



Konica Minolta, Inc. 2nd Quarter/FY2020 ending in March 2021 Consolidated Financial Results

Three months: July 1, 2020 – September 30, 2020
Six months: April 1, 2020 – September 30, 2020
– Announced on October 29, 2020 –

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- FY2020 First–Half Performance Overview: 1Q to 2Q and Monthly Changes and Factors
- Targeted Profit Structure in and after FY2020 3Q
- FY2020 Full–Year Earnings Forecast with Priority Initiatives by Businesses
- Basic policies and Targeted Profit Levels towards FY2022
- Policy on Shareholder Returns and Dividend Forecast in FY2020

FY2020 First-Half Performance Overview

FY20 First-Half Performance Overview | Summary



KONICA MINOLTA

	FY2020 1H	FY2019 1H	YoY	YoY (W/O Forex)	FY2020 2Q	FY2019 2Q	YoY	YoY (W/O Forex)	FY2020 1Q	FY2019 1Q	YoY
Revenue	384.7	497.5	-23%	-22%	211.5	255.7	-17%	-18%	173.2	241.7	-28%
Operating Profit	-27.9	5.4	-	-	-5.2	4.9	-	-	-22.6	0.6	-
Profit attributable to owners of the Company	-22.2	0.1	-	-	-4.9	1.3	-	-	-17.3	-1.2	-
FOREX [Yen]											
USD	106.9	108.6	-1.7		106.2	107.4	-1.1		107.6	109.9	-2.3
EUR	121.3	121.4	-0.1		124.1	119.3	4.8		118.5	123.5	-5.0

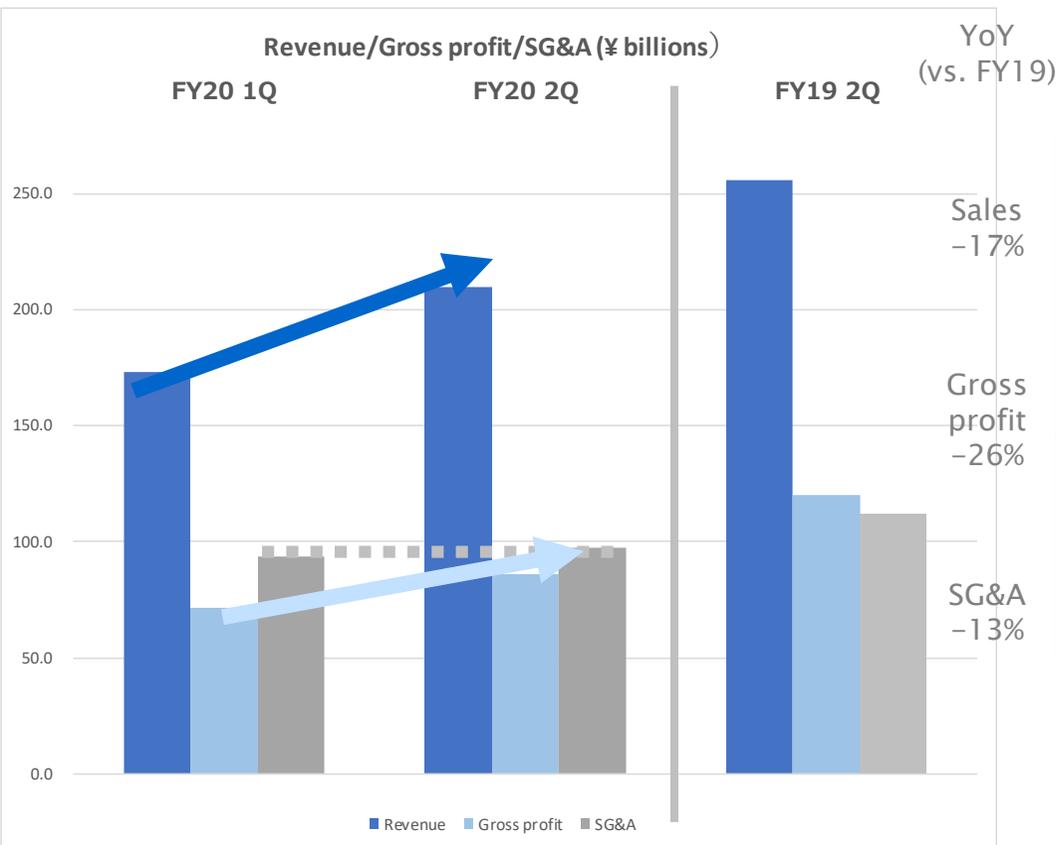
2Q Revenue

- Company overall: Making use of recovering demand, the year-on-year rate of increase/decrease was reduced from -28% in 1Q to -17% in 2Q.
- By business: Measuring instruments saw increased revenue while IT services remained flat YoY. Other businesses saw QoQ revenue increases.
- By region: China saw increased revenue, Europe saw a little less than 90% return, and the Japan and US recovery is a little less than 80%.

2Q Operating profit/ Capital efficiency

- 2Q operating profit: Recovery occurred as expected when 1Q results were announced. September showed profit on a monthly basis.
- Profit structure: Although the gross profit ratio experienced some lingering influence from product mix and production adjustments, SG&A continued to be held down under ¥100 billion as same as 1Q. The structural reforms implemented in the previous year also contributed their effect.
- Improving capital efficiency and securing liquidity: Operating CF returned to the black (¥17.5 billion) due to reduction in losses and sharp reductions in inventory (- ¥17.7 billion over 1Q), and FCF improved to ¥6.9 billion due to restraints on capital investments, which were vast improvements over 1Q. There were no problems with liquidity, and ¥30.0 billion of the ¥85.0 billion in borrowings at the start of the fiscal year were repaid.

While working to channel recovering demand into steady increases in sales, we made progress toward profitability by trimming back the cost structure.



Gross profit

- As revenue recovered, the gross profit ratio and gross profit amount both improved QoQ.
- Deterioration in product mix continued due to a slow recovery for revenue in North America. Costs worsened due to reductions in production in order to accelerate reducing inventory. As a result, the gross profit ratio will not recover in earnest until Q3.

SG&A

- Continued to be curbed to less than ¥100 billion per quarter
- Customer contact and demand creation activities converted to DX (Remote sales, webinars, online demonstration)
- Reduced advertising, travel, and logistics expenses by the above

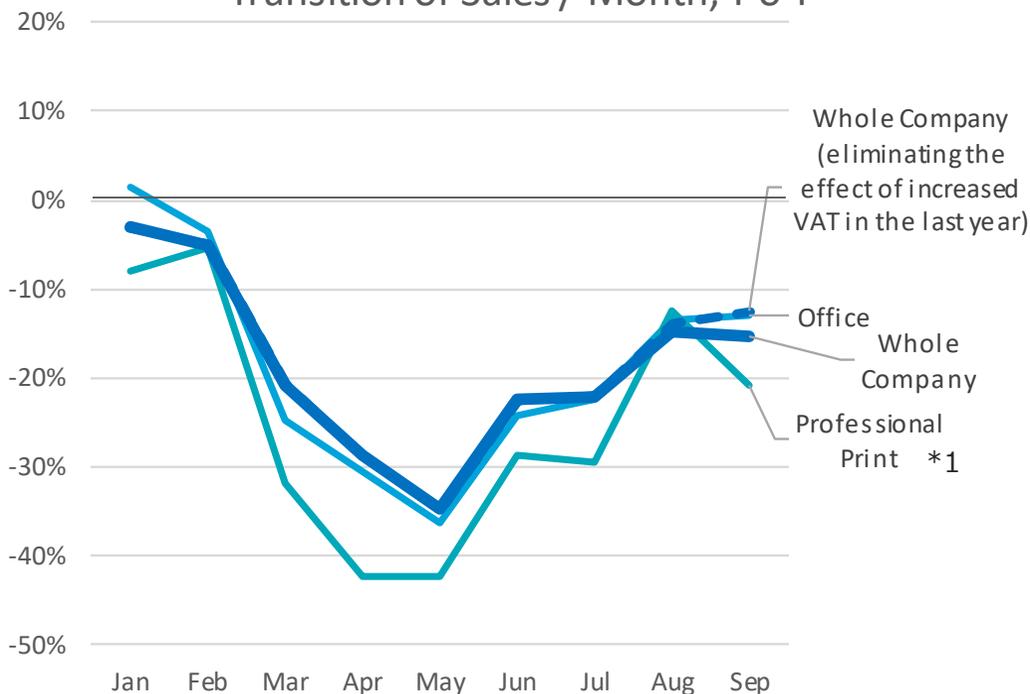
Overall fixed costs (Fixed costs in sales cost and SG&A)

- Factors including structural reform implemented in 2019 and additional structural reform implemented in the 1st Half bringing overall fixed costs down by more than ¥20.0 billion year on year in each quarter.

FY20 (billion ¥)	1Q	YoY	2Q	YoY
Overall fixed costs	126.7	-20.3	119.1	-24.2
Labor costs	79.3	-10.7	78.9	-8.7

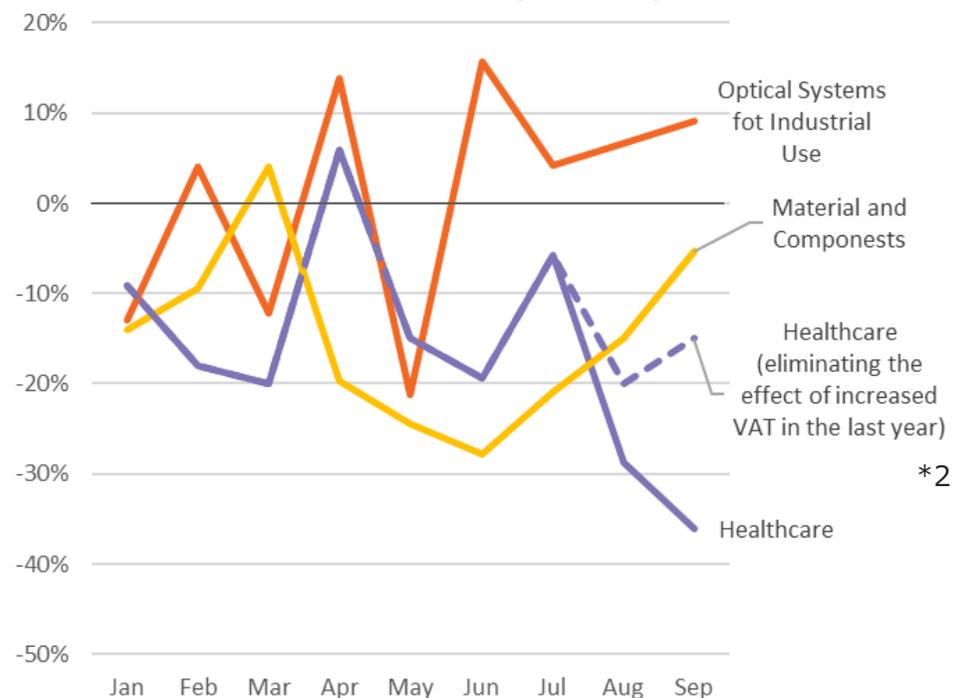
The recovery in revenue continued after bottoming out in May, and in general, every business has shown a smooth recovery.

Transition of Sales / Month, Y o Y



*1 The decline in revenue in September for Professional Print was due to sales recognition brought forward to August and delayed until October.

Transition of Sales / Month, Y o Y



*2 The decline in Healthcare revenue was due to a reactionary decline after last-minute demand before a consumption tax hike took effect in the previous year. The dotted lines indicate the rate of decline in revenue, excluding the monetary effect.

FY20 First-Half Performance | Revenue & Operating Profit by Segment



Industrial Business continued to post profits, as in 1Q. Office and Healthcare Business return in the black in 2Q. Professional Print lagged behind the Office, as expected, but improved significantly QoQ. Losses in New businesses declined.

<u>Revenue</u>	FY2020		YoY	YoY (W/O Forex)	FY2020		YoY	YoY (W/O Forex)	FY2020	QoQ
	1H	FY2019 1H			2Q	FY2019 2Q			1Q	
Office	209.9	273.2	-23%	-22%	115.9	138.6	-16%	-17%	94.0	+23%
Professional Print	73.5	103.3	-29%	-28%	41.7	52.7	-21%	-21%	31.8	+31%
Healthcare	35.5	45.1	-21%	-20%	19.1	26.4	-28%	-26%	16.4	+16%
Industrial Business	48.9	56.0	-13%	-12%	25.6	27.9	-8%	-8%	23.3	+9%
Optical systems for industrial	15.3	14.6	+5%	+7%	8.0	7.4	+8%	+8%	7.3	+10%
Materials and Components	33.6	41.4	-19%	-19%	17.6	20.5	-14%	-14%	16.1	+9%
New business	16.6	19.5	-15%	-14%	9.1	9.9	-8%	-9%	7.5	+21%
Bio-healthcare	9.9	14.6	-32%	-31%	5.9	7.4	-21%	-20%	4.1	+44%
Others	6.7	4.9	+37%	+37%	3.2	2.5	+28%	+26%	3.5	-6%
Corporate, etc.	0.3	0.4	-26%	-26%	0.2	0.2	-1%	-1%	0.1	+71%
Company overall	384.7	497.5	-23%	-22%	211.5	255.7	-17%	-18%	173.2	+22%

<u>Operating profit/OPM</u>	FY2020		YoY	YoY (W/O Forex)	FY2020		YoY	YoY (W/O Forex)	FY2020	QoQ	
	1H	FY2019 1H			2Q	FY2019 2Q			1Q		
Office	-5.2	-2.5%	17.1	-	2.3	2.0%	9.4	-76%	-67%	-7.5	-
Professional Print	-8.8	-11.9%	2.1	-	-1.7	-4.1%	1.0	-	-	-7.1	-
Healthcare	-0.5	-1.5%	0.4	-	0.6	3.0%	0.7	-16%	+1%	-1.1	-
Industry	6.5	13.2%	9.7	-34%	3.2	12.6%	4.9	-35%	-33%	3.2	-1%
New business	-12.4	-	-11.0	-	-5.8	-	-4.6	-	-	-6.5	-
Corporate, etc.	-7.4	-	-12.9	-	-3.8	-	-6.6	-	-	-3.6	-
Company overall	-27.9	-7.2%	5.4	-	-5.2	-2.5%	4.9	-	-	-22.6	-

1 Q to 2 Q Change Points and Factors in Each Business

	Main KPI progress, etc. (YoY)		Analysis of change points
	1 Q	2 Q	
Office	NH sales 69% A3 MFP units 79% ITS sales 86%	NH sales 80% A3 MFP units 86% ITS sales 100%	<ul style="list-style-type: none"> China sales are sustaining their momentum from June, when revenue turned to increase, Europe is at over 80% year on year, and the US is at over 75%, but recovering steadily. All improved greatly in September. There is no great difference in HW and NH recovery. ITS business recovered to previous-year levels and revenue increased in September thanks to contributions from solution projects from major clients in Europe and the US.
Professional Print	PP NH sales 62% PP units 57% IP NH sales 95%	PP NH sales 75% PP units 71% IP NH sales 118%	<ul style="list-style-type: none"> PP demand is having a delayed effect comparing Office, as expected, but it has recovered nearly 80% in Europe and over 70% in the US. There is no great difference between HW and NW. Industrial printing is showing significantly increased NH revenue in both Europe and the US. HW takes time for the acceptance inspection needed to record a sale, and order backlogs are growing.
Healthcare/ Bio-healthcare (BHC)	DR quantity 134% Number of genetic tests 76% Order backlogs in drug discovery support services 127%	DR quantity 77% Number of genetic tests 104% Order backlogs in drug discovery support services 153%	<ul style="list-style-type: none"> Sales activities expands according to the recovering trend in outpatient numbers at hospitals and clinics Genetic diagnostics: The number of genetic tests is recovering steadily. The number in September was approximately 93% relative to February before the impact of COVID-19. The number of COVID-19 test is also expanding. Drug discovery support services: With growing pipeline and delays in clinical trials, order backlog amounts are expanding significantly. The increase is 150% or more even relative to the end of March.
Industrial	Measuring instruments sales ¥7.1 billion Performance materials sales ¥9.8 billion	Measuring instruments sales ¥7.6 billion Performance materials sales ¥11.6 billion	<ul style="list-style-type: none"> Acquisition of demand related to smartphone manufacturing is maintaining revenue growth. With stay-at-home demand, the outlook for year-end sales demands in large TVs is improving. Inventory adjustments in the supply chain are also resolving. September showed increased revenue.

*HW: Hardware; NH: Non-hard



Targeted Profit Structure in and after FY2020 3Q FY2020 Full-Year Earnings Forecast with Priority Initiatives by Businesses

Perceptions and Assumptions of Environment after 3Q by Business

In the second half of FY20, the surges of COVID-19 will repeat as the second and third waves. The assumption is that local lockdowns will produce the business environment wherein economic activity and people's actions will be under certain constraints.

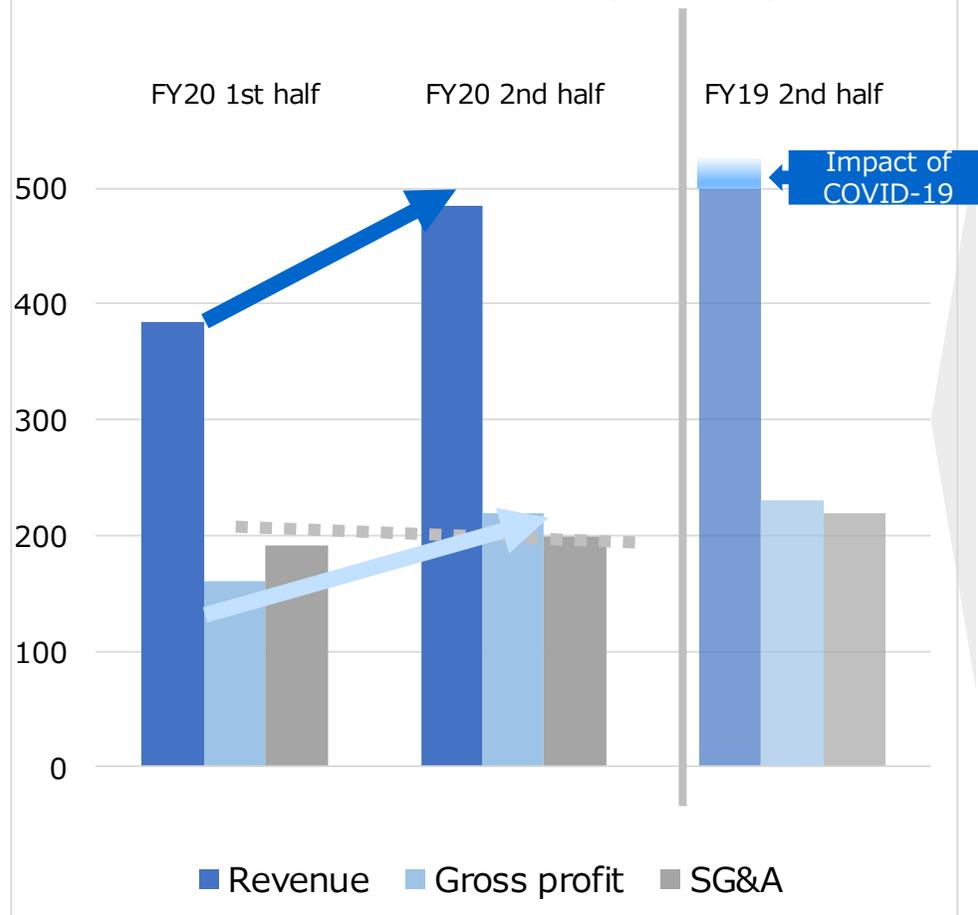
(The assumption is that there will be no national-level lockdowns in our major markets such as occurred in March-April 2020.)

Perceptions and Assumptions of Environment after 3Q by Business

Perceptions and Assumptions of Environment after 3Q by Business	
Economic activity in each region	<ul style="list-style-type: none"> China: Positive growth continues. GDP growth rate will also reach pre-COVID-19 levels in the second half of FY21. Europe and the US: Under repeated waves of virus, GDP growth rates will not reach pre-COVID-19 levels until FY22 or later.
Office/WPH	<ul style="list-style-type: none"> Print volume: About 90% year on year in 4Q, in FY21 will reach 90% relative to FY19 annually, after which it will decline at annual rate of 3-4%. Customer work-style: Work from home will continue at a rate about midway between pre-COVID-19 and the lockdown period. Customer needs: Demand for automation and computerization of documents and operations is expanding. OCR and RPA will bring business opportunities for operational reform, load reduction, and so on in workplaces that are essential to society, such as healthcare, US government-related entities, Japanese local governments, and other public sector areas.
Professional Print	<ul style="list-style-type: none"> Digital printing market: There is diminishing demand from large companies' central reprographics departments and from small to medium-sized printing companies. There is progressive aggregation in mid-tier and major printing companies, and though the overall printing market will shrink from FY21, the digital printing market will expand. Industrial printing: Label and packaging print volume is growing even in COVID-19, and the digital printing market will expand.
Healthcare/Bio-healthcare (BHC)	<ul style="list-style-type: none"> Diagnosis and testing: Outpatient numbers are expected generally to return to pre-COVID-19 levels by the end of FY20 in regions other than the US. Genetic testing will get on a growth track from then on. Recovering the equipment investment will take time. Drug discovery support services: Clinical trials will gradually start up again at pharmaceutical companies and this area will get on a growth track from then on.
Industrial	<ul style="list-style-type: none"> Measuring instruments: FPD capital investment will hit a temporary plateau and return to the growth track in sync with the appearance of new FPD devices. Performance materials: Diversification of FPDs will expand the market for new resin film. This will get on a growth track from FY21.

Expand gross profit to level of revenues or beyond while also maintaining the trimmed-back cost structure, and aiming to reach profitability and to expand profit.

Sales/Gross profit/SG&A (¥ billions)



Gross profit

- Individually improve the four main factors in the decline of gross profit ratio in the first half, and expand the margin of gross profit recovery beyond the rate of revenue increase QoQ.
 - ① The recovery in North America, although slow, is improving product-mix.
 - ② With production adjustments completed, improved capacity utilization will improve gross profit.
 - ③ Heading into 4Q, recovery in non-hard will accompany resumption of economic activity.
 - ④ Keep down unnecessary shipments of consumables and replacement parts by strengthening predictive maintenance.

SG&A

- Continued to be curbed to less than ¥100 billion per quarter
- Labor costs: Structural reform effect with aim of raising productivity
- Sales efficiency: Segmentation of customers, digital transformation of approach

Overall fixed costs (Fixed costs in sales cost and SG&A)

- Maintain reduction of total labor costs by approximately ¥10.0 billion year on year and quarterly in the second half, as well.

[¥ billions]

	FY2020			FY2019 12M	YoY
	1H Results	2H Forecast	12M Forecast	Results	
Revenue	384.7	485.3	870.0	996.1	-13%
Operating Profit	-27.9	14.9	-13.0	8.2	-
		21.4	-6.5	※Operating profit except for the cost for structural reform in Office business	
Profit attributable to owners of the Company	-22.2	4.2	-18.0	-3.1	-
Turnover (months)	3.8	2.9		3.6	
CAPEX	21.4	26.1	47.5	50.8	
FCF	-7.1	5.6	-1.5	-19.9	
FOREX [Yen]					
USD	106.9			108.7	
EUR	121.3			120.8	

Full-year earnings forecast

- Revenue: This forecast takes into account assumptions about the business environment and has been set at a level that does not depend too heavily on improvements in this environment.
- Operating profit: In H2, we expect to maintain H1 fixed costs while improving gross profit more than the recovery in revenue, with effective operating profit rising to ¥21.4 billion. We expect to post an additional ¥6.5 billion in one-off costs for drastic reforms to the revenue structure in the Office business, and thus forecast ¥14.9 billion in operating profit in H2.
- Capital efficiency: Inventory reductions will continue, and the number of fiscal-year-end inventory turnover in months will improve to levels recorded in FY18 and earlier. Capital investment will be curbed while carefully selecting investments, such as those in the new Mikawa factory. FCF will remain in the black, as in 2Q, due to improved capacity to generate revenue and controls on investments.

FY20 Earnings Forecast | Segments

[¥ billions]

Revenue	FY2020			FY2019 12M	
	1H Results	2H Forecast	12M Forecast	Results	YoY
Office	209.9	250.1	460.0	546.5	- 16%
Professional Print	73.5	106.5	180.0	210.1	- 14%
Healthcare	35.5	44.5	80.0	87.9	- 9%
Industrial	48.9	56.1	105.0	109.6	- 4%
Optical systems for industrial use	15.3	17.2	32.5	30.8	+ 6%
Materials and components	33.6	41.4	75.0	78.8	- 5%
New business	16.6	28.4	45.0	41.2	+ 9%
Bio-Healthcare	9.9	17.6	27.5	30.6	- 10%
Others	6.7	8.3	15.0	10.6	+ 41%
Corporate, etc.	0.3	-0.3	0.0	0.8	- 100%
Company overall	384.7	485.3	870.0	996.1	- 13%

Operating Profit	FY2020				FY2019 12M		
	1H Results	2H Forecast	12M Forecast		Results	YoY	
Office	-5.2	※ 12.2	※ 7.0	1.5%	23.9	4.4%	- 71%
Professional Print	-8.8	6.3	-2.5	-1.4%	4.4	2.1%	-
Healthcare	-0.5	3.0	2.5	3.1%	0.6	0.7%	+ 288%
Industrial	6.5	8.5	15.0	14.3%	19.2	17.5%	- 22%
New business	-12.4	-7.6	-20.0	-	-17.7		-
Corporate, etc.	-7.4	-7.6	-15.0	-	-22.2		-
Company overall	-27.9	※ 14.9	※-13.0	-1.5%	8.2	0.8%	-

※incl. one-off expense of ¥6.5bn for structural reform in Office business

Priority Initiatives for Second-Half by Business



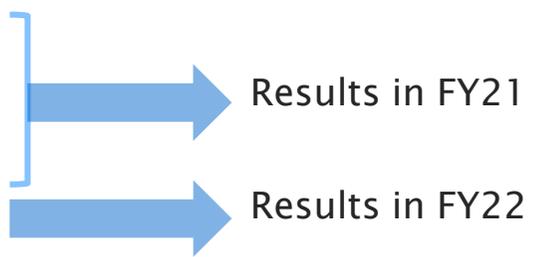
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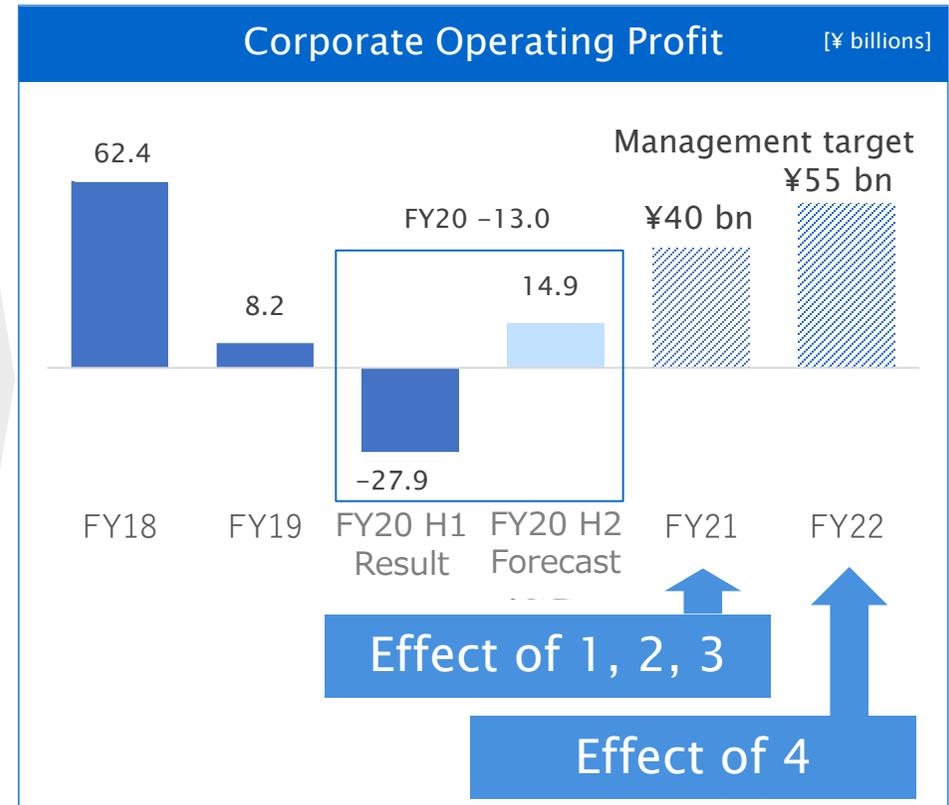
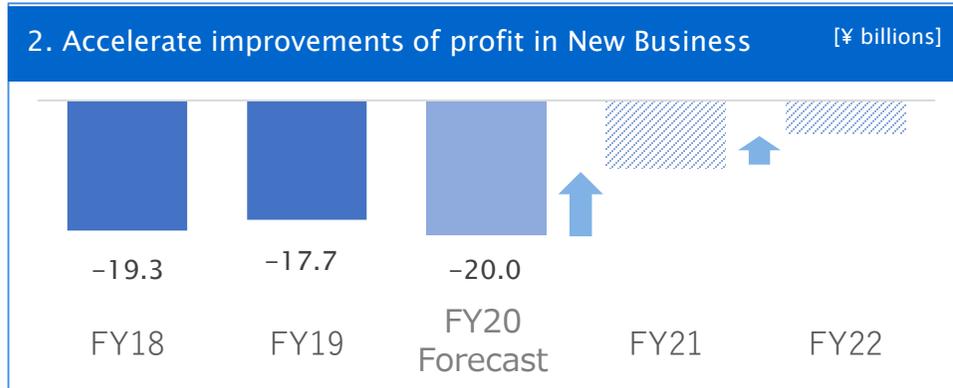
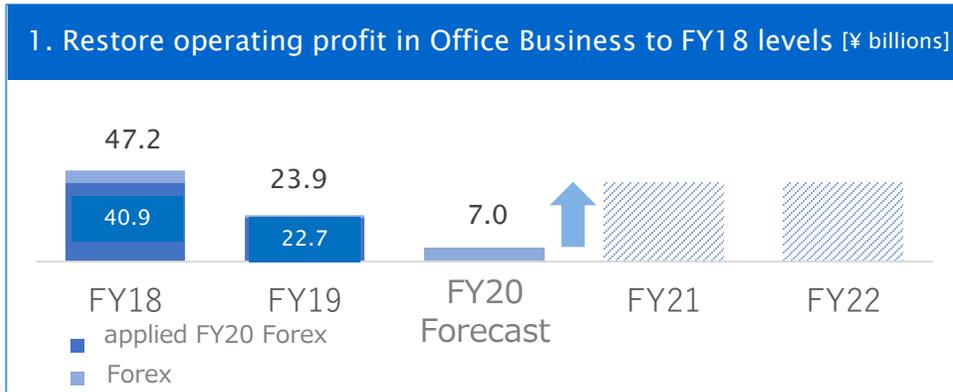
	Priority Initiatives
Office/WPH	<ul style="list-style-type: none"> • MFP: Certainly closing the deal of large orders increased due to the completion of the color / monochrome full lineup of the bizhub i-Series. • IT services: Sales increased in MIT, which supports work from home and has attracted a growing number of inquiries, and ECM, which supports administrative processes for healthcare, government and local government. • WPH: Sales of solutions based on Workplace Hub Smart increased in the US and Europe, in addition to Japan, and expanded to major distributors as well as direct sales.
Professional Print	<ul style="list-style-type: none"> • PP/IP: Expand sales of HPP/KM-1e to mid-tier and major printing companies, which are engaging in online printing that is fast to recover demand, and recover PV quickly. • PP: Introduce new LPP products. In addition to replacement-purchase demand from existing customers, expand sales to new customers with automation and labor-saving features like MPP/HPP models. • Industrial printing: Support the firm demand for labels by further expanding sales of label printers capable of high-image-quality printing with simple operation and fewer personnel.
Healthcare/ Bio-healthcare (BHC)	<ul style="list-style-type: none"> • Healthcare (modality) and HC-IT: Accelerate partner strategies according to the features of the region and departments. Support the advancement of diagnosis and strengthen sales by providing the high-value-added diagnostic devices and medical IT services. • Ambry: Expand the market and increase numbers of tests for examining unaffected patients by CARE Program. Expand contracts for genetic diagnostic services for corporations by introducing CARE for COVID. • Invicro: Harvest results from order backlogs after clinical trials resume and expand pipelines in oncology fields.
Industrial	<ul style="list-style-type: none"> • Measuring instruments: Expand automobile visual inspection measurement and enlarge business in the invisible light sensing field. • Performance materials: Expand sales by applying to all kind of applications (large screen TVs, touch sensor applications, etc.) with new SANUQI resin film.



Basic Policies and Targeted Profit Levels towards FY20 Policy on Shareholder Returns and Dividend Forecast in FY20

Basic Policies and Targeted Profit Levels for FY22

1. Restore operating profit in Office Business to FY18 levels
 2. Accelerate improvements of profit in New Business
 3. Keep general fixed costs at FY20 levels
 4. Build businesses that can become the core following the Office Business
- 



1. Restore operating profit in Office Business to FY18 levels

Increased sales, greater efficiency

- Raise win ratio and improve efficiency
 - Improve win ratio and gross profit ratio by expanding a scientific approach globally
 - Optimize the marketing process based on the customer segment (Higher efficiency achieved through inside sales and up/cross-selling using digital customer interaction, and separate use of face-to-face consultation)

Increase in gross profit (reduction in costs)

- Manufacturing costs
 - Process reforms through product design by integrated development and production team
 - Parts purchase and common design with external cooperation
 - Expand benefits reaped from digital manufacturing investment (automation, ICT)
- Service costs
 - In addition to the “Shift Left” strategy, improve productivity of services by expanding number of machines in the field that are compatible with remote services

Reduction in SG&A expenses

- R&D expenses
 - Narrow down MFP development themes and move software engineers to divisions in which they will interact with customers
- Logistics rationalization and optimization
- Back office
 - Expansion of shared services
 - Simplification and acceleration of consolidated business management process

One-off costs in FY20 and Expected result in FY21

- Carry out reassignment and optimization of 10% of Office personnel.
- For reassignment, consider transfer to IT services and WPH, which will continue growing in the future, and to growth fields other than Office.
- One-off expenses incurred in the present period for these structural reforms are expected to amount to an estimated sum of approximately ¥6.5 billion.
- We forecast the effect in FY21 relative to FY20 to be over ¥25.0 billion, primarily from reductions in labor costs (about ¥15.0 billion), sales costs and R&D costs.

2. Accelerate improvements of profit in New Business

Workplace Hub

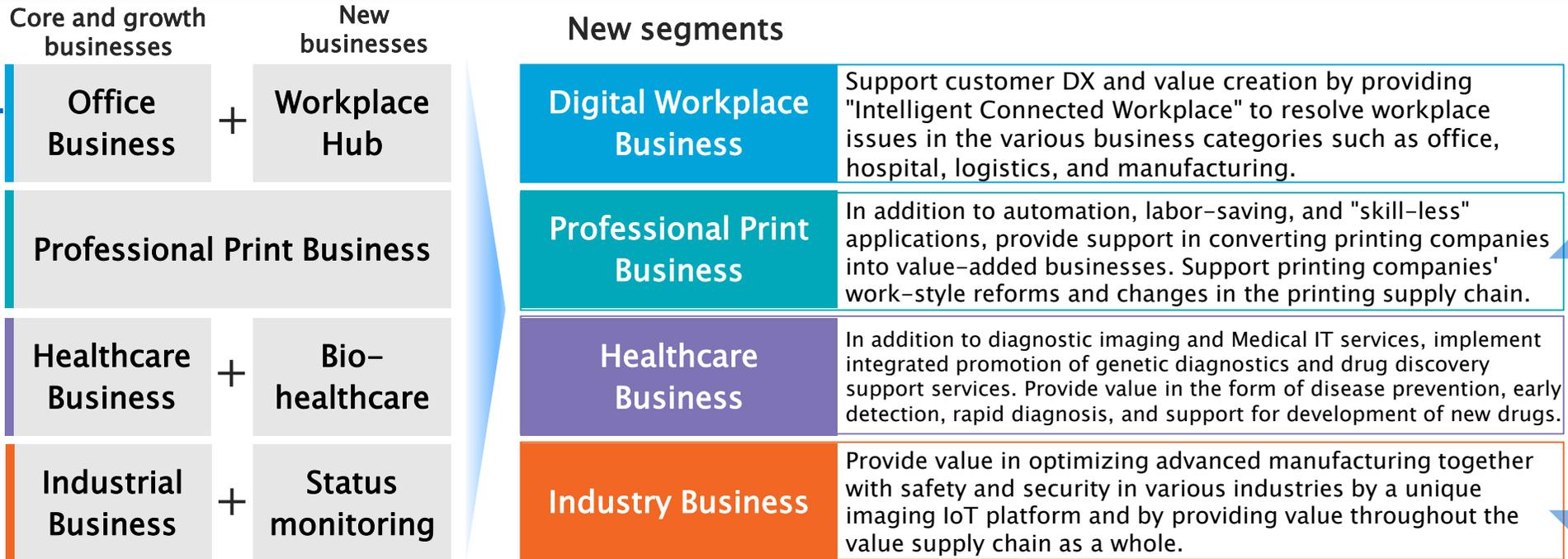
- In order to cope with customer need for scanning speed, making it available for customers to select MFP engine as a part for WPH composition leveraging assets from MFP development. And shift OS from Linux to Windows to improve accessibility to cloud platform and applications. By those changes, we strengthen competitiveness of the product and services and reduce development cost drastically (¥2.0bn in FY21)
- This change will improve handling of WPH by major dealers, partners and even for us, expanding series of available applications. Also we focus on specific application packages for certain sectors, utilizing both edge and cloud on WPH to strengthen our capability to support customers operational efficiency.

Bio-healthcare

- Genetic diagnosis: Expand the growth by entering in massive market targeting healthy and unaffected individuals by CARE Program and the Japanese market (plans for insurance reimbursement)
- Pursuing profit with improving efficiency: Reduce costs by introducing new high-speed genetic analysis devices and significantly reduce time required for mutation analysis and improve diagnostic accuracy by AI.
- Drug discovery support services: Bring the Multi-Omics Platform, which can analyze causal associations across the genome, pathology and medical images overall, onto the Cloud and make it part of SaaS to provide to global clinical trials
- Capital policy: KMPM which integrates Ambry Genetics and Invicro has great opportunities for growth investment as a global key player because of the analytic platform in molecular level. Pursuing potential options for capital resources.

Other new business

- Rigorous quantitative assessment in terms of growth potential, profitability and capital efficiency.
- In the case of businesses whose profitability is not expected to improve, we will use other companies' capital and make decisions about selection and concentration.



Reforms of revenue structure in Office Business

Changes to a structure in which business can continue to generate profits even as the business environment becomes increasingly harsh by progressing paperless

Restructuring of revenue structure

➔

Further commitment (increase in revenue/gross profit)

Build businesses that can become the core following the Office Business

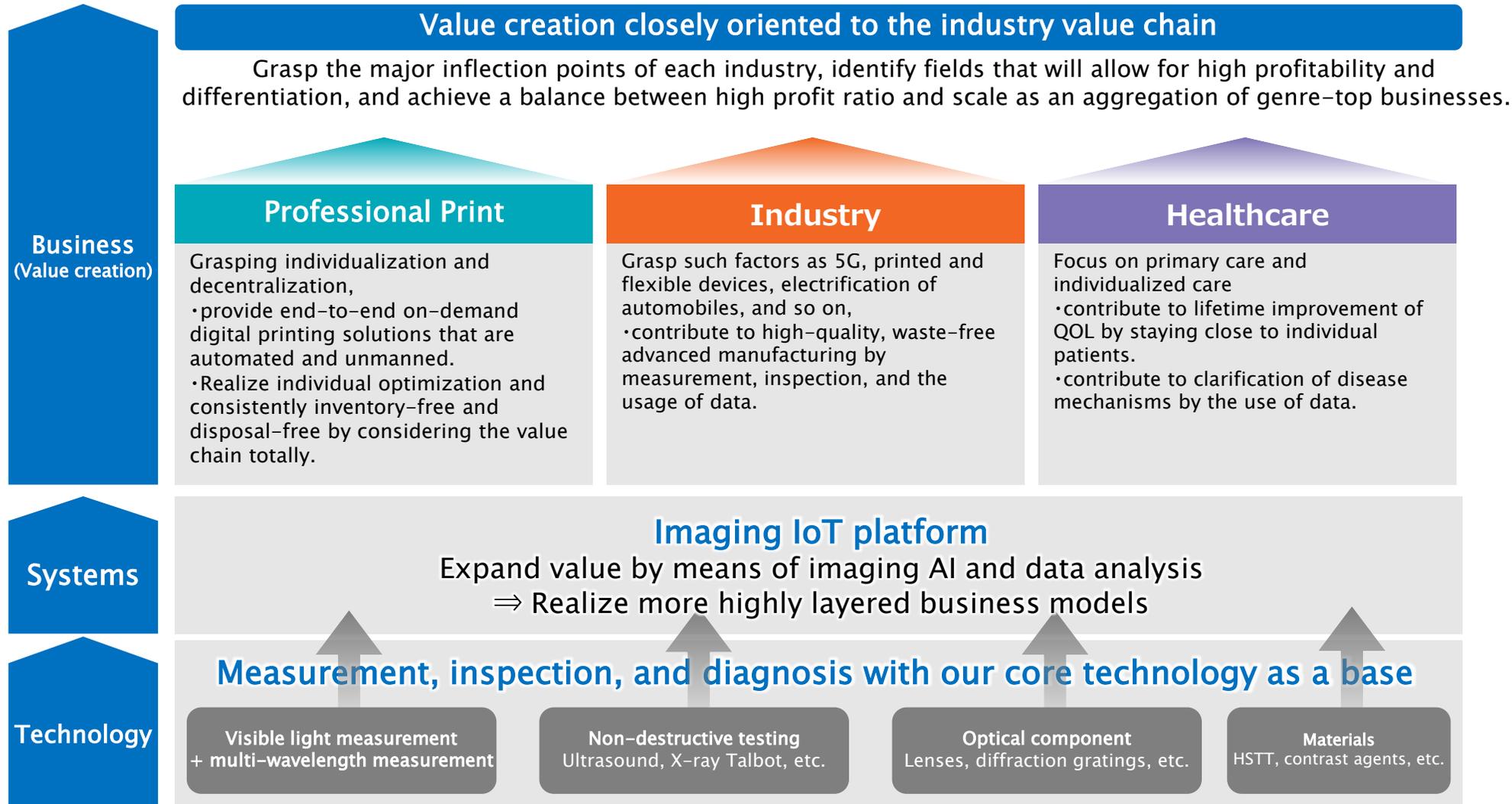
Make the **measurement, inspection and diagnosis** field the core of growth by advancing imaging technology as ages and layering-up with imaging IoT platforms

Office Business share of profit: FY19 → FY22
50% → 40%

×

4. Build businesses that can become the core following the Office Business

Accelerate our business expansion in the fields of measurement, inspection, and diagnosis by means of our unique imaging IoT platform.



Regarding interim dividend and period-end dividend forecast

- Capital policy: Thoroughly raise ability to generate cash with revenue structure reforms and changes of business portfolio; maintain and improve shareholder returns while making carefully selected growth investments.
- Earnings fell to a loss in FY2020 due to the COVID-19 outbreak, but based on the basic policy for FY2022, there is a high probability that profit levels will return to original levels in FY2021 and FY2022.
- According to the above approach, the annual dividend forecast is to be ¥25 per share (interim dividend of ¥10 per share and period-end dividend of ¥15 per share).

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Revenue	FY2020 12M			FY2019 12M	
	1H Results	2H Forecast	Forecast	Results	YoY
Digital Workplace	211.3	253.7	465.0	549.0	- 15%
Professional Print	73.5	106.5	180.0	210.1	- 14%
Healthcare	45.4	62.1	107.5	118.5	- 9%
Healthcare	35.5	44.5	80.0	87.9	- 9%
Precision medicine	9.9	17.6	27.5	30.6	- 10%
Industry	54.0	63.5	117.5	117.2	+ 0%
Sensing	14.7	14.3	29.0	27.5	+ 5%
Materials and components	33.6	41.4	75.0	78.8	- 5%
Imaging-IoT solutions	5.7	7.8	13.5	10.9	+ 24%
Corporate, etc.	0.6	-0.6	0.0	1.3	- 100%
Company overall	384.7	485.3	870.0	996.1	- 13%

Operating Profit	FY2020 12M				FY2019 12M	
	1H Results	2H Forecast	Forecast		Results	YoY
Digital Workplace	-9.3	9.3	※ 0.0	-	17.7	3.2%
Professional Print	-8.8	6.3	-2.5	-	4.4	2.1%
Healthcare	-6.6	1.1	-5.5	-	-4.4	-
Industry	5.1	6.4	11.5	9.8%	14.3	12.2%
Corporate, etc.	-8.3	-8.2	-16.5	-	-23.8	-
Company overall	-27.9	14.9	-13.0	-	8.2	0.8%

※incl. one-off expense of ¥6.5bn for structural reform in Office business



Appendix

Priority policies		2Q progress
① Sustainable improvement and strengthening of profitability	Structural reform benefits of FY2019, production and service cost reduction	<ul style="list-style-type: none"> • Effects of structural reform: Progressing on schedule (First-half results ¥4.4 billion, target for year of ¥9.0 billion) • Cost reduction: Reduction of variable expenses is progressing on schedule (First-half results ¥1.2 billion, target for year of ¥6.0 billion)
② Assurance of liquidity	Allocation of funds to concentrate on businesses, thorough reduction of inventory and curb investment	<ul style="list-style-type: none"> • FCF: Being in the black from 2Q due to reducing losses, sharply reducing inventories, and curbing capital investment • Since initially securing ¥85.0 billion in funds, there have been no problems with liquidity and ¥30.0 billion has been repaid. Our commitment line of ¥300.0 billion remains unused.
③ Comprehensive reduction of fixed costs	Reorganizing cost structure by converting customer contact to DX, reducing advertising, travel, and logistics expenses by reviewing activities to create demand, and structural reform according to these activities; also making use of subsidies	<ul style="list-style-type: none"> • Emergency measures progressed as planned (First-Half result: ¥17.6 billion/annual target: ¥20.0 billion) • Total fixed cost savings were also reduced by ¥44.5 billion YoY in the first half, of which total labor costs were reduced by ¥19.6 billion • SG&A in 2Q also kept below ¥100.0 billion following 1Q.
④ Improving capital productivity	Tightening capital efficiency management of each business by KM-ROIC and return on invested capital management	<ul style="list-style-type: none"> • Reduce production volume (short-term deterioration in gross profit) and drastically reduce inventory compared with 1Q (-¥17.7 billion) by improving sales forecast accuracy. Inventory at the end of the fiscal year turnover progressed toward 3 months as planned . • CAPEX decreased by 12% YoY in the first half due to selection and postponement.
⑤ Transforming organizational structure	Viewing change as opportunity, establish an organizational structure that enables autonomous, flexible action. Advance activities by defensive and offensive task forces.	<ul style="list-style-type: none"> • Strengthening activities to accelerate and maximize effects, including aggressive personnel shifts in order to expand local government DX business

FY20 First-Half Performance | 2Q impact of COVID-19



The recovery in revenue continued after bottoming out in May, and in general, every business has shown a smooth recovery. Revenue in China turned to increase, the recovery in Europe is 90%, and the recovery in Japan and the US is nearly 80%.

Business	Impact	Impact on revenue	Impact on profit
Office/ Professional Print	<ul style="list-style-type: none"> Hardware sales were affected by the delay in business negotiations and installations due to the restriction of the sales activities with visits to customers. Non-hard sales in office were affected by the restriction of the client company employees coming in to work, while those in production print is affected by a decline in customers' taking orders. Both hardware and non-hard are recovering since June. IT-services and NH in Industrial Print have recovered and achieved YoY growth. 	Office Around ¥23 billion Prof. Print Nearly ¥9 billion	Office Around ¥6 billion Prof. Print Over ¥5 billion
Healthcare	<ul style="list-style-type: none"> Continued decline in patients' visit to hospitals, delayed investment decisions by hospitals and clinics 	Nearly ¥ 3 billion	Around ¥1.5 billion
Materials and Components	<ul style="list-style-type: none"> Sluggish sales of IJ components due to spread of COVID-19 in customers' export countries Sales of projector lenses declined due to the decreased demand of entertainment industry in Optical components. Performance materials recovered to the previous year's level 	Nearly ¥ 4 billion	Around ¥2 billion
Optical Systems for Industrial Use	<ul style="list-style-type: none"> Number of visitors is recovering in visual solutions (planetarium) but still below the previous year's level 	Nearly ¥ 1 billion	Around ¥0.5 billion
New Business	<ul style="list-style-type: none"> Bio-healthcare in US is recovering in genetic testing numbers, but the impact of the lock-down on patients visits to hospital continues. Sales of drug discovery support services continued to be affected by the delay of clinical trials. 	Around ¥3 billion	Nearly ¥ 2.5 billion
Company overall		Around ¥42 billion	Around ¥17.5 billion

[¥ billions]

Revenue · Operating Profit

Quarterly Financial Results

FY19		1Q	2Q	3Q	4Q	
Revenue	OP	116.4	120.9	119.6	116.6	
	ITS	18.1	17.7	19.4	17.7	
	WPH	0.4	0.5	0.5	1.1	
OP		5.5	7.8	4.3	0.1	
FY20		1Q	2Q	3Q	4Q	YoY
Revenue	OP	78.3	98.2	0.0	0.0	-19%
	ITS	15.7	17.7	0.0	0.0	-0%
	WPH	0.6	0.8			+58%
OP		-9.6	0.3	0.0	0.0	-96%

2Q Summary

Office (OP)

- Unit sales of color models, which are our principal products, have steadily increased since 1Q, and the decrease has also shrunk compared to the previous year (July: down 17%, August: down 19%, September: down 12%).
- By region, momentum has been sustained since June, when revenue began to increase in China, and in Europe revenue has reached over 80% of the previous year's levels. In the US, sales are down just under 75%, but are steadily recovering. There was a significant improvement for both in September.
- The recovery for non-hard was remarkable in W.W., with a recovery of more than 10% since 1Q (rate of reduction in non-hard over previous year fell from 31% in 1Q to 19% in 2Q).

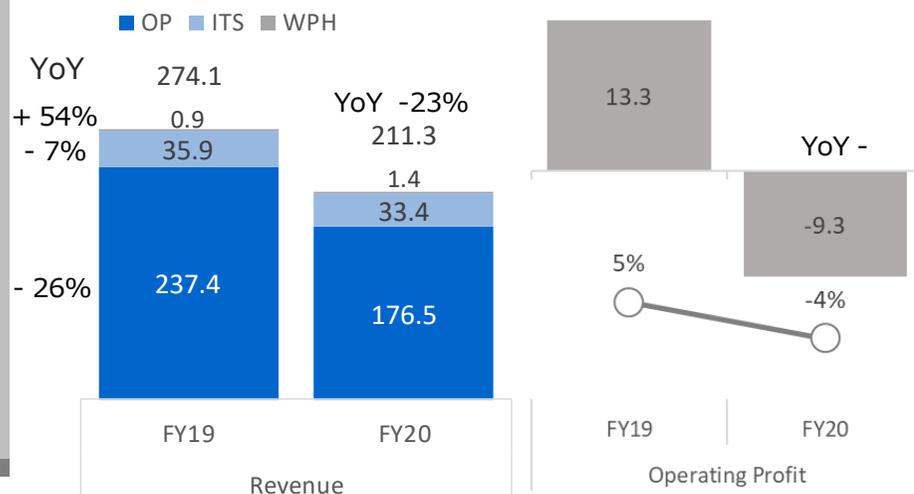
IT Services Solutions (ITS)

- The performance of ITS recovered to levels on par with the previous year, with revenue up in August and September, thanks to solutions projects from major clients in Europe and the US.

Workplace Hub (WPH)

- Expansion of new models (WPH Pro) and products (applications such as tools to automatically produce manuals) contributed and sales increased steadily; revenue increased over the previous year.

1H



[¥ billions]

Revenue · Operating Profit

Quarterly Financial Results

FY19		1Q	2Q	3Q	4Q	
Revenue	PP	34.2	35.4	37.5	33.5	
	IP	3.8	5.8	5.1	6.0	
	MS	12.6	11.5	12.8	11.9	
OP		1.1	1.0	2.9	-0.7	
FY20		1Q	2Q			YoY
Revenue	PP	20.4	27.1			-23%
	IP	2.9	4.3			-25%
	MS	8.4	10.2			-11%
OP		-7.1	-1.7			-

2Q Summary

Production print

- Unit sales of both color and monochrome models increased over 1Q; the rate of reduction in revenue over the previous year has also improved since August.
(July: down 48%, August: down 29%, September: down 15%) Europe recovered just under 80% and the US recovered over 70%.
- HPP unit sales were strong due to large orders.
- The rebound in non-hard was marked globally, and sales recovered more than 10% since 1Q (rate of reduction for non-hard over the previous year declined from 38% in 1Q to 25% in 2Q).

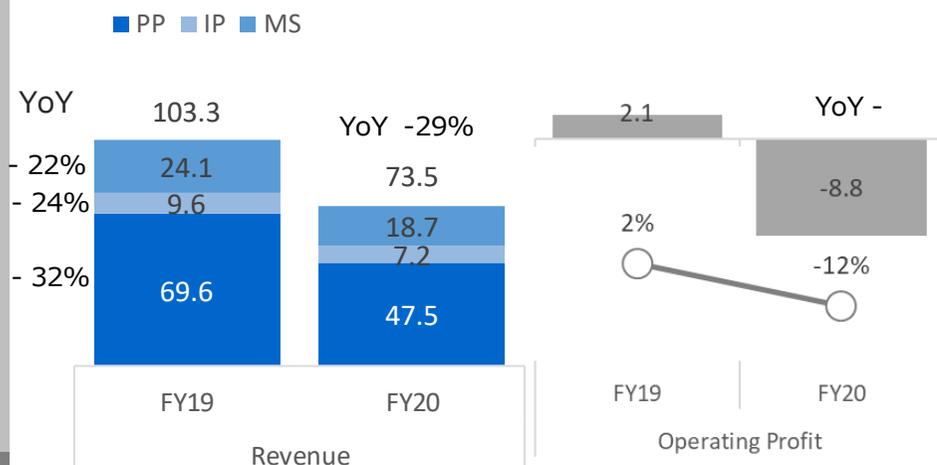
Industrial print

- In industrial print, non-hard revenue turned to increase in 2Q and further gains are expected.
- More time is needed for inspections before HW sales can be posted, and the order backlog increased. While unit sales by competitors are falling in half for labels, revenue increased due to higher sales in Europe and the US.

Marketing services

- Demand declined as customer marketing and sales promotion activities fell in Europe and the US, but revenue recovered in Asia and in Japan, new clients were brought in and digital solution services were strong performers, resulting in a recovery trend.

1H



[¥ billions]

Revenue · Operating Profit

Quarterly Financial Results

FY19		1Q	2Q	3Q	4Q
Revenue	HC	18.6	26.4	18.1	24.7
	APM	7.2	7.4	7.7	8.3
OP		-2.1	-1.2	-0.4	-0.6

FY20		1Q	2Q	YoY
Revenue	HC	16.4	19.1	-28%
	APM	4.1	5.9	-21%
OP		-4.7	-1.8	-

2Q Summary

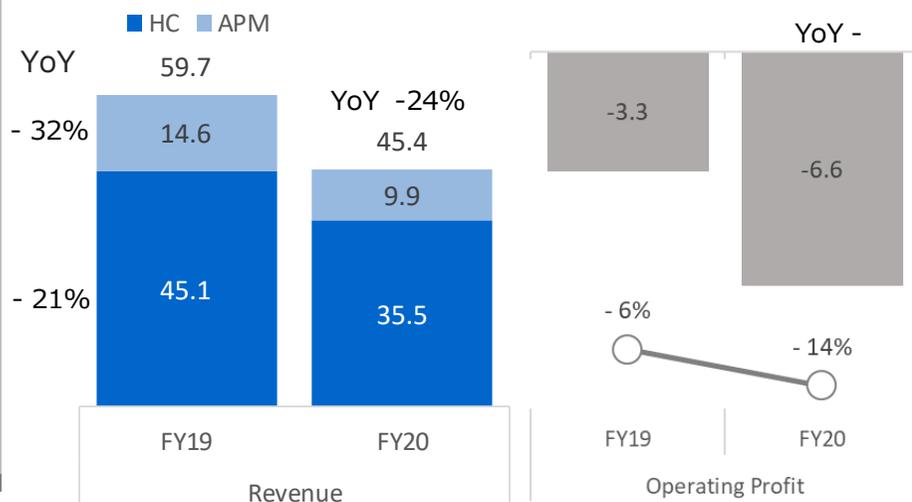
Healthcare (HC)

- DR volume declined year-on-year due partly to the effects of the last-minute surge demand before the consumption tax hike in Japan last fiscal year.
- In diagnostic ultrasound system, we fought hard over obstetrics inside and outside Japan, but in orthopedics in Japan, that above mentioned last-minute demand was not made up so that volume declined year-on-year.
- Although informity sales continue to expand in Japan, PACS sales declined due to limitations on sales activity.

Precision medicine (APM)

- In genetic testing, the number of samples on a monthly basis is on-track to recovery. The number of samples is expanding in both RNA testing and the CARE program, which are areas for priority measures.
- In drug discovery support services, sales are on-track to recovery but projects still remain on hold due to the decline in numbers of clinical trial participants. The clinical trial backlog in the central nervous system field is growing due to the acquisition of multiple large orders.

1H



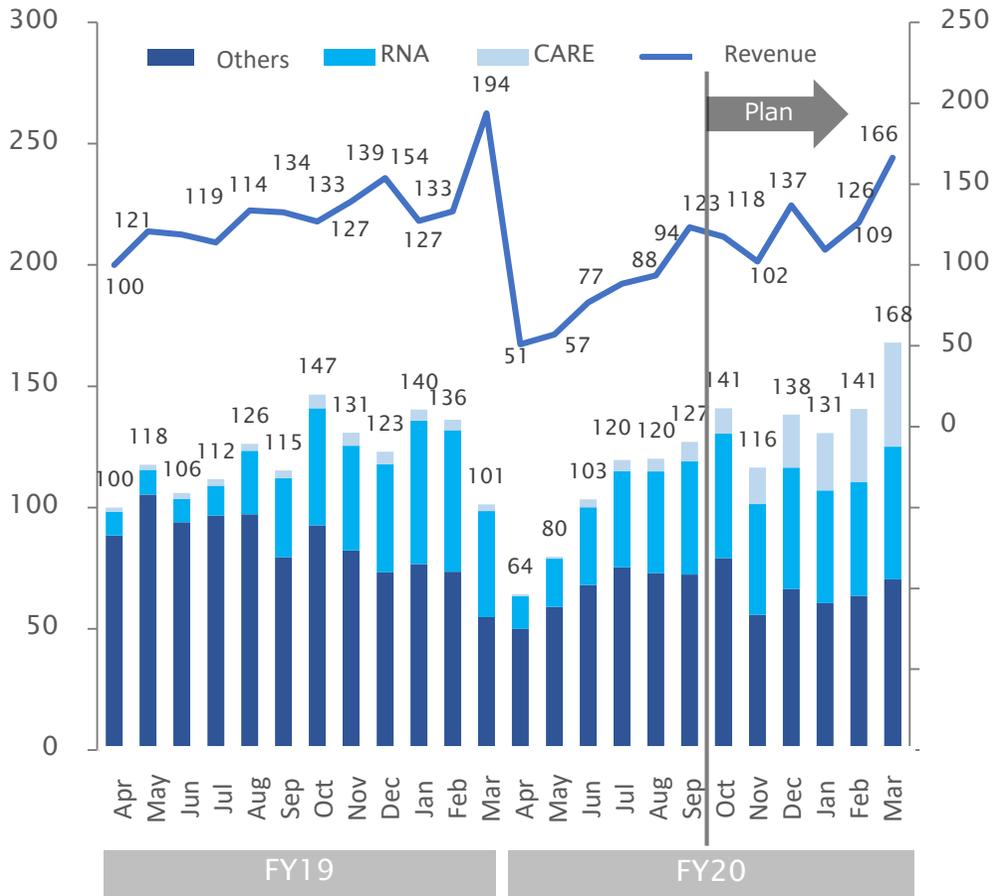
Precision medicine Ambry Genetics and Invicro: FY19 to FY20 earnings trends (revenue/KPI)



Ambry (AG)

*Indexed with April FY2019 as 100.

Ambry Genetics: Fluctuations in revenue and samples received*

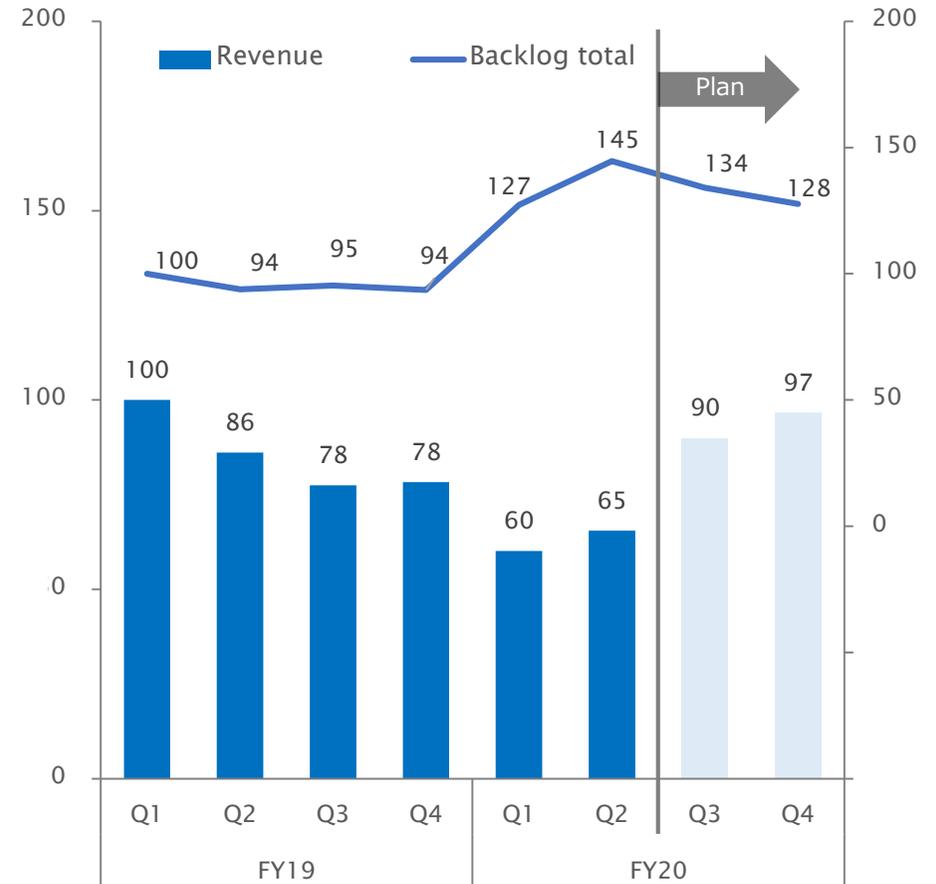


*The figures after 3Q in FY2020 is the company's plan

Invicro (IC)

*Indexed with FY2019 1Q as 100.

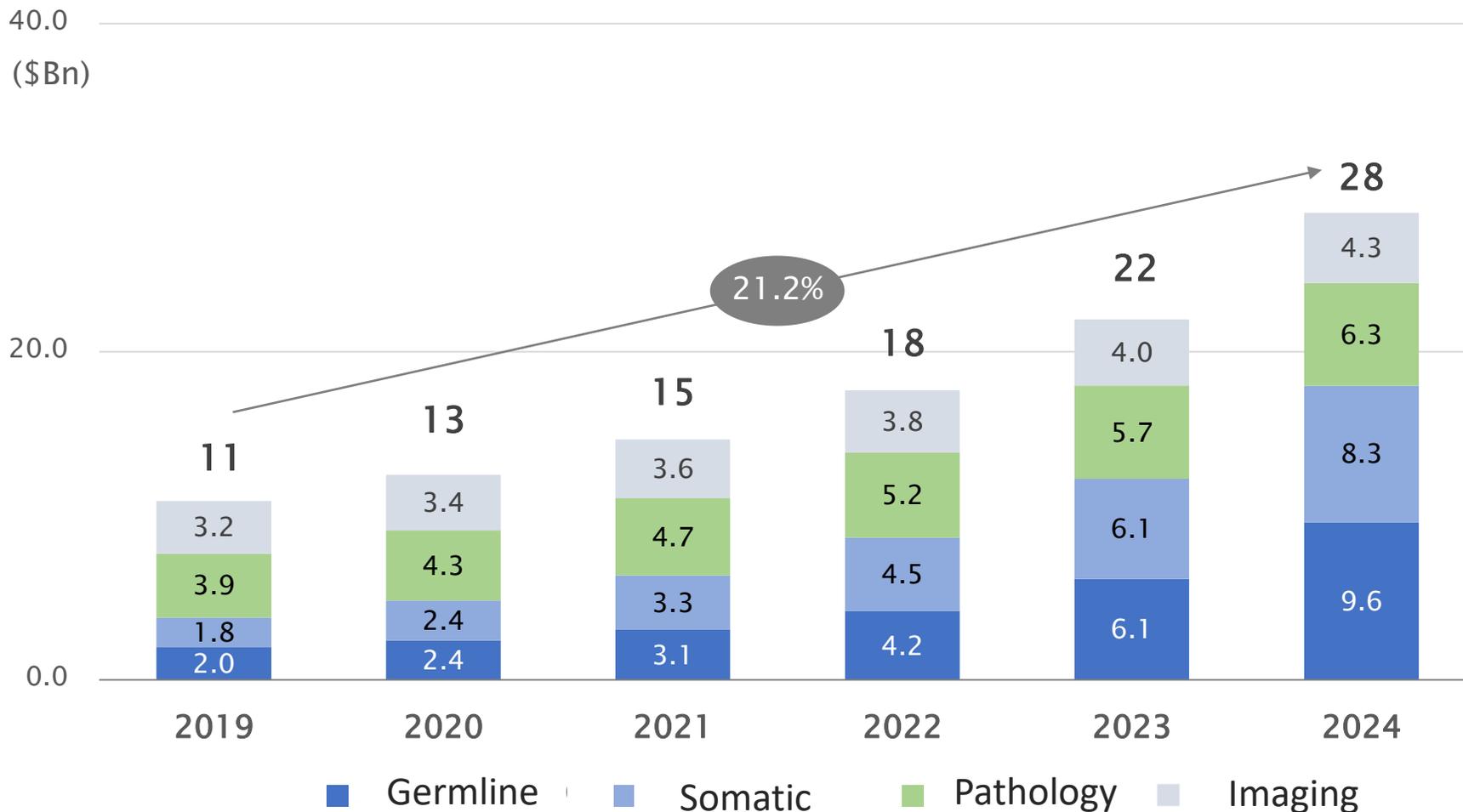
Invicro: Fluctuations in revenue and backlog*



*The figures after 3Q in FY2020 is the company's plan

Precision Medicine Target Market Trends (Forecast at Beginning of FY20)

Annual growth of 21% is expected, but the market for genetic diagnostics in germline for healthy individuals has a possibility of more growth as shown on the next page.

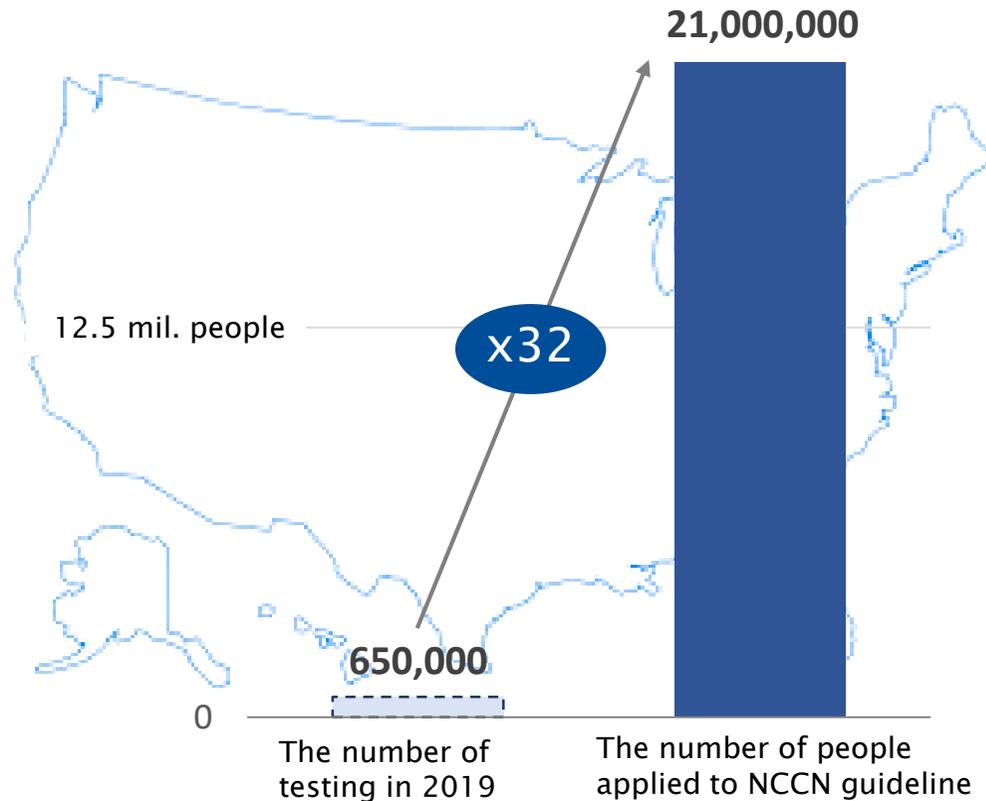


Background to the potential expansion of the market for genetic diagnostics in germline for healthy individuals

CARE Program creates a market for genetic diagnostics in germline of 32 times the number of tests in FY2019, with healthy and unaffected individuals being tested.

21 million people in the US as the subjects of the testing

25.0 mil. people



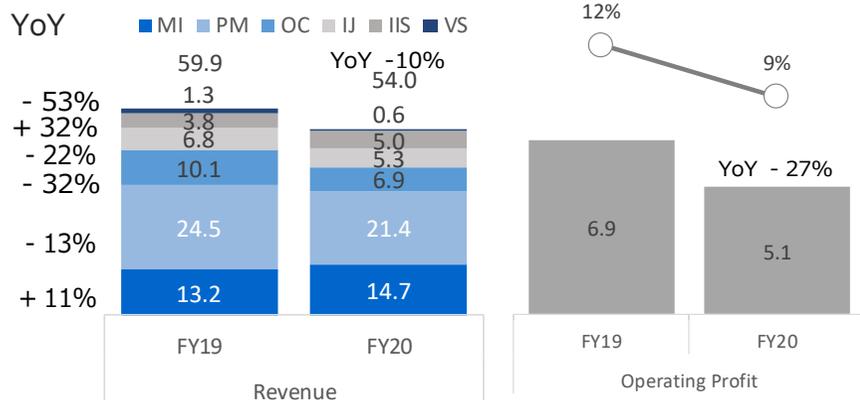
[¥ billions]

Revenue · Operating Profit

Quarterly Financial Results

FY20		1Q	2Q	3Q	4Q
Revenue	MI	6.6	6.7	7.3	7.0
	PM	12.6	11.9	10.8	11.3
	OC	4.8	5.3	5.2	4.4
	IJ	3.6	3.2	2.9	2.7
	IIS	1.9	2.0	1.6	2.2
	VS	0.6	0.8	0.7	1.2
OP		3.2	3.7	4.2	3.1

FY20		1Q	2Q	YoY
Revenue	MI	7.1	7.6	+14%
	PM	9.8	11.6	-3%
	OC	3.8	3.2	-41%
	IJ	2.5	2.8	-13%
	IIS	2.7	2.3	+19%
	VS	0.2	0.4	-42%
OP		2.8	2.2	-41%



2Q Summary

Optical systems for industrial use: Measuring instruments (MI)

- Sales of object color measurement instruments rose to the falling impact of COVID-19.
- Sales of light-source color measurement instruments were solid due to ongoing investments by major clients in China and elsewhere.
- Orders of automobile visual inspection equipment were delayed due to the impact of COVID-19, but business talks and demonstrations are recovering.

Materials and components: Performance materials (PM), Optical components (OC), IJ (Inkjet) components

- Performance materials: Sales of high-value-added products and ultra-thin films were solid, and revenue recovered to about the same level as the same period in the previous year.
- Optical components: Revenue decreased over the previous year due to ongoing restrictions on events due to the COVID-19 impact.
- IJ (Inkjet) components: Although sales are recovering from the impact of COVID-19 as exhibits resume, revenue decreased over the previous year.

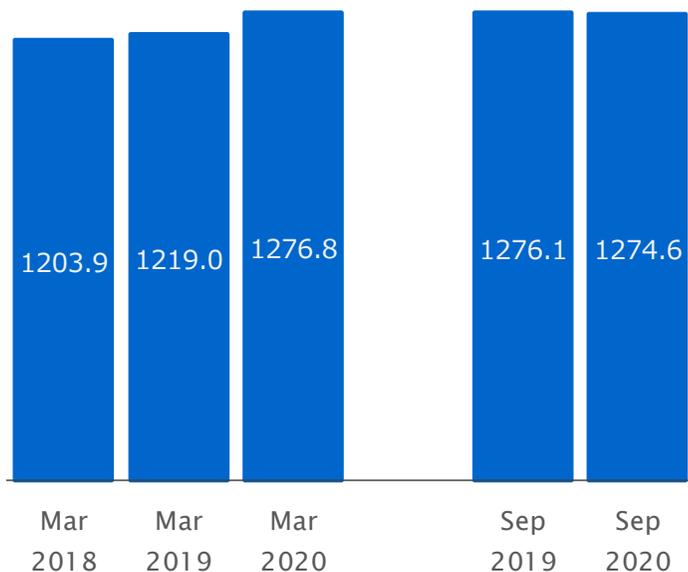
Imaging-IoT solutions: imaging-IoT solutions (IIS), visual solutions (VS)

- Imaging-IoT solutions: Sales of contact-less thermal cameras by MOBOTIX have been strong, and revenue rose over the previous year.
- Visual solutions: Although sales are recovering from the impact of COVID-19 infections, revenue is down compared to the previous year.

Total Assets

[¥billions]

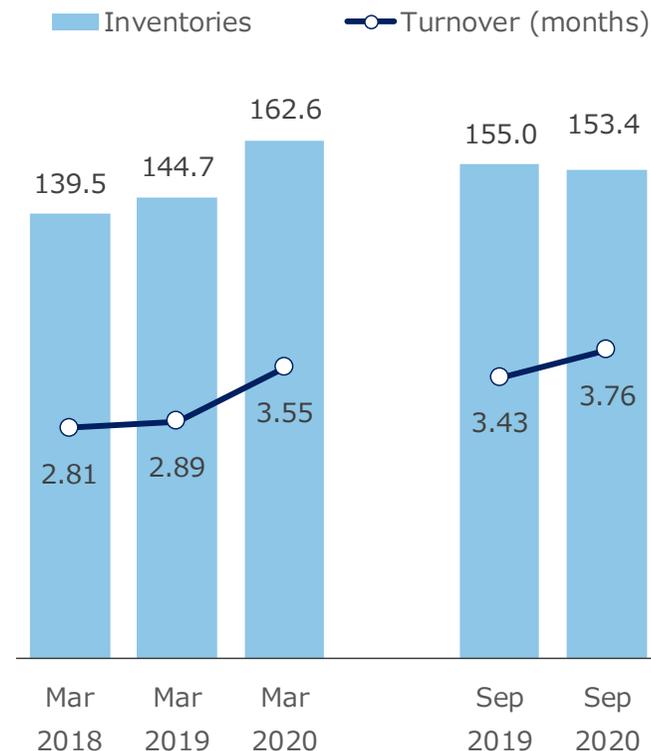
Unchanged from the end of FY19 due to increased cash to secure liquidity on hand and reduced account receivables from sales in COVID-19 circumstances.



Inventory/Turnover

[¥billions]

Inventory reduced successfully towards target inventory turnover of 2.8 months by the end of FY21 to secure liquidity.



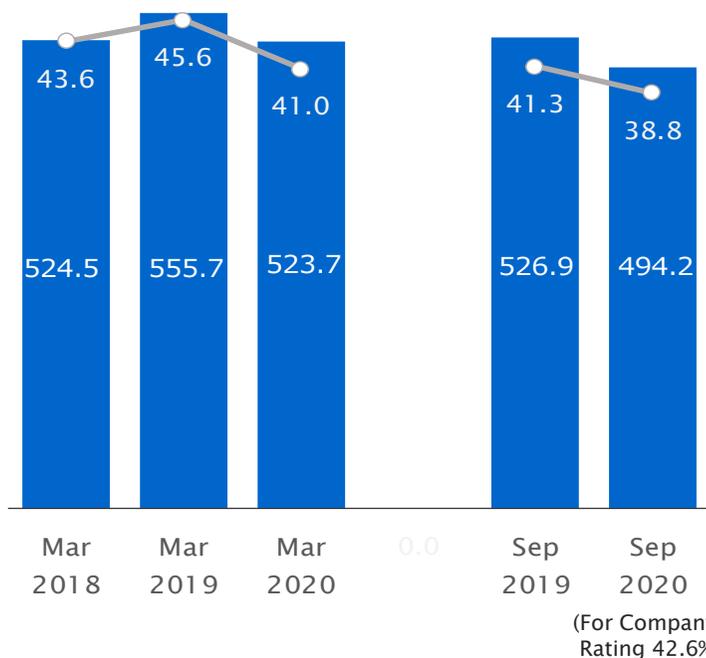
Inventory turnover, in months = Inventory balance at end of fiscal year / Average cost of sales for most recent three months

Equity & Equity Ratio [¥billions]

Attributable to owners of the parent company

Equity was reduced relative to the end of the previous fiscal year due to the decline in profit attributable to owners of the company and dividend

■ Shareholders' equity ○ Equity ratio(%)

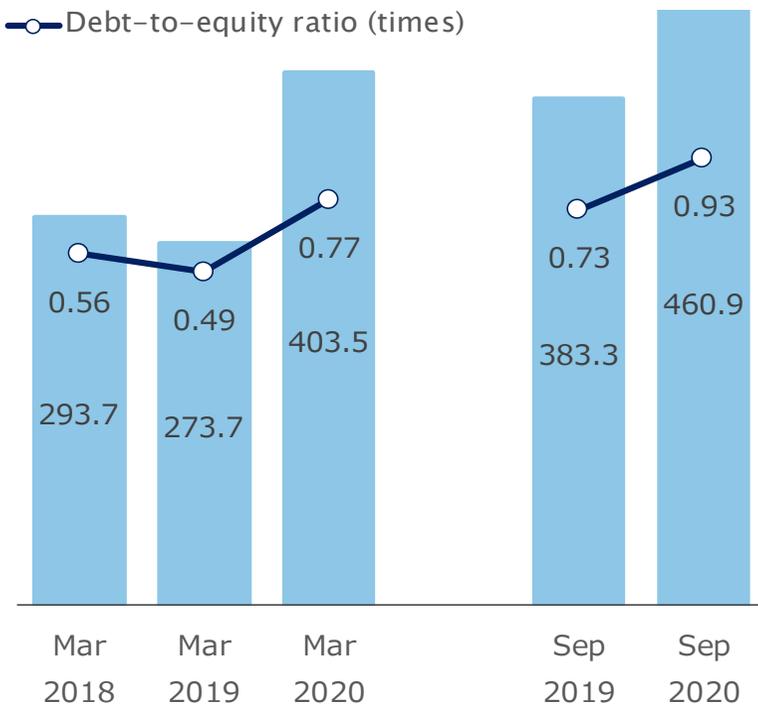


Equity = Equity attributable to owners of the parent
 Equity ratio = Equity attributable to owners of the parent / Total assets

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

¥30 bn of the ¥85 bn in borrowings at the start of the fiscal year was repaid. Net D/E ratio is 0.68.

■ Interest-bearing debts
 ○ Debt-to-equity ratio (times)



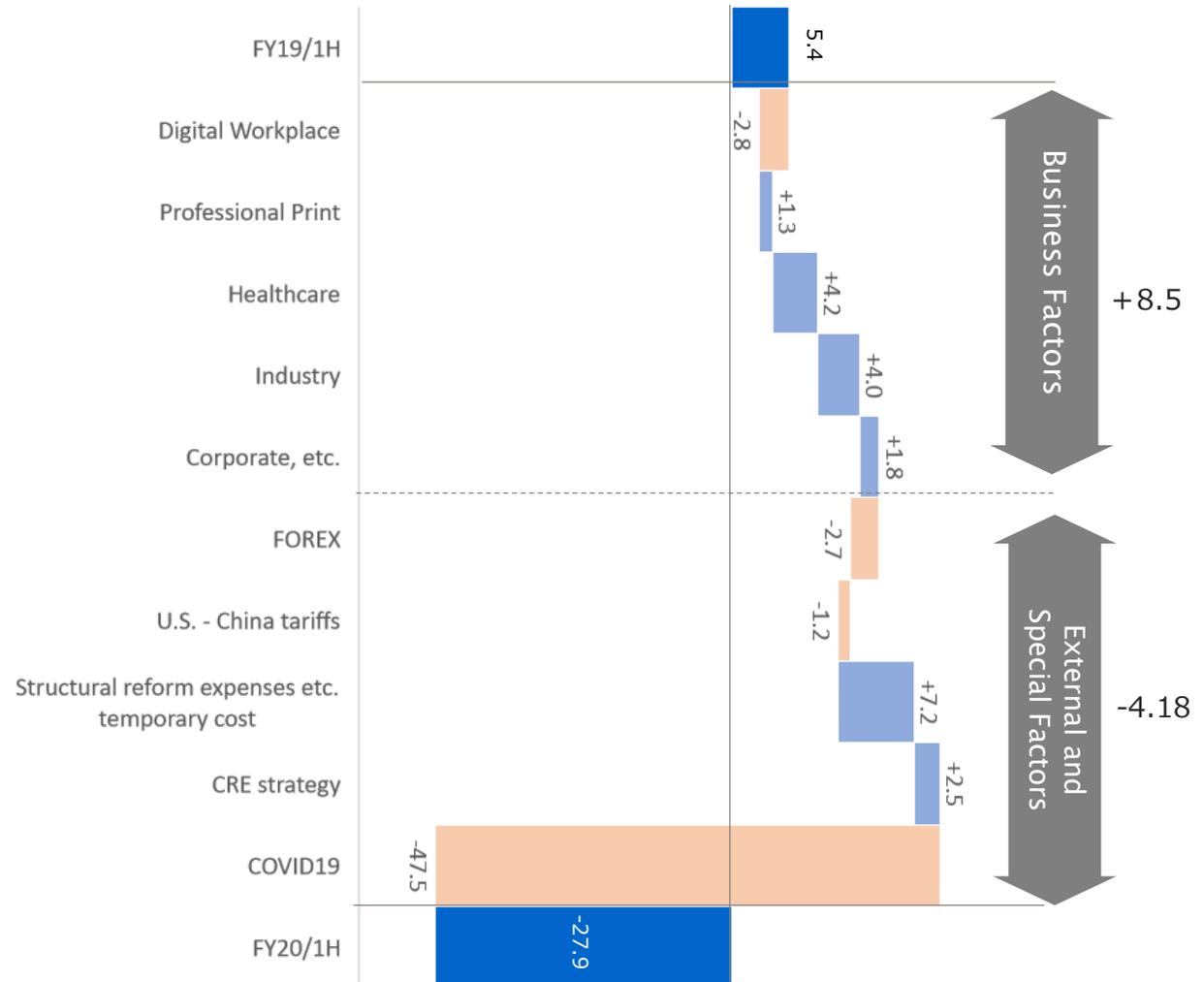
FY20 Performance Overview | Bridge–Revenue & Operating Profit

Revenue (1H)



Operating Profit (1H)

[¥ billions]



Appendix Financial Result – Overview



[¥ billions]

	FY2020	FY2019		FY2020	FY2019	
	1H	1H	YoY	2Q	2Q	YoY
Revenue	384.7	497.5	- 23%	211.5	255.7	- 17%
Gross Profit	161.0	236.9	- 32%	89.3	120.2	- 26%
Gross Profit ratio	41.8%	47.6%	-5.8pt	42.2%	47.0%	-4.8pt
Operating Profit	-27.9	5.4	-	-5.2	4.9	-
Operating Profit ratio	-	1.1%	-	-	1.9%	-
Profit before tax	-30.9	1.6	-	-7.1	2.9	-
Profit before tax ratio	-	0.3%	-	-	1.1%	-
Profit attributable to owners of the Company	-22.2	0.1	-	-4.9	1.3	-
Profit attributable to owners of the Company ratio	-	0.0%	-	-	0.5%	-
EPS [Yen]	-44.93	0.21		-9.98	2.66	
CAPEX	21.4	24.3		15.0	14.6	
Depreciation and Amortization Expenses	28.5	28.1		14.3	14.1	
R&D expenses	32.6	38.7		16.5	19.7	
FCF	-7.1	-18.6		6.9	-3.6	
Investment and lending	3.7	3.9		3.5	0.2	
FOREX [Yen] USD	106.9	108.6	-1.7	106.2	107.4	-1.1
EUR	121.3	121.4	-0.1	124.1	119.3	4.8

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

[¥ billions]

SG&A:	FY2020 1H	FY2019 1 H	YoY	FY2020 2Q	FY2019 2Q	YoY
Selling expenses – variable	16.1	22.7	– 6.5	9.1	11.4	– 2.3
R&D expenses	32.6	38.7	– 6.1	16.5	19.7	– 3.3
Personnel expenses	91.1	102.6	– 11.5	45.6	50.4	– 4.8
Others	51.1	60.6	– 9.5	26.1	30.3	– 4.2
SG&A total	190.9	224.6	– 33.6	97.3	111.8	– 14.5
	<i>* Forex impact:</i>		<i>–1.9bn. (Actual: –31.8 bn.)</i>			<i>0.4 bn. (Actual: –14.9 bn.)</i>
Other income:						
Other income total	7.5	1.2	+6.4	4.4	0.6	+3.8
Other expenses						
Loss on sales of property, plant and equipment	0.4	3.1	– 2.7	0.2	0.6	– 0.4
Business structure improvement costs	2.8	1.3	+1.6	0.4	0.9	– 0.4
Other expenses	2.2	3.6	– 1.5	1.0	2.6	– 1.7
Other expenses total	5.4	8.0	– 2.6	1.6	4.1	– 2.5
Finance income/loss:						
Interest income/Dividends received/Interest expense	–2.0	–2.1	+0.1	–1.1	–1.3	+0.2
Foreign exchange gain/loss (net)	–0.6	–1.5	+0.9	–0.3	–0.7	+0.3
Others	–0.5	–0.2	– 0.3	–0.4	0.1	– 0.4
Finance income/loss, net	–3.1	–3.8	+0.7	–1.8	– 1.9	+0.1

[¥ billions]

Comparison of Y on Y FY20/1H vs. FY19/1H

[Factors]

	Digital Workplace	Professional Print	Healthcare	Industry	corporate, etc.	Total
Forex impact	- 1.8	- 0.6	- 0.2	- 0.2	+0.2	- 2.7
Sales volume change, and other, net	- 39.2	- 17.1	- 6.0	- 5.3	+0.4	- 67.3
Price change	- 2.9	- 1.0	- 0.5	- 0.6	- 0.2	- 5.2
Cost up/down	+0.8	+0.1	+0.2	-	-	+1.1
SG&A change, net	+17.9	+6.7	+1.4	+3.3	+2.5	+31.8
Other income and expense	+2.7	+1.0	+1.9	+0.9	+2.4	+9.0

[Operating Profit]

Change, YoY	- 22.6	- 10.8	- 3.2	- 1.9	+5.2	- 33.3
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Comparison of Y on Y FY20/2Q vs. FY19/2Q

[Factors]

	Digital Workplace	Professional Print	Healthcare	Industry	corporate, etc.	Total
Forex impact	- 0.8	- 0.2	- 0.1	- 0.1	+0.1	- 1.2
Sales volume change, and other, net	- 17.6	- 6.5	- 2.7	- 3.2	+0.3	- 29.7
Price change	- 0.2	- 0.3	- 0.1	- 0.1	- 0.2	- 1.0
Cost up/down	+0.5	+0.1	+0.1	-	-	+0.6
SG&A change, net	+7.8	+3.6	+0.5	+1.5	+1.5	+14.9
Other income and expense	+3.0	+0.6	+1.7	+0.3	+0.6	+6.3

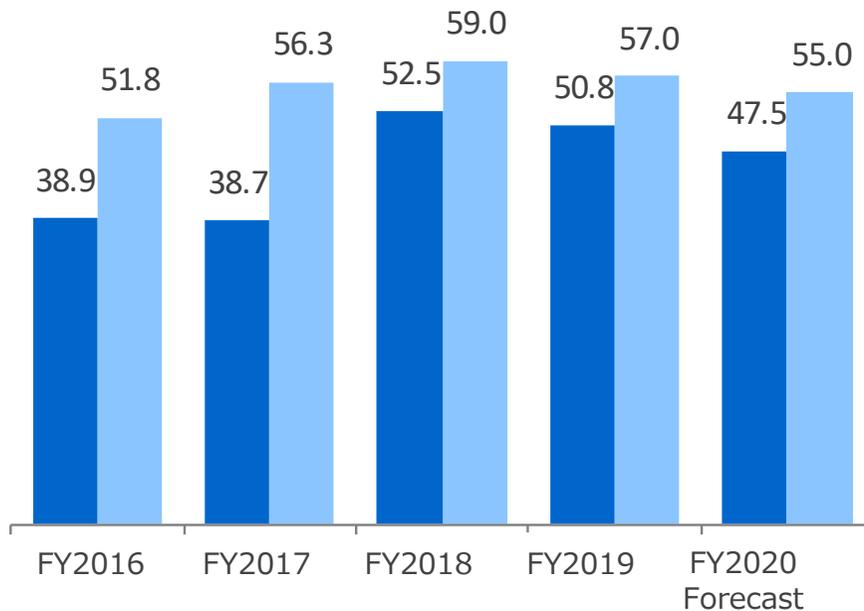
[Operating Profit]

Change, YoY	- 7.5	- 2.7	- 0.6	- 1.5	+2.3	- 10.1
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[¥ billions]

Capital Expenditure and Depreciation and Amortization Expenses

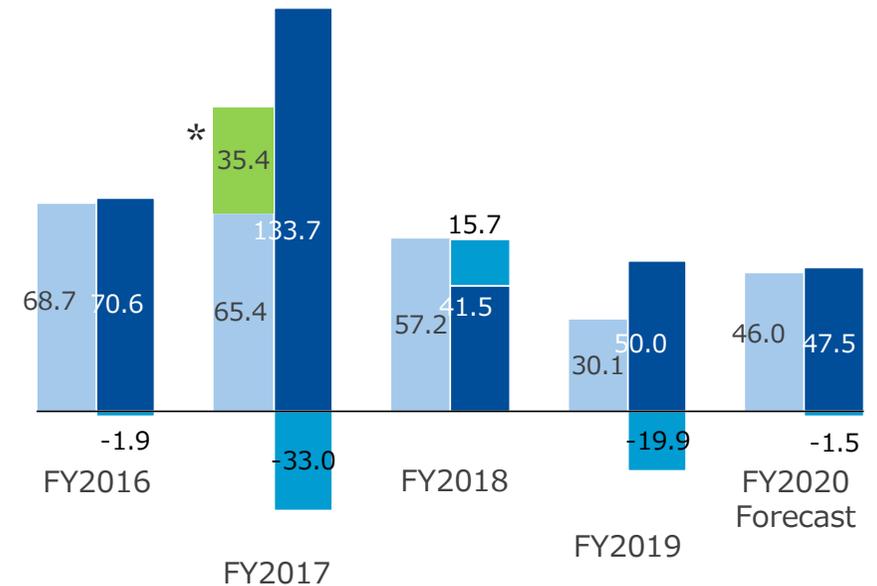
- Capital expenditures
- Depreciation and amortization



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

Free Cash Flows

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



*INCJ's equity stake regarding acquisition of Ambry Genetics
INCJ : Innovation Network Corporation of Japan

Appendix FY20 Earnings Forecast – Overview

[¥ billions]

	FY2020 12M	FY2019 12M	YoY
	Forecast (current)	Results	
Revenue	870.0	996.1	- 13%
Operating Profit	-13.0	8.2	-
Operating Profit ratio	-	0.8%	-
Profit before tax	-20.0	0.3	-
Profit attributable to owners of the Company	-18.0	- 3.1	-
Profit attributable to owners of the Company ratio	-	-	-
EPS [Yen]	-36.27	- 6.21	
ROE (%) *1	-3.5%	-0.6%	
CAPEX	47.5	50.8	
Depreciation and Amortization Expenses *2	55.0	57.0	
R&D expenses	65.0	74.0	
FCF	-1.5	- 19.9	
Investment and loan	10.0	7.9	
FOREX [Yen] USD	105.0	108.7	
EUR	120.0	120.8	

*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)

Appendix FOREX Impact on Revenue and Operating Profit

[FOREX : ¥]

[Impact, Sensitivity : ¥ billions]

	FY19	FY20	YoY Impact		FX Sensitivity*2	
	6M	6M	Revenue	OP	Revenue	OP
USD	108.63	106.92	- 2.1	+0.2	+2.8	- 0.2
EUR	121.42	121.30	+0.3	- 0.5	+1.6	+0.4
GBP	136.73	135.38	- 0.1	+0.0	+0.2	+0.0
European Currency*1	-	-	- 0.8	- 0.5	+2.2	+0.7
CNY	15.68	15.26	- 0.6	- 0.2	+2.9	+0.8
AUD	75.25	73.28	- 0.2	- 0.1	+0.4	+0.1
Other	-	-	- 1.3	- 0.3	-	-
Exchange contract effect	-	-	+0.1	- 1.8	-	-
Total	-	-	- 4.9	- 2.7	-	-

*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)

	FY2018				FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Japan	13%	12%	12%	12%	12%	13%	13%	14%	15%	14%
North America	33%	33%	33%	33%	34%	33%	33%	33%	33%	32%
EU	36%	36%	36%	36%	36%	34%	37%	37%	35%	36%
Others	18%	19%	18%	18%	17%	19%	17%	16%	18%	18%

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

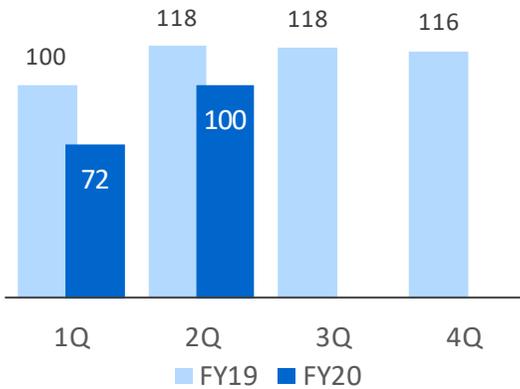
	FY2018				FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Japan	+4%	+1%	+2%	+3%	-8%	+4%	+1%	-3%	-19%	-18%
North America	+5%	+4%	+5%	+4%	-2%	-2%	-3%	-12%	-34%	-27%
EU	+4%	+1%	+1%	+0%	-2%	-1%	+6%	-7%	-31%	-23%
Others	+16%	+8%	+10%	+10%	-6%	+1%	+0%	-17%	-25%	-21%

■ Percentage of color in sales of hardware

	FY2018				FY2019				FY2020	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Office	73%	73%	73%	74%	72%	73%	72%	75%	69%	76%
Professional Print	81%	80%	80%	81%	78%	82%	76%	80%	75%	80%

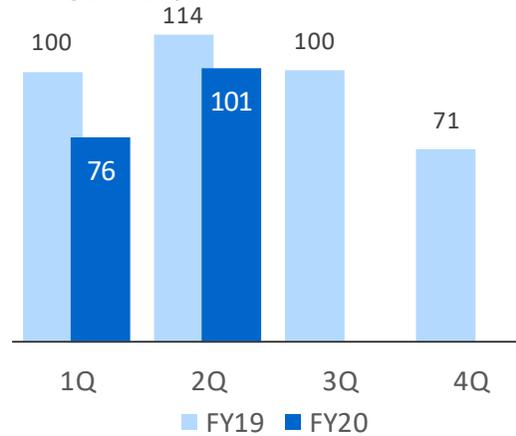
■ A3 Color MFP– Units*

YoY -16%



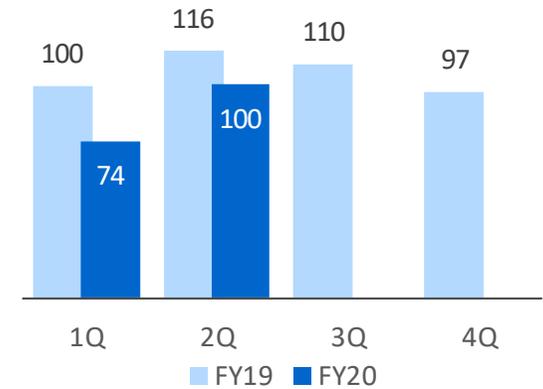
■ A3 monochrome MFP– Units*

YoY -11%



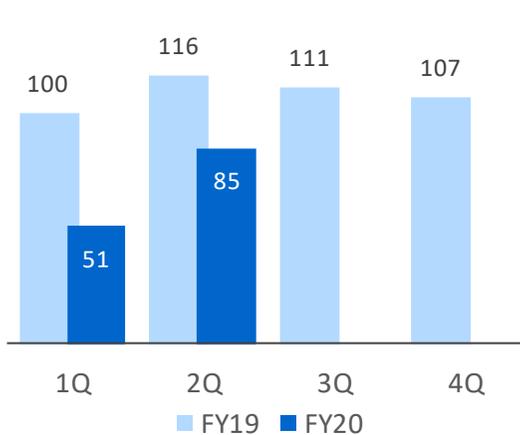
■ A3 MFP– Units*

YoY -14%



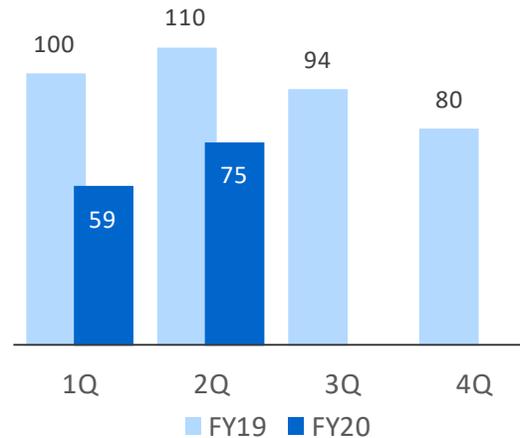
■ Color Production Print – Units*

YoY -27%



■ Monochrome Production Print – Units*

YoY -32%



■ Production Print – Units*

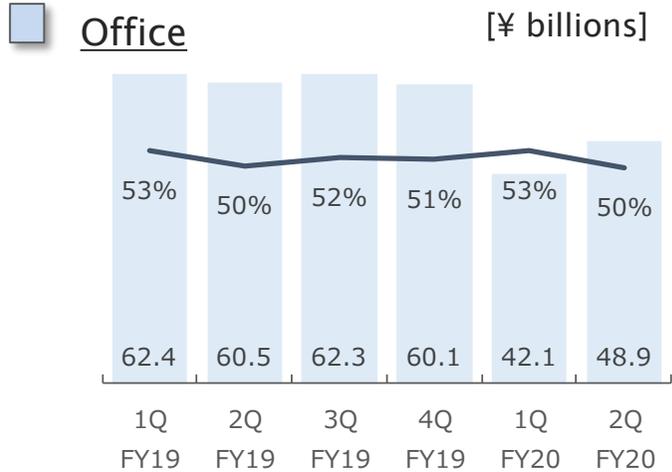
YoY -29%



* Base Index: "FY2019-1Q = 100

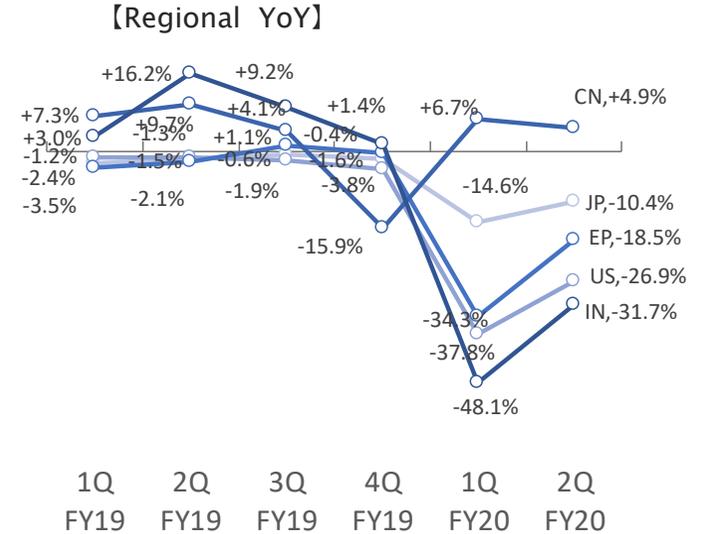
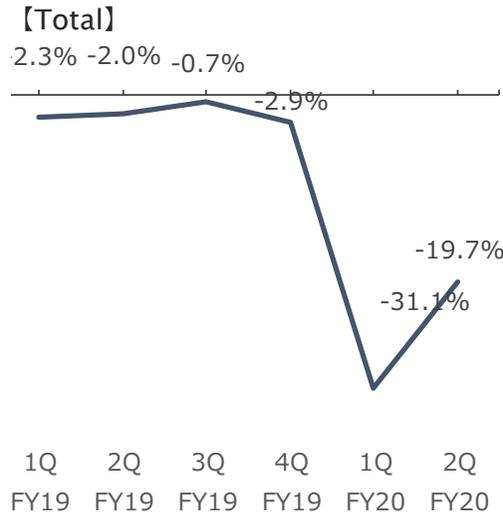
Appendix Sales Results for Non-Hard | office/production print

Revenue & ratio of non-hard

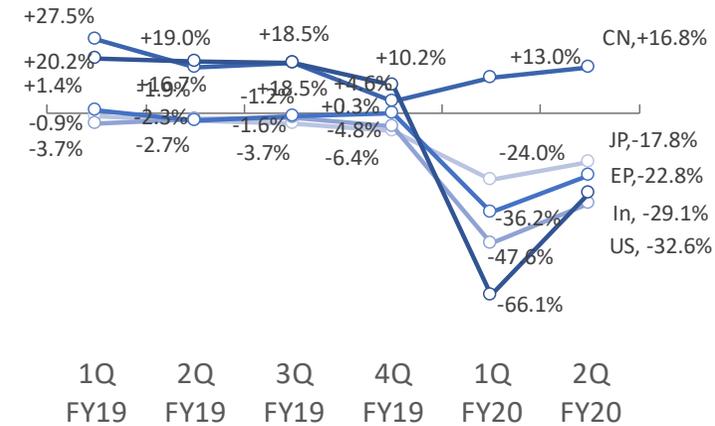
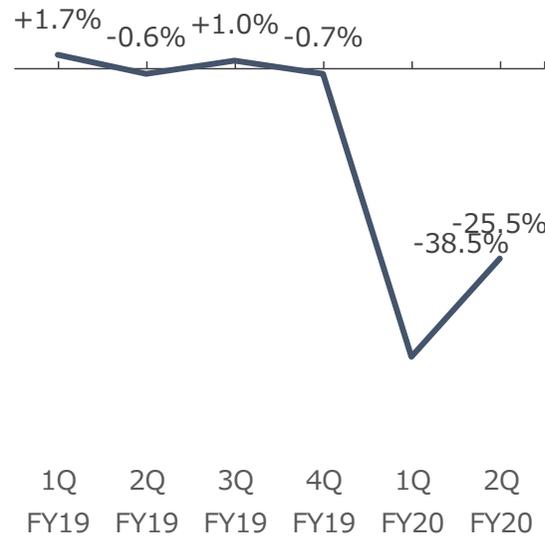
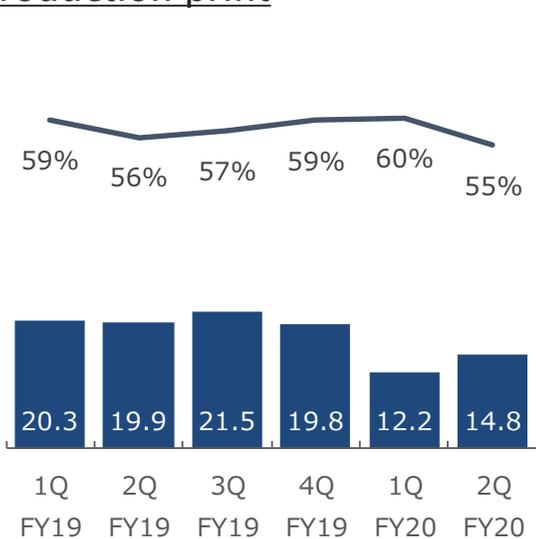


YoY revenue increase in non-hard

(w/o FOREX)



Production print





[¥ billions]

	FY18				FY19				FY20	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
【Revenue】										
Digital Workplace Business	143.5	147.2	145.7	151.4	135.0	139.1	139.5	135.4	94.6	116.7
Professional Print Business	53.4	55.9	55.8	62.7	50.6	52.7	55.4	51.4	31.8	41.7
Healthcare Business	24.5	28.2	27.5	36.8	25.9	33.8	25.9	33.0	20.5	24.9
Healthcare	18.6	21.6	20.9	29.8	18.6	26.4	18.1	24.7	16.4	19.1
Precision medicine	5.9	6.5	6.6	6.9	7.2	7.4	7.7	8.3	4.1	5.9
Industry Business	33.5	30.3	31.0	30.4	30.0	29.8	28.5	28.9	26.1	27.9
Sensing	9.6	7.2	7.7	7.6	6.6	6.7	7.3	7.0	7.1	7.6
Materials and Components	21.5	20.1	20.6	19.3	21.0	20.5	18.9	18.5	16.1	17.6
Imaging-IoT solutions	2.4	2.9	2.6	3.4	2.5	2.7	2.3	3.4	2.9	2.8
Corporate etc.	0.3	0.3	0.5	0.3	0.3	0.3	0.3	0.5	0.2	0.3
Company overall	255.2	261.9	260.5	281.5	241.7	255.7	249.5	249.1	173.2	211.5
【Operating Profit】										
Digital Workplace Business	7.7	11.9	9.9	10.6	5.5	7.8	4.3	0.1	-9.6	0.3
Professional Print Business	1.7	3.7	3.3	5.1	1.1	1.0	2.9	-0.7	-7.1	-1.7
Healthcare Business	-1.6	0.9	-1.3	0.6	-2.1	-1.2	-0.4	-0.6	-4.7	-1.8
Industry Business	5.3	3.5	4.3	2.1	3.2	3.7	4.2	3.1	2.8	2.2
Corporate etc.	2.4	-0.9	-0.3	-6.5	-7.0	-6.5	-5.9	-4.4	-4.1	-4.2
Company overall	15.4	19.2	15.9	11.9	0.6	4.9	5.1	-2.4	-22.6	-5.2

- **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)
- **Workplace Hub (WPH): Digital Workplace 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.
- **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)
- **X-ray kinetic analysis and Digital X-ray Dynamic Digital Radiography Systems: Healthcare Business**
These devices and systems enable more detailed diagnoses by using continuously captured X-ray images to observe patients in motion.
- **infirmity: Healthcare Business**
Our ICT service platform for helping hospitals and clinics deliver care in a variety of ways. Offerings include our Collaboration Box Service, which allows multiple institutions to share medical data such as examination images and reports, and remote diagnostic support services that facilitate requests for image interpretation.
- **CARE Program: Healthcare Business**
Program to provide total support for effective pick-up and genetic diagnostics of the high-risk group of genetic breast cancer.
- **CARE for COVIT: Healthcare Business**
Healthcare program which is aimed to prevent the infection of COVID-19. It offers safety and security to employees and citizens through counselling with AI technology, PCR testing, and telemedicine.
- **SANUQI: Industry Business**
Trademark of a new resin film, used as a material in electronic devices for displays.

Revise of Segments for Disclosure

Old Segment	
Office Business	<ul style="list-style-type: none"> Office(OP) IT service solutions(ITS)
Professional Print Business	<ul style="list-style-type: none"> Production print(PP) Industrial printing(IP) Marketing services(MS)
Healthcare Business	<ul style="list-style-type: none"> Healthcare(HC) Medical IT(HIT)
Industrial Business	Optical systems for industrial use
	<ul style="list-style-type: none"> Measuring instruments(MI) Imaging solutions(IS)
	Materials and Components
	<ul style="list-style-type: none"> Performance materials(PM) Optical component(OC) IJ component(IJ)
<ul style="list-style-type: none"> New Business : Bio-healthcare (BHC), Workplace Hub (WPH), Monitoring solutions, QOL etc. 	
Corporate, etc.	



New Segment	
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	

■ Core	■ Growth	■ New
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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.