



SHINKA 2019

Evolution



Konica Minolta, Inc. 3rd Quarter/FY2019 ending in March 2020 **Consolidated Financial Results**

Three months: October 1, 2019 – December 31, 2019

Nine months: April 1, 2019 – December 31, 2019

– Announced on February 3, 2020 –

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

1. Professional Print Business is recovering

- ✓ Hard: Appeal to customer value succeeded, and unit sales of color units increased YoY, driven by North America
- ✓ Non-hard: Revenue returned to positive YoY growth due to higher revenue in India and China and improved numbers in Europe and North America.
- ✓ New products: Konica Minolta launched its first new HPP product in February, and these sales will contribute to results in Q4

2. Office Business is solid, as expected

- ✓ Hard: Effect of new Seg.2/3 products and unit sales of color MFPs, driven by Europe, led to gains YoY
- ✓ Non-hard: QoQ improved for the second straight quarter with higher revenue in China, India and Europe
- ✓ New products: Sales of new Seg.4 products began, and we expect the sales mix to improve from Q4 onward, primarily in North America
- ✓ Profitability: The effect of manufacturing cost reduction would materialize at a faster pace from Q4, and structural reforms would contribute in FY20

3. Improvements to profitability in new businesses

- ✓ Income improved both YoY and QoQ due to increased revenue in bio-healthcare and stronger control over expenses

4. Progress with initiatives aimed at reinforcing profitability in FY20 is in line with plans

- ✓ Progress was made with initiatives to reduce costs and make structural reforms with one-off cost ¥8.6bn, and we expect its effect by ¥15.0 billion in FY20

FY2019 9M Performance Overview | Summary



KONICA MINOLTA

[¥ billions]

	FY2019 9M	FY2018 9M	YoY	YoY (W/O Forex)	FY2019 3Q	FY2018 3Q	YoY	YoY (W/O Forex)
Revenue	747.0	777.6	-4%	-0%	249.5	260.5	-4%	-0%
Operating Profit	10.6	50.5	-79%	-68%	5.1	15.9	-68%	-49%
Profit attributable to owners of the Company	2.2	33.7	-94%	*-21%	2.1	10.4	-80%	*-13%
FOREX [Yen]								
USD	108.67	111.14	- 2.47		108.76	112.9	- 4.14	
EUR	121.05	129.49	- 8.44		120.32	128.78	- 8.46	

*Without External and Special Factors

Revenue

- Although the external environment remains harsh, on a real basis sales were in line with the previous year when excluding the impact of exchange rates.

Operating Profit

- The decline in operating profit continues to improve QoQ when excluding the impact of exchange rates and one-off factors, such as CRE strategy-related profits and expenses.

FY2019 9M Performance Overview | Revenue & Operating Profit by Segment



KONICA MINOLTA

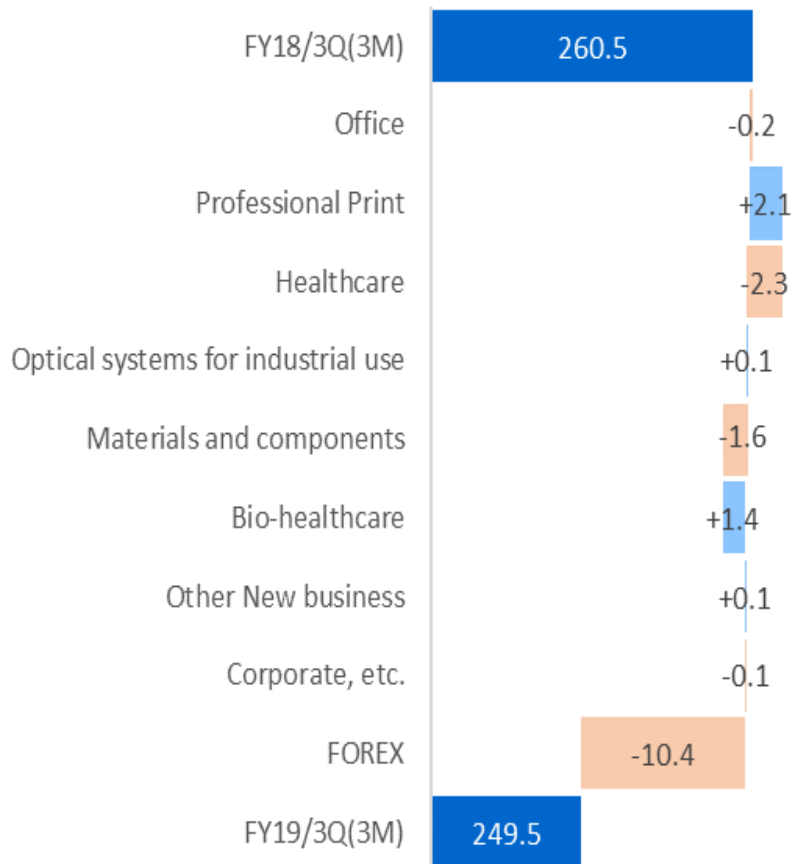
[¥ billions]

<u>Revenue</u>	FY2019 9M		FY2018 9M	YoY	YoY (W/O Forex)	FY2019 3Q		FY2018 3Q	YoY	YoY (W/O Forex)
Office	412.2		436.5	-6%	-2%	139.0		145.7	-5%	-0%
Professional Print	158.7		165.1	-4%	+0%	55.4		55.8	-1%	+4%
Healthcare	63.2		61.1	+3%	+5%	18.1		20.9	-13%	-11%
Industrial	82.9		88.4	-6%	-5%	26.9		28.8	-7%	-5%
Optical systems for industrial use	22.5		26.2	-14%	-11%	8.0		8.2	-3%	+1%
Materials and components	60.4		62.2	-3%	-3%	18.9		20.6	-8%	-8%
New business	29.4		25.5	+15%	+19%	9.9		8.8	+12%	+17%
Bio-healthcare	22.4		19.0	+18%	+20%	7.7		6.6	+17%	+21%
Others	7.0		6.5	+9%	+14%	2.2		2.2	-2%	+3%
Corporate, etc.	0.6		1.0	-40%	-26%	0.2		0.4	-46%	-20%
Company overall	747.0		777.6	-4%	-0%	249.5		260.5	-4%	-0%

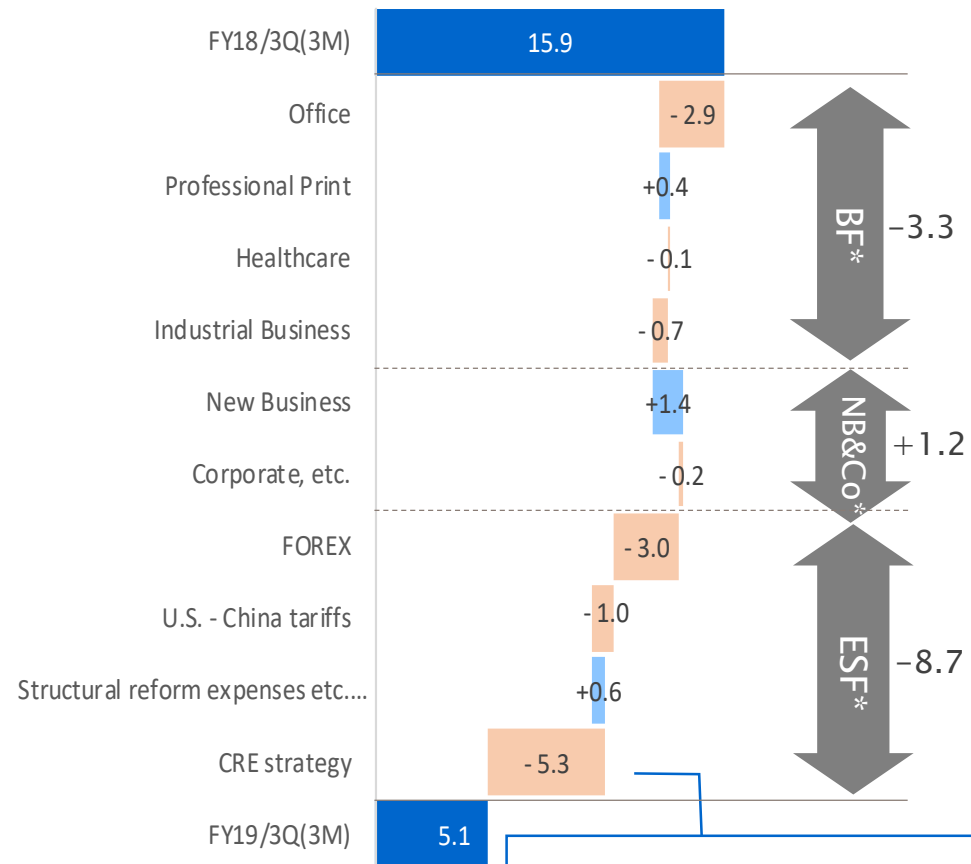
<u>Operating profit/OPM</u>	FY2019 9M		FY2018 9M	YoY	YoY (W/O Forex)	FY2019 3Q		FY2018 3Q	YoY	YoY (W/O Forex)
Office	22.6	5.5%	34.3	-34%	-23%	5.4	+3.9%	11.6	-53%	-36%
Professional Print	5.0	3.2%	8.7	-42%	-25%	2.9	+5.3%	3.3	-11%	+13%
Healthcare	0.6	0.9%	1.2	-50%	-16%	0.2	+1.1%	0.3	-41%	-2%
Industrial	15.4	18.6%	17.0	-10%	-10%	5.6	+21.0%	5.6	+1%	+1%
New business	-14.8	-	-14.0	-	-	-3.8	-	-5.4	-	-
Corporate, etc.	-18.1	-	3.2	-	-	-5.2	-	0.4	-	-
Company overall	10.6	1.4%	50.5	-79%	-68%	5.1	+2.1%	15.9	-68%	-49%

[¥ billions]

Revenue (3Q)



Operating Profit (3Q)



FY18: S&LB ¥5.4 bn – repairs, etc. ¥0.1 bn
 FY19: Repairs, etc., ¥0.0 bn

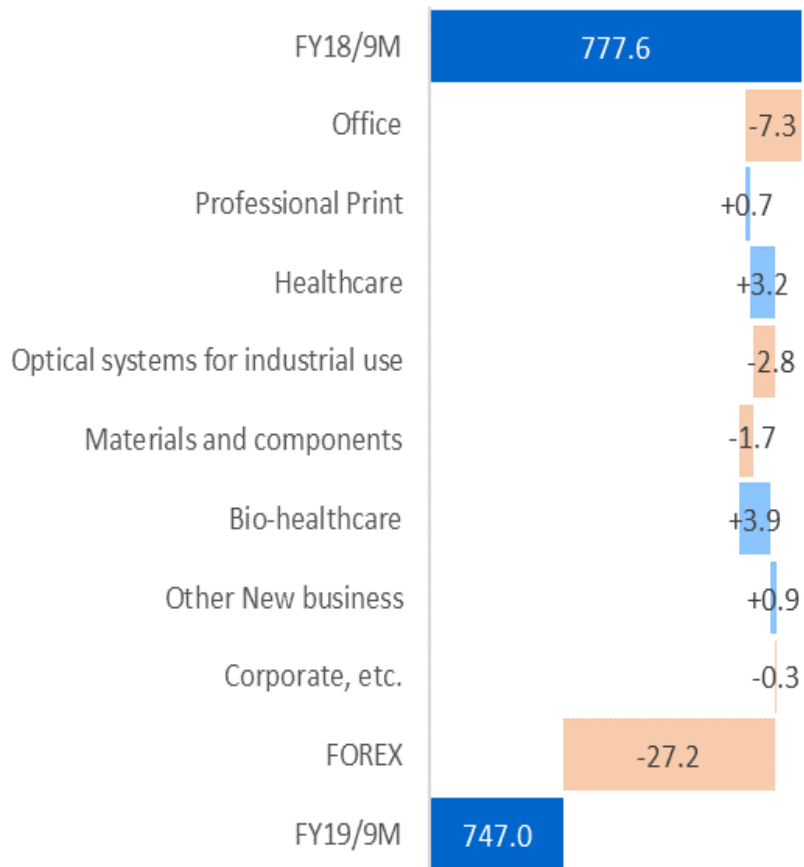
* BF: Business Factors

NB&Co: New Business and Corporate

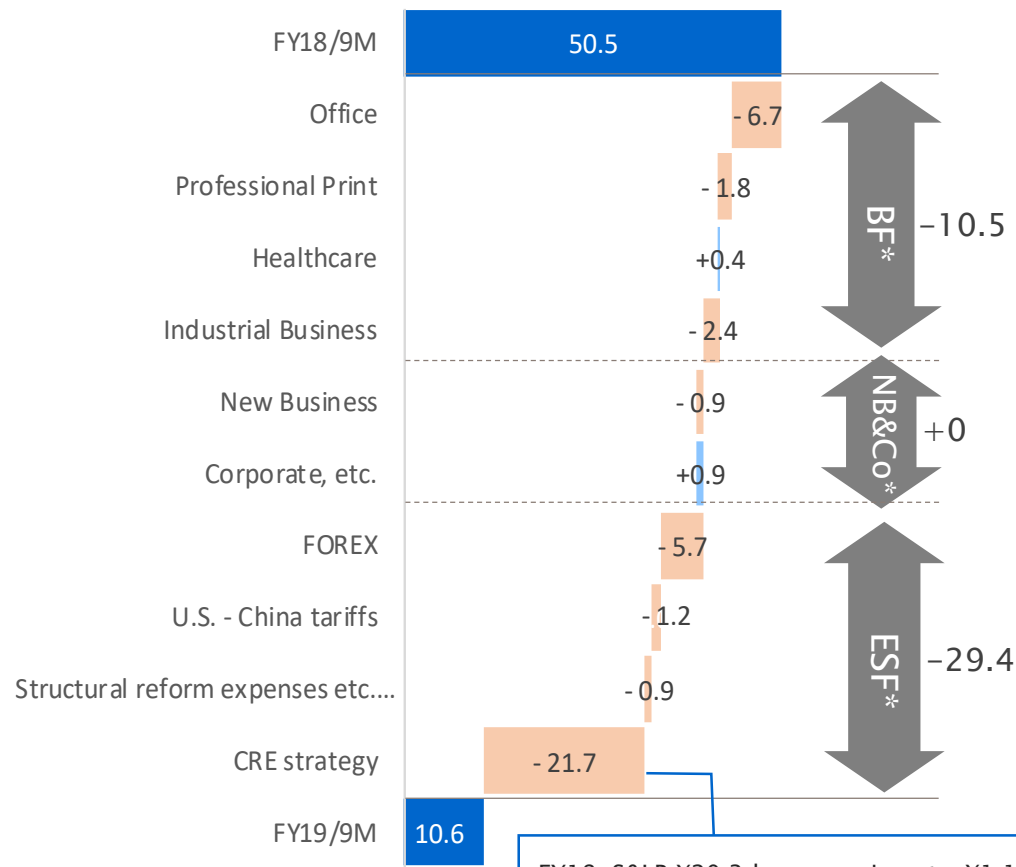
ESF: External and Special Factors

[¥ billions]

Revenue (9M)



Operating Profit (9M)



FY18: S&LB ¥20.3 bn – repairs, etc. ¥1.1 bn
 FY19: Repairs, etc., ¥2.5 bn

* BF: Business Factors

NB&Co: New Business and Corporate

ESF: External and Special Factors



■ Improved ■ As planned ■ Not Achieved

	Points of the Second Half	3Q Progress
External Environment	<ul style="list-style-type: none"> ■ Economic slowdown, continuing uncertainty over future ■ Additional tariffs due to US-China trade conflict 	<ul style="list-style-type: none"> ■ PMI has remained at 50 or below in Europe from 1.5 years ago and in the US since August; China's economy is uncertain ■ Additional tariffs had an impact of ¥1.1 billion in Q3
Office Business	<ul style="list-style-type: none"> ■ Sales of new color Seg2/3 products increase in H2 ■ Recovery from delays in cost reductions ■ Introduction of new color Seg4 products (Q4) ■ Expansion of MIF due to the completion of large project installations, and maintenance of non-hard levels 	<ul style="list-style-type: none"> ■ Sales picked up in Europe, our main market; color Seg2/3 shipments grew 3% in Q3. ■ Progress in reducing manufacturing cost, effect of variable cost-cutting partly realized ■ Sales of new color Seg4 products begun in January ■ Steady progress with large projects and improvements with non-hard as well
Professional Print Business	<ul style="list-style-type: none"> ■ Stronger MPP sales with IQ-501 ■ Fixed cost reductions at Chinese plants and additional cost reductions ■ Expand sales further in ASEAN and India ■ Konica Minolta's first HPP model will be launched ■ New digital decoration printing equipment products will be launched 	<ul style="list-style-type: none"> ■ Gross profit ratio improved due to the appeal of IQ-501, including the inspection function, and sales growth was restored in North America ■ Some effects achieved by cutting fixed costs and reducing variable costs ■ Unit sales up 15% in ASEAN, and growth expected in India from Q4 ■ Color HPP printer (AccurioPress C14000/12000) will be launched in February ■ New digital decoration printing equipment product (MGI JETvarnish 3D One) will be launched in February



■ Improved ■ As planned ■ Not Achieved

	Points of the Second Half	3Q Progress
Industrial Business	<ul style="list-style-type: none"> • Measuring Instruments <ul style="list-style-type: none"> ■ Growth in light source color measuring instruments in China and South Korea ■ Growth picked up for automotive visual inspection business ■ Performance Materials: Accelerate shift to higher-value-added products by rearranging portfolio 	<ul style="list-style-type: none"> • Measuring Instruments <ul style="list-style-type: none"> ■ Some advance orders for 2020 smartphone models were shipped ■ Several new inquiries at Eines, and initiatives aimed at increasing contracts are ongoing ■ Performance Materials: New resin products brought in customer approval in the large-scale TV sector
New Business	<ul style="list-style-type: none"> • Bio-health care <ul style="list-style-type: none"> ■ Accelerate increase in number of testing samples (RNA, checkup market and pharmaceutical market) ■ Improve profitability (reduce costs at inspection laboratories, improve efficiency of global R&D) ■ Expand the number of pharmaceutical development support projects (cancer clinical trials, Parkinson's, Alzheimer's) • Workplace Hub <ul style="list-style-type: none"> ■ Version upgrade of firmware to improve functionality, package solutions for sales discussions with scope and major reductions in installation and support man-hours ■ Efforts to improve sales capacity in the US to yield results, and improve number of customers due to stronger engagement by the MFP sales force 	<ul style="list-style-type: none"> • Bio-healthcare <ul style="list-style-type: none"> ■ Number of tests continue to increase (number of RNA tests exceeds target, ■ Slight delay in CARE program for check up markets ■ Consolidation of development functions led to progress in cutting expenses ■ New orders in the drug discovery support services increased, but central nervous system market remain weak • Workplace Hub <ul style="list-style-type: none"> ■ Progress toward developing main body versions with upgraded functionality in Q4; starter package and industry-specific solutions will gradually be rolled out ■ Expand pipeline customers in the US to build up contracts from Q4 ■ Delay on top line revenue growth in other new businesses

[¥ billions]

Revenue · Operating Profit

Quarterly Financial Results

FY18		1Q	2Q	3Q	4Q
Revenue	OP	125.7	127.5	125.7	130.4
	ITS	17.9	19.7	20.0	21.0
OP		9.3	13.4	11.6	12.8

FY19		1Q	2Q	3Q	YoY
Revenue	OP	116.4	120.9	119.6	-5%
	ITS	18.1	17.7	19.4	-3%
OP		7.7	9.4	5.4	-53%

3Q Summary

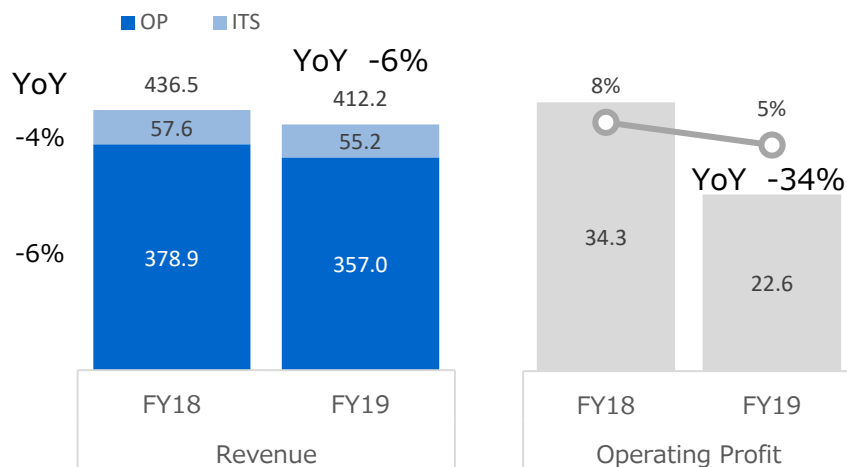
Office (OP)

- Progress was made in large project installations in Europe, and the mainstay new color Seg2/3 product (bizhub C250i/C300i /C360i) drove a 10% jump up in shipments.
- Although sales of the new color Seg3 rose 9% in North America, sales of the mainstay Seg4 current model failed to grow, and sales were down 9% overall.
- Sales remained low in China, but partner sales increased significantly.
- While prioritizing supply and quality, Konica Minolta continued activities aimed at manufacturing cost reduction for new products, and realized the effect of cost-cutting for some variable costs.
- Non-hard improved in line with forecasts (-0.7%)

IT Services Solutions (ITS)

- Sales were down temporarily due to a narrowing down of the service menu to raise profitability in Q2, but sales began to increase again in Q3 when excluding the impact of exchange rates.

9M



[¥ billions]

Revenue · Operating Profit

Quarterly Financial Results

FY18		1Q	2Q	3Q	4Q
Revenue	PP	36.5	38.3	39.2	41.6
	IP	3.5	5.9	4.1	7.3
	MS	13.4	11.6	12.6	13.8
OP		1.7	3.7	3.3	5.1

FY19		1Q	2Q	3Q	YoY
Revenue	PP	34.2	35.4	37.5	-4%
	IP	3.8	5.8	5.1	+26%
	MS	12.6	11.5	12.8	+2%
OP		1.1	1.0	2.9	-11%

3Q Summary

Production Print (PP)

- Shipments increased in North America due to a reinforced sales system, gross profit ratio improved due to MPP with IQ501, and growth recovered.
- Shipments overall fell in Europe, but increased unit sales for commercial printers.
- Shipments decreased due to prolonged sales negotiations and decrease in government projects in China, and a decline in capital liquidity in India, but an increase in non-hard led to higher sales, and improved service efficiency boosted profitability.

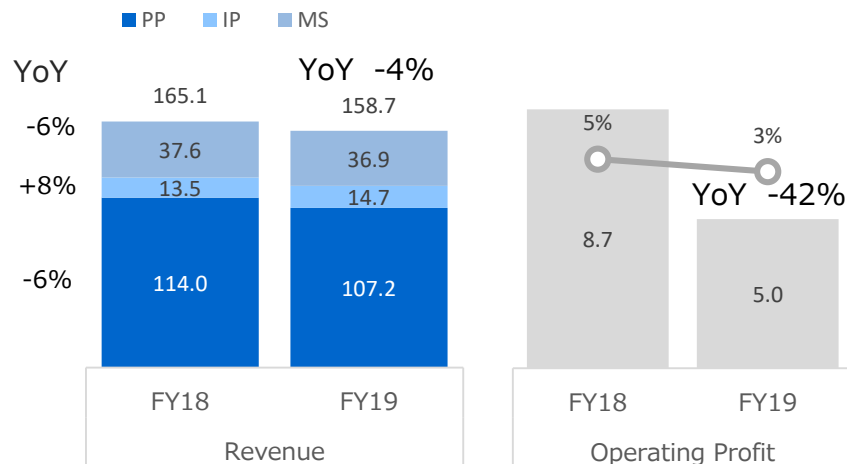
Industrial Printing (IP)

- Sales of KM-1 grew significantly in direct sales. Label printers benefited from new products (AccurioLabel 230) and decorative printing equipment saw significant growth, remaining in the top share in the target market.
- Non-hard sales also continued to grow significantly.

Marketing Services (MS)

- Shift to higher-value-added services continues
- In Europe, the print business declined, but the US and Asia drove sales growth, leading to higher revenue.

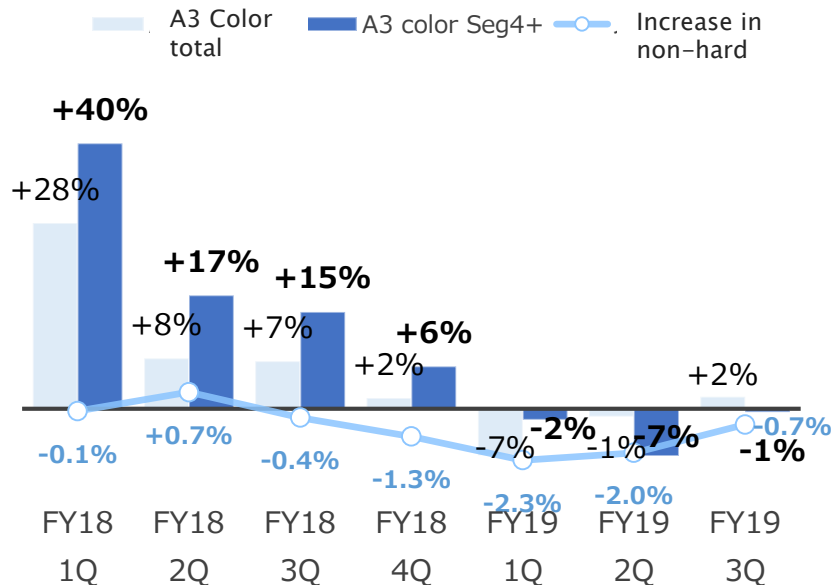
9M



Office

- Sales of new Seg4 products (bizhub 450i/550i/ 650i) began in January. The aim is to improve the sales mix, primarily in North America, which is a key market for Seg4, and boost sales overall.
- Non-hard continued to improve as expected in Q3. The impact on gross profit will be minimized by accelerating the Free-to-Fee and shift left measures.

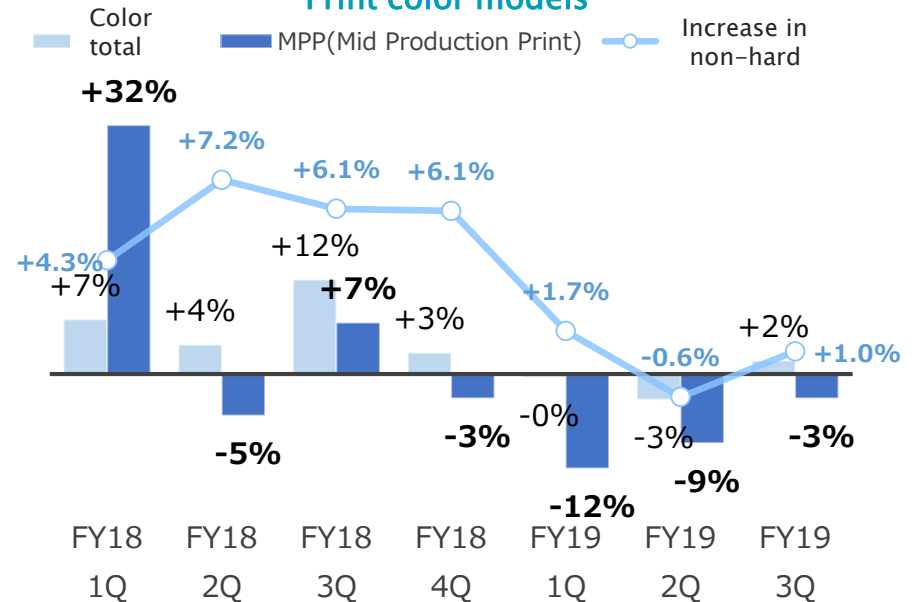
Year-on-year growth rate in A3 color MFP shipments



Production Print

- There has been progress in orders of new HPP products (AccurioPress C14000/12000) since it was released in Europe and the US in October, and shipments and installation began in February. We will break into the on-top market.
- Growth for non-hard continued in China and India, improved in Europe after resale inventory adjustments, and decreased in North America due to resale inventory adjustments. There are no changes to forecasts, and we expect growth of about **+1%**.

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



[¥ billions]

Revenue · Operating Profit

Quarterly Financial Results

FY18		1Q	2Q	3Q	4Q
Revenue	HC	17.0	19.6	19.4	27.5
	HIT	1.6	2.1	1.4	2.3
OP		△ 0.2	1.0	0.3	1.2

FY19		1Q	2Q	3Q	YoY
Revenue	HC	16.9	24.2	16.6	-15%
	HIT	1.8	2.3	1.5	+6%
OP		-0.3	0.7	0.2	-41%

3Q Summary

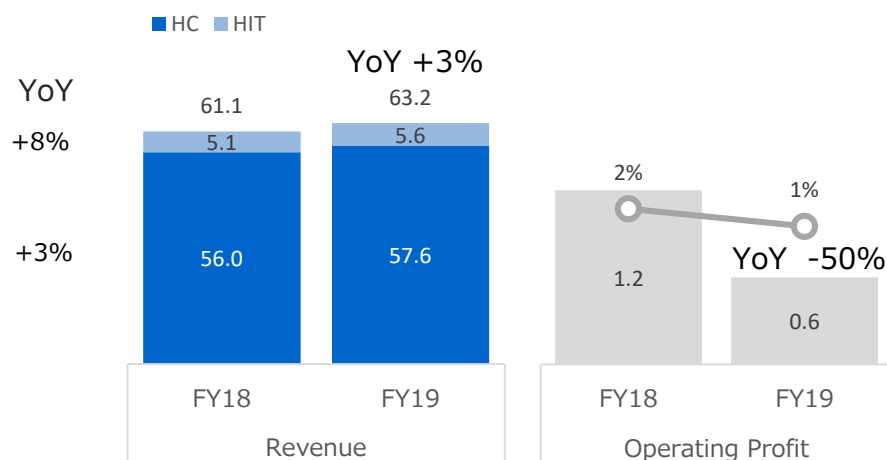
Healthcare (HC)

- DR sales volume continues to rise in Asia and Europe. There were signs of a recovery in sales in the US, particularly to clinics, but in Japan, sales declined due to last-minute demand in the previous quarter before the sales tax hike went into effect. Overall, revenue was down over the previous year.
- Sales of ultrasound diagnostic equipment increased over the previous year due to ongoing strong sales of new products for obstetrics in Japan and stronger sales in Europe and the US.
- The high value-added imaging of our digital X-ray Dynamic Digital Radiography Systems continues to earn high praise from universities and medical institutions in Japan. Aggressively pursue clinical research in the US and China.

Medical IT (HIT)

- PACS sales declined slightly over the previous quarter in Japan.
- Several new contracts, including large-scale projects (subscription agreements), were acquired in North America.

9M



[¥ billions]

Revenue · Operating Profit

FY18		1Q	2Q	3Q	4Q
Revenue	MI	9.6	7.2	7.7	7.6
	IS	0.5	0.7	0.5	1.3
	PM	12.6	11.7	12.9	10.9
	OC	5.6	5.4	4.9	4.7
	IJ	3.3	3.0	2.8	3.7
OP		6.8	4.7	5.6	3.9

FY19		1Q	2Q	3Q	YoY
Revenue	MI	6.6	6.7	7.3	-6%
	IS	0.6	0.8	0.7	+48%
	PM	12.6	11.9	10.8	-16%
	OC	4.8	5.3	5.2	+5%
	IJ	3.6	3.2	2.9	+5%
OP		4.8	4.9	5.6	+1%

Quarterly Financial Results

3Q Summary

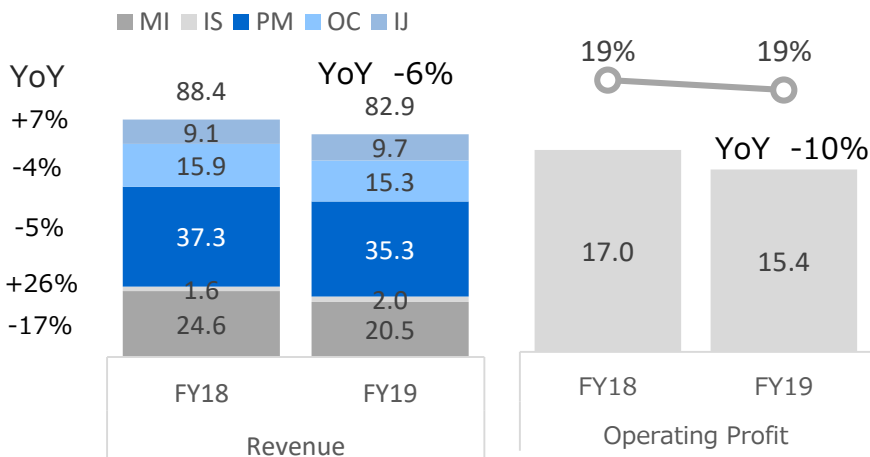
Optical Systems for Industrial Use :

: Measuring Instruments (MI), Imaging Solutions (IS)

- Measuring Instruments: Sales of light-source color devices were affected by the US-China trade friction and major customers continued to curb investments, but when excluding the impact of exchange rates, sales were unchanged over the previous year in China and South Korea. Object color sales were sluggish due to the impact of slower economic growth.
- Eines, acquired at the end of May, accelerated the development of the automotive visual inspection business.

Materials and Components : Performance Materials (PM), Optical Components (OC), IJ Components (IJ)

- Performance Materials: Despite steady progress with new resin products, sales of existing TAC film products have decreased over the previous year due to the impact of customers' inventory adjustments.
- Optical Components: Sales increased over the previous year, driven by sales of projector lenses.
- IJ Components: Sales are solid, despite the impact of deteriorating market conditions in the Asia region

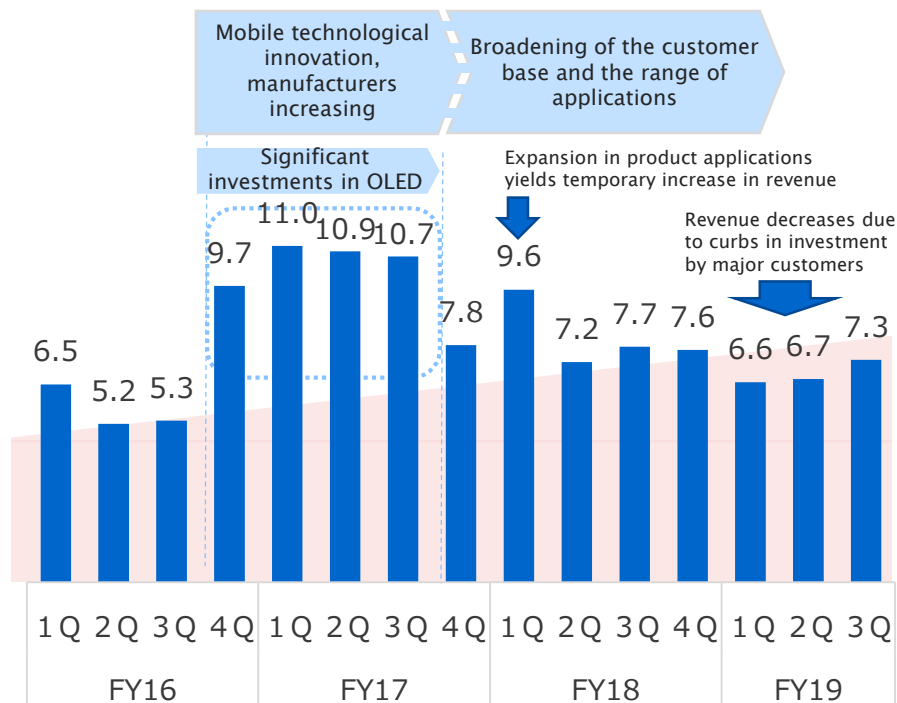


9M

Measuring Instruments

- In the display market, despite sluggish smartphone demand and major customers' ongoing restrained investment, sales of light source color measuring instruments in China and South Korea were in line with the previous year when excluding the impact of exchange rates.
- The acquired Eines attracted several new inquiries, and made steady progress in accelerating the launch of the automotive visual inspection business.

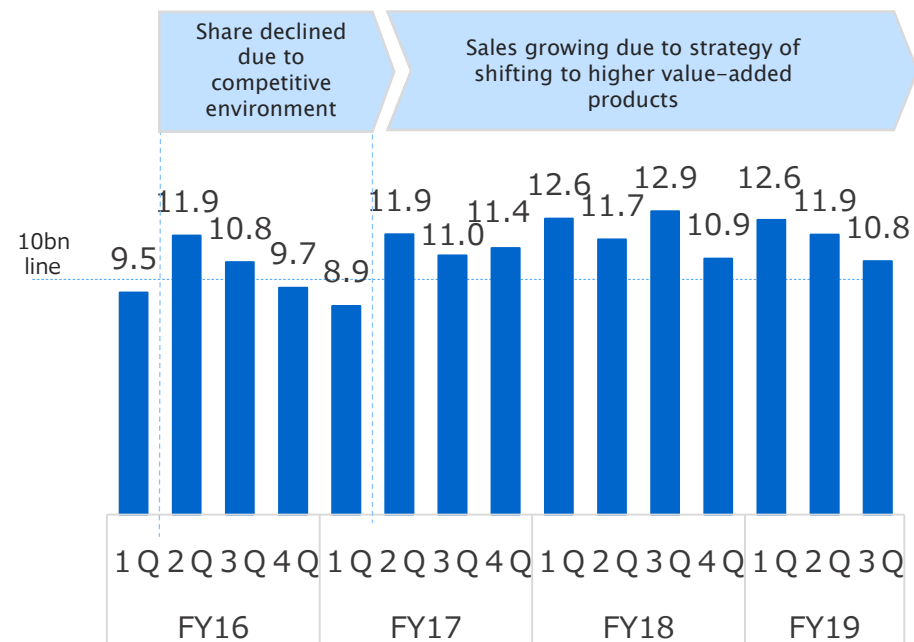
Measuring Instruments revenue



Performance Materials

- Sales levels were maintained, despite the impact from a temporary decline in demand due to inventory adjustments resulting from TV panel over-supply.
- New resin products have been approved by customers in the large-size TV market, and there has been steady progress with applications and expanding the customer base.

Performance Materials revenue



[¥ billions]

Revenue · Operating Profit

Quarterly Financial Results

FY18		1Q	2Q	3Q	4Q
Revenue	BHC	5.9	6.5	6.6	6.9
	Others	2.0	2.3	2.2	2.3
OP		-5.1	-3.5	-5.4	-5.3

FY19		1Q	2Q	3Q	YoY
Revenue	BHC	7.2	7.4	7.7	+17%
	Others	2.3	2.5	2.2	-2%
OP		-6.4	-4.6	-3.8	-

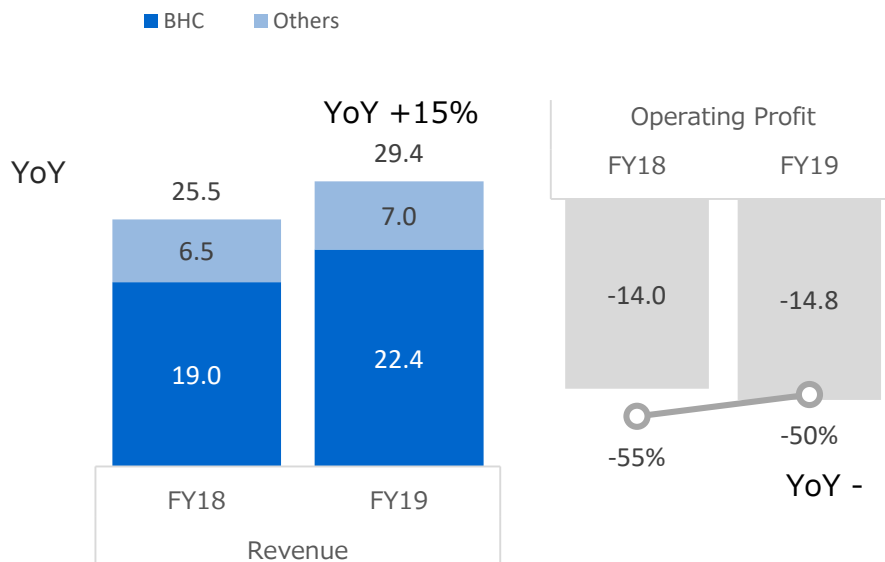
3Q Summary

Bio-healthcare (BHC)

- In genetic testing, the number of RNA testing continues to exceed targets due to the full launch following acquisition of CPT codes.
- While the number of tests for imaging center organizations (CARE program) increased, the target was not achieved due to delays with infrastructure development.
- In the area of Support for pharmaceutical manufacturing, orders in the cancer clinical trial field are growing steadily, but central nervous system businesses continue to under perform. Progress was made in activities to acquire a major Parkinson's disease project.

Others : Workplace Hub (WPH), QOL, Status monitoring, Digital manufacturing

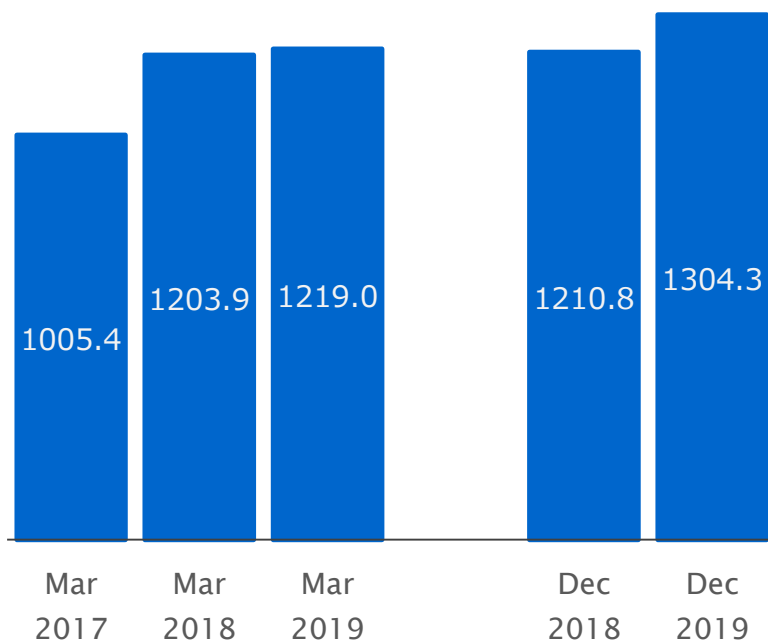
- The WPH sales region has increased to 23 countries and 21 cities in North America.
- Although results are far below target, Europe is leading the way in increasing customers, and in the US pipeline customers increased.
- Sales per customer were maintained, and industry-specific solutions and starter packages continue to be expanded and implemented.



Total Assets

[¥billions]

Mainly increase from inclusion of right-of-use assets (beginning of the term ¥110.9 billion), due to adoption of IFRS16, as well as from inventory assets.

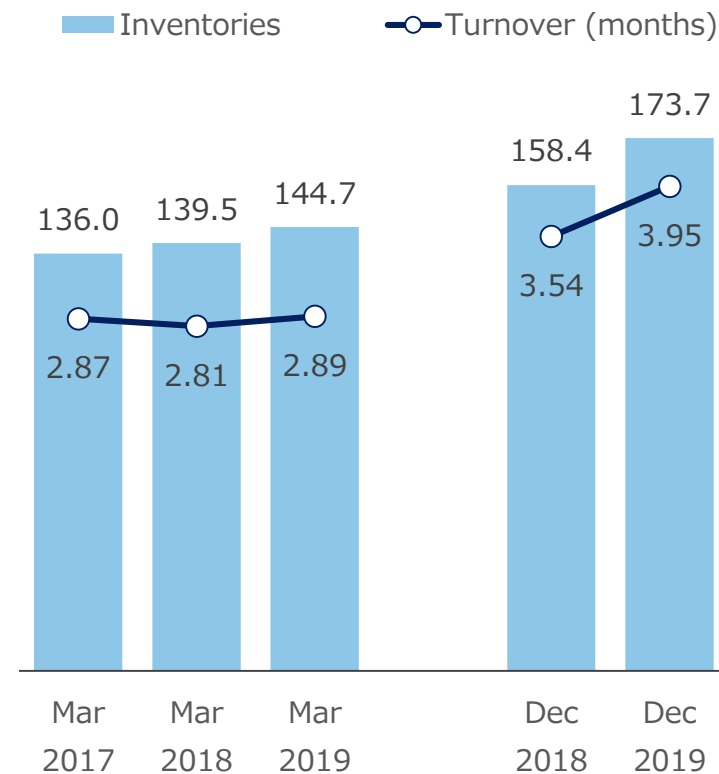


* Right-of-use assets at the beginning of the term ¥110.9 billion

Inventory/Turnover

[¥billions]

Inventory/turnover continued to be maintained at high levels due to inventories in preparation for new Office and PP products and for fiscal year-end sales. Optimization is expected as the fiscal year draws to a close.

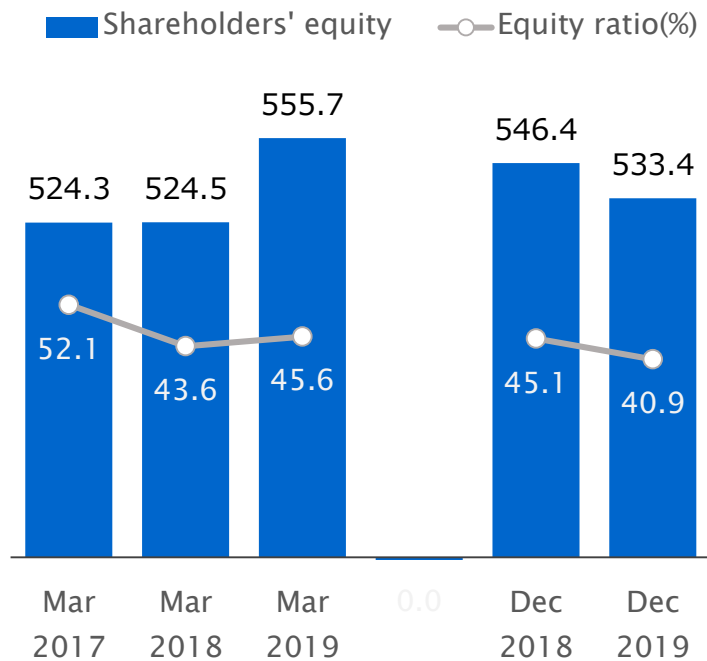


Inventory turnover, in months = Inventory balance at end of fiscal year / Average cost of sales for most recent three months

Equity & Equity Ratio [¥billions]

Attributable to owners of the Company

Due primarily to currency translation differences and dividend payment, shareholders' equity was reduced.
 Due in part to right-of-use assets being moved onto the balance sheet through the application of IFRS16, actual performance remained unchanged even though the equity ratio declined.



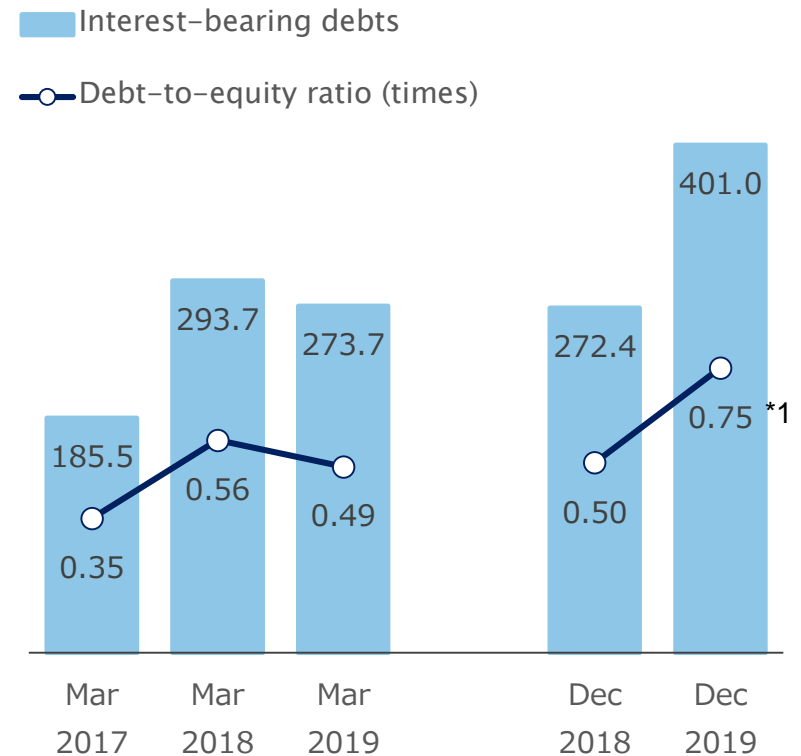
Excluding the impact of IFRS16, equity ratio was 44.8%
 (The one for company rating 48.9%)

(For Company Rating 44.6%)

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

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

Increase from lease liabilities being moved onto the balance sheet through the application of IFRS16 (beginning of the term ¥112.0 billion).



*1 Excluding the impact of IFRS16, D/E Ratio was 0.54

[¥ billions]

	FY2019 12M Forecast (Current)	FY2019 12M Forecast (Previous)	FY2018 12M Results	YoY
Revenue	1045.0	1045.0	1059.1	-1%
Operating Profit	20.0	20.0	62.4	-68%
Profit attributable to owners of the Company	7.5	7.5	41.7	-82%
ROE	1.4%	1.4%	7.7%	- 6.3p
FOREX [Yen]				
USD	105.0	105.0	110.91	
EUR	118.0	118.0	128.41	

Full-year forecast

- Exchange rate: EUR and USD assumptions left unchanged at ¥118 and ¥105, respectively.
- Revenue: Prior forecasts are left unchanged, in light of Q3 progress.
- Operating profit: Prior forecasts are left unchanged, in light of Q3 progress.
- The breakdowns for the business segments have been revised in light of Q3 progress for both revenue and operating profit.

Dividend forecast

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

Revenue	FY2019 12M		FY2019 12M		FY2018 12M		YoY	[¥ billions]
	Forecast (Current)		Forecast (Previous)		Results			
Office	565.0		565.0		587.9		- 4%	
Professional Print	220.0		215.0		227.7		- 3%	
Healthcare	90.0		90.0		90.9		- 1%	
Industrial	120.0		120.0		116.7		+ 3%	
Optical systems for industrial use	35.0		35.0		35.2		- 0%	
Materials and components	85.0		85.0		81.5		+ 4%	
New business	50.0		55.0		34.7		+ 44%	
Bio-Healthcare	35.0		35.0		25.9		+ 35%	
Others	15.0		20.0		8.7		+ 72%	
Corporate, etc.	0.0		0.0		1.2		-	
Company overall	1,045.0		1,045.0		1,059.1		- 1%	

Operating Profit	FY2019 12M		FY2019 12M		FY2018 12M		YoY
	Forecast (Current)		Forecast (Previous)		Results		
Office	33.0	5.8%	33.0	5.8%	47.2	8.0%	- 30%
Professional Print	8.5	3.9%	6.0	2.8%	13.8	6.1%	- 39%
Healthcare	3.0	3.3%	3.0	3.3%	2.4	2.6%	+ 25%
Industrial	22.0	18.3%	22.5	18.8%	20.9	17.9%	+ 5%
New business	-18.0		-16.0		-19.3		-
Corporate, etc.	-28.5		-28.5		-2.6		-
Company overall	20.0	1.9%	20.0	1.9%	62.4	5.9%	- 68%

Appendix

[¥ billions]

	FY2019 9M	FY2018 9M	YoY	FY2018 3Q	FY2018 3Q	YoY
Revenue	747.0	777.6	- 4%	249.5	260.5	- 4%
Gross Profit	354.6	377.7	- 6%	117.7	126.1	- 7%
Gross Profit ratio	47.5%	48.6%	-1.1pt	47.2%	48.4%	-1.3pt
Operating Profit	10.6	50.5	- 79%	5.1	15.9	- 68%
Operating Profit ratio	1.4%	6.5%	-5.1pt	2.1%	6.1%	-4.0pt
Profit before tax	5.6	48.0	- 88%	4.0	14.8	- 73%
Profit before tax ratio	0.7%	6.2%	-5.4pt	1.6%	5.7%	-4.1pt
Profit attributable to owners of the Company	2.2	33.7	- 94%	2.1	10.4	- 80%
Profit attributable to owners of the Company ratio	0.3%	4.3%	-4.0pt	0.8%	4.0%	-3.2pt
EPS [Yen]	4.39	68.23		4.18	21.05	
CAPEX	34.3	33.5		10.0	13.9	
Depreciation and Amortization Expenses	42.3	44.1		14.2	14.9	
R&D expenses	57.1	59.4		18.4	19.6	
FCF	-26.6	16.9		-8.0	5.9	
Investment and lending	5.0	4.9		1.1	0.8	
FOREX [Yen] USD	108.67	111.14	- 2.47	108.76	112.90	- 4.14
EUR	121.05	129.49	- 8.44	120.32	128.78	- 8.46

* Depreciation and amortization expenses :IFRS16 right-of- use assets amortization expenses not included
 (FY2019-3Q 9M results of ¥15.1 billion and 3M of ¥5.3 billion)

[¥ billions]

	FY2019 9M	FY2018 9M	YoY	FY2019 3Q	FY2018 3Q	YoY
SG&A:						
Selling expenses – variable	+34.0	+35.5	– 1.6	11.3	11.0	+0.3
R&D expenses	+57.1	+59.4	– 2.3	18.4	19.6	– 1.2
Personnel expenses	+154.2	+157.8	– 3.6	51.6	53.9	– 2.3
Others	+90.7	+90.2	+0.5	30.1	30.1	+0.0
SG&A total	+336.0	+342.9	– 6.9	111.5	114.7	– 3.2
		<i>* Forex impact: –9.7bn. (Actual: +2.8bn.)</i>				<i>–3.7bn. (Actual: +0.5bn.)</i>
Other income:						
Gain on sales of property, plant and equipment	+0.1	+20.5	– 20.3	0.0	5.4	– 5.3
Other income	+2.7	+3.0	– 0.3	1.7	1.6	+0.1
Other income total	+2.9	+23.5	– 20.6	1.7	6.9	– 5.2
Other expenses						
Loss on sales of property, plant and equipment	+3.4	+1.9	+1.5	0.2	0.3	– 0.1
Special extra retirement payments	+0.5	+0.3	+0.2	0.0	0.3	– 0.3
Other expenses	+6.9	+5.5	+1.4	2.6	1.9	+0.7
Other expenses total	+10.8	+7.7	+3.1	2.8	2.5	+0.3
Finance income/loss:						
Interest income/Dividends received/Interest expense	– 2.9	– 1.6	– 1.3	–0.8	–0.7	– 0.2
Foreign exchange gain/loss (net)	– 1.7	– 0.3	– 1.4	–0.2	–0.1	– 0.1
Others	– 0.2	– 0.2	– 0.1	–0.1	–0.1	+0.0
Finance income/loss, net	– 4.9	– 2.1	– 2.8	–1.1	– 0.9	– 0.2

[¥ billions]

FY19/9M vs. FY18/9M

[Factors]

	Office	Professional Print	Healthcare	Industrial Business	New business	corporate, etc.	Total
Forex impact	- 3.9	- 1.5	- 0.4	- 0.0	+0.3	- 0.1	- 5.7
Sales volume change, and other, net	- 4.9	+1.7	+0.6	- 2.7	+2.1	+0.5	- 2.7
Price change	- 4.0	- 1.4	- 1.3	+0.1	-	-	- 6.7
Cost up/down	+1.6	- 0.7	+0.4	+0.5	-	-	+1.9
SG&A change, net	+0.9	- 1.3	+0.7	- 0.9	- 2.9	+0.6	- 2.8
Other income and expense	- 1.5	- 0.6	- 0.6	+1.3	- 1.3	- 21.3	- 23.9

[Operating Profit]

Change, YoY	- 11.8	- 3.7	- 0.6	- 1.7	- 1.8	- 20.4	- 39.9
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FY19/3Q vs. FY18/3Q

[Factors]

	Office	Professional Print	Healthcare	Industrial Business	New business	corporate, etc.	Total
Forex impact	- 2.0	- 0.8	- 0.1	- 0.0	+0.1	- 0.1	- 3.0
Sales volume change, and other, net	- 1.3	+1.1	+0.2	- 0.9	+0.9	+0.1	+0.2
Price change	- 1.7	- 0.6	- 0.3	- 0.3	-	-	- 2.9
Cost up/down	+0.7	- 0.1	+0.2	+0.2	-	-	+1.0
SG&A change, net	- 0.8	+0.1	- 0.1	+0.1	+0.6	- 0.4	- 0.5
Other income and expense	- 1.1	- 0.1	- 0.1	+1.0	- 0.1	- 5.3	- 5.6

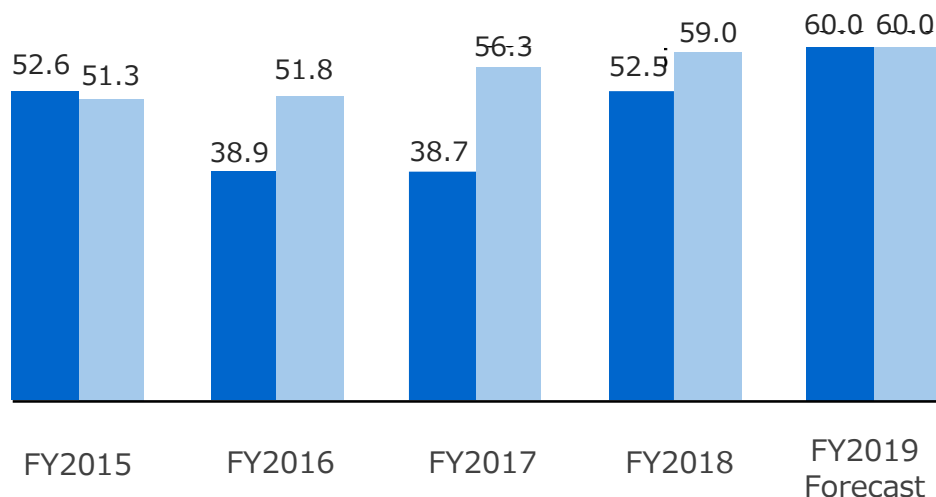
[Operating Profit]

Change, YoY	- 6.2	- 0.4	- 0.1	+0.1	+1.5	- 5.6	- 10.8
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[¥ billions]

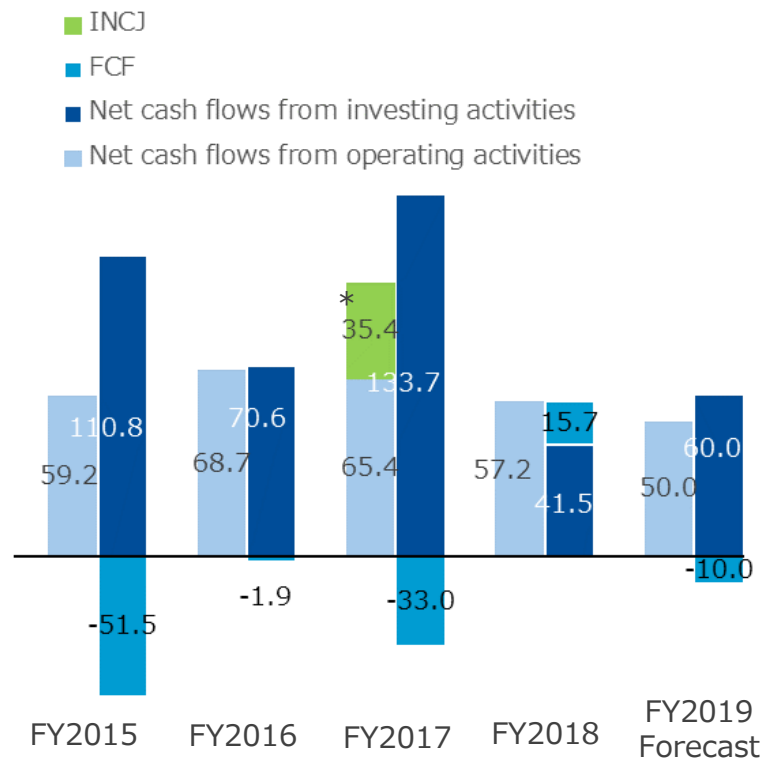
Capital Expenditure and Depreciation and Amortization Expenses

- Capital expenditures
- Depreciation and amortization



*Depreciation and amortization:
IFRS16 royalty assets amortization expenses not included

Free Cash Flows



*FCF forecast for FY2019 does not include investment and lending
*INCJ's equity stake
(INCJ : Innovation Network Corporation of Japan)

Appendix FY2019 Earnings Forecast – Overview

[¥ billions]

	FY2019 12M	FY2018 12M	YoY
	Forecast (current)	Results	
Revenue	1,045.0	1,059.1	- 1%
Operating Profit	20.0	62.4	- 68%
Operating Profit ratio	1.9%	5.9%	-4.0pt
Profit before tax	15.0	60.1	- 75%
Profit attributable to owners of the Company	7.5	41.7	- 82%
Profit attributable to owners of the Company ratio	0.7%	3.9%	-3.2pt
EPS [Yen]	15.16	84.33	
ROE (%)	1.4%	7.7%	
CAPEX	60.0	52.5	
Depreciation and Amortization Expenses	60.0	59.0	
R&D expenses	80.0	78.4	
FCF	-10.0	15.7	
Investment and loan	20.0	14.0	
FOREX [Yen] USD	105.00	110.91	
EUR	118.00	128.41	

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

*2 Depreciation and Amortization Expenses: IFRS16 royalty assets amortization expenses not included (Forecast for FY2019: ¥20 billion)

*3 FCF: Forecast does not include investment and lending

Appendix FOREX Impact on Revenue and Operating Profit

[FOREX : ¥]

[Impact, Sensitivity : ¥ billions]

	FY18	FY19	YoY Impact		FX Sensitivity*2	
	9M	9M	Revenue	OP	Revenue	OP
USD	111.14	108.67	- 5.9	+0.1	+3.4	- 0.1
EUR	129.49	121.05	- 11.0	- 5.9	+1.8	+0.6
GBP	146.34	137.79	- 1.8	+0.1	+0.3	+0.1
European Currency*1	-	-	- 15.4	- 5.8	+2.5	+1.0
CNY	16.61	15.60	- 2.4	- 0.9	+3.2	+1.3
AUD	81.71	74.92	- 2.1	- 0.6	+0.4	+0.1
Other	-	-	- 1.4	- 0.2	-	-
Exchange contract effect	-	-	- 0.0	+1.6	-	-
Total impact from FY2018	-	-	- 27.2	- 5.7	-	-

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

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

■ Composition of revenue by region (in yen)

	FY2017				FY2018				FY19		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Japan	13%	13%	12%	12%	13%	12%	12%	12%	12%	13%	13%
North America	34%	34%	33%	31%	33%	33%	33%	33%	34%	33%	33%
EU	36%	36%	38%	40%	36%	36%	36%	36%	36%	34%	37%
Others	17%	17%	17%	17%	18%	19%	18%	18%	17%	19%	17%

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

	FY2017				FY2018				FY19		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Japan	+2%	+0%	-1%	-1%	+4%	+1%	+2%	+3%	-8%	+4%	+1%
North America	+2%	+3%	-3%	+8%	+5%	+4%	+5%	+4%	-2%	-2%	-3%
EU	-1%	+2%	+1%	+4%	+4%	+1%	+1%	+0%	-2%	-1%	+6%
Others	-10%	-8%	-5%	-2%	+16%	+8%	+10%	+10%	-18%	+4%	+1%

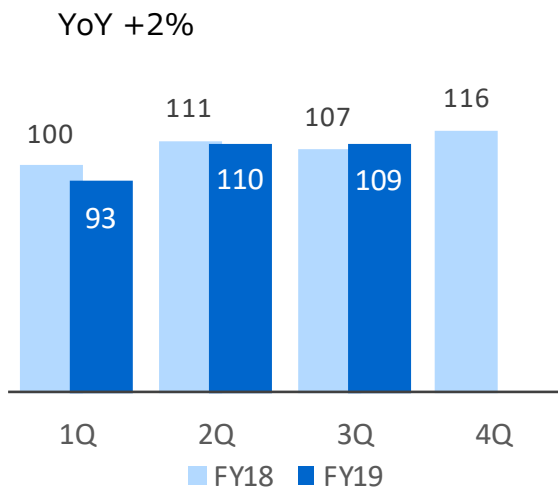
■ Percentage of color in sales of hardware

	FY2017				FY2018				FY19		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Office	69%	72%	72%	72%	73%	73%	73%	74%	72%	73%	72%
Professional Print	78%	76%	80%	78%	81%	80%	80%	81%	78%	82%	76%

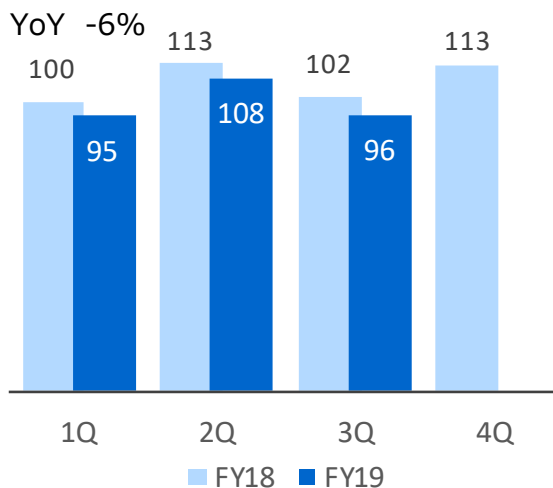
Appendix Quarterly Unit Sales Trends | Office/Professional Print – Products



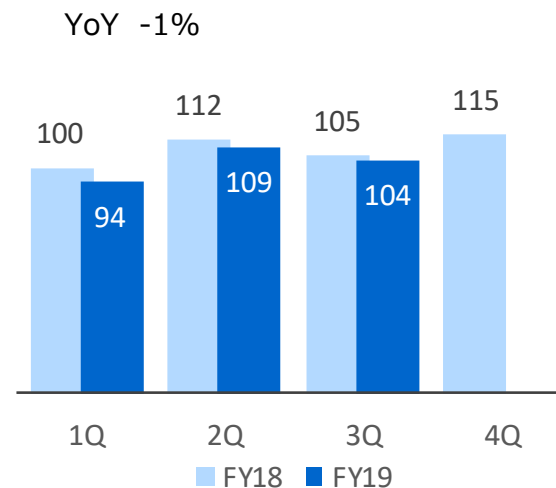
A3 Color MFP– Units*



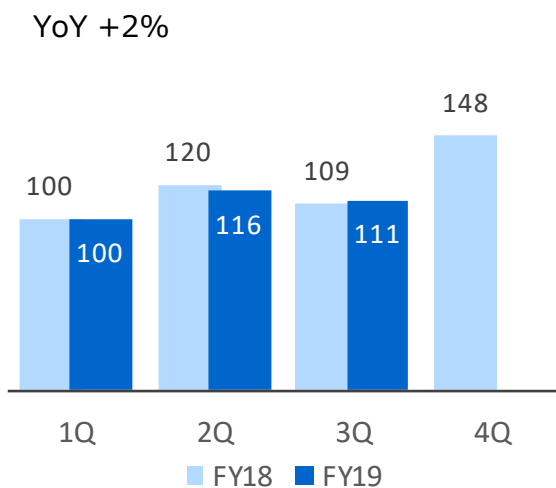
A3 monochrome MFP– Units*



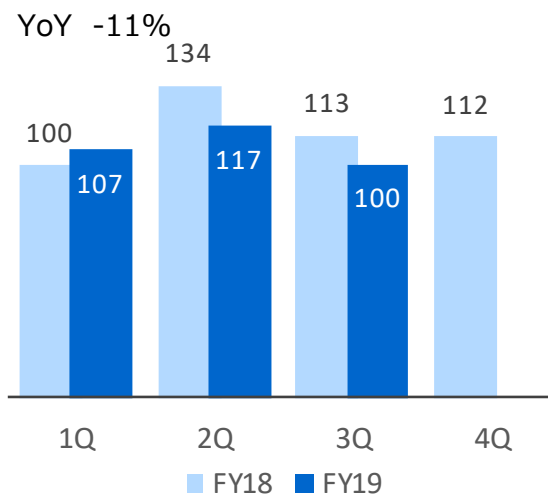
A3 MFP– Units*



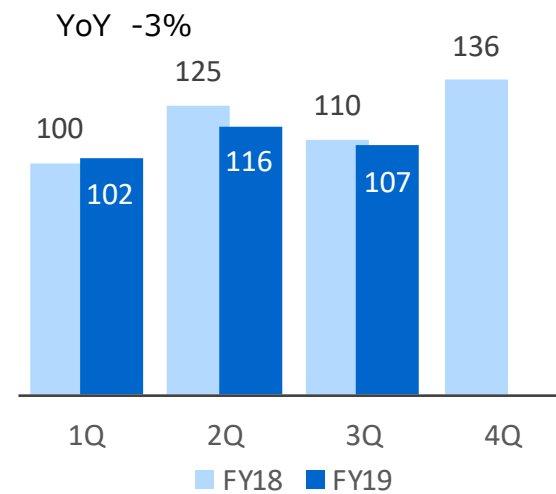
Color Production Print – Units*



Monochrome Production Print – Units*



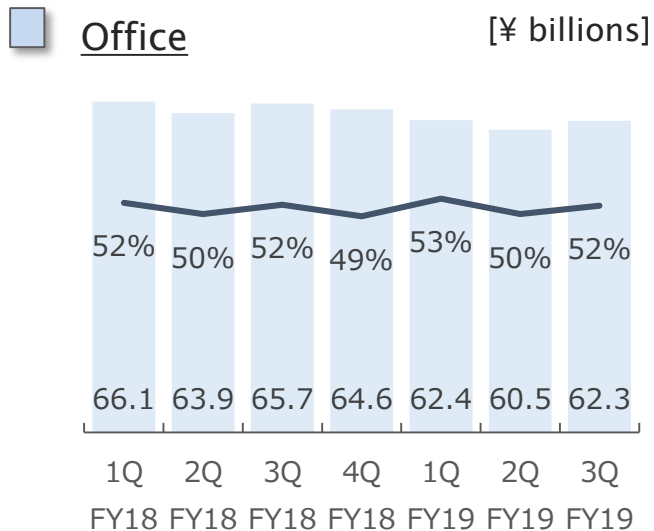
Production Print – Units*



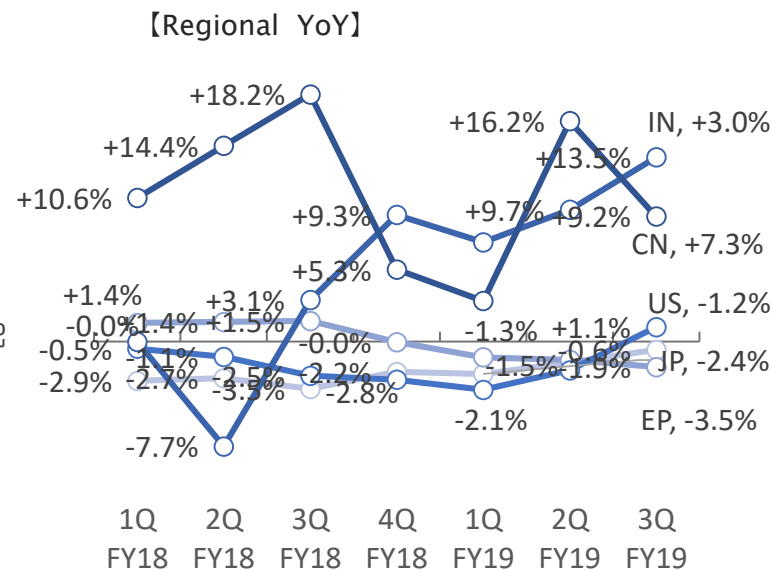
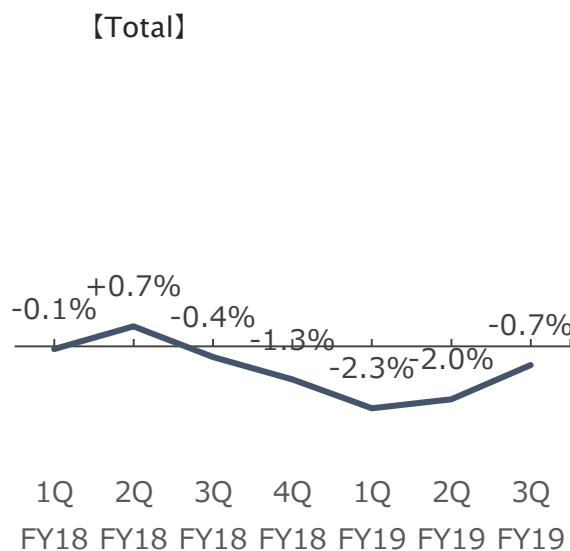
* Base Index: "FY2018-1Q = 100

Appendix Sales Results for Non-Hard | Office/Professional Print

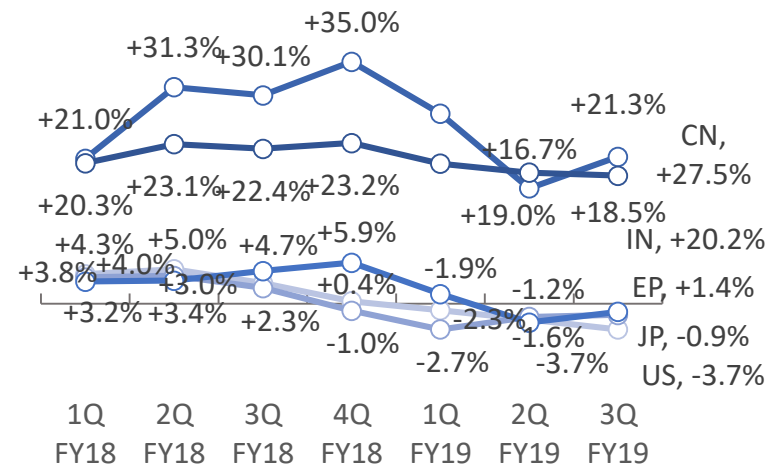
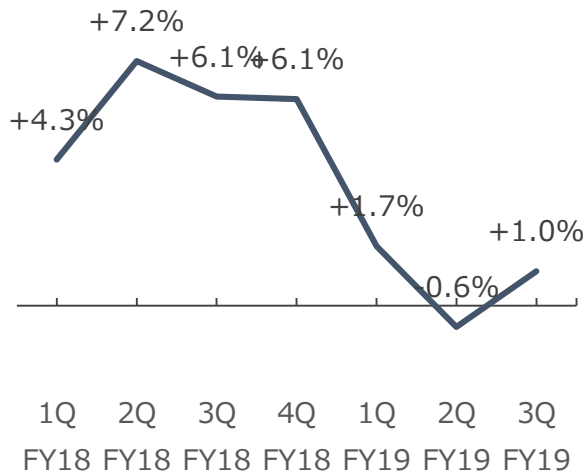
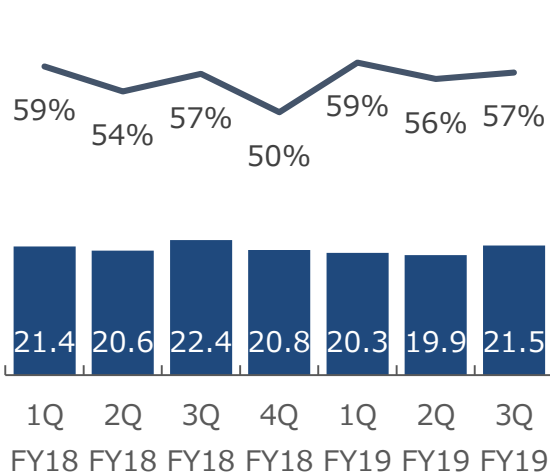
Revenue & ratio of non-hard



YoY revenue increase in non-hard (w/o FOREX)



Production print



Appendix Quarterly Financial Results : Segments



KONICA MINOLTA

[¥ billions]

【Revenue】	FY17				FY18				FY19		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Office Business	133.0	146.5	148.2	156.2	143.5	147.2	145.7	151.4	134.6	138.6	139.0
Professional Print Business	49.0	52.2	53.9	59.2	53.4	55.9	55.8	62.7	50.6	52.7	55.4
Healthcare Business	19.5	23.3	24.0	29.6	18.6	21.6	20.9	29.8	18.6	26.4	18.1
Industrial Business	28.7	31.3	30.1	28.1	31.6	28.0	28.8	28.3	28.1	27.9	26.9
Optical Systems for Industrial Use	11.7	11.5	11.1	8.8	10.1	7.9	8.2	9.0	7.2	7.4	8.0
Material · Components	17.0	19.8	19.0	19.4	21.5	20.1	20.6	19.3	21.0	20.5	18.9
New business	1.9	2.3	5.7	7.4	7.8	8.8	8.8	9.2	9.6	9.9	9.9
Bio-healthcare	-	-	3.6	5.4	5.9	6.5	6.6	6.9	7.2	7.4	7.7
Others	1.9	2.3	2.1	2.0	2.0	2.3	2.2	2.3	2.3	2.5	2.2
Corporate etc.	0.1	0.2	0.3	0.4	0.3	0.3	0.4	0.2	0.2	0.2	0.2
Company overall	232.4	255.8	262.2	281.0	255.2	261.9	260.5	281.5	241.7	255.7	249.5
【Operating Profit】											
Office Business	5.3	14.8	9.8	15.0	9.3	13.4	11.6	12.8	7.7	9.4	5.4
Professional Print Business	1.6	0.9	2.6	4.2	1.7	3.7	3.3	5.1	1.1	1.0	2.9
Healthcare Business	-0.5	3.4	1.0	1.7	-0.2	1.0	0.3	1.2	-0.3	0.7	0.2
Industrial Business	6.1	5.9	5.6	5.9	6.8	4.7	5.6	3.9	4.8	4.9	5.6
New Business	-2.7	-3.2	-4.4	-5.6	-5.1	-3.5	-5.4	-5.3	-6.4	-4.6	-3.8
Corporate etc.	-1.1	-10.0	-5.9	3.6	3.1	-0.2	0.4	-5.8	-6.3	-6.6	-5.2
Company overall	8.7	11.8	8.6	24.8	15.4	19.2	15.9	11.9	0.6	4.9	5.1

Business Segments for FY 2019

Core businesses Businesses that strengthen profitability by cost structure reform and that support profit during the Medium-Term Plan

Growth businesses Businesses that aim for higher profit around the core by using resources that we made upfront investments in under the previous Medium-Term Plan

New businesses Businesses that aim to achieve high profits by establishing new business models for the IoT era

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) <small>Textiles</small> Marketing services	
Healthcare	Healthcare Business <small>Ultrasound</small>	Medical IT	Bio-healthcare
Optical Systems for Industrial Use	Measuring Instruments <small>Visual Inspection</small>	Imaging Solutions	QOL Status Monitoring <small>Digital Manufacturing</small>
Materials and Components	Performance Materials <small>New Films</small> IJ Components <small>Optical Components</small>	Materials <small>OLED</small>	

- **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.
- **MFP (Multi Functional Peripheral) Speed Segment: Office 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)
- **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.
- **PACS: Picture Archiving and Communication System: Healthcare Business**
An image storage and communication system for medical image processing. A general term for systems for managing a large volume of images, generated from such as CT, MRI, X-ray images from DR and CR, and so on.
- **RNA (ribonucleic acid) Testing: Bio–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.
- **Workplace Hub (WPH): New Business**
Edge IoT platform provided by Konica Minolta. In addition to multi functional peripheral, 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.



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