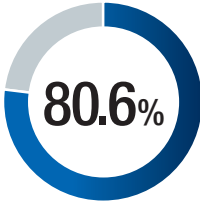
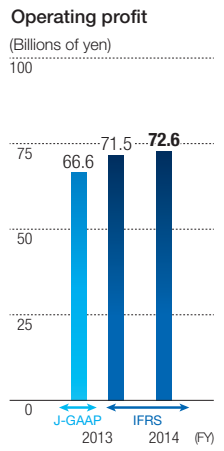
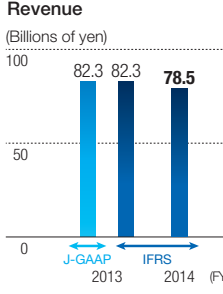
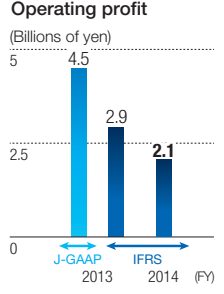
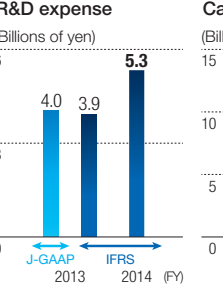
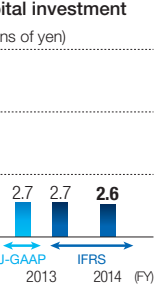
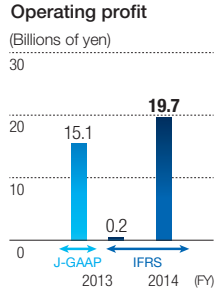
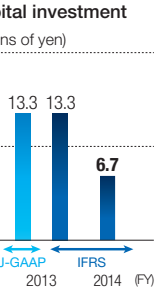


## Business Results

# Major gains were seen in our core business, the Business Technologies Business.

Business Overview	
<p><b>Business Technologies Business</b></p>  <p>80.6%</p>	<p>External revenue in this business stood at ¥808.2 billion, up 10.5% year on year, and operating profit was ¥72.6 billion, up 1.5% year on year. An increase in gross profit in line with an increase in sales of color units centering on service provision capabilities coupled with growth in sales of digital printing systems and the impact of the weak yen contributed to higher sales and profit in this segment.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>Revenue</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>Operating profit</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>R&amp;D expense</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>Capital investment</b> (Billions of yen)</p>  </div> </div>
<p><b>Healthcare Business</b></p>  <p>7.8%</p>	<p>External revenue in this business amounted to ¥78.5 billion, a decrease of 4.6% year on year. Operating profit was ¥2.1 billion, down 27.6% year on year, due to a decrease in gross profit in line with a decline in sales of local procurements in Japan and significant advance expenses related to the launch of the diagnostic ultrasound systems business.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>Revenue</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>Operating profit</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>R&amp;D expense</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>Capital investment</b> (Billions of yen)</p>  </div> </div>
<p><b>Industrial Business</b></p>  <p>11.2%</p>	<p>Revenue decreased despite an increase in sales in the performance materials field compared with the previous year due to falling demand in lenses for compact cameras, downsizing of the lens business for mobile phones and withdrawal from the glass substrates for HDDs business in the field of optical systems for industrial use. Meanwhile, an increase in sales in the performance materials field and measuring instruments field coupled with the effect of a series of structural reforms implemented in the previous fiscal year in the field of optical systems for industrial use contributed to an increase in profit.</p> <p>As a result, revenue of the Industrial Business to external customers stood at ¥112.7 billion, down 2.9% year on year, and operating profit was ¥19.7 billion, a ¥19.5 billion increase year on year.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>Revenue</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>Operating profit</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>R&amp;D expense</b> (Billions of yen)</p>  </div> <div style="text-align: center;"> <p><b>Capital investment</b> (Billions of yen)</p>  </div> </div>

\*1 OP: Office Product \*2 MIF (Machine in the Field): In the market for MFPs (multi-functional peripherals), production print machines, etc., it refers to the total installed base (number of working units).

\*3 PV (Print Volume): The print output quantity \*4 Multi-application: Applications of print technology to media other than paper, such as textiles and labels.

\*5 MPM (Marketing Print Management): Service that offers print solutions optimized for customers' marketing divisions. \*6 PP: Production Print

	Genre-top strategy	Growth strategy (IFRS)	
<p><b>Office Services</b></p> 	<p><b>Color MFPs:</b> No. 1 or 2 share in 29 countries</p> <p>Unit basis, Konica Minolta estimate using external CY2014 data</p>	<p>FY2014 (Results)</p> <p>Revenue ¥597.0 billion</p>	<p>FY2018 (Targets)</p> <p>Revenue ¥700 billion</p> <p>Expansion in MIF*<sup>2</sup> and PV*<sup>3</sup> with service proposals</p> <p>■ Services ■ OP*<sup>1</sup></p>
<p><b>Commercial and Industrial Printing</b></p> 	<p><b>Color digital printing systems:</b> Large global market share</p> <p>Unit basis, Konica Minolta estimate using external CY2014 data</p>	<p>Revenue ¥211.1 billion</p>	<p>Revenue ¥300 billion</p> <p>Expansion in MIF and PV with MPM proposals</p> <p>■ Multi-application*<sup>4</sup> ■ MPM*<sup>5</sup> ■ PP*<sup>6</sup></p>
<p><b>Healthcare</b></p> 	<p><b>Cassette-type digital radiography systems:</b> Large market share in Japan</p> <p>Konica Minolta estimate using external data from CY2014</p>	<p>Revenue ¥78.5 billion</p>	<p>Revenue ¥150 billion</p> <p>Expansion in MIF with service and medical IT proposals</p> <p>■ Services, medical IT ■ Modality*<sup>7</sup>, etc.</p>
<p><b>Optical Systems for Industrial Use</b></p> 	<p><b>Display analyzers:</b> Large market share</p> <p>Konica Minolta estimate using CY2014 data</p>	<p>Revenue ¥51.8 billion</p>	<p>Revenue ¥100 billion</p> <p>Expansion in devices and systems with service proposals</p> <p>■ Measuring instruments, optical systems ■ Lenses, components / materials</p>
<p><b>Performance Materials</b></p> 	<p><b>TAC films:</b> Large global market share</p> <p>Area basis, Konica Minolta estimate using external CY2014 data</p>	<p>Revenue ¥60.9 billion</p>	<p>Revenue ¥100 billion</p> <p>Create new businesses in addition to TAC*<sup>8</sup></p> <p>■ New business ■ Existing business</p>

\*7 Modality: The various diagnostic equipment used in the practice of medicine. At Konica Minolta, this refers to CR/DR and diagnostic ultrasound systems.

\*8 TAC: General term given to protective film for LCD polarizers, composed primarily of cellulose acetate.