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10-Year Financial Summary

Konica Minolta, Inc. and subsidiaries
Fiscal year ended March 31

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012
Consolidated Financial Highlights				
Net sales, Revenue (millions of yen)	804,465	777,953	767,879	813,073
Operating income, Operating profit (millions of yen)	43,988	40,022	40,346	40,659
Operating income ratio, Operating profit ratio (%) ^{*1}	5.5	5.1	5.3	5.0
Ordinary income, Ordinary profit (millions of yen)	40,818	33,155	34,758	38,901
Ordinary income ratio, Ordinary profit ratio (%) ^{*2}	5.1	4.3	4.5	4.8
Profit before tax (millions of yen)	-	-	-	-
Profit before tax ratio (%)	-	-	-	-
Net income, Profit for the year (millions of yen)	16,931	25,896	20,424	15,124
Net income ratio, Profit for the year ratio (%) ^{*3}	2.1	3.3	2.7	1.9
Profit attributable to owners of the company (millions of yen)	-	-	-	-
Profit attributable to owners of the company ratio (%)	-	-	-	-
Earnings per share, Basic earnings per share attributable to owners of the company (EPS) (yen) ^{*4}	31.93	48.84	38.52	28.52
Equity per share attributable to owners of the company (yen)	791.28	806.53	817.81	876.65
Cash dividends per share (yen)	15	15	15	15
Dividend payout ratio (%) ^{*5}	47.0	30.7	38.9	52.6
R&D expenses (millions of yen)	68,475	72,617	72,530	71,533
R&D expense ratio (%) ^{*6}	8.5	9.3	9.4	8.8
Net cash flows from operating activities (millions of yen)	113,377	67,957	72,367	66,467
Net cash flows from investing activities (millions of yen)	-40,457	-44,738	-42,757	-63,442
Free cash flows (millions of yen)	72,920	23,219	29,610	3,025
Profitability				
ROE (J-GAAP) (%) ^{*7}	4.1	6.1	4.7	3.4
ROE1 (IFRS) (%) ^{*8}	-	-	-	-
ROE2 (IFRS) (%) ^{*9}	-	-	-	-
ROA (%) ^{*10}	1.9	3.0	2.3	1.6
ROIC (%) ^{*11}	4.1	3.7	3.6	3.6
Efficiency				
Total assets (millions of yen)	865,797	845,453	902,052	940,553
Total assets turnover (times) ^{*12}	0.90	0.91	0.88	0.88
Property, plant and equipment (millions of yen)	205,057	190,701	178,999	179,903
Property, plant and equipment turnover (times) ^{*13}	3.72	3.93	4.15	4.53
Inventories (millions of yen)	98,263	100,243	105,080	112,479
Inventory turnover period (months) ^{*14}	2.68	2.67	2.81	2.60
Trade receivables (millions of yen)	177,720	163,363	174,193	194,038
Trade receivables turnover (months) ^{*15}	2.47	2.42	2.52	2.47
Stability				
Equity, Equity attributable to owners of the company (millions of yen)	419,535	427,647	433,669	464,904
Equity ratio, Equity ratio attributable to owners of the company (%)	48.5	50.6	48.1	49.4
Current assets (millions of yen)	489,253	501,876	565,923	579,593
Current ratio (%) ^{*16}	183.03	206.98	247.17	205.04
D/E ratio (times) ^{*17}	0.47	0.45	0.53	0.48
Net D/E ratio (times) ^{*18}	0.08	0.04	-0.01	0.02
Investment Indicators				
Price-to-earnings ratio (PER) (times) ^{*19}	34.17	14.27	18.77	24.12
Price-book value ratio (PBR) (times) ^{*20}	0.73	1.16	1.13	1.27

*1. Operating income ratio = Operating income / Net sales × 100 (%)

Operating profit ratio = Operating profit / Revenue × 100 (%)

*2. Ordinary income ratio = Ordinary income / Net sales × 100 (%)

Ordinary profit ratio = Ordinary profit / Revenue × 100 (%)

*3. Net income ratio = Net income / Net sales × 100 (%)

Profit for the year ratio = Profit for the year / Revenue × 100 (%)

*4. EPS = Profit attributable to owners of the company / Average number of outstanding shares during the period

*5. Dividend payout ratio = Total dividends / Net income × 100 (%)

Dividend payout ratio = Total dividends / Profit for the year × 100 (%)

*6. R&D expense ratio = R&D expenses / Net sales × 100 (%)

R&D expense ratio = R&D expenses / Revenue × 100 (%)

*7. ROE (J-GAAP) = Net income / Average shareholders' equity × 100 (%)

*8. ROE1 (IFRS) = Profit attributable to owners of the company / (Share capital + Share premium + Retained earnings + Treasury shares (average at start of fiscal year and end of fiscal year)) × 100 (%)

*9. ROE2 (IFRS) = Profit attributable to owners of the company / equity attributable to owners of the company (average of beginning and ending balances) × 100 (%)

*10. ROA = Net income / Average total assets

ROA = Profit attributable to owners of the company / Average total assets × 100 (%)

Fiscal 2013	Fiscal 2013 (IFRS)	Fiscal 2014 (IFRS)	Fiscal 2015 (IFRS)	Fiscal 2016 (IFRS)	Fiscal 2017 (IFRS)	Fiscal 2018 (IFRS)
943,759	935,214	1,002,758	1,031,740	962,555	1,031,256	1,059,120
58,144	39,859	65,762	60,069	50,135	53,844	62,444
6.2	4.3	6.6	5.8	5.2	5.2	5.9
54,621	-	-	-	-	-	-
5.8	-	-	-	-	-	-
-	37,736	65,491	58,029	49,341	49,124	60,138
-	4.0	6.5	5.6	5.1	4.8	5.7
21,861	28,431	40,969	32,000	31,485	32,207	41,729
2.3	3.0	4.1	3.1	3.3	3.1	3.9
-	28,354	40,934	31,973	31,542	32,248	41,705
-	3.0	4.1	3.1	3.3	3.1	3.9
41.38	53.67	81.01	64.39	63.65	65.17	84.33
929.04	968.15	1,067.97	1,037.96	1,057.92	1,060.72	1,123.39
17.5	17.5	20.0	30.0	30.0	30.0	30.0
42.3	32.6	24.7	46.6	47.1	46.0	35.6
71,184	69,599	74,295	76,292	73,275	77,021	78,395
7.5	7.4	7.4	7.4	7.6	7.5	7.4
89,945	90,058	101,989	59,244	68,659	65,367	57,166
-55,776	-54,143	-54,014	-110,788	-70,594	-133,737	-41,480
34,169	35,914	47,975	-51,544	-1,935	-68,370	15,686
4.6	-	-	-	-	-	-
-	6.1	8.6	6.5	6.3	6.3	7.9
-	-	-	-	6.1	6.1	7.7
2.3	2.9	4.1	3.2	3.2	2.9	3.4
5.3	3.6	6.4	6.1	5.1	5.0	5.4
966,060	991,700	1,001,800	976,370	1,005,435	1,203,907	1,218,986
0.99	0.96	1.01	1.04	0.97	0.93	0.87
173,362	177,056	181,641	187,322	190,580	192,941	207,138
5.34	5.23	5.59	5.59	5.09	5.38	5.29
115,275	115,175	120,803	121,361	136,020	139,536	144,703
2.52	2.82	2.54	2.58	2.87	2.81	2.89
220,120	240,459	248,827	245,047	236,722	255,972	269,147
2.53	3.09	2.72	2.73	2.70	2.73	2.87
478,404	498,542	535,976	514,285	524,331	524,513	555,689
49.5	50.3	53.5	52.7	52.1	43.6	45.6
589,331	569,552	570,640	496,216	499,446	581,676	578,937
206.62	200.83	202.43	194.40	199.58	214.32	213.34
0.41	0.41	0.31	0.33	0.35	0.56	0.49
0.02	0.03	-0.02	0.13	0.18	0.27	0.27
23.27	17.94	15.07	14.85	15.65	13.99	12.91
0.96	0.99	1.14	0.92	0.94	0.86	0.97

*11. ROIC = Operating profit after tax / (Share capital + Share premium + Retained earnings + Treasury shares + Interest-bearing debt (yearly average)) × 100 (%)

*12. Total assets turnover = Net sales / Average total assets (times)
Total assets turnover = Revenue / Average total assets (times)

*13. Tangible fixed assets turnover = Net sales / Average tangible fixed assets (times)
Tangible fixed assets turnover = Revenue / Average tangible fixed assets (times)

*14. Inventory turnover period = Inventory balance at fiscal year end / Average cost of sales for most recent three months

*15. Receivables turnover = Net sales / Average receivables (times)
Receivables turnover = Revenue / Average receivables (times)

*16. Current ratio = Current assets / Current liabilities (%) × 100 (%)

*17. D/E ratio = Interest-bearing debt / Shareholders' equity (times)

*18. Net D/E ratio = (Interest-bearing debt - Cash on hand) / Shareholders' equity (times)

*19. Price-earnings ratio (PER) = Year-end stock price / EPS

*20. PBR (J-GAAP) = Year-end stock price / Net assets per share

PBR (IFRS) = Year-end stock price / Equity per share attributable to owners of the company

Management's Discussion and Analysis

Operating Environment

Looking back at the economic situation during the fiscal year ended March 31, 2019 (hereafter, "the current fiscal year"), economic growth in Europe slowed down because of lower manufacturing exports to China and other countries and continuing uncertainty over Brexit. In the United States, despite a decline in exports to China during the latter half of the current fiscal year, strong consumer spending continued to drive domestic demand growth, and capital expenditures

demonstrated steady growth. Meanwhile, in China, economic growth has slowed due to a lower level of capital expenditures in the manufacturing industry affected by the China-United States trade friction. The uncertainty in the global economy slowed down export growth and led to sluggish capital expenditures in Japan; however, Japan was able to sustain moderate growth overall.

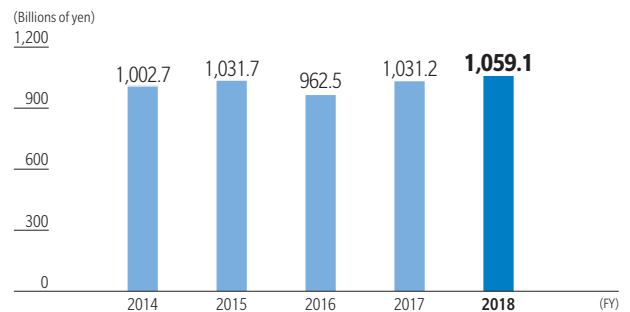
Operating Results

The Group's revenue on a consolidated basis for the current fiscal year was 1,059.1 billion yen, an increase of 2.7% year-on-year. By business segment, revenue in the Office Business grew due to a higher sales volume of color MFPs, primarily sales of high-speed color models, along with a contribution by expansion in revenue from IT services solutions. The Professional Print Business posted growth in revenue, reflecting a higher sales volume of digital printing systems, mainly color and monochrome equipment of high-speed models, and expansion of sales in the industrial printing business unit, which is positioned as a growth business of the Group. In the Healthcare Business, the discontinuation of sales of certain purchased products led to a year-on-year decrease in revenue. Revenue in the Industrial Business remained at the same level as in the previous fiscal year with higher sales in the performance materials business unit and the IJ (inkjet) component business unit offsetting a decline in revenue due to slowing demand for products in the measuring instruments unit.

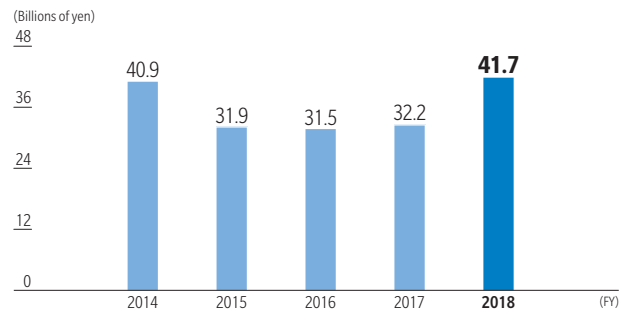
Operating profit was 62.4 billion yen, an increase of 16.0% year-on-year. Various initiatives taken to boost the profitability of the Group's core business under the Medium-Term Business Plan contributed to generate the intended performance, and as a result, there was an increase in operating profit in the Office Business and the Professional Print Business, which led to a year-on-year increase in profit overall.

Profit before tax came in at 60.1 billion yen, an increase of 22.4% year-on-year, while profit attributable to owners of the Company amounted to 41.7 billion yen, an increase of 29.3% year-on-year.

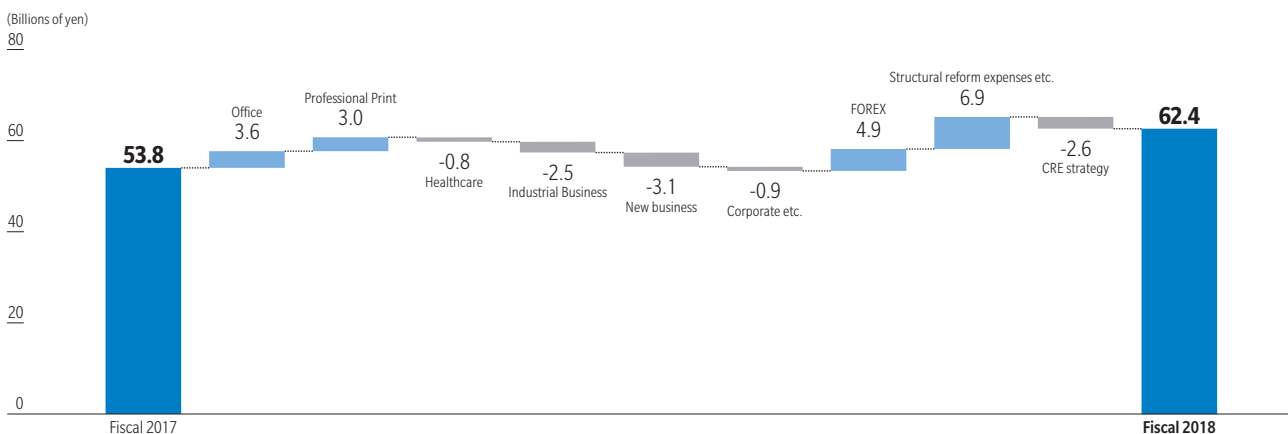
Revenue



Profit attributable to owners of the company



Fiscal 2018 operating profit analysis



FOREX impact to revenue and operating profit

(FOREX: ¥)

	Fiscal 2017	Fiscal 2018	Impact to Fiscal 2017		FX Sensitivity ^{*2}	
			Revenue (¥billions)	OP (¥billions)	Revenue (¥billions)	OP (¥billions)
USD	110.85	110.91	-0.1	+0.4	+3.4	+0.0
EUR	129.70	128.41	-2.5	+0.4	+1.8	+0.6
GBP	147.03	145.68	-0.4	+0.0	+0.3	+0.1
European Currency ^{*1}	-	-	-5.5	+0.3	+2.1	+1.0
CNY	16.75	16.54	-0.7	-0.2	+3.2	+1.2
AUD	85.78	80.92	-2.0	-0.5	+0.4	+0.1
Other	-	-	-1.8	-0.9	-	-
Exchange contract effect	-	-	+0.1	+5.8	-	-
Total impact from FY2017	-	-	-10.1	+4.9	-	-

*1 European currencies: Currencies used in Europe excluding EUR/GBP

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

Operating Results by Segment

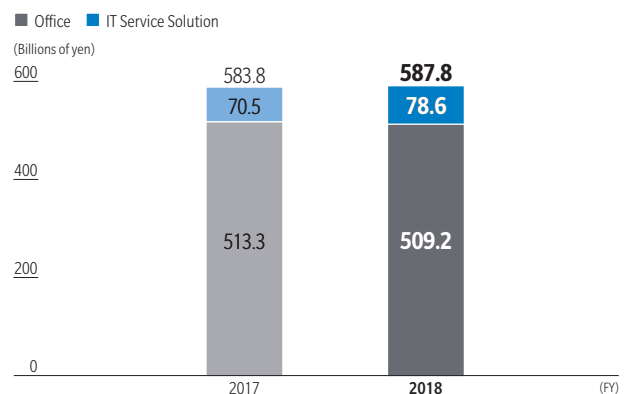
Office Business

In the office products business unit, the sales volume of monochrome A3 MFPs declined, but the sales of color models grew considerably, resulting in an overall increase in the sales volume year-on-year. Among color models, in developed countries, such as Europe, the United States, and Japan, sales of the high-speed products launched in the previous fiscal year expanded. In growth countries, such as China, the ASEAN region, and India, there was a considerable increase in the sales of a wide range of models, from low speed to high speed, producing the results as targeted in strategic initiatives undertaken for the current fiscal year, under the Group's regional strategy.

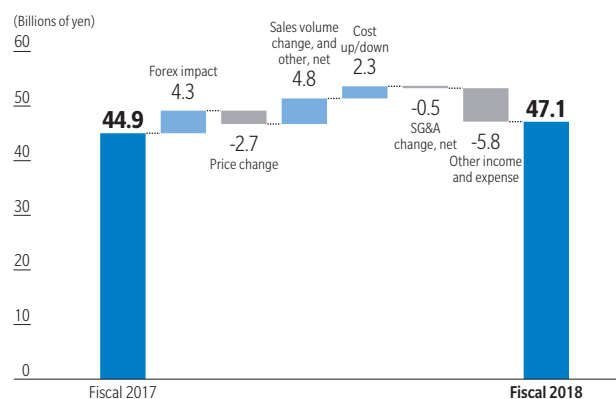
In the IT services solution business unit, in addition to the effects of newly consolidated subsidiaries arising from acquisitions in the United States and Europe, strengthening sales and service delivery capabilities of the managed IT services, as part of efforts to develop a sales structure for the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

As a result, the Office Business segment recorded revenue of 587.8 billion yen, an increase of 0.7% year-on-year, and operating profit of 47.1 billion yen, an increase of 5.1% year-on-year.

Composition of Revenue



Operating profit analysis



Professional Print Business

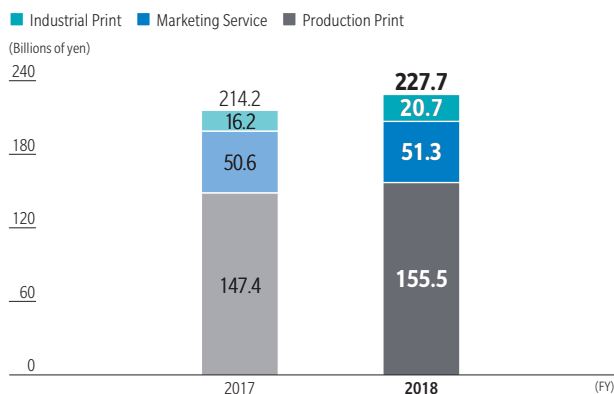
In the production print business unit, the sales volume of both monochrome and color equipment increased considerably year-on-year. Sales of color models were driven by Europe, while there was a considerable increase in sales in growth countries, including China, India, and the ASEAN region. Sales of monochrome models increased in the United States and growth countries.

In the industrial printing business unit, the sales volume of the "Accuriojet KM-1" digital inkjet press significantly increased, while sales of label printers and digital decoration printing equipment made by MGI achieved the highest market share in the targeted markets. As the sales area expanded beyond Europe and the United States over growth countries, such as China, the ASEAN region, and India, the sales structure was strengthened by allocating resources with the right level of expertise.

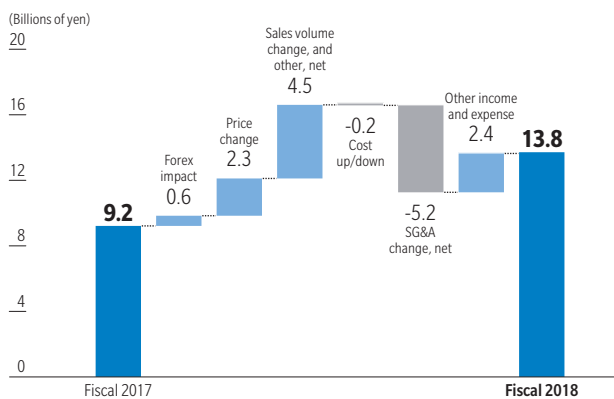
In the marketing services business unit, in addition to an increase in revenue from recovering demand from major corporate customers, accelerated transition to a business that provides high value-added services had the profitability improved.

As a result, the Professional Print Business segment recorded revenue of 227.7 billion yen, an increase of 6.3% year-on-year, and operating profit of 13.8 billion yen, an increase of 49.2% year-on-year.

Composition of Revenue



Operating profit analysis



Healthcare Business

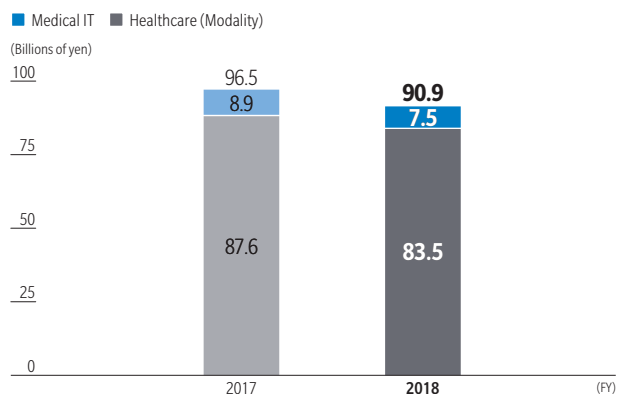
In the healthcare (modality) business unit, despite the increase in the sales volume of the digital radiography (DR) in Japan, sales to hospitals in the United States slightly decreased, leading to a lower volume of sales than that in the previous fiscal year. Dynamic Digital Radiography designed to enhance conventional diagnostic methods using X-ray, released in November 2018, received favorable responses from medical institutions which implemented the system. Diagnostic ultrasound systems continued to hold the top-seller position in the field of orthopedics, and sales from the obstetrics and gynecology business acquired in the previous fiscal year also contributed to an increase in sales of such system. As a result, the sales volume grew steadily mainly in Japan and the United States.

In the medical IT business unit, the sales volume of the Picture Archiving and Communication System decreased, but revenue from service solutions grew mainly due to "Informity," a medical IT service platform.

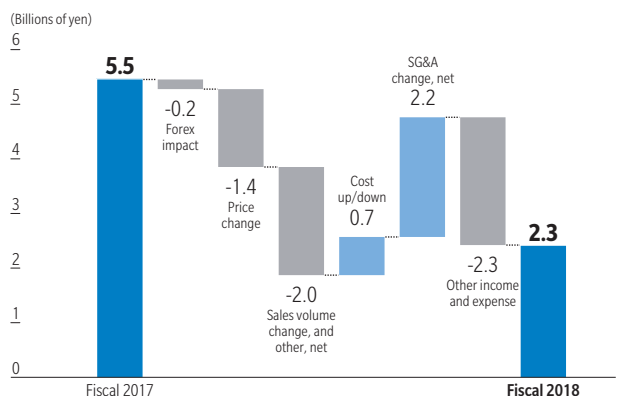
For the business segment as a whole, the discontinuation of sales of low-margin purchased products led to a year-on-year decrease in revenue. In addition, since the temporary income that was generated from the liquidation of assets through sale and leaseback arrangements recorded in the previous fiscal year is not present in the current fiscal year and the sales of DR decreased in the United States, it resulted in lower operating profit compared with the previous fiscal year.

As a result, the Healthcare Business segment recorded revenue of 90.9 billion yen a decrease of 5.8% year-on-year, and operating profit of 2.3 billion yen, a decrease of 57.0% year-on-year.

Composition of Revenue



Operating profit analysis



Industrial Business

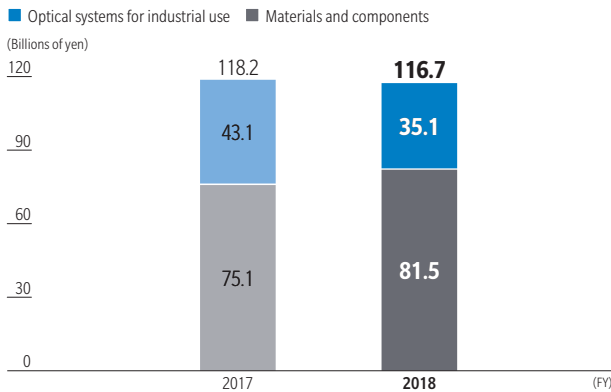
In the field of materials and components, the performance materials business unit grew at a steady pace primarily in the growing market, backed by sales of high value-added products, such as phase difference film. As a result, revenue rose significantly year on year. Development of new resin products that will be a key to the Group's future strategy, has progressed significantly, and their market recognition has also enhanced. In the optical component business unit, steady sales of optical materials for projectors and of interchangeable lenses for camera continued to be seen; however, the sales volume of other optical parts fell, resulted in a decrease in revenue compared with the previous year. In the IJ (inkjet) component business unit, revenue increased year on year due

to an increase in orders received from the existing customers in Asia throughout the current fiscal year.

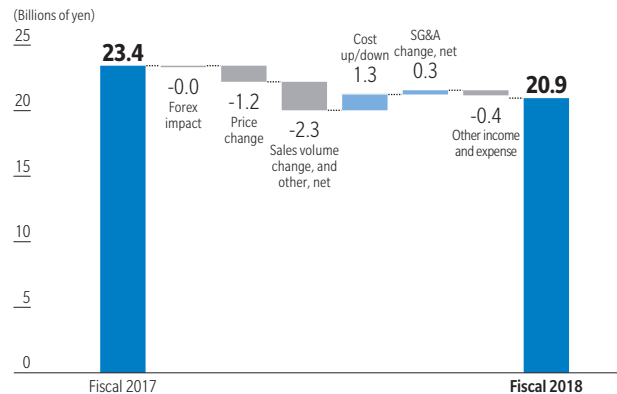
In the field of optical systems for industrial use, while a trend of business-opportunity expansion is still continuing through capturing the surge of demand from customers in the measuring instruments business unit, revenue fell year on year due to the effects of the concentrated display-related investments by customers that drove revenue in the previous fiscal year.

As a result, the Industrial Business segment recorded revenue of 116.7 billion yen, a decrease of 1.3% year-on-year, and operating profit of 20.9 billion yen, a decrease of 10.7% year-on-year, reflecting a decline in revenue in the field of optical systems for industrial use.

Composition of Revenue



Operating profit analysis



Cash Flows

Cash flows from operating activities

Net cash provided by operating activities was 57.1 billion yen. This is attributable to net effects of cash inflows due mainly to profit before tax of 60.1 billion yen, depreciation and amortization expenses of 59.0 billion yen, and an increase in trade and other payables of 3.4 billion yen, and cash outflows attributable due mainly to an adjustment for gain/loss from sales and disposals of property, plant and equipment and intangible assets of 17.3 billion yen, an increase in trade and other receivables of 14.1 billion yen, an increase in inventories of 5.9 billion yen, a decrease in retirement benefit liabilities of 10.3 billion yen, and payment of income taxes of 10.3 billion yen.

Cash flows from investing activities

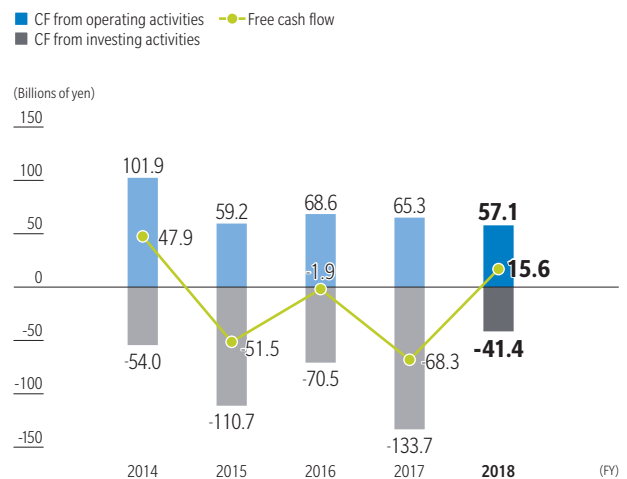
Net cash used in investing activities was 41.4 billion yen, due mainly to purchases of property, plant and equipment of 35.0 billion yen, purchases of intangible assets of 16.2 billion yen, purchases of investments in subsidiaries of 9.9 billion yen, and 21.5 billion yen in proceeds from sales of property, plant and equipment and intangible assets.

As a result, free cash flow (the sum of cash flows from operating and investing activities) was an inflow of 15.6 billion yen, compared to an outflow of 68.3 billion yen in the previous fiscal year.

Cash flows from financing activities

Net cash used in financing activities was 40.2 billion yen, compared to net cash provided in 126.6 billion yen in the previous fiscal year, reflecting redemptions of bonds and repayments of long-term loans payables of 27.0 billion yen, and cash dividends paid of 14.8 billion yen.

Cash flows



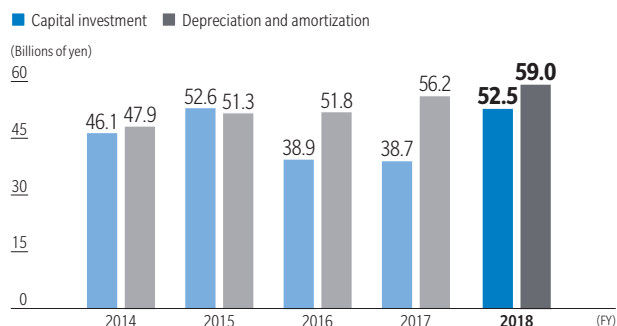
Capital Expenditure, etc.

With respect to the Group's capital investment for the period under review, investment focused primarily on the Office and Professional Print Businesses, two core businesses of the Group, as well as the Industrial Business. Among the goals of these investments were developing new products and strengthening production capacity. As a result, total capital investment for the consolidated fiscal year under review was ¥52.5 billion.

Principal investments were machinery and equipment, dies, and other tools and appliances in the Office and Professional Print Businesses, machinery and equipment in the Industrial Business, and buildings and R&D equipment for company-wide use.

All of these investments were paid for with cash on hand.

Capital investment/Depreciation and amortization



Capital investment

(Billions of yen)

		Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Business Technologies	Office equipment, production print, industrial printing, IT solutions, etc.	29.5	36.7	24.3	26.7	36.9
Healthcare	DR, ultrasound, X-ray films, etc.	2.6	1.3	1.6	2.1	2.7
Industrial	Performance materials, measuring instruments, optical equipment, inkjet printers, etc.	6.7	8.9	7.7	4.6	9.3
Corporate and Other Businesses		7.1	5.6	5.1	5.1	3.4
Total		46.1	52.6	38.9	38.7	52.5

* For FY 2014, SE (measuring instruments) is not included in Konica Minolta, Inc.

Research and Development Expenses

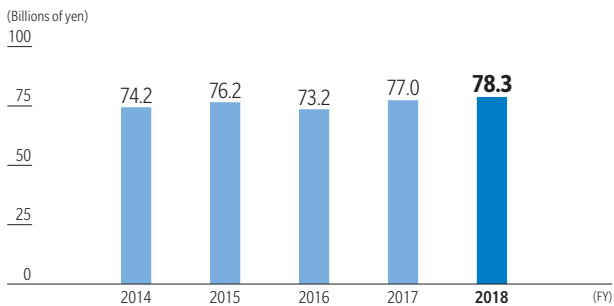
In line with the basic policy for Medium-term Business Strategy based on the SHINKA 2019 Medium-Term Business Plan, the Group has established and executed its basic policy for technology strategies aimed at “achieving ongoing innovation” and “pragmatically strengthening technological competitiveness.”

In the IoT business, we have developed with partner businesses the new service of Workplace Hub, which has a MFP with high-performance servers and IT service built-in, to support the working style reforms of small- to medium-sized businesses, and started rolling out sales globally, starting in Europe. We are planning on selling this in Japan in fiscal 2019. In commercial and industrial printing we launched an automatic product inspection system with the industry's first auto-recovery printing function as an addition to the IQ-501 Intelligent Quality Optimizer, which has been highly praised since going on the market. This system uses our defect detecting technology to not only automatically detect defective products in-line, but also to easily carry out automatic recovery printing of defective products. This reduces the burden of

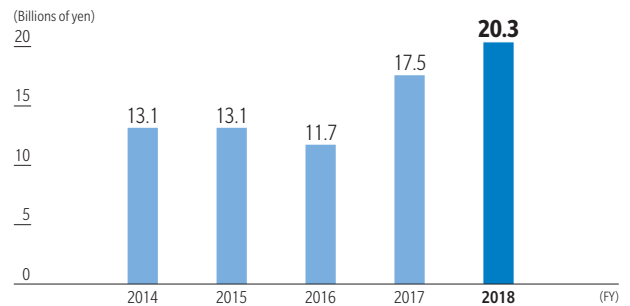
product inspection regardless of the skill level of the operator, and improves the workflow. In bio-healthcare, we established the new company Konica Minolta Precision Medicine Japan, Inc. This company brings together the genetic analysis technology of the American company Ambry Genetics, the drug discovery support services deployed by Invicro, and our own proprietary, High Sensitivity Tissue Testing (HSTT). With this company we will promote full-scale precision medicine in Japan for diseases such as cancer and Alzheimer's. Going forward, we will start providing full-scale services in Japan to pharmaceutical companies, scholarly research institutions, and medical institutions.

Group-wide research and development expenditure for the fiscal year under review was ¥78.3 billion. This comprised ¥40.9 billion in Office and Professional Print Business R&D expenditures, ¥4.6 billion in Healthcare Business R&D expenditures, ¥12.5 billion in Industrial Business R&D expenditures, and ¥20.3 billion in basic research expenditures and expenditures in other businesses, including those in bio-healthcare.

Research and development expenses



Basic research expenditures and expenditures in other businesses



Research and development expenses

(Billions of yen)

		Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Business Technologies	Office equipment, production print, industrial printing, IT solutions, etc.	43.2	44.2	43.3	41.8	40.9
Healthcare	DR, ultrasound, X-ray films, etc.	5.3	4.8	5.1	5.0	4.6
Industrial	Performance materials, measuring instruments, optical equipment, inkjet printers, etc.	12.5	14.0	13.0	12.5	12.5
Corporate and Other Businesses		13.1	13.1	11.7	17.5	20.3
Total		74.2	76.2	73.2	77.0	78.3

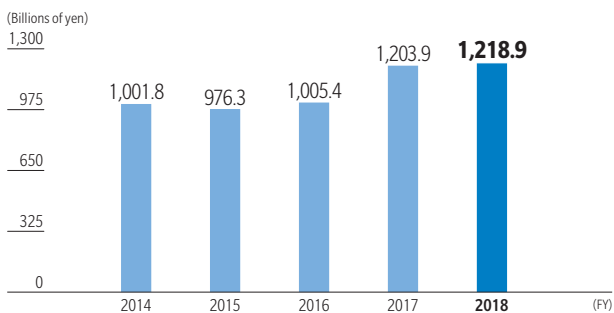
* The professional print area of production printing is included in inkjet printers.

Financial Position

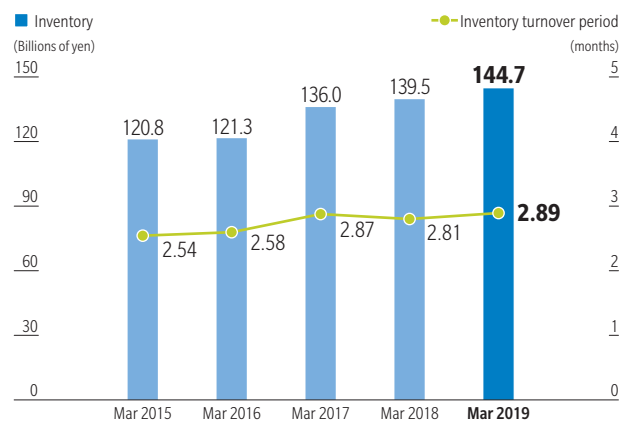
Assets

Total assets as of March 31, 2019, were 1,218.9 billion yen, an increase of 15.0 billion yen (1.3%) from the previous fiscal year-end. This is primarily attributed to an increase of 14.1 billion yen in property, plant and equipment; an increase of 13.4 billion yen in goodwill and intangible assets; an increase of 12.1 billion yen in trade and other receivables; and a decrease of 25.0 billion yen in cash and cash equivalents.

Total assets



Inventory/Inventory turnover period

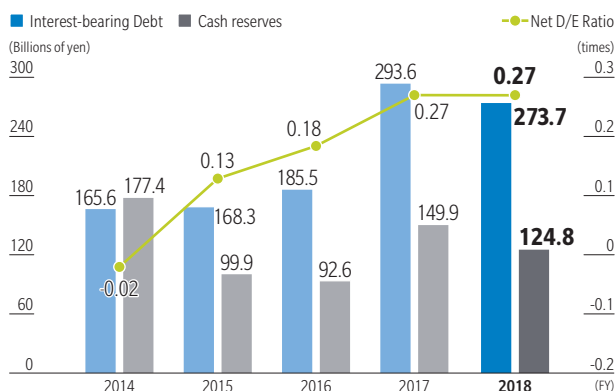


* Inventory turnover period = Inventory balance at fiscal year-end / Average cost of sales for most recent three months

Liabilities

Total liabilities as of March 31, 2019, were 653.0 billion yen, a decrease of 15.3 billion yen (2.3%) from the previous fiscal year-end. This is primarily attributed to a decrease of 19.9 billion yen in bonds and borrowings, a decrease of 13.1 billion yen in retirement benefit liabilities, and an increase of 15.0 billion yen in provisions.

Interest-bearing debt, Cash reserves, Net D/E ratio



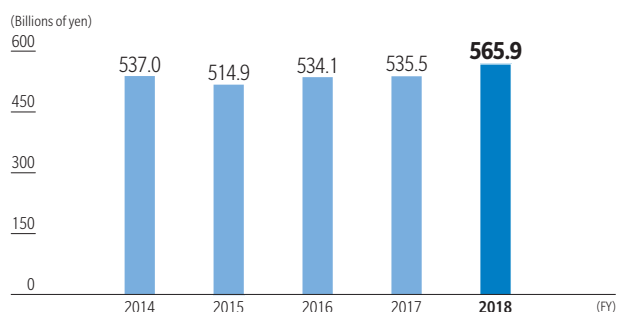
Equity

Total equity as of March 31, 2019, amounted to 565.9 billion yen, an increase of 30.3 billion yen (5.7%) from the previous fiscal year-end.

Equity attributable to owners of the Company totaled 555.6 billion yen, an increase of 31.1 billion yen (5.9%) from the previous fiscal year-end. This is primarily attributed to 41.7 billion yen in profit for the year attributable to owners of the Company, and a decrease of 14.8 billion yen in retained earnings due to cash dividends.

As a result of the above, equity per share attributable to owners of the Company came to 1,123.39 yen, and the equity ratio attributable to owners of the Company increased 2.0 percentage points to 45.6%.

Equity

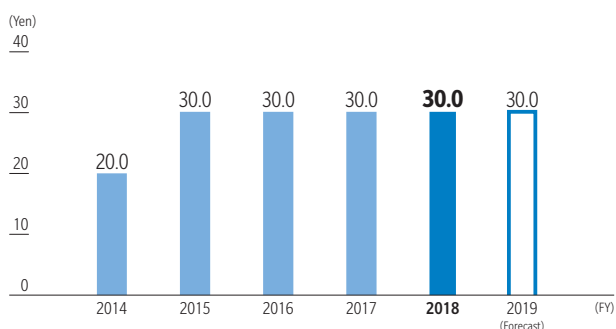


Dividend Policy

Basic dividend policy

The policy regarding the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance and funding requirements to promote strategic investments in growth fields while seeking to implement proactive shareholder returns. The Company strives to enhance shareholder returns through higher dividends as well as a flexible acquisition of the Company's own shares.

Dividend per share



Dividends for the fiscal year ended March 31, 2019 and projected dividends for the fiscal year ending March 31, 2020

The Company distributed a year-end dividend of ¥15 from retained earnings for the year ended March 31, 2019. Combined with the dividend of ¥15 per share already paid at the end of the second quarter, the total annual dividend was ¥30 per share.

Regarding ordinary dividends for the fiscal year ending March 31, 2020, the Company plans to distribute a total annual dividend of ¥30 per share, assuming we achieve the results forecasts outlined in P.104.

Outlook for the Fiscal Year Ending March 31, 2020

With regard to the global economic situation in which the Group operates, while uncertainty over economic recovery remains in Europe, economic growth is expected in the United States, supported by favorable employment conditions, and a movement to deter economic slowdown has been seen in China through review of its fiscal policies. The global economic situation has an impact on Japan; however, Japan's economy is expected to remain on a moderate growth path.

The demand outlook for the main markets in which the Group operates, in the Office Business, it is expected that demand for high-speed color models to enhance operational productivity will rise in both growth countries, such as China, and developed countries and that needs for IT services from small- to medium-sized companies will rise as their awareness

of cyber-security risks heightens. In the Professional Print Business, digitization in commercial and industrial printing is expected to make further advancement. In the Healthcare Business, digitization efforts for medical diagnostic equipment will be continued. In the Industrial Business, in line with innovations and diversified manufacturers in display and automobile industries, demand for the Company's products and solutions with a competitive edge is expected to remain solid.

Taking into account these conditions, the exchange rate assumptions that form the basis of results forecasts for the fiscal year ending March 31, 2020, have been set to [¥105 to the U.S. dollar and ¥123 to the euro, respectively], with forecasts as follows:

Forecast for the fiscal year ending March 31, 2020

	Revised Fiscal 2019 forecast (IFRS) Published July 30, 2019	Fiscal 2019 forecast (IFRS) Published May 13, 2019	Fiscal 2018 results (IFRS)
Revenue (Billions of yen)	1,085.0	1,120.0	1,059.1
Operating profit (Billions of yen)	60.0	66.0	62.4
Operating profit ratio	5.5%	5.9%	5.9%
Profit attributable to owners of the company (Billions of yen)	37.5	45.5	41.7
Margin of profit attributable to owners of the company ratio	3.5%	4.1%	3.9%
ROE ^{*1}	6.7%	8.0%	7.7%
Capital investment (Billions of yen)	60.0	60.0	52.5
Depreciation and amortization expenses (Billions of yen)	60.0	60.0	59.0
R&D expenses (Billions of yen)	80.0	80.0	78.3
Free cash flow ^{*2} (Billions of yen)	25.0	30.0	15.6
Investment and loans (Billions of yen)	20.0	20.0	14.0
U.S. dollar (yen)	105	110	110.91
Euro (yen)	123	125	128.41

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

*2: Fiscal 2019 forecasts do not include investment and loans figures

Company Overview/Stock Information

Company Overview (as of March 31, 2019)

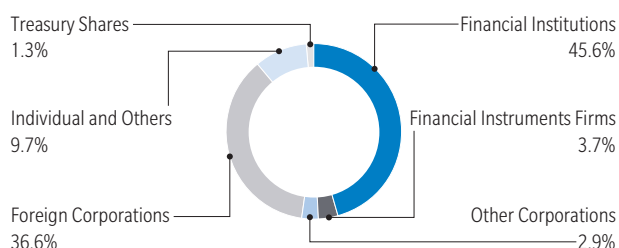
Company name	KONICA MINOLTA, INC.
Stock code	4902 Included in the "JPX-Nikkei Index 400"
Date established	1873
Establishment as joint-stock company	1936
Capital	37,519 million yen
Number of employees	Consolidated: 44,360
Head office	JP TOWER, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo 100-7015, Japan

Stock Information (as of March 31, 2019)

Stock Information

Total number of shares authorized to be issued	1,200,000,000 shares
Total number of shares issued	502,664,337 shares
Number of shareholders	39,033
Minimum trading units	100 shares

Shareholder Composition

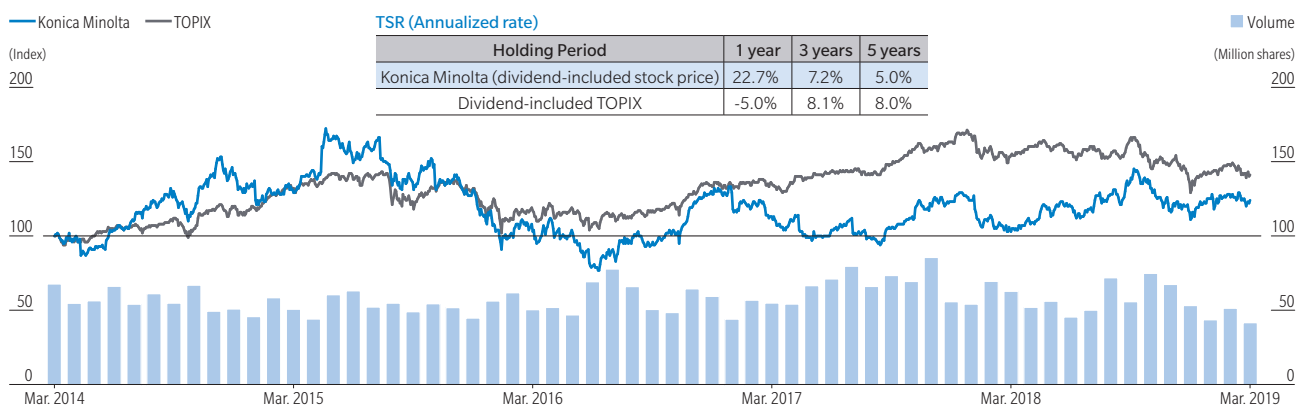


Major Shareholders (the top ten shareholders)

Name of shareholder	Number of shares held (thousand shares)	Ratio of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	45,068	9.09
Japan Trustee Services Bank, Ltd. (Trust account)	31,637	6.38
MUFG Bank, Ltd.	13,945	2.81
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.39
Nippon Life Insurance Company	10,809	2.18
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for the MUFG Bank, Ltd.)	10,801	2.18
GOLDMAN SACHS INTERNATIONAL	10,088	2.03
Daido Life Insurance Company	9,040	1.82
Japan Trustee Services Bank, Ltd. (Trust account 9)	8,741	1.76
Japan Trustee Services Bank, Ltd. (Trust account 5)	8,583	1.73

* Ratio of shares held is calculated by deducting treasury shares. Treasury shares do not include the Company's shares held by trust accounts related to the BIP (Board Incentive Plan) trust for compensation for Directors (1,250,538 shares).

Total Shareholder Return (TSR)



* Return on investment assuming the closing price on March 31, 2014 to be 100 and dividends reinvested. Prepared by Konica Minolta based on Bloomberg data.

Glossary

Office Business

- **MFP (Multi-Functional Peripherals)**
Units that support a variety of functions otherwise handled by separate equipment, such as copiers, printers, scanners, and facsimiles.
- **PV (Print Volume)**
The print output quantity. (Also called Copy Volume.)
- **MIT (Managed IT)**
Services that support all operations in a company's IT department. These wide-ranging services include support for a product's lifecycle, including the creation of plans for deploying things such as PCs and servers, operating systems, software, and networks, as well as the actual deployment, contracted operation and support, management, maintenance, and contracted collection.

Professional Print Business

- **MPM (Marketing Production Management)**
MPM provides services optimizing the production cost of marketing materials for customers using our own supplier network.
- **IQ-501 / Intelligent quality optimizer-501**
An optional unit that automates color management and front-to-back registration during printing through continual monitoring, greatly shortening calibration time and improving productivity.

Healthcare Business

- **DR (Digital Radiography)**
Also referred to as digital X-rays. A technique that detects the intensity distribution of the X-rays that pass through the body when an X-ray is taken, and then converts the data to a digital signal, which is processed by computer. Also refers to systems that do this.
- **PACS (Picture Archiving and Communication System)**
An image storage and communication system for medical image processing. More generally, any system for managing a large number of images, such as CT, MRI, and X-ray images from DR or CR.
- **Diagnostic ultrasound systems**
Because diagnostic ultrasound systems have such advantages as enabling real-time diagnostic imaging and putting less physical burden on patients under repeated examinations due to their low-intrusion nature, they are used in a wide range of clinical fields. Further growth is expected in the market in the future.

Industrial Business

- **Light source color measuring instruments**
Instruments for high-accuracy measurement of chromaticity, brightness, and color balance of various displays and light-emitting devices. These instruments can measure illuminance/chromaticity with a high accuracy that does not depend on the emission characteristics of the light source. Our products have been adopted as standard equipment by many companies in fields such as quality control and product color management.
- **TAC (Triacetyl cellulose) film**
Functional film with cellulose acetate as the main material. It is mainly used as a protective film for the polarizers used in LCD displays.
- **OLED (Organic Light Emitting Diode)**
Organic matter comes in an infinite array of molecular structures, each with a different color and durability. We are presently strengthening and growing our lighting business in this area as a future pillar of the business, building on our strengths in materials and coating technologies developed in photosensitive materials.

- **VA-TAC film / Vertical Alignment TAC film**
A type of LCD panel display widely used in TV applications. We are a market share leader in retardation films for VA systems.
- **ZeroTAC film**
TAC film with zero retardation. Is used primarily in IPS displays and provides greater screen visibility.

New Businesses, Corporate Initiatives, and Other Topics

- **Precision medicine (individualized medical care)**
This involves using state-of-the-art techniques to analyze cells at the genetic and protein level, and then provide the most appropriate treatment and dose for each patient.
- **HSTT / High Sensitive Tissue Testing**
Technology that uses fluorescent nanoparticles, developed using our proprietary technology from photographic films, to accurately quantify protein.
- **Quanticell**
A drug discovery support services using HSTT technology.
- **Genetic diagnosis**
DNA information is described as the blueprint for bodily tissue, and this kind of diagnosis identifies susceptibility to hereditary cancer and other diseases, and pharmaceutical compatibility, by examining that information. Knowing about such predispositions through genetic information makes it possible to deal efficiently with a disease if it is contracted.
- **Support for pharmaceutical development**
This is the provision of technical support to pharmaceutical companies when developing new drugs. New drug development tends to cost huge sums of money, and this support makes efficient use of our analytical technology to help move from preclinical study and clinical trials to market launch.
- **SPFS / Surface Plasmon Field-enhanced Fluorescence Spectroscopy**
An immunological testing system. This is a method for detecting fluorescence signals generated by exciting fluorophores that are surface-confined by an antigen-antibody reaction. The fluorophores are excited with extreme efficiency by near-field light induced very close to the gold membrane surface.
- **Workplace Hub**
An IoT business platform on which Konica Minolta is recently focused. The Workplace Hub is a solution for streamlining business processes and reducing IT infrastructure management costs achieved by equipping MFPs with servers that allow businesses to analyze data in real time and visualize patterns. It brings people and data together and enables smarter decision-making and problem-solving support in the office.
- **Digital manufacturing**
The new manufacturing that Konica Minolta is aiming for, which will revolutionize workflow. Based on the concept of IoT, digital manufacturing involves comprehensively integrating information gained in the production process and analyzing the data to identify angles from which customer value can be improved.
- **Imaging IoT**
Technologies that analyze image data and information from various sensors using AI, such as deep learning, to assist decision-making and judgements in a variety of workplaces.