May 14, 2021

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [IFRS]

Company name:	Konica Minolta, Inc.
Stock exchange listings:	Tokyo (First Section)
Securities code number:	4902
URL:	http://konicaminolta.com
Representative:	Shoei Yamana President and CEO, Representative Executive Officer
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Scheduled date for Ordinary General Meeting of Shareholders:	June 17, 2021
Scheduled date for dividends payment:	May 28, 2021
Scheduled date for submission of securities report:	June 18, 2021
Availability of supplementary information for the financial results:	Yes
Organization of briefing on the financial results:	Yes (for institutional investors)

(Amounts less than one million yen are rounded down to the nearest million yen.)

1. **Consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)**

(1) Consolidated results of operations

(Percentage figures represent changes from the previous fiscal year.)

Fiscal year ended	Revenue		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	863,381	-13.3	(16,266)	–	(20,000)	–
March 31, 2020	996,101	-6.0	8,211	-86.8	284	-99.5

Fiscal year ended	Profit for the year		Profit attributable to owners of the Company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	(14,650)	–	(15,211)	–	19,568	–
March 31, 2020	(3,086)	–	(3,073)	–	(24,628)	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Profit ratio to equity attributable to owners of the Company	Profit before tax ratio to total assets	Operating profit ratio
	Yen	Yen	%	%	%
March 31, 2021	(30.75)	(30.75)	−2.9	−1.6	−1.9
March 31, 2020	(6.21)	(6.21)	−0.6	0.0	0.8

(Reference) Share of profit (loss) of investments accounted for using the equity method:
Fiscal year ended March 31, 2021: 12 million yen
Fiscal year ended March 31, 2020: (255) million yen

(Note) Basic earnings per share and diluted earnings per share are calculated based on the profit attributable to owners of Konica Minolta, Inc. (the "Company").

(2) Consolidated financial position

As of	Total assets	Total equity	Equity attributable to owners of the Company	Equity ratio attributable to owners of the Company	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2021	1,299,752	550,703	539,888	41.5	1,093.98
March 31, 2020	1,276,768	533,766	523,745	41.0	1,058.29

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	78,060	(34,330)	(13,085)	123,823
March 31, 2020	30,148	(50,043)	(11,910)	89,901

2. Dividends per share

	End of the three-month period	End of the six-month period	End of the nine-month period	End of the year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	–	15.00	–	10.00	25.00
Fiscal year ended March 31, 2021	–	10.00	–	15.00	25.00
Fiscal year ending March 31, 2022 (forecast)	–	15.00	–	15.00	30.00

	Dividends paid (annual)	Dividends payout ratio (consolidated)	Dividends on equity attributable to owners of the Company ratio (consolidated)
	Millions of yen	%	%
Fiscal Year ended March 31, 2020	12,400	–	2.3
Fiscal Year ended March 31, 2021	12,407	–	2.3
Fiscal Year ending March 31, 2022 (forecast)		77.9	

3. Consolidated forecasts for the fiscal year ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Percentage figures represent changes from the previous fiscal year.)

Fiscal year ending	Revenue		Operating profit		Profit attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2022	940,000	8.9	36,000	–	19,000	–	38.50

■ Notes

(1) Changes in significant subsidiaries for the fiscal year ended March 31, 2021 (changes in the scope of consolidation): None

(2) Changes in accounting policies or changes in accounting estimates
a. Changes in accounting policies required by International Financial Reporting Standards (IFRS): None
b. Changes in accounting policies other than the above a.: None
c. Changes in accounting estimates: None

(3) Number of issued and outstanding shares (common stock)

a. Number of issued and outstanding shares (including treasury shares)
As of March 31, 2021: 502,664,337 shares
As of March 31, 2020: 502,664,337 shares

b. Number of treasury shares
As of March 31, 2021: 9,155,998 shares
As of March 31, 2020: 7,764,241 shares

c. Average number of issued and outstanding shares during the year
The fiscal year ended March 31, 2021: 494,755,326 shares
The fiscal year ended March 31, 2020: 494,794,257 shares

(Note) The Company has established the Board Incentive Plan in which beneficiaries include Directors, Executive Officers, Group Executives, and Technology Fellows. The shares owned by the trust account relating to this trust are accounted for as treasury shares (2,809,437 shares as of March 31, 2021, and 1,184,094 shares as of March 31, 2020).

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated results of operations

(Percentage figures represent changes from the previous fiscal year.)

Fiscal year ended	Revenue		Operating profit		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	344,321	−20.1	(20,520)	−	10,109	−19.4
March 31, 2020	430,914	−4.8	(1,614)	−	12,545	57.3

Fiscal year ended	Net income		Net income per share	Net income per share (fully-diluted)
	Millions of yen	%	Yen	Yen
March 31, 2021	16,539	36.7	33.43	33.34
March 31, 2020	12,100	57.2	24.45	24.38

(2) Non-consolidated financial position

As of	Total assets	Total equity	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	769,628	333,938	43.3	675.54
March 31, 2020	751,295	329,468	43.8	664.25

(Reference) Equity:
Fiscal year ended March 31, 2021: 333,386 million yen
Fiscal year ended March 31, 2020: 328,739 million yen

■ This summary of consolidated financial results falls outside the scope of audit procedures to be performed by certified public accountants or an audit firm.

■ Explanation concerning the appropriate use of the forecasts for results of operations and other special matters

Note on the forecasts for the consolidated financial results

The forecasts for results of operations in this report are based on information currently available to the Company and its subsidiaries (the "Group") and certain assumptions determined to be reasonable, and are not intended to assure any achievement of the Group's operations. Actual results may differ significantly from the forecasts due to various factors. For further details of the assumptions that form the basis of the of the forecasts and other related matters when referring to the forecasts, see "1. OVERVIEW OF FINANCIAL RESULTS, (1) Overview of Consolidated Operating Results, c. Outlook for the Fiscal Year Ending March 31, 2022" in the attached Supplementary Information on page 10.

Supplementary information for the financial results and briefing on the financial results

The Company will hold a briefing on the financial results for institutional investors on Friday, May 14, 2021. The proceedings and details of the briefing, along with the supplementary information on the financial results to be presented at the briefing, will be posted on the website of the Group soon after the briefing.

Supplementary Information

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1. OVERVIEW OF FINANCIAL RESULTS

(1) Overview of Consolidated Operating Results

a. Overview

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	996.1	863.3	(132.7)	-13.3
Gross profit	466.3	374.6	(91.6)	-19.7
Operating profit (loss)	8.2	(16.2)	(24.4)	–
Profit (loss) before tax	0.2	(20.0)	(20.2)	–
Profit (loss) attributable to owners of the Company	(3.0)	(15.2)	(12.1)	–
	Yen	Yen	Yen	%
Basic earnings (loss) per share	(6.21)	(30.75)	(24.54)	–
	%	%		
ROE	-0.6	-2.9	-2.3	–
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	50.8	57.7	6.8	13.5
Depreciation and amortization expenses	77.1	77.5	0.4	0.6
Research and development expenses	74.0	65.0	(9.0)	-12.2
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	(19.8)	43.7	63.6	–
	Number	Number	Number	%
Number of employees in the Group	43,961	40,979	(2,982)	-6.8
Foreign exchange rates	Yen	Yen	Yen	%
U.S. dollar	108.74	106.06	(2.68)	-2.5
Euro	120.82	123.70	2.88	2.4

(Note) ROE = Profit attributable to owners of the Company divided by equity attributable to owners of the Company (average of beginning and ending balances)

Looking back at the economic landscape during the fiscal year ended March 31, 2021 (the “current fiscal year”), economic activities were significantly affected by the spread of COVID-19 across geographies. In Europe, although the economy was gradually recovering after the ease of massive-scale lockdowns imposed since March 2020, the resurgence of COVID-19 cases forced people to strictly restrict activities, causing sluggish economic recovery in the region. In the United States, although large-scale economic stimulus packages were introduced when economic activities plummeted in the first quarter ended June 30, 2020, due to lockdowns, the recovery remained moderate as activities were restricted again. China was the first among other countries in the world to reopen its economic activities in March 2020. After picking up in the first quarter ended June 30, 2020, a continued growth was seen in the Chinese economy. In Japan, after the state of emergency was lifted in May 2020, a sign of recovery was seen in the economy. Even when another state of emergency was declared subsequently, the manufacturing industry saw signs of recovery as exports increased mainly to China, although economic activities in the non-manufacturing industry remained sluggish. In March 2021, the global economy saw some signs of improvement, including a decline in the number of infections as COVID-19 vaccinations had been rolled out mainly in the United States and Europe.

Amid such business environment, the Group recorded revenue of 863.3 billion yen, a decrease of 13% year-on-year. The revenue saw continuous signs of improvement after bottoming out in

May 2020. The decrease ratio of quarterly revenue year-on-year gradually improved over the fiscal year, and in the fourth quarter ended March 31, 2021, the revenue came back to about the same level in the previous year. Looking by business units, revenue in the IT service solutions unit, the Workplace Hub unit, the measuring instruments unit, the imaging-IoT solutions unit, and the performance materials unit saw an increase year-on-year in the current fiscal year. Also, on a quarterly basis, revenue increased year-on-year in the industrial print unit, the healthcare unit, and the IJ (Inkjet) components unit in the fourth quarter ended March 31, 2021. By region, not only China but also Japan and other Asian countries saw an increase in revenue from a year earlier in the third quarter ended December 31, 2020. Revenue in Europe during the same October-December period was still a little under 90% and the United States a little more than 80% of the level compared to the previous year. In the fourth quarter ended March 31, 2021, revenue continued to increase in China, Japan, and other Asian countries, and revenue in Europe and the United States came back to more than 90% year-on-year.

In the office unit, although sales volume in the United States and Europe were seeing a slow recovery, hardware revenue increased during the three-month period ended March 31, 2021, as sales volume in China increased significantly over the year and surpassed the year-before level. Meanwhile, non-hardware revenue, such as consumables and services, saw an overall decline from the previous year due to a sluggish recovery in the United States and Europe. That said, the IT service solutions unit and the Workplace Hub unit enjoyed revenue increase year-on-year, thanks to the increasing demand for IT services in the United States and Europe. In the production print unit, sales volume in China increased significantly over the year and surpassed the year-before level, and also sales volume in the United States and Europe increased significantly in the fourth quarter; however, the overall revenue declined due to a weak recovery in consumables and services. In the healthcare unit, revenue decreased year-on-year; however, improvement was seen on a quarterly basis as revenue continued to increase in the fourth quarter ended March 31, 2021, showing a recovery trend against a backdrop of strong demand in the Japanese hospital market that was seen from the third quarter. Further, revenue declined year-on-year in the precision medicine unit, mainly targeting the US market, due to a drop in the number of patients coming into hospitals as well as clinical trial volunteers; however, the number of samples for genetic testing services received during the fourth quarter ended March 31, 2021, returned to the level before the spread of COVID-19. The overall revenue in the Industry Business was about the same level year-on-year, thanks to the performance materials unit and the measuring instruments unit, whose major customers were in China and thus were capable of successfully meeting the increasing customer demand.

Operating loss was 16.2 billion yen, partly due to a recording of 8.0 billion yen as for expenses related to the structural reform in the current fiscal year, whereas operating profit of 8.2 billion yen was marked in the previous year. Although profitability significantly deteriorated from the year earlier, the Company continued to successfully maintain the level of selling and administrative expenses that was curbed in the first quarter ended June 30, 2020, while revenue was picking up over the current fiscal year. As a result, on a quarterly basis, operating profit of 8.3 billion yen was marked in the fourth quarter ended March 31, 2021, which was a further improvement from the third quarter. With the aim of improving the profitability of the office unit back to the 2018 level, the Company took additional measures during the current fiscal year, including the structural reform and the mitigation of manufacturing costs, and also switched to new high value-added products to enhance marketing competitiveness, which all progressed as planned. Especially, the structural reform is expected to boost profit in the next fiscal year, exceeding the amount expensed in the current fiscal year.

Loss before tax of 20.0 billion yen was marked in the current fiscal year, whereas profit before tax of 0.2 billion yen was recorded in the previous year. Loss attributable to owners of the Company was 15.2 billion yen, whereas loss attributable to owners of the Company was 3.0 billion yen in the year before.

The Company has newly launched a new medium-term business strategy “DX2022,” which mainly focuses on executing and achieving positive results for projects and plans implemented or still continuing under “SHINKA 2019,” the previous Medium-term Business Plan. The basic policy of

“DX2022” is to “leap to highly profitable businesses through DX” and to “evolve into a company clearly committed to solving social issues.” In order to enhance customers’ value, the Company has reassessed the classification of the original three business lines, namely Core Business, Growth Business, and New Business, and also reviewed the existing reportable segments in accordance with the new strategy under DX2022.

As office printing continues to decline along with a change in customers’ work style, the traditional Office Business will reform the profit structure that is adaptable to the changing environment in the current fiscal year. Further, in order to enhance customer value, the business is transformed into the Digital Workplace Business by integrating IT service solutions and Workplace hub, utilizing the customer base developed in the past. Professional Print Business, Healthcare Business, and Industry Business will become the main pillars for the Company’s growth strategy, aiming to enhance customer value in the fields of measurement, inspection, and diagnosis by combining the Company’s core imaging technology and artificial intelligence (AI) technology.

Segment information for the previous fiscal year, which is presented below for comparative analysis purposes, is reclassified based on the new reportable segment. For further detail, refer to “4. CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES, (6) Notes to the Consolidated Financial Statements [Segment Information].”

b. Overview by Segment

		Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	549.0	465.2	(83.8)	-15.3
	Operating profit	17.7	(2.7)	(20.4)	–
Professional Print Business	Revenue	210.0	169.5	(40.5)	-19.3
	Operating profit	4.3	(7.8)	(12.2)	–
Healthcare Business	Revenue	118.5	109.0	(9.4)	-7.9
	Operating profit	(4.3)	(6.4)	(2.0)	–
Industry Business	Revenue	117.1	118.2	1.0	0.9
	Operating profit	14.4	15.6	1.1	8.2
Subtotal	Revenue	994.7	862.0	(132.6)	-13.3
	Operating profit	32.1	(1.3)	(33.5)	–
Others and adjustments (Note 2)	Revenue	1.3	1.2	(0)	-1.8
	Operating profit	(23.9)	(14.8)	9.0	–
Amount reported in the Consolidated Statement of Profit or Loss	Revenue	996.1	863.3	(132.7)	-13.3
	Operating profit	8.2	(16.2)	(24.4)	–

(Notes)

1. "Revenue" refers to revenue from external customers.
2. "Revenue" refers to revenue from external customers in "Others" in "4. CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES, (6) Notes to the Consolidated Financial Statements [Segment Information]." "Operating profit" is the total of "Others" and "Adjustments" within the same table.
3. The classification of reportable segment is changed from the current fiscal year. For further detail, refer to "4. CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES, (6) Notes to the Consolidated Financial Statements [Segment Information]." Note that the results for the previous fiscal year presented for comparative purposes are reclassified based on this new reportable segment.

i. Digital Workplace Business

In the office unit, sales volume of A3 MFPs recovered to 90% in the current fiscal year and to 107% in the January-March period when compared to the year-before level. As a result, hardware revenue increased during the January-March period. A healthy recovery was also seen in the sales volume of A3 color models and monochrome models: back to 86% of the year-before level in the current fiscal year and to 92% in the January-March period for A3 color models; and 97% in the current fiscal year and 140% in the January-March period for monochrome models, a significant improvement in the quarter for monochrome models thanks in part to new products released in October 2020. By region, sales volume in China, which had been hit hard by lockdowns imposed in the previous fiscal year, surged during the current fiscal year and recovered to 123% of the year-before level and even to 260% in the quarter ended March 31, 2021. Likewise, Japan bounced back to 84% on a yearly basis and 95% on a quarterly basis. The recovery pace was slow in the United States and Europe, where negative effects of lockdown lingered: in Europe, back to 76% on a yearly basis and 85% on a quarterly basis; and in North America back to 73% and 84%, respectively. On the other hand, non-hardware revenue, such as consumables and services, were even more sluggish compared to hardware revenue, given that the number of employees coming into customers' office sites continued to remain slow during the current fiscal year. Slower-than-expected recovery in the United States and Europe particularly contributed to the decrease in revenue year-on-year. In the office unit as a whole, both revenue and profit in the current fiscal year declined from a year earlier; however, after bottoming out in the first quarter ended

June 30, 2020, they gradually saw a recovery over the year, and even turned out as an increase in profit in the fourth quarter ended March 31, 2021.

In the IT services solutions unit, revenue saw an uptick every quarter, resulting in an increase in both revenue and profit on a yearly basis, despite the fact that 90% of its revenue was derived from the United States and Europe that were significantly impacted by the COVID-19 outbreak. This was mainly due to an increasing demand in various services, including managed IT service, which takes care of the entire IT platform of customers, and security service, which includes vulnerability assessment, as well as digital workflow solution service. Also, online sales negotiations and implementation activities, as well as collaboration with the office unit to increase potential customers successfully contributed to the unit's sales increase.

In the Workplace Hub unit, a steady growth was seen in revenue, resulting in an increase in the current fiscal year, mainly because a successor model based on the MFP "bizhub-i series," the first full model change in past seven years, was released as "Workplace Hub Smart" in May 2020 in Japan and in November 2020 in the United States and Europe. Although profit decreased year-on-year and the unit continued make loss in the current fiscal year, the amount of loss significantly shrank in the fourth quarter ended March 31, 2021, due to an increase in gross profit as revenue increased as well as selling and administrative expenses was streamlined through relocation of R&D resource. In addition, the Company successfully provided digital transformation (or "DX") support service to local governments in Japan, including major prefectures and government-designated cities. In detail, the Company conducted research on workload for more than 50 local governments mainly through partnership agreements and analyzed such data using artificial intelligence (or "AI") to prepare proposals for DX services, leading to the winning of orders from governments.

As a result of the above, the Digital Workplace Business segment recorded revenue of 465.2 billion yen in the current fiscal year, a decrease of 15.3% year-on-year. Operating loss was 2.7 billion yen (operating profit of 17.7 billion yen in the previous year).

ii. Professional Print Business

In the production print unit, sales volume in the current fiscal year went down by 72% of the year-before level because of the following: entities' marketing activities and events were delayed or cancelled due to continuing lockdowns across regions; and a slow recovery was seen in printing demand, which caused printing companies to delay their investment decisions. However, on a quarterly basis, sales volume in the fourth quarter recovered to 99% of the year-before level. Sales volume of color models went down to 73% of the previous-year level in the current fiscal year, but on a quarterly basis, they recovered to 100% year-on-year in the January-March period. The improvement was largely attributable to "AccurioPress C14000" series, the Company's first heavy production model launched in February 2020, which successfully continued to receive orders from medium- and large-sized printing companies mainly through online demonstrations. Further, "AccurioPress C4080" series, a new light production model released in December 2020 also started contributing to the increase in sales volume. Monochrome models also saw a strong recovery, which came back to 95% of the year-before level in the fourth quarter ended March 31, 2021. By region, sales volume in China, which had been hit hard by lockdowns imposed in the previous fiscal year, surged during the current fiscal year and recovered to 128% of the year-before level and even to 200% in the quarter ended March 31, 2021. In the United States and Europe, where a sluggish recovery was seen due to negative effects of lockdown, the January-March period saw a big improvement: Europe came back to 67% on a yearly basis and 87% on a quarterly basis; and North America back to 71% and 108%, respectively. Meanwhile, non-hardware revenue, such as consumables and services, were even more sluggish compared to hardware revenue, although the declining trend in revenue saw an improvement on a quarterly basis. The production models sold and installed in the fourth quarter are expected to contribute to an increase in non-hardware revenue in the next fiscal year and onwards. That said, amid a decline in overall printing demand, including analog printing, the Company still expects that the demand for its digital printing service will continue to grow in the future.

In the industrial print unit, hardware revenue, such as equipment body, saw a decline in sales volume in the current fiscal year due to limited opportunities to install equipment for customers. However, on a quarterly basis, sales volume grew in the fourth quarter, led by successful sales of "AccurioJet KM-1e" and "AccurioLabel 230" models, and as a result, revenue increased year-on-year in the quarter. Non-hardware revenue, such as consumables and services, increased three consecutive quarters from the second quarter ended September 30, 2020. The Company expects non-hardware revenue will continue to grow in the future.

In the marketing services unit, revenue from marketing production management service offered in Europe was negatively affected due to a decline in marketing-related printing demand among companies. However, as revenue increased in Japan and Asian regions, the overall revenue from the service remained flat compared to the previous year. In Japan, Kinko's stores, which offer on-demand printing services, saw a declining trend in customer orders from companies due to delay or cancellation of marketing events and a shift towards online training under the state of emergency. Also, the number of customers coming into Kinko's stores decreased. That said, Kinko's revenue bounced back in the month of March 2021 to about the same level year-on-year, thanks to companies' increase in printing demand for their training material and an increase in use by students. Although year-on-year revenue in the marketing services unit decreased both in the current fiscal year and the three-month period ended March 31, 2021, profit increased as the Company successfully kept the level of selling and administrative expenses at a low enough level, which was partly attributed to the structural reform taking effect in the current fiscal year.

As a result of the above, the Professional Print Business segment recorded revenue of 169.5 billion yen, a decrease of 19.3% year-on-year. Operating loss was 7.8 billion yen (operating profit of 4.3 billion yen in the previous year).

iii. Healthcare Business

In the healthcare unit, sales volume of digital radiography (DR) in the current fiscal year was about the same level compared to the previous year. In the fourth quarter ended March 31, 2021, sales to hospitals in Japan continued to grow and sales volume also saw a recovery in Europe, China, India, and some other areas, although situations were quite different among regions depending on the impact of COVID-19. Sales volume of diagnostic ultrasound systems in the current fiscal year surpassed the prior-year level, and on a quarterly basis, sales continued to increase in the fourth quarter in Japan in the area of orthopedics, dialysis, and obstetrics. For medical IT, sales of "Informity," an IT service supporting medical image management and collaboration between medical institutions, continued to grow steadily over the year in Japan. On the other hand, sales of the Picture Archiving and Communication System (PACS) were slow in the United States as medical institutions saw a deterioration in the business environment and halted their investment activities amid the spread of COVID-19 pandemic. Based on above, and due to limited sales of procured products to enhance sales efficiency, the overall revenue in the healthcare unit went down year-on-year in the current fiscal year; however, quarterly revenue increased for two consecutive periods, including the fourth period ended March 31, 2021.

In the precision medicine unit, the number of genetic testing services saw a declining trend in the Unites States due to a drop in the number of patients coming into hospitals as the pandemic unfolded; however, the number continued to pick up from the third quarter ended December 31, 2020, and even came back to the pre-pandemic level in the month of March 2021. Further, although the number of COVID-19 testing service declined as vaccinations were rolled out in the United States, the Company continued to provide the service under a contract with Orange County in California. The Company's drug discovery support service continued to struggle in the current fiscal year as the number of clinical trial volunteers kept decreasing in the United States under the pandemic, causing delays in the commencement of clinical trials to be conducted by pharmaceutical companies. That said, the number of the Company's backlog increased toward the end of the current fiscal year, which should contribute to an increase in providing support services in the next fiscal year. As a result, although the overall revenue of the precision medicine unit went down in the current fiscal year, the genetic testing services continued to stay in the black from the third quarter ended December 31, 2020.

Based on above, the Healthcare Business segment recorded revenue of 109.0 billion yen, a decrease of 7.9% year-on-year. Operating loss was 6.4 billion yen (operating loss of 4.3 billion yen in the previous year).

iv. Industry Business

In the measuring instruments unit of the sensing field, overall revenue went up in the current fiscal year due to the following: revenue from object color measurement instruments continued to increase in China and other regions; and revenue from light source color measurement instruments increased as demand from major customers grew more than expected. In the fourth quarter ended March 31, 2021, several new orders were received for visual surface inspection. Also, revenue earned by Specim, Spectral Imaging Oy Ltd., a Finland-based company acquired in November 2020, contributed to the quarterly revenue.

In the materials and components field, the performance materials unit continued to focus on providing high value-added products, including phase difference films for LCD TVs and ultra-thin films for personal computers, tablets, and smartphones. Sales volume exceeded the general market condition by responding to an increasing demand for these high value-added products. Moreover, sales of new resin film SANUQI grew and the customer base gradually increased, as the market started to acknowledge the essential value of the product. These contributed to an increase in unit revenue year-on-year. In the optical components unit, revenue went down in the current fiscal year as the lenses market for general use, such as those for entertainment use, were still negatively affected due to the spread of COVID-19, although some improvement was seen in sales of industrial use lenses, such as in-vehicle lenses. In the Inkjet (IJ) components unit, although revenue decreased on a yearly basis, the Chinese market, the Company's main targeted market, saw a recovery in demand and other Asian markets also saw signs of improvement. The Company expanded its share in the large-sized printing market by responding to the increasing demand for high-speed printing. As a result, the unit revenue turned to an increase in the fourth quarter ended March 31, 2021.

The imaging-IoT solutions unit saw a decrease in revenue in the quarter ended March 31, 2021, partly due to lockdowns imposed in Europe amid the COVID-19 outbreak. However, on a yearly basis, the unit revenue grew in the current fiscal year, thanks to the following: sales went well for the thermal camera solution developed by MOBOTIX AG, which enables contact-less measurement of body surface temperature; and a successful launch was made for "FORXAI," an imaging IoT platform, which enables the Company to provide monitoring service that visualizes safety and security in the area of plants, warehouses and logistics, utilizing the imaging IoT technology.

In the visual solutions unit, the directly owned planetarium business was hit hard as the national state of emergency was issued in Japan during the fourth quarter ended March 31, 2021. However, revenue in the January-March period increased year-on-year, whereas revenue in the current fiscal year stayed at the year-before level due to the following: directly owned planetariums took strict measures and made effective announcements to prevent the COVID-19 infection; large-scale orders came in from science museums to build equipment; and a platform-type service connected to networks and cloud systems, called "Connected Dome," was newly launched.

As a result, the Industry Business segment recorded revenue of 118.2 billion yen, an increase of 0.9% from a year earlier. Operating profit was 15.6 billion yen, an increase of 8.2% year-on-year.

(Reference)

Overview of the quarterly consolidated accounting period

	Three months ended March 31, 2020	Three months ended March 31, 2021	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	249.0	248.4	(0.5)	−0.2
Gross profit	111.7	110.4	(1.3)	−1.2
Operating profit (loss)	(2.3)	8.3	10.7	–
Profit (loss) before tax	(5.2)	8.4	13.7	–
Profit (loss) attributable to owners of the Company	(5.2)	5.4	10.6	–
	Yen	Yen	Yen	%
Basic earnings (loss) per share	(10.60)	11.01	21.61	–
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	16.5	27.6	11.0	66.9
Depreciation and amortization expenses	19.6	19.2	(0.3)	-2.0
Research and development expenses	16.9	16.5	(0.3)	-2.4
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	6.7	35.9	29.2	435.7
Foreign exchange rates	Yen	Yen	Yen	%
U.S. dollar	108.92	105.90	(3.02)	−2.8
Euro	120.11	127.69	7.58	6.3

Overview of major segments

		Three months ended March 31, 2020	Three months ended March 31, 2021	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	135.3	128.9	(6.4)	-4.8
	Operating profit	0.1	3.4	3.3	–
Professional Print Business	Revenue	51.3	50.7	(0.5)	-1.1
	Operating profit	(0.6)	0.9	1.6	–
Healthcare Business	Revenue	32.9	35.4	2.5	7.7
	Operating profit	(0.6)	0.6	1.2	–
Industry Business	Revenue	28.8	32.7	3.9	13.6
	Operating profit	3.2	5.8	2.5	79.6
Subtotal	Revenue	248.5	248.0	(0.5)	-0.2
	Operating profit	2.0	10.9	8.8	420.4
Others and adjustments	Revenue	0.5	0.4	(0)	-3.8
	Operating profit	(4.4)	(2.5)	1.8	–
Amount reported in the Consolidated Statements of Profit or Loss	Revenue	249.0	248.4	(0.5)	−0.2
	Operating profit	(2.3)	8.3	10.7	-

c. Outlook for the Fiscal Year Ending March 31, 2022

Restrictions on economic activities continue across the globe due to the spread of COVID-19. Although signs of improvement are seen amid the vaccination roll-out mainly in the United States and Europe, it is still uncertain at this time as to when the outbreak will completely level off. The Company foresees that people's behavior will continue to be restricted to some extent due to limited lockdowns and other constraints, while economic activities will pick up at different speed depending on regions or industry/business types. With such business environment assumptions in mind, the Company is ready to proactively enhance the earning power of each business and transform our revenue structure.

In detail, the Company will focus on the following four areas as its priority policies:

i. **Swiftly bring the office unit's operating profit back to the level of 2018**—The Company has largely completed the following as originally planned in 2020, expecting them to take effect in 2021 and boost the operating profit ratio up to 9%: successfully launched a full line-up of "bizhub-i series," the latest MFP model; and shifted resources to business growth areas by introducing structural reforms as well as selecting and integrating development themes for MFPs, assuming that office printing demand will decline going forward.

ii. **Accelerate profitability improvement for new businesses**—Workplace Hub has changed its strategy to reduce development costs and to make it easier to sell services and become more flexible to align with customer needs at the same time, so that Workplace Hub will be able to increase revenue and curb expenses. Precision medicine will increase revenue by offering our competitive highly accurate diagnostic services, including ribonucleic acid (RNA) testing and diagnostic imaging of central nervous system, and also beefing up DNA testing for healthy people and clinical trials for cancers. In addition, precision medicine will cut testing costs by leveraging next-generation sequencers and cloud services.

iii. **Maintain total fixed costs at the level of 2020**—The Company significantly lowered the breakeven point mainly by maintaining the level of selling and administrative expenses within 400 billion yen thanks to the effective structural reform implemented in 2019. Not only another structural reform took place in 2020, but also productivity was enhanced by promoting DX in business functions so that the Company can continue to pursue the goal of keeping total fixed costs at a low enough level in 2021.

iv. **Develop the next main business that could succeed the office unit**—The Company will apply its core "imaging" technology, then integrate it with sensor device, imaging AI, and IoT platform to turn it into the Company's originally developed "imaging IoT technology," so that the new technology can be used in a wide range of new services in the field of human behavior, testing, and advanced medicine.

Given such circumstances, the exchange rate assumptions that form the basis of results forecasts for the fiscal year ending March 31, 2022, have been set to [¥105 to the U.S. dollar and ¥125 to the euro, respectively], with forecasts as follows:

	Fiscal year ended March 31, 2021	Forecast for the fiscal year ending March 31, 2022
	Billions of yen	Billions of yen
Revenue	863.3	940.0
Operating profit (loss)	(16.2)	36.0
Profit (loss) attributable to owners of the Company	(15.2)	19.0
	%	%
ROE (Note)	-2.9	3.6

(Note) Profit (loss) attributable to owners of the Company divided by equity attributable to owners of the

Company (average of beginning and ending balances)

* The above operating performance forecasts are based on future-related suppositions, outlooks, and plans at the time this report was released, and they involve risks and uncertainties. It should be noted that actual results may differ significantly from these forecasts due to various important factors, such as changes in economic conditions, market trends, and currency exchange rates.

(2) Overview of Consolidated Financial Position

a. Analysis of Consolidated Financial Position

	As of March 31, 2020	As of March 31, 2021	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	1,276.7	1,299.7	22.9
Total liabilities	743.0	749.0	6.0
Total equity	533.7	550.7	16.9
Equity attributable to owners of the Company	523.7	539.8	16.1
	Yen	Yen	Yen
Equity per share attributable to owners of the Company	1,058.29	1,093.98	35.69
	%	%	%
Equity ratio attributable to owners of the Company	41.0	41.5	0.5

Total assets as of March 31, 2021, were 1,299.7 billion yen, an increase of 22.9 billion yen, or 1.8%, from March 31, 2020. This is primarily attributed to an increase of 33.9 billion yen in cash and cash equivalents, an increase of 9.6 billion yen in goodwill and intangible assets, an increase of 2.8 billion yen in income tax receivables, and an increase of 1.9 billion yen in trade and other receivables, offset by a decrease of 16.9 billion yen in property, plant and equipment, and a decrease of 5.6 billion yen in inventories.

Total liabilities as of March 31, 2021, were 749.0 billion yen, an increase of 6.0 billion yen, or 0.8%, from March 31, 2020. This is primarily attributed to an increase of 26.0 billion yen in bonds and borrowings, an increase of 22.9 billion yen in trade and other payables, a decrease of 18.8 billion yen in lease liabilities, a decrease of 15.6 billion yen in retirement benefit liabilities, and a decrease of 8.5 billion yen in other financial liabilities.

Total equity as of March 31, 2021, was 550.7 billion yen, an increase of 16.9 billion yen, or 3.2%, from March 31, 2020.

Equity attributable to owners of the Company was 539.8 billion yen as of March 31, 2021, an increase of 16.1 billion yen, or 3.1%, from March 31, 2020. This is primarily attributed to an increase of 21.6 billion yen in other components of equity (primarily exchange differences on translation of foreign operations), an increase of 12.3 billion yen in transfer from other components of equity to retained earnings (primarily remeasurements of defined benefit pension plans), and the recording of a loss attributable to owners of the Company of 15.2 billion yen.

As a result of the above, the equity per share attributable to owners of the Company was 1,093.98 yen, and the equity ratio attributable to owners of the Company increased 0.5 percentage points to 41.5%.

b. Analysis of Cash Flows

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Cash flows from operating activities	30.1	78.0	47.9
Cash flows from investing activities	(50.0)	(34.3)	15.7
Total (Free cash flows)	(19.8)	43.7	63.6
Cash flows from financing activities	(11.9)	(13.0)	(1.1)

For the fiscal year ended March 31, 2021, net cash provided by operating activities was 78.0 billion yen, and net cash used in investing activities totaled 34.3 billion yen. As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an inflow of 43.7 billion yen for the current fiscal year.

Net cash used in financing activities was 13.0 billion yen.

In addition, cash and cash equivalents as of March 31, 2021, increased by 33.9 billion yen from March 31, 2020, to 123.8 billion yen, reflecting the effect of exchange rate fluctuations on cash and cash equivalents.

Cash flows from operating activities

Net cash provided by operating activities was 78.0 billion yen. On top of the loss before tax of 20.0 billion yen, this is attributable to the net effects of cash inflows mainly due to depreciation and amortization expenses of 77.5 billion yen, a decrease in trade and other receivables of 14.9 billion yen, and a decrease in inventories of 13.7 billion yen.

Cash flows from investing activities

Net cash used in investing activities was 34.3 billion yen, mainly due to purchase of property, plant and equipment of 25.6 billion yen, purchase of intangible assets of 14.5 billion yen, and purchase of investments in subsidiaries of 5.0 billion yen, which were offset by proceeds from sales of investment securities of 8.6 billion yen.

As a result, free cash flows (the sum of cash flows from operating and investing activities) were an inflow of 43.7 billion yen (an outflow of 19.8 billion yen in the previous fiscal year).

Cash flows from financing activities

Net cash used in financing activities was 13.0 billion yen (net cash outflows of 11.9 billion yen in the previous fiscal year), reflecting redemption of bonds and repayments of long-term loans payable of 42.7 billion yen, repayments of lease liabilities of 20.5 billion yen, and cash dividends paid of 9.9 billion yen, netted with proceeds from net increase in short-term loans payable of 37.8 billion yen and proceeds from bonds issuance and long-term loans payable of 25.8 billion yen.

* Amounts less than one hundred million yen in the “1. OVERVIEW OF FINANCIAL RESULTS” section have been omitted.

2. ISSUES TO BE ADDRESSED

(1) Konica Minolta's Long-term Vision and Material Issues

Under Our Philosophy "The Creation of New Value," the Company (or "we") has tried to see through social issues that could arise in 2030 and think through "what needs to be done now," fully utilizing our intangible assets, which represent our core strength, including the network with our customers, technologies, and human capital. Through these processes, we have embarked on our journey of redeveloping the Company's reason for existence. To respond to the needs of customers around the world, fulfilling their desire to "see" things, and contribute to the well-being of people, the Company has leveraged the "imaging" technology centered around image inputs/outputs and image processing that have been cultivated through our original camera and photograph businesses for some 150 years since the Company was founded. This very "imaging" technology is our starting point, or we can say our DNA, which we believe should be embraced going forward.

We are dedicated to evolve our "imaging" technology as the time goes by, stand by professionals working at client companies, and visualize issues that our customers are not even aware of. In this way, we are committed to fundamentally improve our customers' productivity and creativity, thereby enhancing their motivation to work, and contribute to the society to make it more prosperous and sustainable not only with our customers but also with people who are the ultimate users beyond our customers. We have concluded that these represent the reason of why we exist and how we can contribute to our society. And to represent such strong passion to carry out "the management centered around people," we have set up a statement titled "Imaging to the People" at the very beginning of Our Vision.

In addition, looking ahead of 10 years from now from a global perspective, we have identified five material issues where we believe we can provide significant social values by fully leveraging our competitive intangible assets and further strengthening such competitive advantage through DX. The five material issues are "Improving fulfillment in work and corporate dynamism," "Supporting healthy, high-quality living," "Ensuring social safety and security," "Addressing climate change," and "Using limited resources effectively." We strive to not only enhance customer value and expand our business, but also realize both social value and environment value in these five material issues, thereby pursuing the aim of increasing our enterprise value over the medium to long term.

Particularly, in addressing the climate change issue, for which the Company takes pride for being one of the top runners, the Company significantly moved up the original target set forth in the long-term environment vision called "EcoVision2050," and changed it to a more ambitious goal, that is, to become "Carbon minus" by 2030. We are ready to take various actions to offset the Company's emission level and our business partners' reduction level and become carbon minus by 2030 by teaching and sharing our knowhow and technologies in the area of environmental management with our partners, namely our customers and suppliers.

(2) Medium-term Business Strategy "DX2022"

With this long-term management vision in mind, we have drawn up a new medium-term business strategy up to year 2022, called "DX2022."

The COVID-19 pandemic has dramatically changed people's work style, lifestyle and values, especially, remote work is becoming the new normal given that people's activities have been restricted for a long while. This has caused a decline in office printing, which came much earlier than we expected. That said, we are committed to achieve a business structural reform in the office unit, transforming it into a business that continuously earns profit even under difficult circumstances where businesses become more paperless. At the same time, the pandemic has revealed essential values people are truly seeking for, such as "safety and security," "remote and non-contact," and "individualization and decentralization." We believe these are the areas where our imaging and sensing technologies can be heavily utilized.

Towards 2022, the Company will reinforce its business structure, which has already been streamlined during the pandemic but will be strengthened further by utilizing and promoting DX within the Company, and will swiftly work on two transformations. First is the transformation of the Digital Workplace Business into a business that diligently responds to the following needs of client companies in the post COVID-19 world: telecommuting support; implementation support for information and communication technology (ICT) and security services; and operation workflow transformation support to achieve work style reform. Second is to become less dependent on the office business and transform the overall business portfolio to one that aims to accelerate business growth in the fields of measurement, inspection, and diagnosis. In detail, the following businesses will become the main pillars for the Company's further growth: Professional Print Business, which realizes "individualization, decentralization, and manpower-saving" through digitalization; Healthcare Business, which responds to the needs of "safety and security, remote, and individualization" by enhancing the quality of early diagnosis, including genetic diagnosis, through digitalization; and Industry Business that enables "safety and security, remote, and manpower-saving" in the measurement and inspection fields based on the imaging IoT platform, and reforms the industrial value chain utilizing materials and film technology.

Although our ultimate goal is 2025, we have placed 2022, the final year of the medium-term business strategy "DX2022," as our interim milestone to achieve certain results. That said, investment in our management resource, including R&D and human resource, will also make a big shift toward promising areas. We will continuously thrive on strategically investing in growth areas with a mission to successfully complete the portfolio transformation. Also, we will manage our business portfolios by seeking the right balance among business units from the perspective of strategic compatibility, future growth, and profitability, so that we can improve capital efficiency. In this way, we strive to proactively distribute returns to our shareholders, while ensuring the Company's financial strength.

3. BASIC VIEWS ON SELECTION OF ACCOUNTING STANDARDS

The Group has voluntarily adopted the International Financial Reporting Standards (IFRS) for its consolidated financial statements in order to unify accounting methods within the Group and improve the international comparability of financial information disclosed to the capital markets.

4. CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES

(1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	89,901	123,823
Trade and other receivables	260,850	262,849
Inventories	162,575	156,942
Income tax receivables	4,775	7,609
Other financial assets	6,113	3,203
Other current assets	26,938	27,595
Total current assets	551,154	582,024
Non-current assets		
Property, plant and equipment	309,457	292,535
Goodwill and intangible assets	337,785	347,478
Investments accounted for using the equity method	644	9
Other financial assets	38,394	36,997
Deferred tax assets	34,562	36,365
Other non-current assets	4,770	4,342
Total non-current assets	725,614	717,728
Total assets	1,276,768	1,299,752

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Trade and other payables	162,886	185,793
Bonds and borrowings	59,267	92,072
Lease liabilities	18,456	18,833
Income tax payables	286	2,234
Provisions	12,028	12,270
Other financial liabilities	2,927	34,974
Other current liabilities	47,556	53,487
Total current liabilities	303,409	399,667
Non-current liabilities		
Bonds and borrowings	230,027	223,247
Lease liabilities	95,760	76,547
Retirement benefit liabilities	33,840	18,191
Provisions	15,205	7,054
Other financial liabilities	46,381	5,795
Deferred tax liabilities	11,973	11,219
Other non-current liabilities	6,404	7,327
Total non-current liabilities	439,593	349,382
Total liabilities	743,002	749,049
Equity		
Share capital	37,519	37,519
Share premium	196,135	203,753
Retained earnings	307,179	294,283
Treasury shares	(9,684)	(9,694)
Share acquisition rights	728	551
Other components of equity	(8,133)	13,475
Equity attributable to owners of the Company	523,745	539,888
Non-controlling interests	10,020	10,814
Total equity	533,766	550,703
Total liabilities and equity	1,276,768	1,299,752

(2) Consolidated Statements of Profit or Loss

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Revenue	996,101	863,381
Cost of sales	529,780	488,726
Gross profit	466,321	374,654
Other income	4,615	14,031
Selling, general and administrative expenses	443,071	389,672
Other expenses	19,654	15,280
Operating profit (loss)	8,211	(16,266)
Finance income	4,923	5,010
Finance costs	12,594	8,756
Share of profit (loss) of investments accounted for using the equity method	(255)	12
Profit (loss) before tax	284	(20,000)
Income tax expense (income)	3,371	(5,349)
Profit (loss) for the year	(3,086)	(14,650)
Profit (loss) attributable to:		
Owners of the Company	(3,073)	(15,211)
Non-controlling interests	(12)	560
Earnings (loss) per share	Yen	Yen
Basic	(6.21)	(30.75)
Diluted	(6.21)	(30.75)

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss) for the year	(3,086)	(14,650)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	1,031	8,158
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	(2,782)	4,811
Total items that will not be reclassified to profit or loss	(1,750)	12,969
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	(779)	(299)
Exchange differences on translation of foreign operations (net of tax)	(18,998)	21,532
Share of other comprehensive income (loss) of investments accounted for using the equity method (net of tax)	(13)	15
Total items that may be subsequently reclassified to profit or loss	(19,791)	21,249
Total other comprehensive income (loss)	(21,542)	34,219
Total comprehensive income (loss)	(24,628)	19,568
Total comprehensive income (loss) attributable to:		
Owners of the Company	(24,213)	18,750
Non-controlling interests	(414)	817

(4) Consolidated Statements of Changes in Equity

(Millions of yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2019	37,519	188,333	324,628	(9,979)	836	14,350	555,689	10,294	565,983
Effect of changes in accounting policies	–	–	(744)	–	–	–	(744)	–	(744)
Restated balance as of April 1, 2019	37,519	188,333	323,884	(9,979)	836	14,350	554,944	10,294	565,238
Profit (loss) for the year	–	–	(3,073)	–	–	–	(3,073)	(12)	(3,086)
Other comprehensive income (loss)	–	–	–	–	–	(21,139)	(21,139)	(402)	(21,542)
Total comprehensive income (loss)	–	–	(3,073)	–	–	(21,139)	(24,213)	(414)	(24,628)
Dividends	–	–	(14,842)	–	–	–	(14,842)	(21)	(14,864)
Acquisition and disposal of treasury shares	–	–	(132)	295	–	–	162	–	162
Share-based payments	–	13	–	–	(107)	–	(93)	–	(93)
Changes in non-controlling interests due to changes in subsidiaries	–	–	–	–	–	–	–	7	7
Equity and other transactions with non-controlling shareholders	–	360	–	–	–	–	360	155	515
Put options written on non-controlling interests	–	7,427	–	–	–	–	7,427	–	7,427
Transfer from other components of equity to retained earnings	–	–	1,343	–	–	(1,343)	–	–	–
Total transactions with owners	–	7,801	(13,630)	295	(107)	(1,343)	(6,984)	140	(6,843)
Balance as of March 31, 2020	37,519	196,135	307,179	(9,684)	728	(8,133)	523,745	10,020	533,766

(Millions of yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2020	37,519	196,135	307,179	(9,684)	728	(8,133)	523,745	10,020	533,766
Profit (loss) for the year	–	–	(15,211)	–	–	–	(15,211)	560	(14,650)
Other comprehensive income (loss)	–	–	–	–	–	33,962	33,962	256	34,219
Total comprehensive income (loss)	–	–	(15,211)	–	–	33,962	18,750	817	19,568
Dividends	–	–	(9,904)	–	–	–	(9,904)	(23)	(9,928)
Acquisition and disposal of treasury shares	–	–	(133)	(10)	–	–	(143)	–	(143)
Share-based payments	–	(404)	–	–	(177)	–	(582)	–	(582)
Equity and other transactions with non-controlling shareholders	–	(104)	–	–	–	–	(104)	–	(104)
Put options written on non-controlling interests	–	8,127	–	–	–	–	8,127	–	8,127
Transfer from other components of equity to retained earnings	–	–	12,354	–	–	(12,354)	–	–	–
Total transactions with owners	–	7,617	2,315	(10)	(177)	(12,354)	(2,608)	(23)	(2,631)
Balance as of March 31, 2021	37,519	203,753	294,283	(9,694)	551	13,475	539,888	10,814	550,703

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before tax	284	(20,000)
Depreciation and amortization expenses	77,105	77,568
Impairment losses and reversal of impairment losses	3,074	856
Share of (profit) loss of investments accounted for using the equity method	255	(12)
Interest and dividends income	(4,503)	(4,065)
Interest expenses	9,279	7,866
Loss on sales and disposals of property, plant and equipment, and intangible assets	3,394	1,076
(Increase) decrease in trade and other receivables	(228)	14,921
(Increase) decrease in inventories	(23,197)	13,783
Increase (decrease) in trade and other payables	(4,842)	(4,849)
Decrease due to transfer of rental assets	(7,505)	(4,907)
Increase (decrease) in retirement benefit liabilities	(2,376)	(2,510)
Others	(416)	5,499
Subtotal	50,322	85,228
Dividends received	676	645
Interest received	3,925	3,559
Interest paid	(9,066)	(8,415)
Income taxes (paid) refunded	(15,709)	(2,957)
Net cash provided by operating activities	30,148	78,060

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Purchase of property, plant and equipment	(36,625)	(25,674)
Purchase of intangible assets	(12,928)	(14,523)
Proceeds from sales of property, plant and equipment, and intangible assets	3,993	3,955
Purchase of investments in subsidiaries	(6,368)	(5,069)
Proceeds from sales of investments accounted for using the equity method	–	663
Purchase of investment securities	(388)	(237)
Proceeds from sales of investment securities	1,537	8,642
Payments for transfer of business	(325)	(771)
Others	1,061	(1,315)
Net cash provided by (used in) investing activities	(50,043)	(34,330)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	11,680	37,827
Proceeds from bonds issuance and long-term loans payable	30,937	25,851
Redemption of bonds and repayments of long-term loans payable	(20,862)	(42,763)
Repayments of lease liabilities	(18,764)	(20,534)
Purchase of treasury shares	(2)	(734)
Cash dividends paid	(14,876)	(9,921)
Payment of dividends to non-controlling interests	(21)	(23)
Payments for acquisition of interests in subsidiaries from non-controlling interests	–	(2,786)
Others	0	0
Net cash provided by (used in) financing activities	(11,910)	(13,085)
Effect of exchange rate changes on cash and cash equivalents	(3,123)	3,274
Net increase (decrease) in cash and cash equivalents	(34,929)	33,921
Cash and cash equivalents at the beginning of the year	124,830	89,901
Cash and cash equivalents at the end of the year	89,901	123,823

(6) Notes to the Consolidated Financial Statements

[Notes Regarding Going Concern Assumptions]

Not applicable.

[Other Income]

Components of other income are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Subsidy income including compensation for sustaining businesses	–	7,447
Gain on settlement of retirement benefit plans	–	1,218
Gain on transfer of business	–	1,217
Others	4,615	4,147
Total	4,615	14,031

[Other Expenses]

Components of other expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Business structure improvement expenses	5,060	7,608
Loss on sales and disposals of property, plant and equipment, and intangible assets	3,696	1,385
Impairment losses	3,074	856
Special extra retirement payment	1,609	31
Loss on disposal of mass-produced trial products	1,219	–
Others	4,992	5,398
Total	19,654	15,280

[Segment Information]

(a) Reportable segments

Operating segments of the Group are its components for which separate financial data is available and that are examined on a regular basis for the purpose of enabling the Group's management to decide on the allocation of resources and evaluate results of operations. The Group has established business units by product and service category and formulates comprehensive strategies and conducts business activities in Japan and overseas for the products and services of each business unit. The Group comprises operating segments organized by product and service category based on each business unit, and based on the operating segments, the Company determines reportable segments by taking into account the primary usage of products of the respective businesses in the markets and their similarities.

In the current fiscal year, the Company developed a new medium-term business strategy "DX2022," which mainly focuses on executing and achieving positive results for projects and plans implemented or still continuing under "SHINKA 2019," the previous Medium-term Business Plan. The basic policy of "DX2022" is to "leap to more highly profitable businesses through DX" and to "evolve into a company clearly committed to solving social issues." In order to enhance customers' value, the Company has reassessed the classification of the original three business lines, namely Core Business, Growth Business, and New Business, and also reviewed the existing reportable segments in accordance with the new strategy under "DX2022." The new reportable segments are as follows:

i. Digital Workplace Business

The former Office Business is now renamed as "Digital Workplace Business," which is dedicated to support customers' DX and value creation. In detail, the Company has combined MFPs and IT service solutions together with "Workplace Hub," which was originally classified into and reported as "Others," to offer valuable services to customers across different industries and businesses, including offices, hospitals, logistic companies, and manufacturing companies, with an aim to solve their day-to-day issues. All the related operating segments are accounted for under this reportable segment.

ii. Professional Print Business

Professional Print Business fully utilizes digital technology to achieve automation and manpower-saving and to support printing companies in their efforts to generate more value-added businesses. The segment plans to expand its business by shifting to the area of mass printing, including label and packaging printing as well as other industrial printing, given that the market is expected to grow going forward. There is no change for the Professional Print Business in its segment classification.

iii. Healthcare Business

Healthcare Business is comprised of original operating segments and new operating segments. The original operating segment is composed of diagnostic imaging, including X-ray and ultrasound, and medical IT services to support such diagnostic imaging. The new operating segment includes genetic diagnostic service and drug discovery support service, which were originally classified into and reported as "Others." By integrating new and original businesses, the Company is dedicated to provide valuable services, such as prevention of disease, early detection of disease, early diagnosis, and new drug development support.

iv. Industry Business

The former Industrial Business is renamed as "Industry Business." On top of the sensing business as well as the materials and components business, the segment now incorporates the imaging-IoT solutions business, including status monitoring solution using imaging-IoT technology, which was originally classified into and reported as "Others." By integrating these businesses, the Company aims to provide safety, security, and other values to people dedicated to manufacturing work across various industries.

Note that segment information for the fiscal year ended March 31, 2020, presented below is reclassified based on the new reportable segment.

Businesses of each reportable segment are described as follows:

	Business content
Digital Workplace Business	Development, manufacture, and sales of MFPs and related consumables; provision of related services and solutions; provision of IT solution services
Professional Print Business	Development, manufacture, and sales of digital printing systems and related consumables; provision of various printing services and solutions
Healthcare Business	Healthcare Development, manufacture, and sales of, and provision of services for diagnostic imaging systems (digital X-ray diagnostic imaging, diagnostic ultrasound systems, and others); provision of digitalization, networking, solutions, and services in the medical field
	Precision medicine Genetic testing; provision of services related to primary care; provision of drug discovery support services
Industry Business	Sensing Development, manufacture, and sales of measuring instruments
	Materials and Components Development, manufacture, and sales of products, such as functional film displays, OLED lighting, industrial inkjet printheads, and lenses for industrial and professional use
	Imaging-IoT Solutions Development, manufacture, and sales of instruments related to imaging-IoT and visual; provision of related solution services

(b) Information by reportable segment

Information by reportable segment of the Group is as follows. Segment profit refers to operating profit of the segment.

Fiscal year ended March 31, 2020

(Millions of yen)

	Reportable segments					Others	Adjustments (Note 2) (Note 3) (Note 4)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	549,021	210,085	118,516	117,173	994,796	1,305	—	996,101
Intersegment (Note 1)	2,555	432	666	3,712	7,367	17,313	(24,680)	—
Total	551,577	210,518	119,182	120,885	1,002,163	18,618	(24,680)	996,101
Segment profit (loss)	17,706	4,361	(4,362)	14,442	32,149	(1,923)	(22,014)	8,211
Other items								
Depreciation and amortization expenses	37,233	11,714	9,260	11,068	69,275	203	7,625	77,105
Impairment losses on non-financial assets	14	1,698	591	769	3,074	—	—	3,074

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments					Others	Adjustments (Note 2) (Note 3) (Note 4)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	465,212	169,559	109,095	118,232	862,099	1,281	—	863,381
Intersegment (Note 1)	2,288	148	556	2,533	5,527	15,893	(21,420)	—
Total	467,501	169,707	109,651	120,765	867,626	17,174	(21,420)	863,381
Segment profit (loss)	(2,717)	(7,865)	(6,411)	15,622	(1,371)	(642)	(14,252)	(16,266)
Other items								
Depreciation and amortization expenses	35,962	13,054	9,252	11,361	69,631	194	7,742	77,568
Impairment losses on non-financial assets	562	1	220	72	856	—	—	856

(Notes)

1. Intersegment revenue is based on market prices and others.
2. Adjustments of revenue are elimination of intersegment transactions.
3. Adjustments of segment profit are elimination of intersegment transactions and corporate expenses, which consist of general and administrative expenses and basic research expenses not attributable to any of the reportable segments or "Others." They include other revenue and other expenses not attributable to any of the reportable segments.
4. Adjustments of depreciation and amortization expenses are mainly related to equipment not attributable to any of the reportable segments

(c) Information about geographical areas

Revenues from external customers by geographical area are as follows:

(Millions of yen)

Revenue	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Japan	191,789	176,796
USA	279,774	225,423
Europe	294,237	250,158
China	79,247	85,732
Asia	78,463	72,142
Others	72,588	53,128
Total	996,101	863,381

(Note) Revenues are classified based on customers' country of residence; however, when revenues from individual countries are not material, they are categorized by geographical area.

Carrying amounts of non-current assets (excluding financial assets, deferred tax assets, and post-retirement benefit assets) by geographical area are as follows:

(Millions of yen)

Non-current assets	As of March 31, 2020	As of March 31, 2021
Japan	268,883	251,377
USA	222,064	221,044
Europe	120,334	129,947
China	19,658	20,613
Asia	16,542	16,112
Others	4,844	5,190
Total	652,328	644,285

(d) Information about major customers

There was no revenue from transactions with a single external customer that accounts for 10% or more of the Group's revenues.

[Earnings per Share]

Basic and diluted earnings per share are calculated based on the profit attributable to owners of the Company using the following information:

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Millions of yen	Millions of yen
Basis of calculating basic earnings per share		
Profit (loss) for the year attributable to owners of the Company	(3,073)	(15,211)
Profit for the year not attributable to owners of the Company	–	–
Profit (loss) for the year to calculate basic earnings per share	(3,073)	(15,211)
	Thousands of shares	Thousands of shares
Weighted average number of ordinary shares outstanding during the year	494,794	494,755
	Yen	Yen
Basic earnings (loss) per share	(6.21)	(30.75)
Basis of calculating diluted earnings per share	Millions of yen	Millions of yen
Profit (loss) for the year to calculate basic earnings per share	(3,073)	(15,211)
Adjustments of profit for the year	–	–
Profit (loss) for the year to calculate diluted earnings per share	(3, 073)	(15,211)
	Thousands of shares	Thousands of shares
Weighted average number of ordinary shares outstanding during the year	494,794	494,755
Impact of dilutive effects	–	–
Weighted average number of diluted ordinary shares outstanding during the year	494,794	494,755
	Yen	Yen
Diluted earnings (loss) per share	(6.21)	(30.75)

[Events after the Reporting Period]

Not applicable.