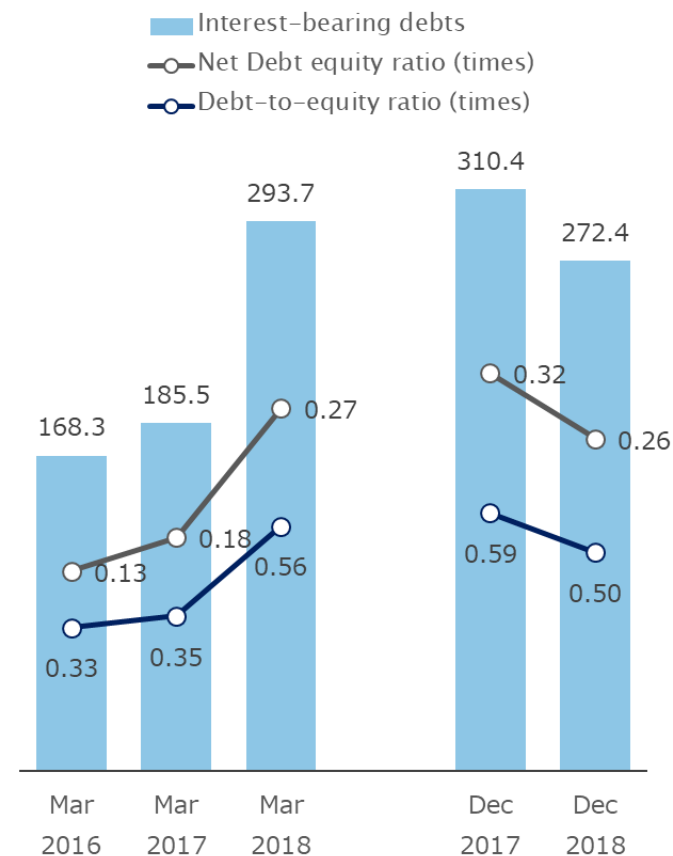
(For Company Rating 49.1%)

Equity = Equity attributable to owners of the parent

Equity ratio = Equity attributable to owners of the parent / Total assets

Interest-Bearing Debts & D/E Ratio [¥ billions]

Interest-bearing debt decreased as a result of bond redemptions.



[¥ billions]

	FY2018 12M Forecast (current)	FY2018 12M Forecast (previous)	FY2017 12M Results	YoY
Revenue	1,080.0	1,080.0	1,031.3	+5%
Operating Profit	64.0	64.0	53.8	+19%
Profit attributable to owners of the parent	40.0	40.0	32.2	+24%

FOREX [Yen]			
USD	105.0	105.0	110.9
EUR	125.0	125.0	129.7

Full-year earnings forecast

- Euro and US\$ assumptions unchanged at ¥125 and ¥105, respectively.
- Revenues: Left unchanged, given progress during the first nine months, but intersegment adjustments have been made.
- Operating profit: Left unchanged, in view of the continued uncertainty regarding the economic outlook, due to trade friction, etc., and in consideration of progress made during the first nine months, but intersegment adjustments have been made.
- Profit attributable to owners of the parent: Here also the forecast is left unchanged.

Dividend forecast

- Annual dividend: Unchanged at ¥30 per share (¥15 for both interim and period-end).

FY2018 Earnings Forecast | Segments

Revenue	FY2018		FY2018		FY2017		[¥ billions]	
	12M Forecast (current)		12M Forecast (previous)		12M Results		YoY	
Office	595.0		590.0		583.9		+ 2%	
Professional Printing	230.0		230.0		214.3		+ 7%	
Healthcare	90.0		90.0		96.5		- 7%	
Industrial	127.5		125.0		118.2		+ 8%	
Optical systems for industrial use	37.5		40.0		43.1		- 13%	
Materials and components	90.0		85.0		75.1		+ 20%	
New business	37.5		45.0		17.3		+ 116%	
Bio-Healthcare	27.5		35.0		9.0		+ 206%	
Others	10.0		10.0		8.4		+ 20%	
Corporate, etc.	0.0		0.0		1.0		-	
Company overall	1,080.0		1,080.0		1,031.3		+ 5%	

Operating Profit	FY2018		FY2018		FY2017			
	12M Forecast (current)		12M Forecast (previous)		12M Results		YoY	
Office	49.5	8.3%	48.0	8.1%	44.9	7.7%	+ 10%	
Professional Printing	13.5	5.9%	13.0	5.7%	9.3	4.3%	+ 45%	
Healthcare	4.0	4.4%	5.0	5.6%	5.6	5.8%	- 28%	
Industrial	22.0	17.3%	20.0	16.0%	23.5	19.8%	- 6%	
New business	-18.0		-14.0		-16.0		-	
Corporate, etc.	-7.0		-8.0		-13.4		-	
Company overall	64.0	5.9%	64.0	5.9%	53.8	5.2%	+ 19%	

Appendix

[¥ billions]

	FY2018 9M	FY2017 9M	YoY	FY2018 3Q	FY2017 3Q	YoY
Revenue	777.6	750.3	+ 4%	260.5	262.2	– 1%
Gross Profit	377.7	357.5	+ 6%	126.1	125.7	+ 0%
Gross Profit ratio	48.6%	47.7%	–	48.4%	47.9%	–
Operating Profit	50.5	29.1	+ 74%	15.9	8.6	+ 84%
Operating Profit ratio	6.5%	3.9%	–	6.1%	3.3%	–
Profit before tax	48.0	27.1	+ 77%	14.8	8.1	+ 83%
Profit before tax ratio	6.2%	3.6%	–	5.7%	3.1%	–
Profit attributable to owners of the parent	33.7	18.6	+ 81%	10.4	5.1	+ 104%
Profit attributable to owners of the parent ratio	4.3%	2.5%	–	4.0%	1.9%	–
EPS [Yen]	68.23	37.61		21.05	10.32	
CAPEX	33.5	24.8		13.9	8.7	
Depreciation and Amortization Expenses	44.1	41.3		14.9	14.2	
R&D expenses	59.4	57.0		19.6	19.4	
FCF	16.9	–94.0		5.9	–113.9	
Investment and lending	4.9	121.7		0.8	119.2	
FOREX [Yen] USD	111.14	111.70	– 0.56	112.90	112.98	– 0.08
EUR	129.49	128.53	+0.96	128.78	133.01	– 4.23

[¥ billions]

	FY2018 9M	FY2017 9M	YoY	FY2018 3Q	FY2017 3Q	YoY
SG&A:						
Selling expenses – variable	35.5	37.1	– 1.5	11.0	13.4	– 2.3
R&D expenses	59.4	57.0	+2.4	19.6	19.4	+0.2
Personnel expenses	157.8	149.0	+8.8	53.9	50.6	+3.3
Others	90.2	87.9	+2.3	30.1	32.5	– 2.4
SG&A total	342.9	331.0	+11.9	114.7	115.9	– 1.2
* Forex impact: –0.9 bn. (Actual: +12.8bn.) –1.6bn. (Actual: +0.4bn.)						
Other income:						
Gain on sales of property, plant and equipment	20.5	11.2	+9.3	5.4	0.1	+5.3
Other income	3.0	2.4	+0.6	1.6	0.6	+1.0
Other income total	23.5	13.6	+9.9	6.9	0.7	+6.3
Other expenses						
Loss on sales of property, plant and equipment	1.9	0.5	+1.4	0.3	0.2	+0.2
Special extra retirement payments	–	5.3	– 5.3	–	0.2	– 0.2
Other expenses	5.8	5.2	+0.6	2.1	1.4	+0.8
Other expenses total	7.7	11.1	– 3.3	2.5	1.8	+0.7
Finance income/loss:						
Interest income/Dividends received/Interest expense	–1.6	–0.8	– 0.8	–0.7	–0.5	– 0.2
Foreign exchange gain/loss (net)	–0.3	–0.8	+0.5	–0.1	0.1	– 0.2
Others	–0.2	–0.2	+0.0	–0.1	–0.1	– 0.1
Finance income/loss, net	–2.1	–1.8	– 0.2	– 0.9	–0.5	– 0.5

[¥ billions]

FY18/3Q vs. FY17/3Q

[Factors]

	Office	Professional Printing	Healthcare	Industrial Business	New business	corporate, etc.	Total
Forex impact	+0.2	+0.0	- 0.1	+0.1	+0.0	- 0.0	+0.2
Price change	+0.0	- 0.0	- 0.6	+0.2	-	-	- 0.4
Sales volume change, and other, net	- 0.1	+1.4	- 1.1	- 1.5	+2.2	+0.1	+0.9
Cost up/down	+0.4	+0.2	+0.2	+0.7	0.0	0.0	+1.4
SG&A change, net	+0.9	- 0.9	+0.9	+0.7	- 3.2	+1.2	- 0.4
Other income and expense	+0.4	+0.1	+0.0	- 0.0	- 0.0	+5.2	+5.5

[Operating Profit]

Change, YoY	+1.9	+0.7	- 0.6	- 0.0	- 1.0	+6.4	+7.3
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FY18/3Q 9M vs. FY17/3Q 9M

[Factors]

	Office	Professional Printing	Healthcare	Industrial Business	New business	corporate, etc.	Total
Forex impact	+4.4	+1.0	- 0.0	- 0.2	- 0.0	- 0.0	+5.1
Price change	- 0.5	+1.1	- 1.1	- 1.7	-	-	- 2.1
Sales volume change, and other, net	+3.9	+4.2	- 1.9	- 0.6	+9.2	+0.1	+15.0
Cost up/down	+1.2	+0.4	+0.5	+1.0	0.0	0.0	+3.1
SG&A change, net	+0.6	- 4.2	+1.9	+1.3	- 13.3	+0.9	- 12.8
Other income and expense	- 5.2	+1.2	- 2.1	- 0.4	+0.3	+19.4	+13.2

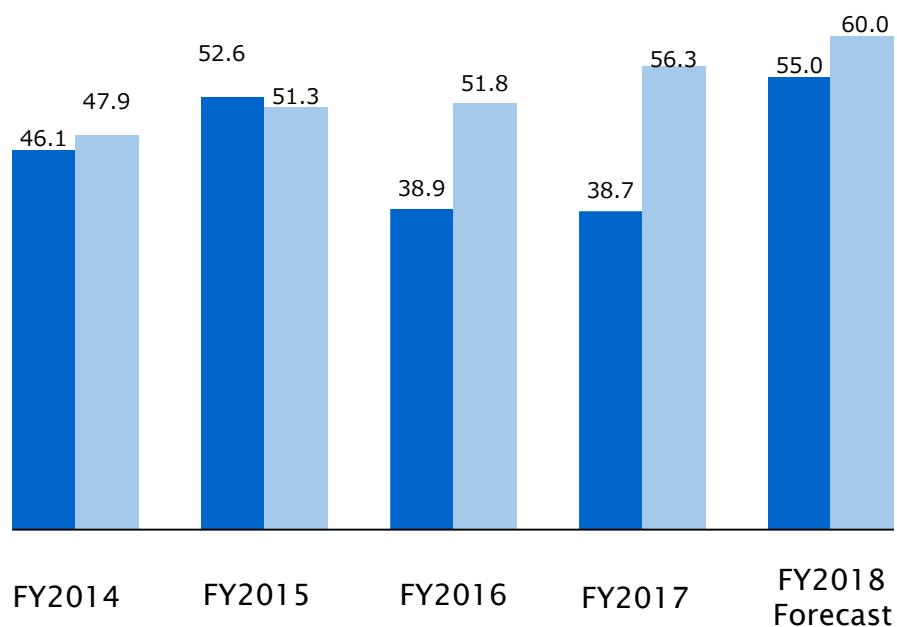
[Operating Profit]

Change, YoY	+4.4	+3.7	- 2.7	- 0.6	- 3.8	+20.4	+21.4
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[¥ billions]

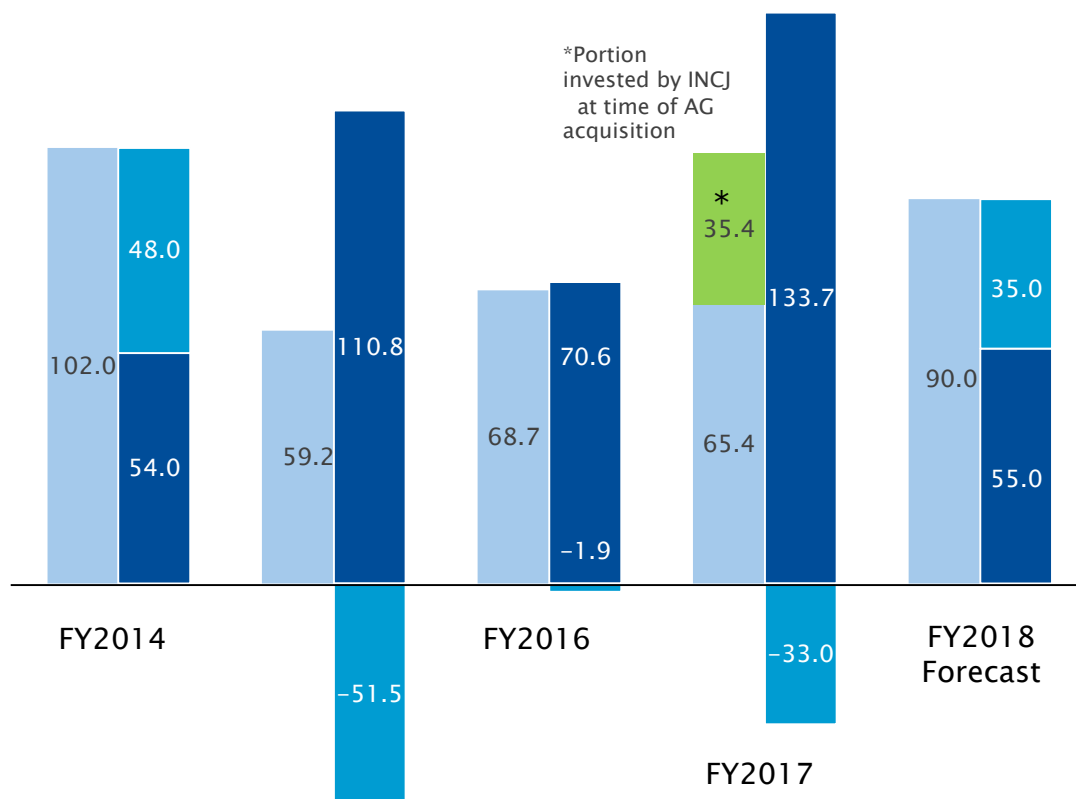
Capital Expenditure and Depreciation and Amortization Expenses

■ Capital expenditures ■ Depreciation and amortization



Free Cash Flows

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



FY2015

INCJ : Innovation Network Corporation of Japan

*FCF forecast for FY2018 does not include investment and lending

[¥ billions]

	FY2018 12M	FY2018 12M	FY2017 12M	
	Forecast (current)	Forecast (previous)	Results	YoY
Revenue	1,080.0	1,080.0	1,031.3	+ 5%
Operating Profit	64.0	64.0	53.8	+ 19%
Operating Profit ratio	5.9%	5.9%	5.2%	
Profit before tax	59.0	59.0	49.1	+ 20%
Profit attributable to owners of the parent	40.0	40.0	32.2	+ 24%
Profit attributable to owners of the parent ratio	3.7%	3.7%	3.1%	
EPS [Yen]	80.88	80.88	65.17	
ROE* (%)	7.4%	7.4%	6.1%	
CAPEX	55.0	55.0	38.7	
Depreciation and Amortization Expenses	60.0	60.0	56.3	
R&D expenses	80.0	80.0	77.0	
FCF	35.0	35.0	-68.4*	
Investment and loan	30.0	30.0	125.0	
FOREX [Yen] USD	105.00	105.00	110.85	
EUR	125.00	125.00	129.70	

ROE*: Profit attributable to owners of the company divided by equity attributable to owners of the company (average of beginning and ending balances)

*) -33.0 without contribution from INCJ for acquisition of Ambry Genetics Corporation

[FOREX : ¥]

[Impact, Sensitivity : ¥ billions]

	FY17	FY18	YoY Impact		FX Sensitivity*2	
	9M	9M	Revenue	OP	Revenue	OP
USD	111.70	111.14	- 1.6	+0.2	+3.4	- 0.0
EUR	128.53	129.49	+1.3	+2.0	+1.8	+0.7
GBP	145.75	146.34	+0.2	+0.0	+0.3	+0.1
European Currency*1	-	-	+0.2	+1.9	+2.6	+1.1
CNY	16.64	16.61	- 0.2	- 0.0	+3.1	+1.3
AUD	85.96	81.71	- 1.3	- 0.3	+0.4	+0.1
Other	-	-	- 1.2	- 0.7	-	-
Exchange contract effect	-	-	+0.0	+4.0	-	-
Total impact from FY2018	-	-	- 4.1	+5.1	-	-

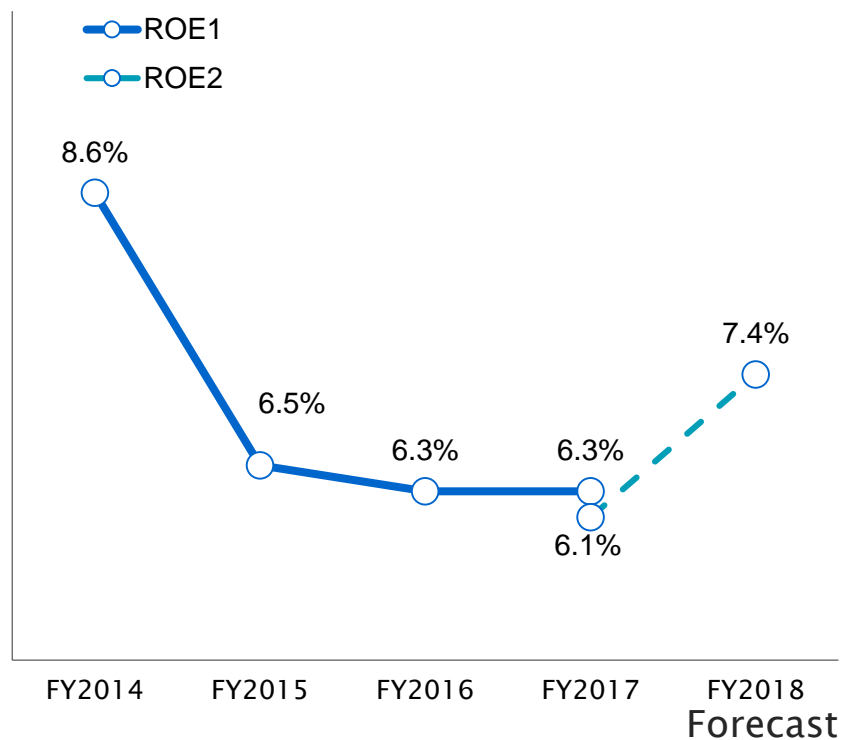
*1 European currency: Currencies used in Europe including EUR/GBP

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

ROE

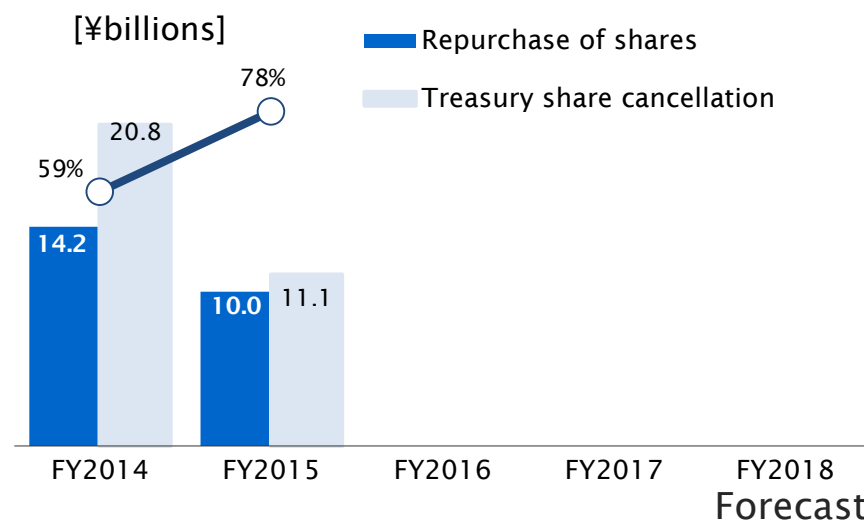
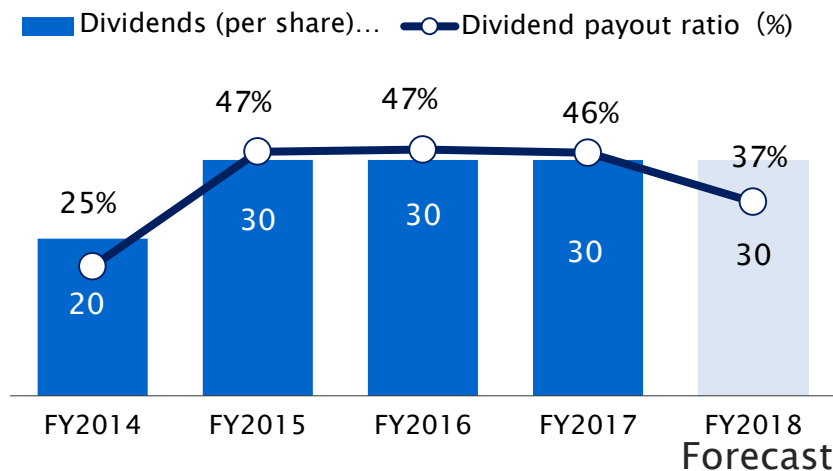
ROE1: profit for the year attributable to the owners of the parent, divided by the average (using figures from start and end of year) of the sum of share capital, share premium, retained earnings and treasury shares

ROE2: profit attributable to owners of the parent divided by equity attributable to owners of the parent (average of beginning and ending balances)



Shareholder Returns

[Per share/Yen]



■ Composition of revenue by region (in yen)

	FY2016				FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Japan	13%	12%	13%	13%	13%	13%	12%	12%	13%	12%	12%
North America	32%	34%	33%	32%	34%	34%	33%	31%	33%	33%	33%
EU	37%	36%	36%	38%	36%	36%	38%	40%	36%	36%	36%
Others	18%	18%	18%	16%	17%	17%	17%	17%	18%	19%	18%

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

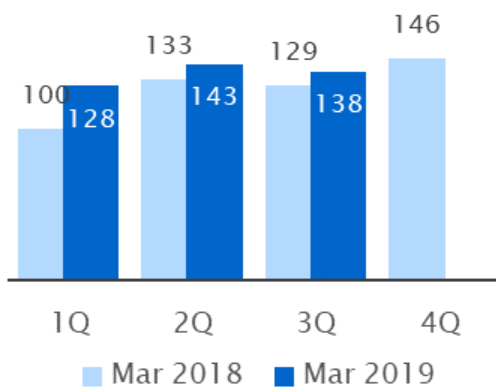
	FY2016				FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Japan	-1%	-1%	-1%	-2%	+2%	+0%	-1%	-1%	+4%	+1%	+2%
North America	+2%	+3%	+6%	-3%	+2%	+3%	-3%	+8%	+5%	+4%	+5%
EU	+4%	+4%	+9%	+4%	-1%	+2%	+1%	+4%	+4%	+1%	+1%
Others	+4%	+7%	-12%	-1%	-10%	-8%	-5%	-2%	+16%	+8%	+10%

■ Percentage of color in sales of hardware

	FY2016				FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Office	71%	72%	72%	72%	69%	72%	72%	72%	73%	73%	73%
Professional Print	74%	73%	73%	72%	78%	76%	80%	78%	81%	80%	80%

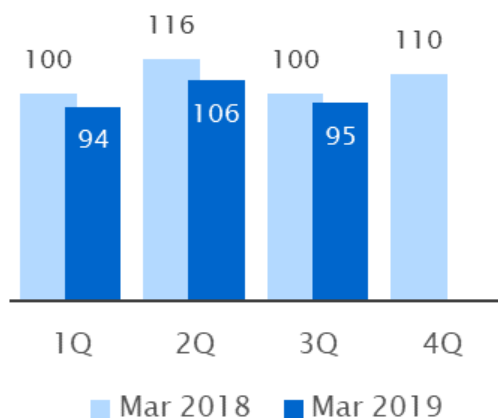
A3 Color MFP– Units*

YoY : +7%



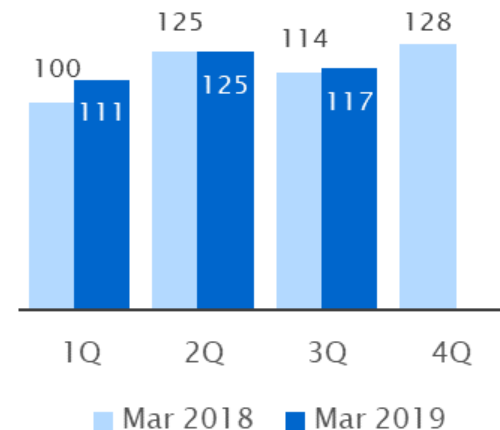
A3 monochrome MFP– Units*

YoY : -5%



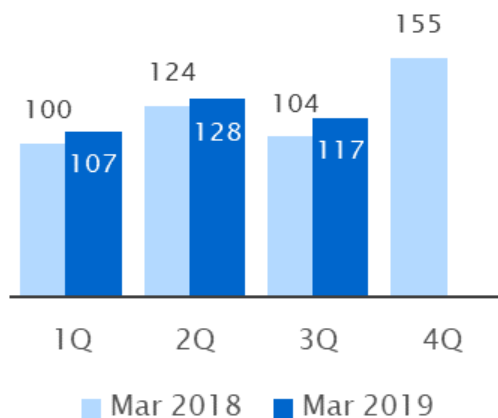
A3 MFP– Units*

YoY : +2%



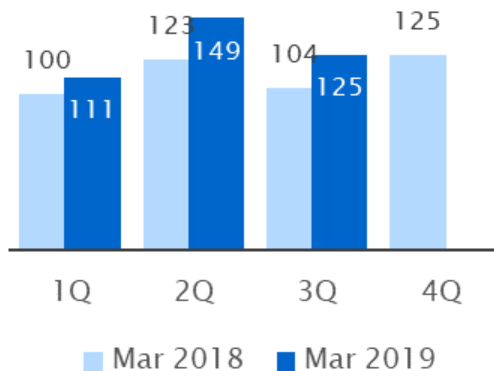
Color Production Print – Units*

YoY : +12%



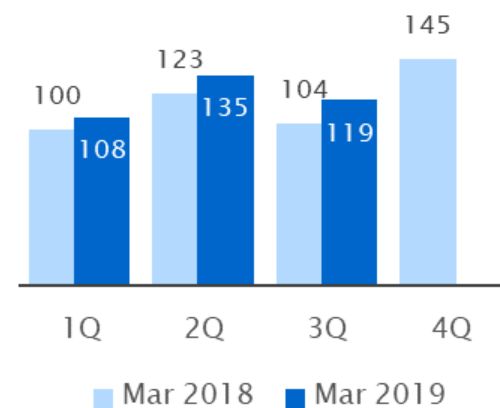
Monochrome Production Print – Units*

YoY : +21%



Production Print – Units*

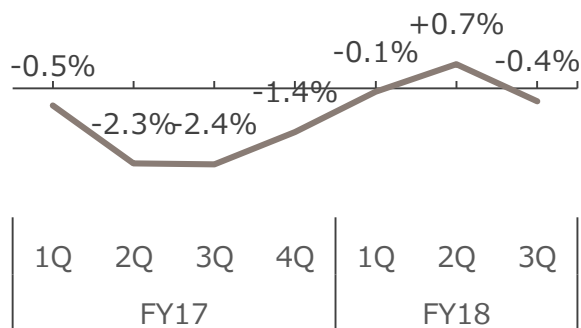
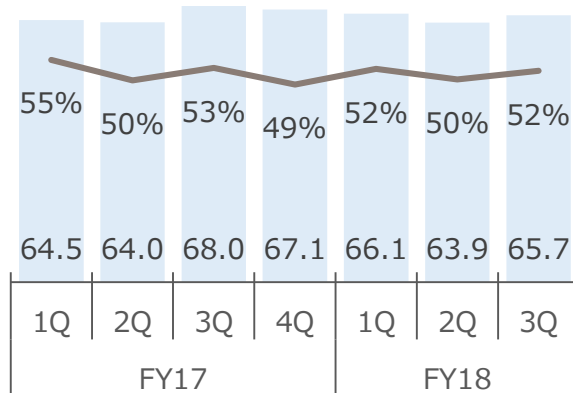
YoY : +15%



* Base index : "1Q Mar2018" = 100

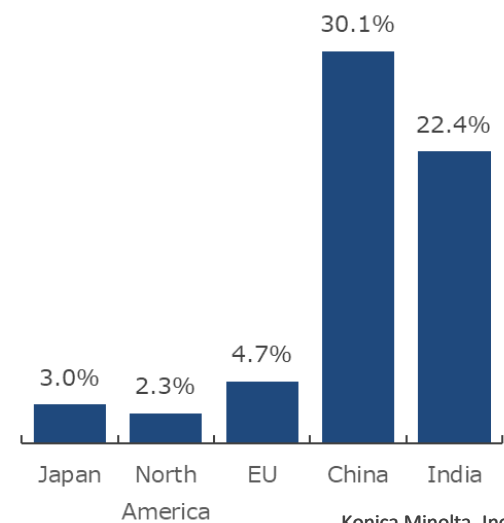
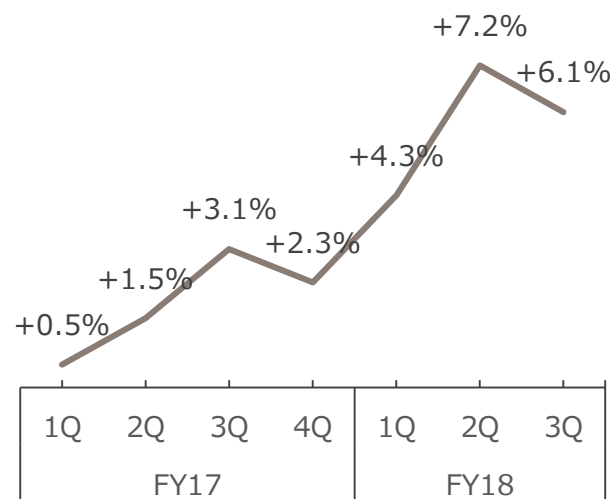
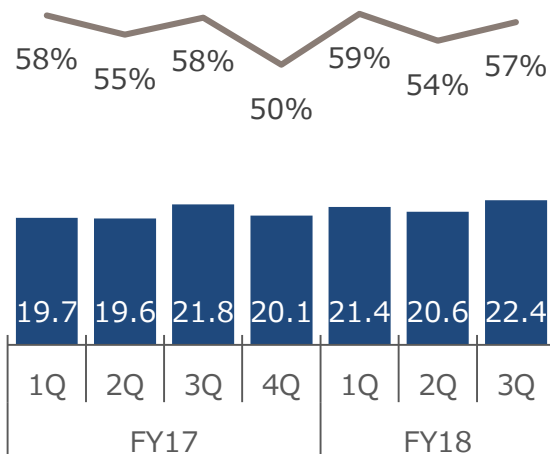
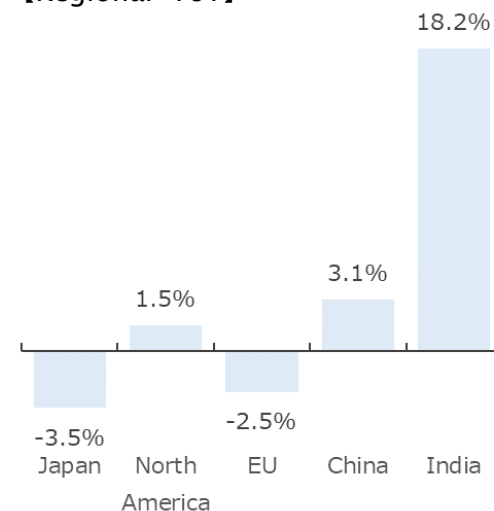
Revenue & ratio of non-hard

 Office [¥ billions]



1 non-hard (w/o FOREX)

[Regional YoY]



Appendix Quarterly Financial Results : Segments



KONICA MINOLTA

[¥ billions]

【Revenue】	FY16				FY17				FY18		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Office Business	136.2	132.5	138.5	150.9	133.0	146.5	148.2	156.2	143.5	147.2	145.7
Professional Print Business	47.5	49.6	51.1	55.8	49.0	52.2	53.9	59.2	53.4	55.9	55.8
Healthcare Business	18.5	22.9	22.0	26.6	19.5	23.3	24.0	29.6	18.6	21.6	20.9
Industrial Business	24.9	25.1	24.1	27.5	28.7	31.3	30.1	28.1	31.6	28.0	28.8
Optical Systems for Industrial Use	7.0	5.7	6.1	10.5	11.7	11.5	11.1	8.8	10.1	7.9	8.2
Material ・ Components	17.9	19.4	18.0	17.0	17.0	19.8	19.0	19.4	21.5	20.1	20.6
New business	1.8	2.3	1.8	1.8	1.9	2.3	5.7	7.4	7.8	8.8	8.8
Bio-healthcare	0.0	0.0	0.0	0.0	0.0	0.0	3.6	5.4	5.9	6.5	6.6
Others	1.8	2.3	1.8	1.8	1.9	2.3	2.1	2.0	2.0	2.3	2.2
Corporate etc.	0.4	0.3	0.2	0.3	0.1	0.2	0.3	0.4	0.3	0.3	0.4
Company overall	229.1	232.8	237.7	262.9	232.4	255.8	262.2	281.0	255.2	261.9	260.5

【Operating Profit】	FY16				FY17				FY18		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Office Business	11.4	10.3	9.6	12.1	5.3	14.8	9.8	15.0	9.3	13.4	11.6
Professional Print Business	1.6	2.7	2.5	2.5	1.6	0.9	2.6	4.2	1.7	3.7	3.3
Healthcare Business	0.2	1.0	0.3	1.4	-0.5	3.4	1.0	1.7	-0.2	1.0	0.3
Industrial Business	3.4	3.0	10.4	5.3	6.1	5.9	5.6	5.9	6.8	4.7	5.6
New Business	-2.9	-2.2	-2.4	-2.4	-2.7	-3.2	-4.4	-5.6	-5.1	-3.5	-5.4
Corporate etc.	-4.8	-5.2	-4.4	-3.0	-1.1	-10.0	-5.9	3.6	3.1	-0.2	0.4
Company overall	8.9	9.6	15.9	15.7	8.7	11.8	8.6	24.8	15.4	19.2	15.9

Business Segments for FY 2018

Core businesses

Strengthen profitability through structural cost reforms to become businesses that support profits during the medium term business plan

Growth businesses

Utilize resources in which upfront investment was made during the previous medium term business plan, with the aim of making highly profitable new businesses around the core

New businesses

Establish new business models appropriate to the IoT age, targeting highly profitable businesses



Business segment

*Certain BUs, such as Healthcare and Measuring Instruments, may be incubating growth businesses internally, as is the case with the main businesses.

Business Unit	Core businesses	Growth businesses	New businesses
Office	Office ITS		WPH
Professional Print	Production Print (PP)	Industrial Printing (IP) Textiles Marketing services	
Healthcare	Healthcare Business Ultrasound	Medical IT	Bio-healthcare
Optical Systems for Industrial Use	Measuring Instruments Visual Inspection	Imaging Solutions	QOL Status monitoring Digital Manufacturing
Materials and components	Performance Materials New Films IJ Components Optical Components	Materials OLED	

- **IQ-501 (Intelligent Quality Optimizer): (Professional Print Business)**

An optional unit that implements constant monitoring/control during printing to automate color management and front/back register control. This drastically cuts down on control times and improve production time.

- **SANUQI: (Industrial Business)**

Trademark of a new resin film, used as a material in electronic devices for displays.

- **Genetic diagnosis: (Bio-healthcare)**

DNA information is described as the blueprint for bodily tissue, and this kind of diagnosis identifies in-born susceptibility to cancer and other diseases by examining that information.

Knowing about such predispositions through genetic information makes it possible to deal efficiently with a disease if it is contracted.

- **Support for pharmaceutical development: (Bio-healthcare)**

This is the provision of technical support to pharmaceutical companies when developing new drugs. New drug development tends to cost huge sums of money, and this support makes efficient use of our analytical technology to help move from preclinical study and clinical trials to market launch.

- **Workplace Hub (WPH): (New Business)**

This is a platform that will become the base for the IoT business that Konica Minolta plans to focus on. In addition to MFP functions, a server is integrated to create a solution that drives efficiencies by reducing the overall costs of IT infrastructure management, providing real-time data-driven visibility of IT usage patterns that help to improve business processes. This will link people and data, and empower them to make smarter decisions and solve problems in the office.

- **CRE Strategy (Corporate Real Estate Strategy): (Corporate)**

A corporate strategy for a corporation to utilize its assets and real estate more efficiently in ways that benefit its business.

- **S&LB (Sale and Leaseback): (Corporate)**

A method for using assets more efficiently as part of a corporate strategy, in which a corporation sells one of its assets and then continues to use the asset by leasing it back.



KONICA MINOLTA

Cautionary Statement:

The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.

Remarks:

Yen amounts are rounded to the nearest 100 million.