



Konica Minolta, Inc. 2nd Quarter/FY2021 ending in March 2022 Consolidated Financial Results

Three months: July 1, 2021 – September 30, 2021
Six months: April 1, 2021 – September 30, 2021
– Announced on November 2, 2021 –

Shoei Yamana
President and CEO
Konica Minolta, Inc.

- **FY2021 Q2 Results**
- **FY2021 Earnings Forecast**
- **Approach to FY2022**
- **Policy on Shareholder Returns**

FY2021 Q2 Results

FY2021 Q2 Performance Overview | Summary



[¥ billions]

	FY2021	FY2020	YoY		FY2021	FY2020	YoY	
	6M	6M	YoY	(W/O Forex)	Q2	Q2	YoY	(W/O Forex)
Revenue	445.1	384.7	+16%	+11%	215.2	211.5	+2%	-2%
Operating Profit	-1.6	-27.9	-	-	-4.7	-5.2	-	-
Profit attributable to owners of the Company	-4.3	-22.2	-	-	-5.3	-4.9	-	-
FOREX [Yen]								
USD	109.80	106.92	+2.88		110.11	106.22	+3.89	
EUR	130.90	121.30	+9.60		129.84	124.11	+5.73	

Q2 Revenue

- Company overall: Despite a robust recovery in real demand, the order backlog (approx. ¥33.0 billion) was high and revenue increased only slightly, mainly owing to delays in the procurement of semiconductors and other components.
- By business: Hardware sales were impacted by the above, resulting in decreased revenue in office printing (OP). Increased revenue in DW-DX, PP/IP, HC/APM, and Industry made up for decreased revenue in OP.

Q2 Operating Profit

- Operating profit: Recovered by around net ¥3.0 billion, when the effects of subsidies, etc., in Q2 FY20 were considered. Industry profit remained high. SG&A for the Company overall remained under ¥100.0 billion.
- Capital efficiency: Quarterly operating CFs remained high in Q2, as in Q1.

FY2021 Q2 Performance | Revenue and profit by Segment



[¥ billions]

Revenue	FY2021		FY2020		YoY		YoY	
	6M	6M	6M	6M	(W/O Forex)	(W/O Forex)	Q2	Q2
Digital Workplace	226.1	211.3	+7%	+2%	104.9	116.7	-10%	-14%
Professional Print	93.5	73.5	+27%	+20%	45.6	41.7	+9%	+4%
Healthcare	56.2	45.4	+24%	+21%	31.0	24.9	+24%	+21%
Industry	68.6	54.0	+27%	+24%	33.3	27.9	+20%	+17%
Sensing	21.9	14.7	+49%	+41%	9.7	7.6	+28%	+22%
Materials and Components	41.3	33.6	+23%	+22%	20.8	17.6	+18%	+18%
Imaging-IoT solutions	5.5	5.7	-3%	-9%	2.9	2.8	+5%	+2%
Corporate, etc.	0.7	0.6	+21%	+40%	0.4	0.3	+13%	+10%
Company overall	445.1	384.7	+16%	+11%	215.2	211.5	+2%	-2%

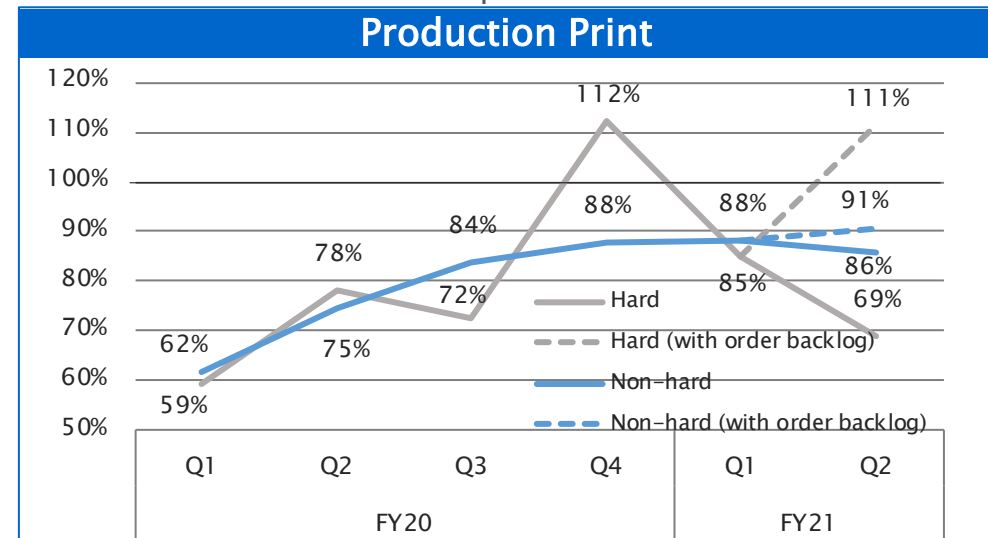
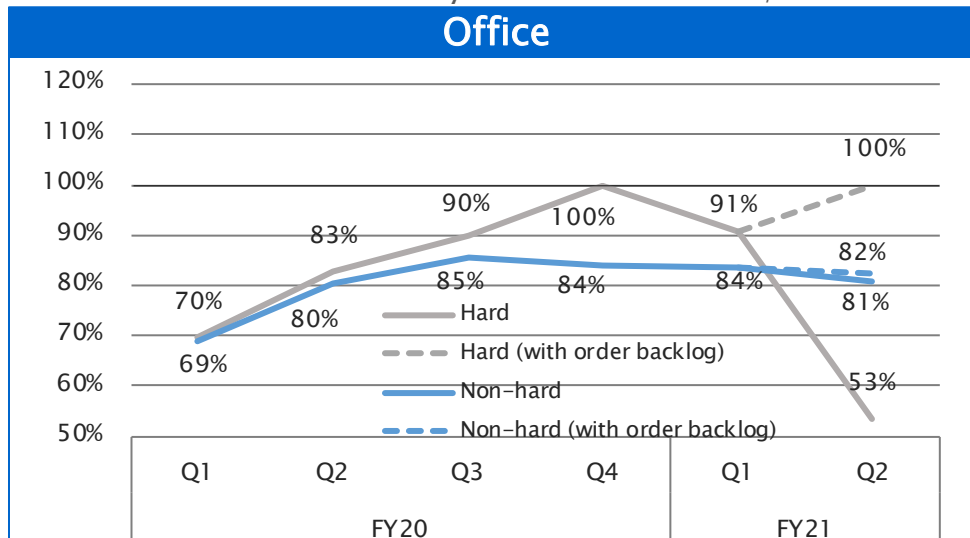
Operating profit/OPM	FY2021		FY2020		YoY		YoY		
	6M	6M	6M	6M	(W/O Forex)	(W/O Forex)	Q2	Q2	
Digital Workplace	-4.4	-	-9.3	-	-	-	-5.4	0.3	-
Professional Print	1.5	1.6%	-8.8	-	-	-	0.5	-1.7	-
Healthcare	-5.3	-	-6.6	-	-	-	-2.1	-1.8	-
Industry	14.5	21.1%	5.1	+186%	+181%	+181%	6.5	2.2	+195%
Corporate, etc.	-7.9	-	-8.3	-	-	-	-4.2	-4.2	-
Company overall	-1.6	-	-27.9	-	-	-	-4.7	-5.2	-

FY2021 Q2 Performance | Progress Toward Targets



Segment		Progress toward targets
Portfolio transformations	REALM IDx, Inc. (APM), subsidiary in the U.S., began IPO preparations in the U.S. Other measures are ongoing.	
Digital Workplace	OP	Hardware: Real demand higher than expected. Order backlog of approx. ¥27.0 billion due to delay in procurement of semiconductors and other components. Non-hard: Real demand less than expected (-1.5%). Major divergence in Japan and the U.S.
	DW-DX	Revenue up 5% YoY (up 13% in MRR*, particularly for managed IT services)
Professional Print	PP	Hardware: Real demand more than expected. Order backlog of approx. ¥6.0 billion from curbs on installation of new equipment following toner shortage caused by accident at toner factory. Non-hard: Real demand more than expected (+3%). Order backlog of ¥1.0 billion from toner shortage caused by factory accident.
	IP	Hardware: Significant increase in revenue centered on MGI digital embellishment printers and textile printers (+48% YoY). Non-hard: Significant YoY increase centered on KM-1 inkjet printers (+47% YoY).

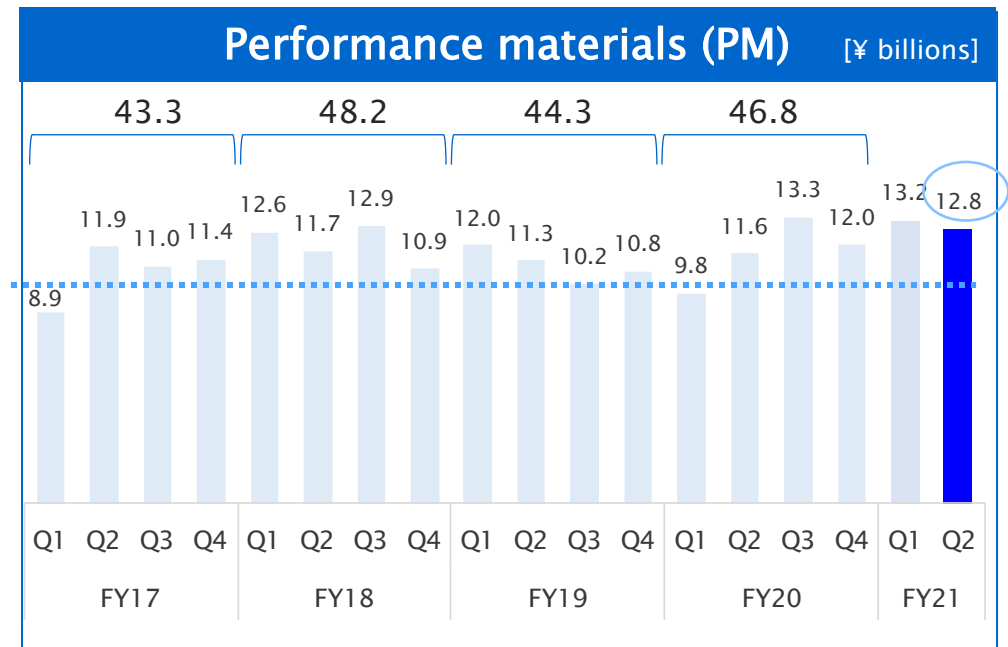
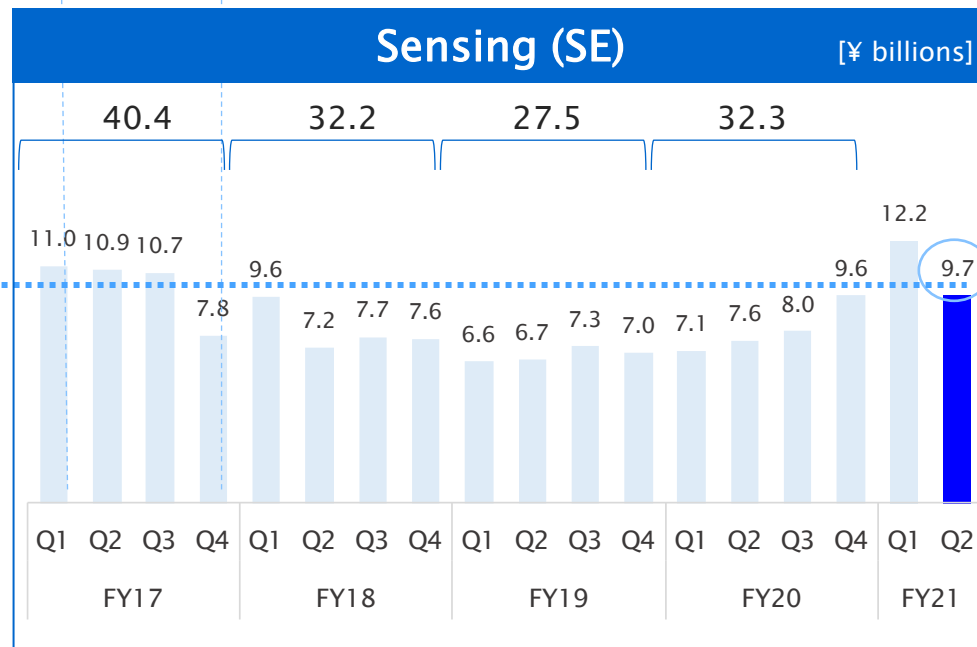
Year-on-year rate of increase/decrease of hard and non-hard revenue compared to FY19



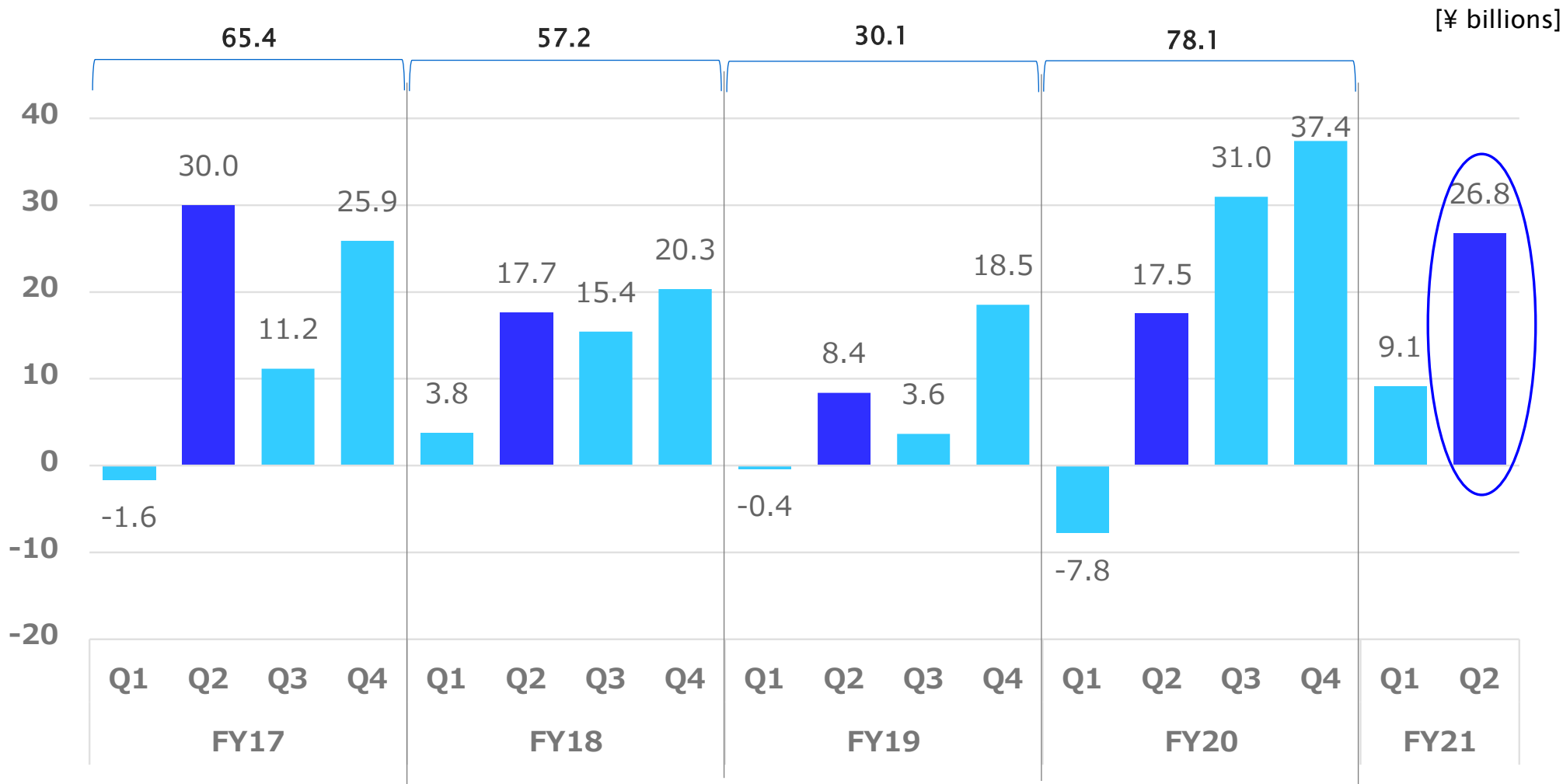
* MRR : Monthly Recurring Revenue

FY2021 Q2 Performance | Progress Toward Targets

Segment		Progress toward targets
Healthcare	HC	Contribution from increased sales of DR (+16% YoY) / diagnostic ultrasound systems (+16% YoY), and pulse oximeters.
	APM	Genetic testing: Continued to increase QoQ, and increased +29% YoY, but the number of samples was less than expected owing to the resurgence of COVID-19. Drug discovery support: Higher than expected thanks to the resumption of clinical trials for Alzheimer's disease, etc. Backlogs were maintained at a high level.
Industry	SE	Orders from major clients for light-source color measurement instruments for displays were solid, as anticipated. Won new orders for automobile visual inspection and HSI (hyperspectral imaging).
	MCH	Performance materials: Phase difference film for TVs (+11% YoY) and thin film for small- and medium-sized devices (+11% YoY) continued to perform well. IJ components: Exceeded target thanks to increased sales of inkjet printheads for industrial applications.



Kept the CCC short and generated high operating CFs in Q2, as in Q1.
No impact on full-year outlook.



FY2021 Earnings Forecast

Digital Workplace / Professional Print

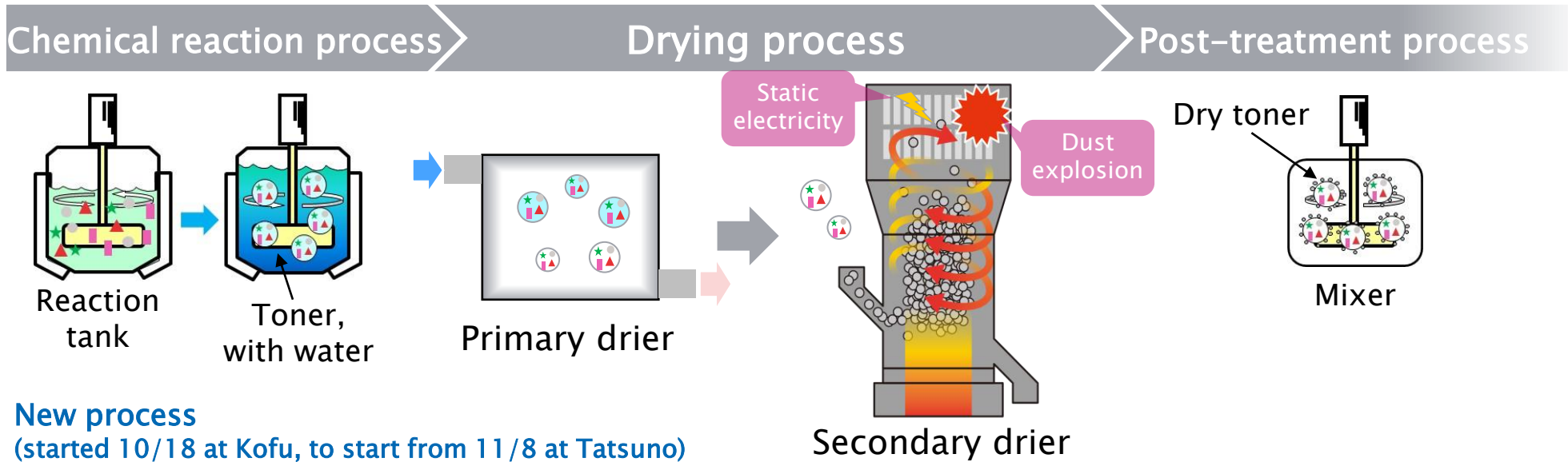
Changes in environment		Impact on business performance	
		Office (OP)	Production print (PP)
External factors	COVID-19 impact (mainly on demand side)	<ul style="list-style-type: none"> Hardware: Demand to continue to recover as expected Non-hard: Entrenchment of work styles associated with the new normal 	<ul style="list-style-type: none"> Hardware: Demand to continue to recover as expected Non-hard: No change from expected demand
	Procurement of semiconductors and other components	<ul style="list-style-type: none"> Hardware: Production around 70% of real demand in H2 (55% in Q3 and 85% in Q4) 	
Internal factors	Impact of toner factory accident	<ul style="list-style-type: none"> Toner: Production at approx. 75% of real demand in H2 (55% in Q3 and 95% in Q4) 	
			<ul style="list-style-type: none"> Prioritize toner supply to existing customers and curb hardware sales

Company overall

Perceptions of environment as basis		
External factors	Electric power issues in China	<ul style="list-style-type: none"> Negligible impact by each measure, but strengthening the preparation for the winter when the demand increases
	Supply chain	<ul style="list-style-type: none"> Continuing container shortages, port congestion, logistics labor shortages, rapid increases in freight rates, and longer shipping-arrival lead times as a result of increasing economic activity

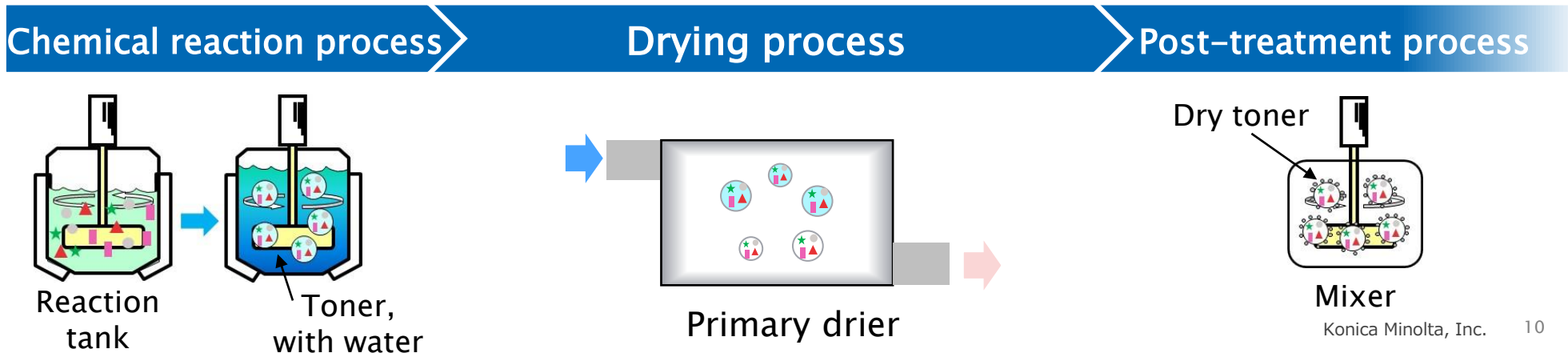
Restarting operation with a new process that eliminates the secondary drying process, which caused the explosion

Former process



New process

(started 10/18 at Kofu, to start from 11/8 at Tatsuno)



FY2021 Earnings Forecast

[¥ billions]

	FY2021 Forecast (Current)	FY2021 Forecast (Previous)	FY2020 Result	Difference	
Revenue	890.0	940.0	863.4	+3%	
Operating Profit	12.0	36.0	-16.3		
Profit attributable to owners of the Company	1.5	19.0	-15.2		
	FOREX [Yen]				
	USD	105.0	105.0	106.1	-1.1
	EUR	125.0	125.0	123.7	+1.3

Full-Year Earnings Forecast

- **Forex:** Maintaining assumption of ¥125/EUR and ¥105/USD.
- **Revenue:** Revised downward by ¥50.0 billion considering delays in component procurement and tight toner supply resulting in lower H2 hardware sales, as well as progress in H1.
- **Operating profit:** Revised downward by ¥24.0 billion considering lower gross profit from a decline in revenue, mainly owing to hardware supply limits, as well as progress in H1.

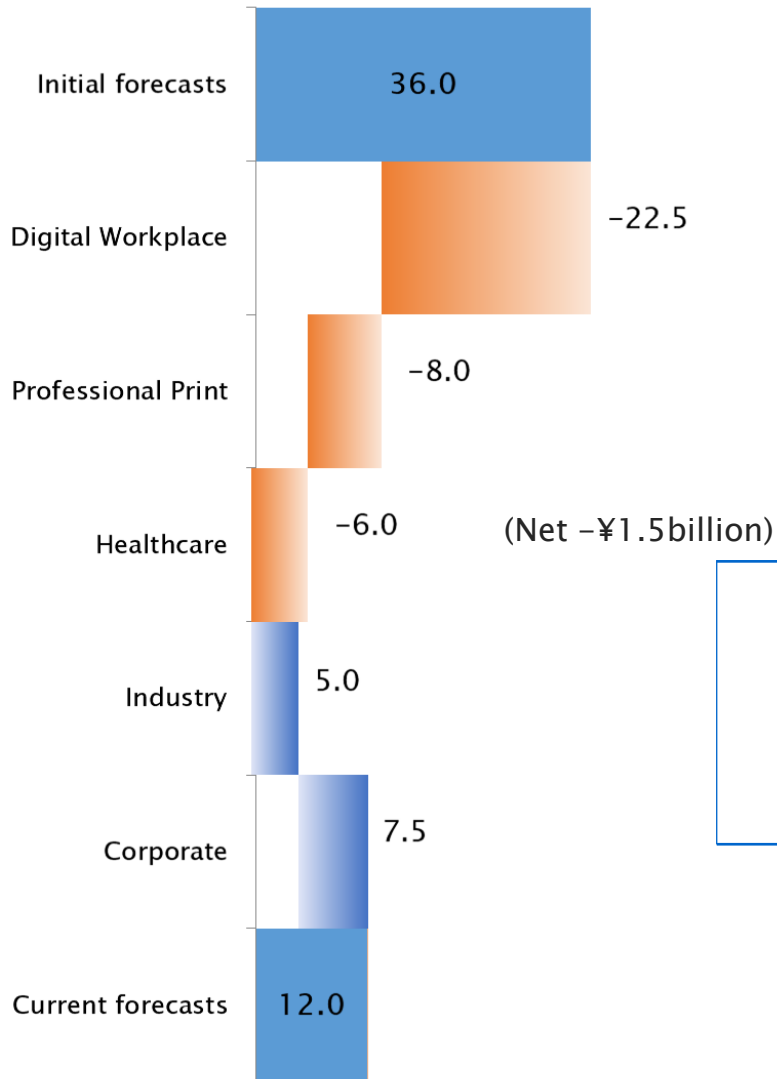
FY2021 Earnings Forecast | Revenue and profit by Segment



Revenue	FY2021 Forecast (Current)	FY2021 Forecast (Previous)	FY2020 12M Results
Digital Workplace	470.0	500.0	465.2
Professional Print	180.0	203.0	169.6
Healthcare	122.0	122.0	109.1
Industry	147.5	144.5	118.2
Sensing	41.0	39.0	32.3
Materials and components	89.5	86.5	73.7
Imaging-IoT solutions	17.0	19.0	12.2
Corporate, etc.	-29.5	-29.5	1.3
Company overall	890.0	940.0	863.4

Operating Profit / OPM	FY2021 Forecast (Current)		FY2021 Forecast (Previous)		FY2020 12M Results
Digital Workplace	10.0	2.1%	32.5	6.5%	-2.7 -
Professional Print	-2.0	-	6.0	3.0%	-7.9 -
Healthcare	-7.0	-	-1.0	-	-6.4 -
Industry	28.0	19.0%	23.0	15.9%	15.6 13.2%
Corporate, etc.	-17.0	-	-24.5	-	-14.9 -
Company overall	12.0	1.3%	36.0	3.8%	-16.3 -

[¥ billions]



Operating profit: main reasons for change from initial forecasts

Reduction of production volume owing to tight supply of semiconductors and other components, 70% of actual demand, limits on hardware sales

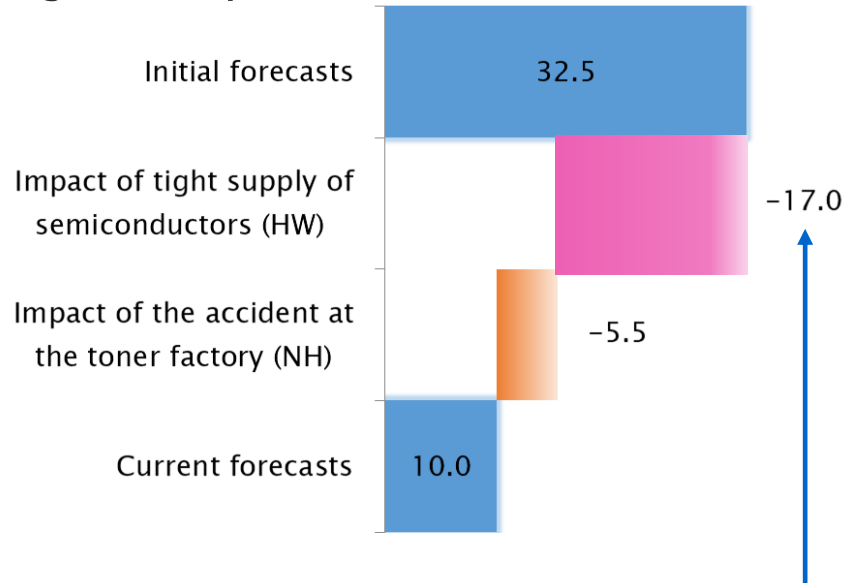
Curbs on hardware sales as a result of toner shortages caused by an accident at toner factory, and a decline in non-hard revenue (mainly in Q3)

¥1.5billion due to resurging COVID-19 in the U.S. Others were transferred costs from corporate in previous forecast.

Full-year contribution from sensing exceeding forecast in Q1, rollout of high value-added products in performance materials

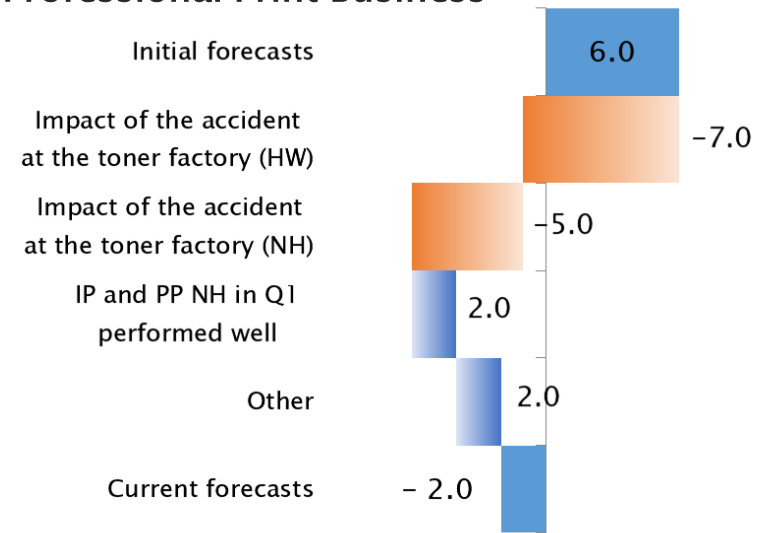
Expenses related to capital policy (¥2.5billion), transfer of some development departments to Healthcare (¥2.0billion), + cost reduction

Digital Workplace Business



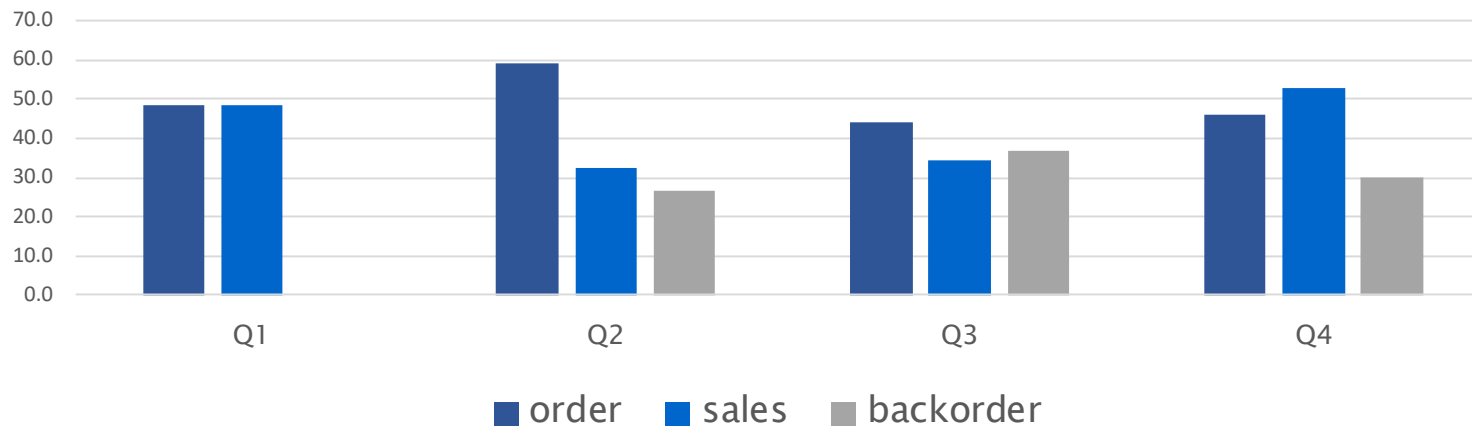
Professional Print Business

[¥ billions]



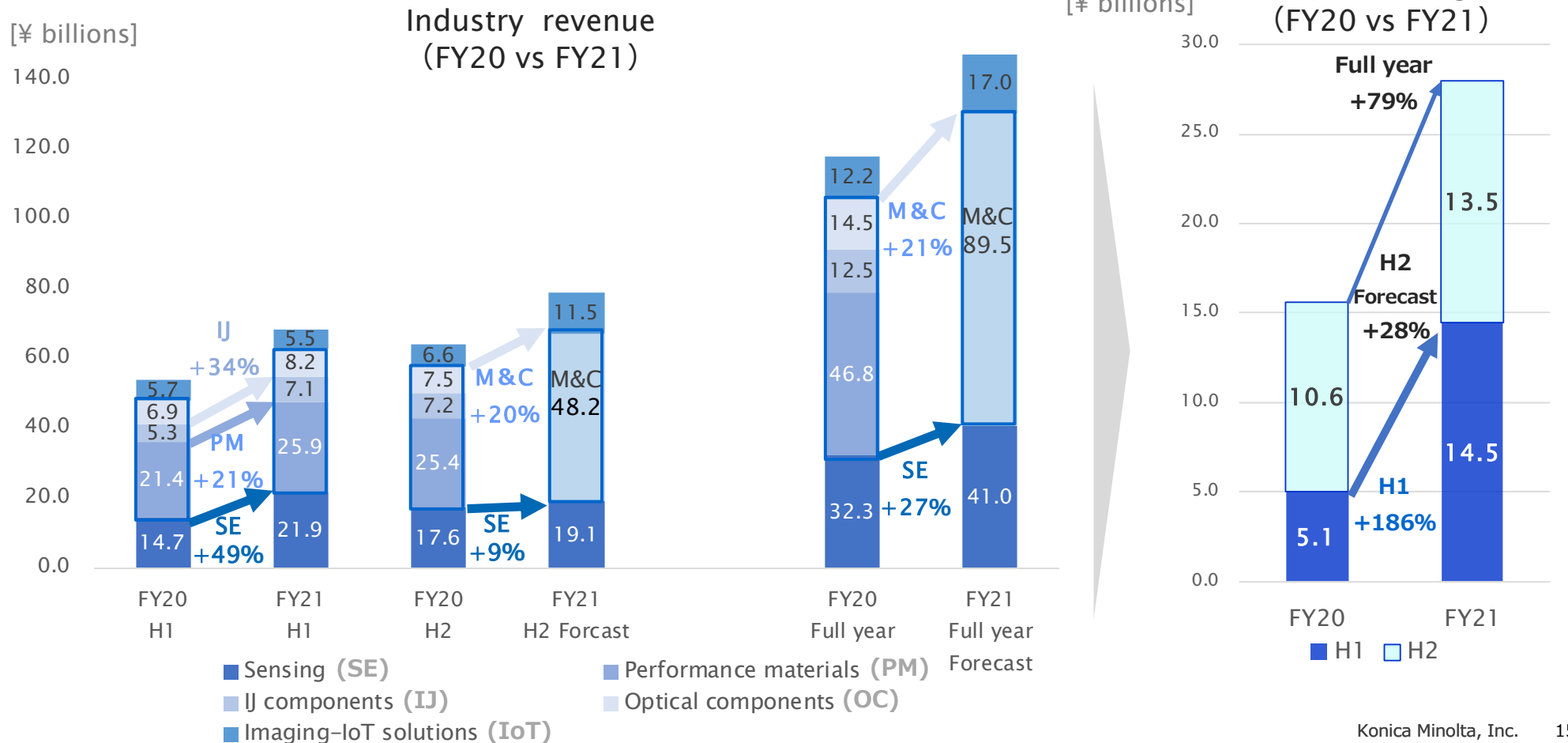
A3 MFPs

Impact of tight supply of semiconductors



FY2021 Earnings Forecast | Industry Full-year Operating Profit

- **H1:** Operating profit increased approx. 3x from the previous year, driven by increased revenue from sensing, performance materials, and IJ
- **H2:** Forecast 28% increase in profit, from sensing remaining high (weighted in Q4), while materials and components revenue grows
- **Full-year:** Forecast approx. 80% increase in profit over the full year, from significant increase in profit in H1 and solid profit growth in H2



Approach to FY2022

Complete Two Portfolio Transformations, FY2022 Operating Profit Forecast of ¥55.0 Billion



Transform Office Business to the Digital Workplace Business using customer base

Impact from FY21 earnings forecast revisions (downside)	Impact of tight supply of semiconductors and other components in H1
Measures to recover from above downside risk	<ul style="list-style-type: none"> ■ Implement additional measures to reduce fixed costs (FY22) ■ Strengthen the structure of the DW-DX business and grow earnings (make local government DX business a subsidiary, etc.)

Business growth in “Measurement, Inspection, and Diagnosis” field

Industry	<ul style="list-style-type: none"> ■ Strengthen integrated operation in the Industry Business ■ Business expansion in growth industry fields (automotive, pharmaceutical, food, recycling, energy), and acceleration of expansion through M&A and other measures ■ Grow recurring revenue with increase in number of FORXAI partners
Healthcare	<ul style="list-style-type: none"> ■ Improvements in profitability from Asia business expansion and strengthening and expanding of partnerships ■ Preparation of IPO for REALM ID x , Inc. ■ Utilizing AWS cloud service to integrate and analyze data, and build Lattice platform
Professional Print	<ul style="list-style-type: none"> ■ Accelerating expansion of digital printing markets from rising demand for commercial on-demand printing ■ Acquire new customers among medium- and large-scale printing companies with HPP/industrial printers

- **Office non-hard:** At one point in FY21, we assumed that revenue returned to 90% of the FY19 level, at which point it was expected to fall by an annual rate of 4%. But as current expectation in FY21, work styles associated with the new normal become entrenched, resulting in revenue falling back to 86%, and it's expected to remain flat in FY22. No significant difference from existing expectations for FY22.

Regarding interim dividend and period-end dividend forecast

- Capital policy: Raise ability to generate cash with earnings structure reforms and transformation of business portfolio; maintain and improve shareholder returns while making carefully selected growth investments.
- In H1 FY21, operating CFs remained at a high level, as in Q1, continuing a recovery trend that has been ongoing since Q2 FY20.
- Earnings forecasts for FY21 have been revised downward from initial forecasts owing both to external factors such as the tight supply of semiconductors and other components, and internal factors (toner factory accident). However, these factors are not permanent, and performance is expected to normalize in H1 FY22. The Company will focus strongly on achieving operating profit of ¥55.0 billion in FY22 through additional measures to strengthen profitability.
- According to the above approach, the interim dividend for FY21 is ¥15 per share, the same as the initial forecast. The annual dividend forecast is unchanged at ¥30 per share (interim dividend of ¥15 per share and period-end dividend of ¥15 per share).

- Today, November 2 **1st Half FY2021 financial results announcement**
 - Revisions to full-year earnings forecasts for FY2021 and main reasons for revisions
 - Impact on FY2022 forecast and policies for responding

- February 2022 **3rd Quarter FY2021 financial results announcement**
 - Update on impact on FY2022 forecast
 - Measures to respond to downside risk in DW Business

- Mid to late February 2022 **Management Policy Briefing**
 - Specific measures to complete portfolio transformations in FY2025



KONICA MINOLTA

Appendix

[¥ billions]

Revenue · Operating Profit

FY19		Q1	Q2	Q3	Q4	6M
Revenue	OP	116.4	120.9	119.6	116.6	237.4
	DW-DX	18.5	18.2	19.9	18.8	36.8
	total	135.0	139.1	139.5	135.4	274.1
OP		5.5	7.8	4.3	0.1	13.3
OP margin		4.0%	5.6%	3.1%	0.1%	4.8%
FY20		Q1	Q2	Q3	Q4	6M
Revenue	OP	78.3	98.2	104.2	107.9	176.5
	DW-DX	16.3	18.5	20.8	21.1	34.7
	total	94.6	116.7	125.0	128.9	211.3
OP		-9.6	0.3	3.1	3.5	-9.3
OP margin		-	0.3%	2.5%	2.7%	-
FY21		Q1	Q2	Q3	Q4	6M
Revenue	OP	102.9	85.5			188.5
	DW-DX	18.2	19.4			37.7
	total	121.2	104.9			226.1
OP		1.1	-5.4			-4.4
OP margin		0.9%	-			-

- ✓ Delayed recovery in office hardware revenue.

Q2 Summary

Office (OP)

- In hardware, unit sales fell as supply failed to keep up with the recovery in demand owing to shortages of semiconductors and other components (down 29%, down 39% vs. FY19).
- Non-hard sales increased slightly as PV recovered moderately in line with employees' return to the office at client companies (up 1%, down 19% vs. FY19 excl. forex).
- By region, revenue was down 29% in the U.S., down 24% in Europe, down 9% in China, and down 14% in Japan.

DW-DX (DW-DX)

- In managed IT services, security services grew in the U.S. and MRR* increased.
- In digital workflow solutions, sales grew in the U.S., partly thanks to the acquisition of large contracts from state governments.
- Workplace Hub Smart saw increases in the number of orders and average spend per customer. In Europe, the Company installed major projects.

* MRR : Monthly Recurring Revenue

[¥ billions]

Revenue · Operating Profit

FY19		Q1	Q2	Q3	Q4	6M
Revenue	PP	34.2	35.4	37.5	33.5	69.6
	IP	3.8	5.8	5.1	6.0	9.6
	MS	12.6	11.5	12.8	11.9	24.1
	total	50.6	52.7	55.4	51.4	103.3
OP		1.1	1.0	2.9	-0.7	2.1
OP margin		2.1%	2.0%	5.3%	-	2.0%
FY20		Q1	Q2	Q3	Q4	6M
Revenue	PP	20.4	27.1	29.5	32.7	47.5
	IP	2.9	4.3	4.8	6.3	7.2
	MS	8.4	10.2	11.0	11.7	18.7
	total	31.8	41.7	45.3	50.8	73.5
OP		-7.1	-1.7	0.0	0.9	-8.8
OP margin		-	-	-	1.8%	-
FY21		Q1	Q2	Q3	Q4	6M
Revenue	PP	30.3	29.2			59.5
	IP	5.9	6.2			12.1
	MS	11.7	10.2			21.9
	total	47.9	45.6			93.5
OP		1.0	0.5			1.5
OP margin		2.0%	1.1%			1.6%

- ✓ Recovery in PP is somewhat delayed. IP growth.

Q2 Summary

Production print (PP)

- In hardware, toner supply shortages were expected because of the accident at the toner factory. The Company prioritized toner supply to existing customers and curbed sales activities and shipments by region. Delays to logistics for North America have also had an impact, resulting in lower unit sales (down 17%, down 41% vs. FY19).
- Demand for non-hard recovered in Europe and the U.S., particularly for medium- and large-scale printing companies, and China is continuing to grow, resulting in higher revenue (up 15%, down 14% vs. FY19 excl. forex).

Industrial print (IP)

- In hardware, sales increased significantly over the previous year for digital embellishment printers and textile printers.
- In non-hard, revenue increased YoY for all KM-1, label printers, digital embellishment printers and textile printers.

Marketing services (MS)

- Revenue increased thanks to the acquisition of major contracts in Europe and the U.S.
- In Japan, the recovery in corporate promotion demand is delayed, owing to the extension of the state of emergency.

[¥ billions]

Revenue · Operating Profit

FY19		Q1	Q2	Q3	Q4	6M
Revenue	HC	18.6	26.4	18.1	24.7	45.1
	APM	7.2	7.4	7.7	8.3	14.6
	total	25.9	33.8	25.9	33.0	59.7
OP		-2.1	-1.2	-0.4	-0.6	-3.3
OP margin		-	-	-	-	-
FY20		Q1	Q2	Q3	Q4	6M
Revenue	HC	16.4	19.1	20.0	27.9	35.5
	APM	4.1	5.9	8.2	7.6	9.9
	total	20.5	24.9	28.2	35.5	45.4
OP		-4.7	-1.8	-0.5	0.7	-6.6
OP margin		-	-	-	1.9%	-
FY21		Q1	Q2	Q3	Q4	6M
Revenue	HC	17.2	22.6			39.8
	APM	8.0	8.4			16.4
	total	25.2	31.0			56.2
OP		-3.2	-2.1			-5.3
OP margin		-	-			-

- ✓ Revenue rose for both HC and APM. HC performed well in Japan. Revenue of drug discovery support service recovered.

Q2 Summary

Healthcare (HC)

- DR sales volume increased significantly in Japan and the U.S. In Asia, sales volume increased thanks to higher demand for infection-prevention applications.
- In diagnostic ultrasound systems, sales grew, particularly for orthopedics and anesthesiology in Japan, as well as in Asia.
- Sales of pulse oximeters increased significantly to local governments in Japan.
- In medical IT, sales of infomity in Japan continued to grow, and in the U.S., sales of PACS continued to recover.

Precision medicine (APM)

- In genetic testing, the number of tests increased due to an expansion of the number of CARE Program sites, while RNA tests also increased. As a result, the number of samples continued to rise.
- In drug discovery support services, projects had continued to be put on hold owing to a decline in the number of clinical trial participants. But revenue recovered, partly thanks to the resumption of clinical trials for Alzheimer's disease, etc.

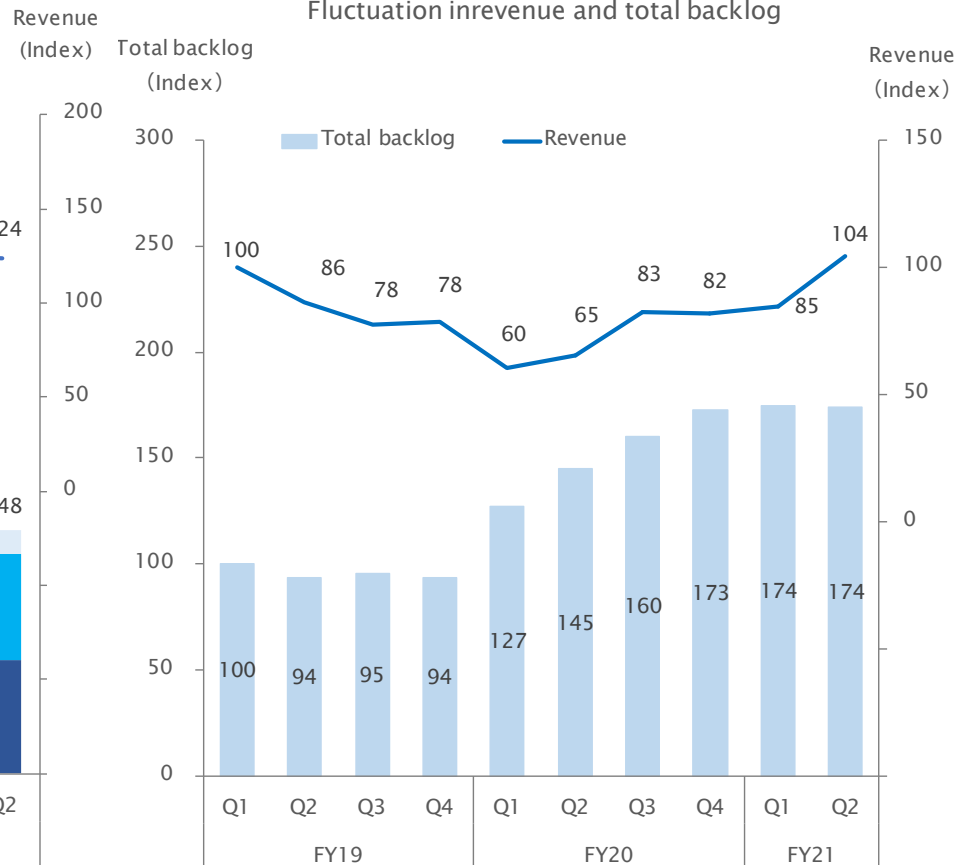
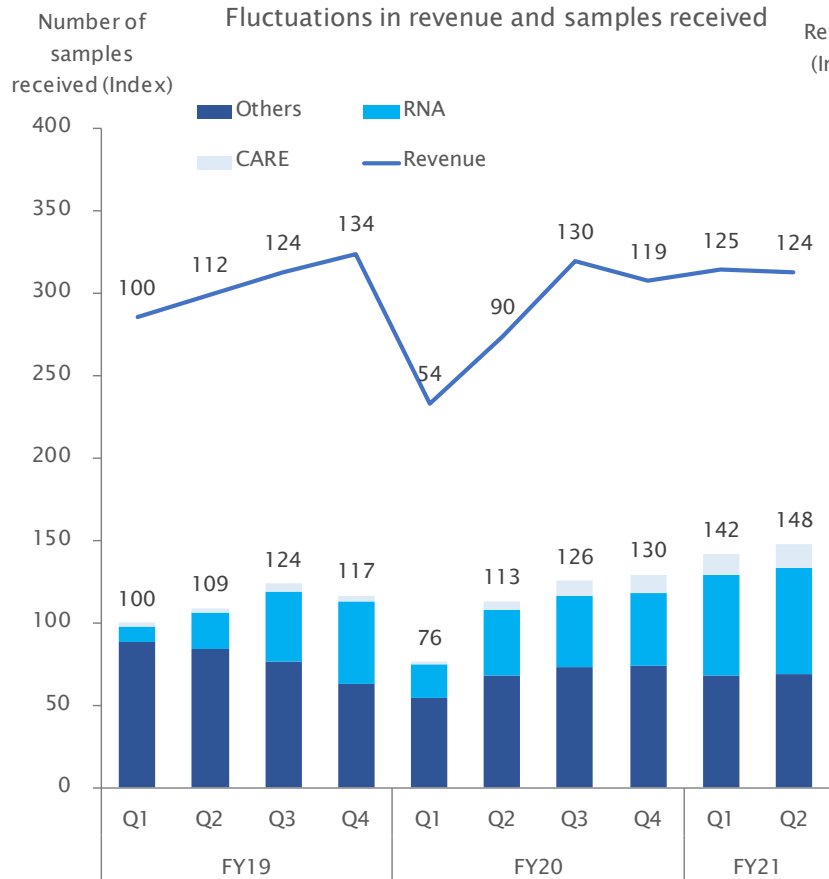
- Genetic testing: The number of samples continued to rise, but failed to hit targets owing to the impact of the resurgence of COVID-19 in the U.S.
- Drug discovery support: Revenue increased, partly thanks to the resumption of clinical trials for Alzheimer’s disease, etc. and backlogs were maintained as anticipated.

Ambry (AG)

Invicro (IC)

Ambry Genetics:

Invicro:



*Indexed with FY2019 Q1 as 100.

[¥ billions]

Revenue · Operating Profit

FY19		Q1	Q2	Q3	Q4	6M
Revenue	SE	6.6	6.7	7.3	7.0	13.2
	M&C	21.0	20.5	18.9	18.5	41.4
	IIS	2.5	2.7	2.3	3.4	5.2
	total	30.0	29.8	28.5	28.9	59.9
OP		3.2	3.7	4.2	3.2	6.9
OP margin		10.7%	12.5%	14.9%	11.2%	11.6%
FY20		Q1	Q2	Q3	Q4	6M
Revenue	SE	7.1	7.6	8.0	9.6	14.7
	M&C	16.1	17.6	20.5	19.6	33.6
	IIS	2.9	2.8	3.0	3.5	5.7
	total	26.1	27.9	31.5	32.8	54.0
OP		2.8	2.2	4.8	5.8	5.1
OP margin		10.9%	7.9%	15.1%	17.7%	9.4%
FY21		Q1	Q2	Q3	Q4	6M
Revenue	SE	12.2	9.7			21.9
	M&C	20.5	20.8			41.3
	IIS	2.6	2.9			5.5
	total	35.2	33.3			68.6
OP		8.0	6.5			14.5
OP margin		22.6%	19.5%			21.1%

- ✓ Steady increase in quarterly revenue and operating profit from FY19, driven by SE and PM

Q2 Summary

Optical systems for industrial use: Measuring instruments (MI)

- In light-source color measurement instruments, steadily won orders from major clients and captured display demand in Asia, while object color measurement also driven by U.S. demand, revenue increased YoY. Also steadily won new orders in visual inspection and HSI sector.
- Significant YoY increase in revenue in Q2 and H1, even excluding new consolidation of Specim, which was acquired.

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

- In PM, began sales of new resin “SANUQI” as anti-reflection film for OLED TVs. Sales of high value-added products steadily increased for large TVs and IT applications, leading to a YoY increase in revenue.
- Solid recovery in IJ in Europe, the U.S., and India. Industrial applications, a growth field, grew, and the launch of new UV ink printer models equipped with the Company’s printheads for the sign graphics market also contributed to a YoY increase in revenue.

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

- In IIS, good sales of surveillance camera solutions in Europe contributed to an increase in YoY revenue. “FORXAI” partners increased, and the rollout of solutions was accelerated.

FY2021 Q2 Business Segment | Industry Business (Detail by BU)

[¥ billions]

FY19		Q1	Q2	Q3	Q4	6M
Revenue	SE	6.6	6.7	7.3	7.0	13.2
	M&C	21.0	20.5	18.9	18.5	41.4
	PM	12.0	11.3	10.2	10.8	23.2
	OC	4.8	5.3	5.2	4.4	10.1
	IJ	4.2	3.9	3.5	3.2	8.1
	IIS	2.5	2.7	2.3	3.4	5.2
	IIS	1.9	2.0	1.6	2.2	3.8
	VS	0.6	0.8	0.7	1.2	1.3
	total	30.0	29.8	28.5	28.9	59.9
OP	3.2	3.7	4.2	3.2	6.9	
OP margin	10.7%	12.5%	14.9%	11.2%	11.6%	

FY21		Q1	Q2	6M
Revenue	SE	12.2	9.7	21.9
	M&C	20.5	20.8	41.3
	PM	13.2	12.8	25.9
	OC	3.8	4.4	8.2
	IJ	3.5	3.6	7.1
	IIS	2.6	2.9	5.5
	IIS	2.3	2.4	4.6
	VS	0.3	0.5	0.8
	total	35.2	33.3	68.6
OP	8.0	6.5	14.5	
OP margin	22.6%	19.5%	21.1%	

FY20		Q1	Q2	Q3	Q4	6M
Revenue	SE	7.1	7.6	8.0	9.6	14.7
	M&C	16.1	17.6	20.5	19.6	33.6
	PM	9.8	11.6	13.3	12.0	21.4
	OC	3.8	3.2	4.0	3.6	6.9
	IJ	2.5	2.8	3.2	4.0	5.3
	IIS	2.9	2.8	3.0	3.5	5.7
	IIS	2.7	2.3	2.0	2.0	5.0
	VS	0.2	0.4	1.0	1.6	0.6
	total	26.1	27.9	31.5	32.8	54.0
OP	2.8	2.2	4.8	5.8	5.1	
OP margin	10.9%	7.9%	15.1%	17.7%	9.4%	

Abbreviation

- SE Sensing field
- M&C Materials and Components field
- PM Performance materials
- OC Optical components
- IJ IJ components
- IIS Imaging-IoT solutions field
- IIS Imaging-IoT solutions
- VS Visual solutions

FY2021 Q2 Consolidated Financial Statements

Consolidated Statements of Cash Flows

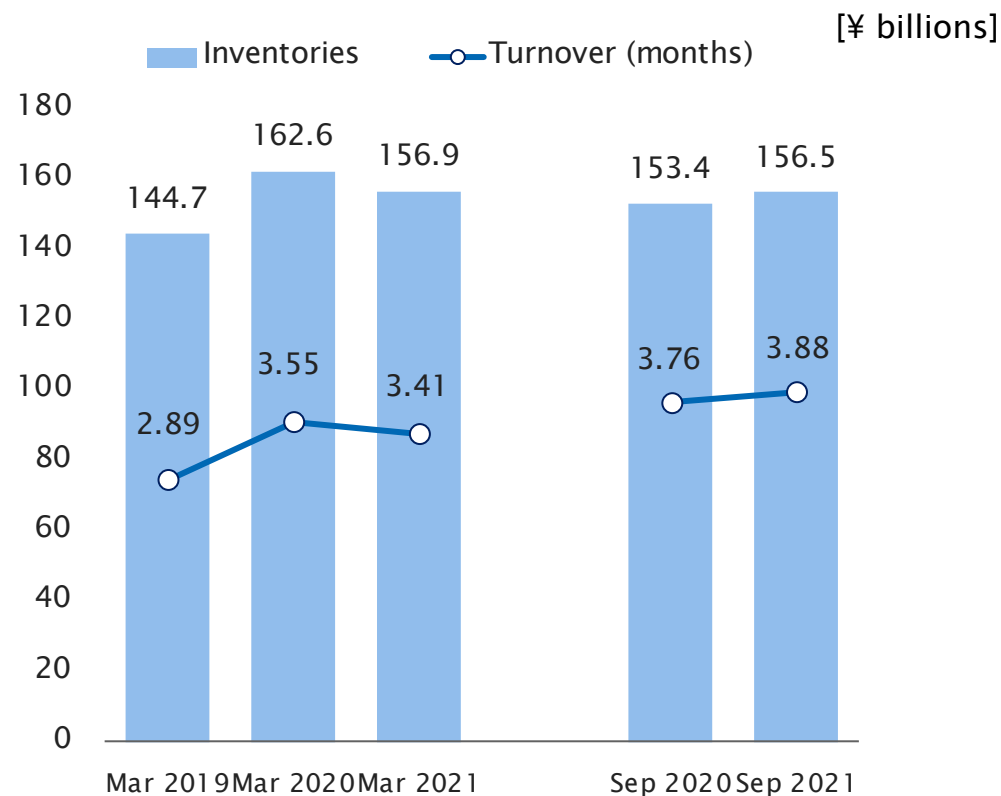


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Despite booking a loss before tax, Q2 operating CFs remained high, as in Q1, partly thanks to efforts to limit the CCC.

As a result, operating CFs and FCFs in H1 improved significantly compared to the last two previous fiscal years.

	FY19 6M	FY20 6M	FY21 6M
Profit (loss) before tax	1.6	-30.9	-2.7
Depreciation and amortization expenses	38.0	39.0	37.8
(Increase) decrease in trade and other receivables	-3.6	29.8	21.8
(Increase) decrease in inventories	-16.0	10.1	1.5
Increase (decrease) in trade and other payables	-2.2	-32.4	-14.3
Othes	-9.8	-5.9	-8.2
Cash flows from operating activities	8.0	9.7	35.9
Purchase of property, plant and equipment	-17.3	-12.9	-18.3
Purchase of intangible assets	-5.8	-5.7	-8.9
Purchase of investments in subsidiaries	-3.3	-0.2	-
Others	-0.1	2.0	3.3
Net cash provided by (used in) investing activities	-26.5	-16.8	-23.9
Free cash flows	-18.6	-7.1	11.9



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

Appendix Financial Result – Overview



[¥ billions]

	FY2021			FY2020					
	6M	6M	YoY	Q2	Q2	YoY			
Revenue	445.1	384.7	+ 16%	215.2	211.5	+ 2%			
Gross Profit	195.4	161.0	+ 21%	94.1	89.3	+ 5%			
Gross Profit ratio	43.9%	41.8%	+2.1pt	43.7%	42.2%	+1.5pt			
Operating Profit	-1.6	-27.9	-	-4.7	-5.2	-			
Operating Profit ratio	-	-	-	-	-	-			
Profit before tax	-2.7	-30.9	-	-5.3	-7.1	-			
Profit before tax ratio	-	-	-	-	-	-			
Profit attributable to owners of the Company	-4.3	-22.2	-	-5.3	-4.9	-			
Profit attributable to owners of the Company ratio	-	-	-	-	-	-			
EPS [Yen]	-8.75	-44.93		-10.73	-9.98				
CAPEX	18.2	21.4		9.4	15.0				
Depreciation and Amortization Expenses *	27.9	28.5		13.9	14.3				
R&D expenses	31.4	32.6		16.1	16.5				
FCF	11.9	-7.1		14.7	6.9				
Investment and lending	0.0	3.7		0.0	3.5				
	FOREX [Yen]	USD		109.80	106.92	+2.88	110.11	106.22	+3.89
		EUR		130.90	121.30	+9.60	129.84	124.11	+5.73

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



Appendix SG&A–Other Income/ Expenses–Finance Income/Loss

[¥ billions]

	FY2021 6M	FY2020 6M	YoY	FY2021 Q2	FY2020 Q2	YoY
SG&A						
Selling expenses – variable	17.2	16.1	+1.1	8.5	9.1	– 0.6
R&D expenses	31.4	32.6	– 1.2	16.1	16.5	– 0.4
Personnel expenses	95.7	91.1	+4.6	47.2	45.6	+1.5
Others	54.1	51.1	+3.0	27.4	26.1	+1.3
SG&A total	198.4	190.9	+7.4	99.1	97.3	+1.9
		<i>* Forex impact:</i>				
			<i>+6.9bn. (Actual: +0.6 bn.)</i>			<i>+2.9 bn. (Actual: –1.0 bn.)</i>
Other income:						
Other income total	4.7	7.5	– 2.8	1.5	4.4	– 2.9
Other expenses						
Loss on sales of property, plant and equipment	0.7	0.4	+0.2	0.3	0.2	+0.1
Business structure improvement costs	0.8	2.8	– 2.1	0.1	0.4	– 0.3
Other expenses	1.9	2.2	– 0.2	0.7	1.0	– 0.2
Other expenses total	3.4	5.4	– 2.1	1.2	1.6	– 0.5
Finance income/loss:						
Interest income/Dividends received/Interest expense	–1.6	–2.0	+0.4	–1.0	–1.1	+0.1
Foreign exchange gain/loss (net)	–0.2	–0.6	+0.5	–0.3	–0.3	+0.1
Others	0.5	–0.5	+1.0	0.7	–0.4	+1.0
Finance income/loss, net	–1.2	–3.1	+1.9	–0.6	– 1.8	+1.2

Appendix Operating Profit Analysis

[¥ billions]

Comparison of Y on Y FY21/6M vs. FY20/6M	Digital Workplace	Professional Print	Healthcare	Industry	corporate, etc.	Total
[Factors]						
Forex impact	+2.3	+1.6	+0.2	+0.3	- 0.2	+4.2
Sales volume change, and other, net	+0.9	+8.0	+4.9	+10.1	+0.1	+24.1
Price change	- 0.6	- 0.1	+0.2	- 0.2	-	- 0.8
Cost up/down	+0.1	- 0.0	-	-	-	+0.1
SG&A change, net	+2.0	+1.6	- 4.4	- 0.6	+0.7	- 0.6
Other income and expense	+0.1	- 0.7	+0.3	- 0.3	- 0.3	- 0.7
[Operating Profit]						
Change, YoY	+4.9	+10.2	+1.3	+9.4	+0.4	+26.3
Comparison of Y on Y FY21/Q2 vs. FY20/Q2	Digital Workplace	Professional Print	Healthcare	Industry	corporate, etc.	Total
[Factors]						
Forex impact	+0.8	+0.7	+0.1	+0.1	- 0.1	+1.7
Sales volume change, and other, net	- 5.7	+0.9	+1.8	+4.8	- 0.0	+1.8
Price change	- 1.0	+0.1	-	- 0.4	-	- 1.4
Cost up/down	- 0.0	- 0.1	-	-	-	- 0.1
SG&A change, net	+2.0	+1.0	- 2.3	- 0.2	+0.5	+1.0
Other income and expense	- 1.8	- 0.4	+0.1	+0.0	- 0.4	- 2.4
[Operating Profit]						
Change, YoY	- 5.7	+2.2	- 0.3	+4.3	+0.1	+0.6

Appendix Consolidated Statements of Financial Position

[¥ billions]

	Mar 2020	Mar 2021	Sep 2021
Cash and cash equivalents	89.9	123.8	109.3
Trade and other receivables	260.9	262.8	242.4
Inventories	162.6	156.9	156.5
Other current assets	37.8	38.4	34.4
Total current assets	551.2	582.0	542.6
Property, plant and equipment	309.5	292.5	283.8
Goodwill and intangible assets	337.8	347.5	348.8
Othe non-current assets	78.4	77.7	76.6
Total non-current assets	725.6	717.7	709.1
Total assets	1,276.8	1,299.8	1,251.7

	Mar 2020	Mar 2021	Sep 2021
Trade and other payables	162.9	185.8	163.7
Bonds and borrowings	289.3	315.3	304.3
Lease liabilities	114.2	95.4	95.2
Othe liabilities	176.6	152.6	162.8
Total liabilities	743.0	749.0	726.0
Equity attributable to owners of the Company	523.7	539.9	514.5
Non-controlling interests	10.0	10.8	11.3
Total equity	533.8	550.7	525.7
Total liabilities and equity	1,276.8	1,299.8	1,251.7
	Mar 2020	Mar 2021	Sep 2021
Equity ratio (%)	41.0	41.5	41.1
Equity ratio for company rating (%)	44.9	45.3	45.1
D/E ratio	0.77	0.76	0.78

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

Appendix FOREX Impact on Revenue and Operating Profit

[FOREX : ¥]

[Impact, Sensitivity : ¥ billions]

	FY20	FY21	YoY Impact		FX Sensitivity*2	
	6M	6M	Revenue	OP	Revenue	OP
USD	106.92	109.80	+3.8	- 0.2	+2.9	- 0.2
EUR	121.30	130.90	+7.1	+2.7	+1.6	+0.4
GBP	135.38	152.50	+1.8	- 0.1	+0.2	+0.0
European Currency*1	-	-	+10.1	+2.7	+2.1	+0.7
CNY	15.26	16.99	+3.0	+1.4	+3.5	+1.5
Other	-	-	+2.5	+0.8	-	-
Exchange contract effect	-	-	- 0.1	- 0.6	-	-
Total	-	-	+19.4	+4.2	-	-

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

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

Appendix FY2021 Earnings Forecast | Summary



[¥ billions]

	FY2021	FY2021	FY2020 12M	
	Forecast	Forecast	Results	YoY
Revenue	890.0	940.0	863.4	3%
Operating Profit	12.0	36.0	-16.3	-
Operating Profit ratio	1.3%	3.8%	-	
Profit attributable to owners of the Company	1.5	19.0	-15.2	-
Profit attributable to owners of the Company ratio	0.2%	2.0%	-	
ROE (%)	0.3%	3.6%	-	
CAPEX	48.0	51.5	57.7	
Depreciation and Amortization Expenses	51.0	56.0	57.2	
R&D expenses	64.0	67.0	65.0	
FCF	17.5	17.5	43.7	
Investment and loan	15.5	15.5	9.3	
FOREX [Yen]				
USD	105.00	105.00	106.06	
EUR	125.00	125.00	123.70	



Appendix Quarterly Sales Trends | Digital Workplace/Professional Print – Regional

■ Composition of revenue by region (in yen)

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Japan	12%	13%	13%	14%	15%	14%	14%	14%	12%	13%
North America	34%	33%	33%	33%	33%	32%	31%	31%	32%	31%
EU	36%	34%	37%	37%	35%	36%	36%	37%	37%	35%
China	6%	6%	5%	4%	8%	8%	8%	7%	7%	9%
Others	12%	13%	12%	12%	10%	11%	11%	11%	12%	13%

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

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Japan	-8%	+4%	+1%	-3%	-19%	-18%	-14%	-11%	+12%	-9%
North America	-2%	-2%	-3%	-12%	-34%	-27%	-24%	-20%	+27%	-12%
EU	-2%	-1%	+6%	-7%	-31%	-23%	-19%	-17%	+28%	-13%
China	-4%	-1%	-8%	-40%	-4%	+1%	+7%	+16%	+15%	-1%
Others	-7%	+2%	+5%	-6%	-35%	-32%	-25%	-20%	+37%	+4%

■ Percentage of color in sales of hardware

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Office	72%	73%	72%	75%	69%	76%	75%	74%	74%	72%
Professional Print	78%	82%	76%	80%	75%	80%	80%	81%	79%	82%



Appendix Office Printing | Quarterly Trends of Unit Sales and Non-hard Revenue

[¥ billions]

■ Transition of Office MFP Unit Sales Y o Y

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
A3 Color MFP	93%	99%	102%	93%	72%	84%	92%	92%	132%	62%
A3 Monochrome MFP	95%	95%	94%	60%	76%	89%	98%	140%	117%	83%
A3 MFP overall	94%	97%	99%	79%	74%	86%	94%	107%	126%	71%

■ Transition of Non-hard Revenue Y o Y

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue of non-hard	62.4	60.5	62.3	60.1	42.1	48.9	53.1	51.1	53.5	51.3
Ratio of non-hard	53%	50%	52%	51%	53%	50%	51%	47%	52%	60%

■ Transition of Regional Non-hard Revenue w/o Forex Y o Y

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Japan	97%	100%	99%	98%	85%	90%	94%	92%	108%	98%
U.S.	99%	99%	98%	95%	62%	73%	78%	81%	124%	103%
Europe	96%	100%	102%	97%	66%	82%	83%	78%	126%	101%
China	105%	114%	96%	72%	107%	105%	115%	140%	102%	105%
India	115%	117%	101%	102%	52%	68%	98%	113%	141%	151%
Overall	98%	98%	99%	97%	69%	80%	85%	84%	120%	101%



Appendix Production Print | Quarterly Trends of Unit Sales and Non-hard Revenue

[¥ billions]

■ Transition of Production Print Unit Sales Y o Y

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Color	100%	97%	102%	72%	51%	73%	65%	100%	138%	83%
Monochrome	107%	87%	89%	76%	59%	68%	71%	95%	122%	83%
Overall	102%	93%	97%	73%	54%	71%	67%	99%	132%	83%

■ Transition of Non-hard Revenue Y o Y

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue of non-hard	20.3	19.9	21.5	19.8	12.2	14.8	17.9	17.5	18.3	17.9
Ratio of non-hard	59%	56%	57%	59%	60%	55%	60%	53%	60%	61%

■ Transition of Regional Non-hard Revenue w/o Forex Y o Y

	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Japan	97%	98%	94%	93%	76%	82%	88%	87%	107%	93%
U.S.	96%	101%	96%	94%	52%	67%	77%	82%	146%	111%
Europe	97%	97%	100%	100%	64%	77%	79%	78%	138%	121%
China	112%	121%	116%	92%	113%	117%	140%	138%	156%	118%
India	117%	121%	116%	105%	34%	71%	105%	113%	245%	151%
Overall	102%	99%	101%	99%	62%	75%	84%	88%	141%	115%

Appendix Quarterly Financial Results : Segments



KONICA MINOLTA

[¥ billions]

【Revenue】	FY19				FY20				FY21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Digital Workplace Business	135.0	139.1	139.5	135.4	94.6	116.7	125.0	128.9	121.2	104.9
Professional Print Business	50.6	52.7	55.4	51.4	31.8	41.7	45.3	50.8	47.9	45.6
Healthcare Business	25.9	33.8	25.9	33.0	20.5	24.9	28.2	35.5	25.2	31.0
Industry Business	30.0	29.8	28.5	28.9	26.1	27.9	31.5	32.8	35.2	33.3
Sensing	6.6	6.7	7.3	7.0	7.1	7.6	8.0	9.6	12.2	9.7
Materials and Components	21.0	20.5	18.9	18.5	16.1	17.6	20.5	19.6	20.5	20.8
Imaging-IoT solutions	2.5	2.7	2.3	3.4	2.9	2.8	3.0	3.5	2.6	2.9
Corporate etc.	0.3	0.3	0.3	0.5	0.2	0.3	0.2	0.5	0.3	0.4
Company overall	241.7	255.7	249.5	249.1	173.2	211.5	230.2	248.5	229.9	215.2
【Operating Profit】										
Digital Workplace Business	5.5	7.8	4.3	0.1	-9.6	0.3	3.1	3.5	1.1	-5.4
Professional Print Business	1.1	1.0	2.9	-0.7	-7.1	-1.7	0.0	0.9	1.0	0.5
Healthcare Business	-2.1	-1.2	-0.4	-0.6	-4.7	-1.8	-0.5	0.7	-3.2	-2.1
Industry Business	3.2	3.7	4.2	3.2	2.8	2.2	4.8	5.8	8.0	6.5
Corporate etc.	-7.0	-6.5	-5.9	-4.5	-4.1	-4.2	-4.0	-2.6	-3.7	-4.2
Company overall	0.6	4.9	5.1	-2.4	-22.6	-5.2	3.3	8.3	3.1	-4.7



Glossary

- **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. 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
- **RNA (ribonucleic acid) Testing: Healthcare Business**
Testing to identify changes in mRNA structure in the primary transcript of DNA (deoxyribonucleic acid). Analysis of transcript mRNA can provide more detailed test results on DNA mutations that used to be considered of undetermined clinical significance in conventional DNA testing.
- **CARE Program (Comprehensive Assessment, Risk & Education): Healthcare Business**
Program to provide total support for effective pick-up and genetic diagnostics of the high-risk group of genetic breast cancer.
- **SANUQI: Industry Business: Industry Business**
Trademark of a new resin which is used in electronic devices for displays. The film using this resin is called “SANUQI” film.



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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.