May 12, 2022

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [IFRS]

Company name:	Konica Minolta, Inc.
Stock exchange listings:	Tokyo (Prime Market)
Securities code number:	4902
URL:	http://konicaminolta.com
Representative:	Toshimitsu Taiko President and CEO, Representative Executive Officer
Contact:	Kenichi Fujiwara General Manager, Corporate Accounting Division
Telephone number:	(81) 3-6250-2111
Scheduled date for Ordinary General Meeting of Shareholders:	June 17, 2022
Scheduled date for dividends payment:	May 27, 2022
Scheduled date for submission of securities report:	June 20, 2022
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, 2022 (from April 1, 2021 to March 31, 2022)**

(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, 2022	911,426	5.6	(22,297)	-	(23,617)	-
March 31, 2021	863,381	-13.3	(16,266)	-	(20,000)	-

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, 2022	(26,206)	-	(26,123)	-	34,786	77.8
March 31, 2021	(14,650)	-	(15,211)	-	19,568	-

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, 2022	(52.93)	(52.93)	-4.8	-1.8	-2.4
March 31, 2021	(30.75)	(30.75)	-2.9	-1.6	-1.9

(Reference) Share of profit (loss) of investments accounted for using the equity method:
Fiscal year ended March 31, 2022: - million yen
Fiscal year ended March 31, 2021: 12 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, 2022	1,338,124	561,500	549,810	41.1	1,113.71
March 31, 2021	1,299,752	550,703	539,888	41.5	1,093.98

(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, 2022	37,438	(50,999)	2,125	117,670
March 31, 2021	78,060	(34,330)	(13,085)	123,823

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, 2021	-	10.00	-	15.00	25.00
Fiscal year ended March 31, 2022	-	15.00	-	15.00	30.00
Fiscal year ending March 31, 2023 (forecast)	-	10.00	-	10.00	20.00

	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, 2021	12,407	-	2.3
Fiscal Year ended March 31, 2022	14,891	-	2.7
Fiscal Year ending March 31, 2023 (forecast)		179.5	

3. Consolidated forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	980,000	7.5	15,000	-	5,500	-	11.14

■ Notes

(1) Changes in significant subsidiaries for the fiscal year ended March 31, 2022 (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: Yes

(Note) For further details, refer to “1. CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES, (6) Notes to the Consolidated Financial Statements [Change in accounting estimates]” on page 23.

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

a. Number of issued and outstanding shares (including treasury shares)
As of March 31, 2022: 502,664,337 shares
As of March 31, 2021: 502,664,337 shares

b. Number of treasury shares
As of March 31, 2022: 8,991,342 shares
As of March 31, 2021: 9,155,998 shares

c. Average number of issued and outstanding shares during the year
The fiscal year ended March 31, 2022: 493,580,630 shares
The fiscal year ended March 31, 2021: 494,755,326 shares

(Note) The Company has established the Board Incentive Plan. The shares owned by the trust account relating to this trust are accounted for as treasury shares (2,759,516 shares as of March 31, 2022, and 2,809,437 shares as of March 31, 2021).

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	373,208	8.4	5,277	–	16,338	61.6
March 31, 2021	344,321	-20.1	(20,520)	–	10,109	-19.4

Fiscal year ended	Net income		Net income per share	Net income per share (fully-diluted)
	Millions of yen	%	Yen	Yen
March 31, 2022	14,476	-12.5	29.33	29.23
March 31, 2021	16,539	36.7	33.43	33.34

(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, 2022	802,673	332,587	41.4	672.76
March 31, 2021	769,628	333,938	43.3	675.54

(Reference) Equity:

Fiscal year ended March 31, 2022: 332,123 million yen
Fiscal year ended March 31, 2021: 333,386 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 forecasts and other related matters when referring to the forecasts, refer to "1. OVERVIEW OF FINANCIAL RESULTS, (1) Overview of Consolidated Operating Results, c. Outlook for the Fiscal Year Ending March 31, 2023" in the attached Supplementary Information on page 9.

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 Thursday, May 12, 2022. 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, 2021	Fiscal year ended March 31, 2022	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	863.3	911.4	48.0	5.6
Gross profit	374.6	392.7	18.0	4.8
Operating profit (loss)	(16.2)	(22.2)	(6.0)	–
Profit (loss) before tax	(20.0)	(23.6)	(3.6)	–
Profit (loss) attributable to owners of the Company	(15.2)	(26.1)	(10.9)	–
	Yen	Yen	Yen	%
Basic earnings (loss) per share	(30.75)	(52.93)	(22.18)	–
	%	%		
ROE	-2.9	-4.8	-1.9	–
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	57.7	42.4	(15.2)	-26.5
Depreciation and amortization expenses	77.5	75.7	(1.8)	-2.3
Research and development expenses	65.0	62.6	(2.3)	-3.6
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	43.7	(13.5)	(57.2)	–
	Number	Number	Number	%
Number of employees in the Group	40,979	39,121	(1,858)	-4.5
Foreign exchange rates	Yen	Yen	Yen	%
U.S. dollar	106.06	112.38	6.32	6.0
Euro	123.70	130.56	6.86	5.5

(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, 2022 (the “current fiscal year”), a shortage of semiconductors and other materials and tight logistics had a great impact on economic activities, starting from around the second quarter of the current fiscal year ended September 30, 2021 (the “second quarter”). Further, infectious diseases with mutated strains of COVID-19 began to spread again in each region. During the fourth quarter of the current fiscal year ended March 31, 2022 (the “fourth quarter”), the impact of COVID-19 pandemic gradually improved and the economy progressed along the recovery track, but the geopolitical situation in Eastern Europe has increased uncertainty in the business environment. In the United States, a sign of recovery was seen in the economy as consumer spending increased and the employment situation improved steadily. In China, the ongoing economic growth slowed down due to local restrictions on activities associated with the zero COVID-19 policy. In Japan, economic recovery was slow in the fourth quarter due to the application of Semi-emergency Spread Prevention Measures.

Amid such business environment, the Group recorded revenue of 911.4 billion yen for the current fiscal year, an increase of 5.6 % year-on-year. Revenue increased from the previous fiscal year due to a recovery trend from the second quarter. Looking by regions, an increase in revenue was seen in all areas as Europe, North America, China, and Japan recorded increases of approximately 4%, 2%, 12%, and 0.3% of year before levels, respectively. Looking by business units, supply of products and materials and logistics costs in the office unit in the Digital Workplace Business were affected by a shortage of semiconductors and other materials, production delays because of a plant shutdown following the spread of mutated strains of COVID-19 in Malaysia, the explosion accidents at Tatsuno Factory of Konica Minolta Supplies Manufacturing Co., Ltd., a Group company, occurred during the second quarter and the prolonged international shipping period. As a result, the Company was unable to supply products to satisfy the demand, resulting in a decrease in revenue by approximately 1% compared to the previous fiscal year. Meanwhile, revenue in the DW-DX unit went up by approximately 5 % year-on-year due to growth in recurring businesses, capturing the increasing demand for IT services in the United States and Europe. The production print unit in the Professional Print Business was affected by a shortage of toner supply due to the toner factory accidents mentioned above; however, the demand for the equipment itself and consumables and services saw a recovery, resulting in an approximately 12% increase in revenue year-on-year. The industrial print unit saw an increase in revenue by approximately 46% year-on-year due to the strong demand. The healthcare unit in the Healthcare Business recorded an approximately 4% increase in revenue year-on-year as sales to hospitals in Japan remained strong. The precision medicine unit posted a year-on-year decline in revenue by approximately 8% due to reduction in accounts receivables (and revenue) through the reassessment of the recoverable amount of accounts receivables, and a decrease in the number of patients coming into hospitals and the number of clinical trial volunteers, caused by the rebound of COVID-19 in the United States. The Industry Business, which is one of the pillars of Company's growth strategy, achieved an approximately 18 % increase in overall revenue compared to the previous fiscal year. Especially in the sensing field and the materials and components field, revenue increased by approximately 31% and 14%, respectively.

Looking toward the fiscal year ending March 31, 2023, which is the final year of our medium-term business plan "DX2022," the Company conservatively and carefully reviewed its future business plans without postponing the recognition of potential risks associated with future growth. As a result, impairment losses of 10.9 billion yen on goodwill arising from past acquisitions in the marketing services unit in the Professional Print Business and the imaging-IoT solutions unit in the Industry Business were recorded in the fourth quarter. Further, the Company reassessed the recoverable amount of accounts receivable in the precision medicine unit in the Healthcare Business, and as a result, accounts receivable (and revenue) went down by 9.2 billion yen in the fourth quarter. As a result, the office unit in the Digital Workplace Business, the marketing services unit in the Professional Print Business, the precision medicine unit in the Healthcare Business, and the imaging-IoT solutions unit in the Industry Business experienced decrease in profit compared to the previous fiscal year. On the other hand, revenue in the production print unit and industrial print unit in the Professional Print Business, the healthcare unit of the Healthcare Business, and the sensing field and materials and components field of the Industry Business, which are all categorized in the field of "measurement, inspections and diagnosis," went up year-on-year.

Based on the above, the consolidated operating loss in the current fiscal year was increased to 22.2 billion yen (operating loss of 16.2 billion yen in the previous fiscal year). Loss before tax of 23.6 billion yen was marked in the current fiscal year, whereas loss before tax of 20.0 billion yen was recorded in the previous fiscal year. Loss attributable to owners of the Company was 26.1 billion yen, while loss attributable to owners of the Company was 15.2 billion yen in the previous fiscal year.

The Company has promoted a long-term management vision that looks forward to 2030 and a three-year medium-term business plan "DX2022," starting from the fiscal year ended March 31, 2021. Although the Industry Business progressed as originally planned, the Company as a whole is still in the process of transforming its portfolio. In line with the Company's policy of not postponing the recognition of potential risks, the Company recorded impairment losses on goodwill associated with past acquisitions, resulting in operating losses in the last two years.

The Company aims to generate stable cash by quickly restoring profitability in its main businesses, such as the office printing business, in the short run, complete the transformation of its business portfolio by the fiscal year ending March 31, 2026 in the medium term, and create value in response to the five material issues, "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," toward 2030 in the long term.

b. Overview by Segment

		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	465.2	465.4	0.2	0.0
	Operating profit	(2.7)	(6.2)	(3.4)	—
Professional Print Business	Revenue	169.5	194.7	25.1	14.8
	Operating profit	(7.8)	1.0	8.9	—
Healthcare Business	Revenue	109.0	109.9	0.8	0.8
	Operating profit	(6.4)	(20.3)	(13.9)	—
Industry Business	Revenue	118.2	139.2	21.0	17.8
	Operating profit	15.6	18.5	2.9	18.7
Subtotal	Revenue	862.0	909.3	47.2	5.5
	Operating profit	(1.3)	(6.9)	(5.6)	—
Others and adjustments (Note 2)	Revenue	1.2	2.1	0.8	64.1
	Operating profit	(14.8)	(15.3)	(0.4)	—
Amount reported in the Consolidated Statement of Profit or Loss	Revenue	863.3	911.4	48.0	5.6
	Operating profit	(16.2)	(22.2)	(6.0)	—

(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.

i. Digital Workplace Business

In the office unit, although the demand for A3 multi-functional peripherals (MFPs) showed signs of recovery since the first quarter ended June 30, 2021, the backlog of orders increased to approximately 51.5 billion yen as of the end of the current fiscal year, and sales volumes of color models, monochrome models, and all models in the current fiscal year ended March 31, 2022 went down to 84%, 83%, and 84% of the year-before levels, respectively, due to the following: delays in production caused by the shortage of semiconductors and other materials, plant shutdown following the spread of mutated strains of COVID-19 in Malaysia, the increased impact of prolonged transport periods because of congestion at ports since the second quarter of the current fiscal year. The resurgence of COVID-19 cases has been alternating between spreading and leveling off across the globe, and the number of employees coming back into client companies’ office sites has remained at a certain level, while it depends on the country and region. Though the increase in toner air freight costs due to the accidents at the toner factory and the restraint of sales activities impacted to some extent, this situation caused a calm recovery in non-hardware revenue, such as consumables and services; thus, the overall revenue surpassed year-before levels. The overall revenue in the office unit decreased year-on-year. In the DW-DX unit, composed of the former IT service solutions unit and the workplace hub unit, the office solutions field, which provides IT services along with sales of MFPs, saw a stagnated recovery in revenue due to a decrease in sales volume of MFPs. For Managed IT Services, which take care of the entire IT platform of customers, recurring revenue remained strong in the United States and Europe by successfully meeting the demand for security services in the United States. Digital workflow solution services, which contribute to the improvement of business process efficiency of the customers, saw an increase in sales to government-related customers in the United States.

The workplace hub increased both the number of orders and the average sales price per customer. As a result, the revenue in the entire DW-DX unit went up year-on-year.

Based on the above, the Digital Workplace Business recorded a revenue of 465.4 billion yen in the current year, an increase of 0.0% year-on-year. Operating loss was 6.2 billion yen (operating loss of 2.7 billion yen for the previous fiscal year) due to the factors, such as 18.0 billion-yen impact of aforementioned production delays caused by shortages of semiconductors and other materials.

ii. Professional Print Business

In the production print unit, the sales volume in the current fiscal year arrived at 91%, 93%, and 92% of the year-before levels for color models, monochrome models, and all models, respectively. The results are affected by temporarily suppress of sales of models in order to prioritize the toner supply to existing customers, corresponding to the undersupply of toner in the three-month period ended December 31, 2021 (the “third quarter”) due to the explosion accidents at Tatsuno Factory mentioned above. In terms of the non-hardware revenue, such as consumables and services, demand for commercial printing continued to be on a recovery track, especially among medium-and large-sized printing companies, and its revenue recovered to the level before the spread of COVID-19 in Europe and the United States. As a result, the production print unit showed a growth in revenue compared to the previous year. Further, an order backlog for the whole unit did not fluctuate significantly since the end of the third quarter. It continued to be approximately 8.0 billion yen at the end of the fourth quarter.

In the industrial print unit, sales volume increased in all areas: inkjet press, label press, textile press, and digital embellishment press; due to the robust recovery of demand in daily necessities, recovery in apparel market in Europe in addition to the shift toward digital printing among industrial print companies. Non-hardware revenue improved in all areas, including inkjet press, resulting from an increase in the utilization rate of existing equipment by the recovery of demand, and an increase in the number of units in operation due to strong sales of models. As a result, the revenue of the whole industrial print unit increased year-on-year.

In the marketing services unit, revenue increased due to economic recovery in Europe, acquisition of new customers in Asia, and the gradual resumption of sales promotion activities by major customers. As a result, the unit showed growth in revenue compared to the previous year. On the other hand, an impairment loss on goodwill, which arose from the acquisition of Konica Minolta Marketing Services EMEA Limited in Europe, of 1.5 billion yen, was recorded as a result of the decline in demand for sales promotion printings and profitability due to prolonged COVID-19 pandemic.

Based on the above, the Professional Print Business segment recorded a revenue of 194.7 billion yen, an increase of 14.8% year-on-year. Operating profit was 1.0 billion yen (operating loss of 7.8 billion yen in the previous year).

iii. Healthcare Business

The healthcare unit saw an uplift in sales volume of digital radiography (DR), responding to an improvement in sales particularly in the market of hospitals compared to the previous year in Japan, and meeting the increasing demand for DR to be used for COVID-19 detection overseas, especially in Indian and Asian markets. In addition, the Company launched the world’s first mobile X-ray system, AeroDR TX m01, that enables dynamic digital radiography at the bedside. Sales volume of diagnostic ultrasound systems went up, supported by an increase in sales especially to orthopedics and obstetrics in Japan as well as in the markets of the Americas and China compared to the previous year. In addition, sales volume of pulse oximeters for local governments to be lent to people recuperating from COVID-19 at home increased in Japan. For medical IT, sales of “Informity,” an IT service supporting medical image management and collaboration between medical institutions, continued to remain strong in Japan. The United States saw continuous signs of recovery in sales of the Picture Archiving and Communication System (PACS). Based on the above, revenue in the healthcare unit went up year-on-year.

In the precision medicine unit, the number of genetic tests continued to recover, exceeding its level before the spread of COVID-19 ever since the three-month period ended December 31, 2020, despite the impact of the drop in the number of patients coming into hospitals due to the resurgence of COVID-19 cases in the United States. Furthermore, the testing numbers of ribonucleic acid (RNA) testing, an assessment of germline mutations which represents one of the Company's focus areas among genetic tests, saw a steady increase. The number of tests offered by "CARE Program," a full scale service for imaging centers, is negatively affected by the decreased opportunity of checkups due to the rebound of COVID-19 in the United States. The Company's pharmaceutical development support service experienced repetitive delays in the recommencement of clinical trials and progress due to the rebound of COVID-19 in the fourth quarter, despite that the clinical trials conducted by pharmaceutical companies were once recommenced in the second quarter when there was a movement toward the convergence of COVID-19 pandemic. However, sales volume has increased in pharmaceutical development research and preclinical studies. In addition, in the midst of preparation for listing REALM IDx Inc. (REALM IDx), a subsidiary of the Company, on the stock market in the United States, the recoverable amount of accounts receivable for Ambry Genetics Corporation, a subsidiary of REALM IDx, has been revised carefully since the current period based on the recent actual recoverable rate. As a result, the amounts of accounts receivable (and revenue) decreased by 9.2 billion yen at the end of the current fiscal year. As a result, revenue of the precision medicine unit went down year-on-year.

Based on the above, although the result of the healthcare unit remained strong, the Healthcare Business segment, impacted by the revision of the recoverable amount of accounts receivable in the precision medicine unit, recorded a revenue of 109.9 billion yen, an increase of 0.8% year-on-year. Operating loss was 20.3 billion yen (operating loss of 6.4 billion yen in the previous fiscal year).

iv. Industry Business

In the measuring instruments unit of the sensing field, revenue of light source color measurement instruments went up by responding to the orders from major customers and demand for the displays in Asia. Revenue of object color measurement instruments remained strong across China and the United States, and the visual inspection enjoyed an increase in new orders for the automotive production line. In addition, the utilization of hyper spectral imaging (HSI) technology, entered through acquisition of Specim, Spectral Imaging Oy Ltd. in the previous fiscal year, resulted in strong orders of recycle sorting solution from Europe. Based on the above, the unit revenue increased year-on-year.

In the materials and components field, the performance materials unit secured steady sales of high-value-added products for LCD TVs by capturing the strong demand in large screen TVs and IT applications. An increase in sales of high-value-added products such as phase difference film and ultra-thin film, including new resin film, resulted in the unit revenue growth year-on-year. The inkjet (IJ) components unit increased revenue year-on-year contributed by large orders for industrial applications and large format printing applications from the European market, which has seen a steady recovery since the previous fiscal year and increase in sales of industrial applications in Asia. In the optical components unit, revenue increased year-on-year as sales of lenses for projectors and interchangeable lenses showed a steady trend despite sluggish growth in sales of products for automobiles and others due to shortage of procured semiconductors among some customers.

In the imaging-IoT solutions field, imaging-IoT solutions unit saw a decrease in revenue year-on-year. Although sales of monitoring camera solutions in Europe were picking up, negotiations and acceptance of orders had delayed due to the rebound of COVID-19 in the third quarter and the geopolitical impact in Eastern Europe in the fourth quarter. In addition, delay in solution development and supply shortage of materials such as semiconductors led the recognition of an impairment loss on goodwill arose from the acquisition of MOBOTIX AG ("MOBOTIX"), of 9.4 billion yen (an impairment loss on goodwill allocated to MOBOTIX of 5.8 billion yen, and to the imagining-IoT solutions field of 3.5 billion yen) in the fourth quarter. On the other hand, for the acceleration of DX in society with the customers and partners, "FORXAI", an imaging IoT platform which combines the latest IoT and AI technology with the base of the Company's competitive imaging technology, is steadily gaining strategic partners of approximately 100 companies and accelerating the deployment of solutions. The visual solutions unit opened new planetariums in Nagoya and Yokohama, the first facilities with 8K LED domes in Japan. Also, the strong sales of digital equipment achieved the revenue growth year-on-year.

As a result, the Industry Business segment recorded a revenue of 139.2 billion yen, an increase of 17.8% from a year earlier. Operating profit was 18.5 billion yen, an increase of 18.7% year-on-year.

(Reference) Overview of the quarterly consolidated accounting period

	Three months ended March 31, 2021	Three months ended March 31, 2022	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	248.4	249.9	1.4	0.6
Gross profit	110.4	102.5	(7.8)	-7.1
Operating profit (loss)	8.3	(12.1)	(20.4)	—
Profit (loss) before tax	8.4	(11.5)	(19.9)	—
Profit (loss) attributable to owners of the Company	5.4	(12.8)	(18.3)	—
	Yen	Yen	Yen	%
Basic earnings (loss) per share	11.01	(26.09)	(37.10)	—
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	27.6	14.7	(12.8)	-46.6
Depreciation and amortization expenses	19.2	19.1	(0.1)	-0.5
Research and development expenses	16.5	15.4	(1.0)	-6.4
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	35.9	(3.9)	(39.8)	—
Foreign exchange rates	Yen	Yen	Yen	%
U.S. dollar	105.90	116.20	10.30	9.7
Euro	127.69	130.39	2.70	2.1

Overview of major segments

		Three months ended March 31, 2021	Three months ended March 31, 2022	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	128.9	131.6	2.7	2.1
	Operating profit	3.4	2.7	(0.6)	-19.7
Professional Print Business	Revenue	50.7	53.8	3.0	5.9
	Operating profit	0.9	0.5	(0.3)	-42.7
Healthcare Business	Revenue	35.4	25.5	(9.9)	-28.0
	Operating profit	0.6	(10.5)	(11.2)	—
Industry Business	Revenue	32.7	37.8	5.1	15.6
	Operating profit	5.8	(1.1)	(6.9)	—
Subtotal	Revenue	248.0	248.9	0.9	0.4
	Operating profit	10.9	(8.3)	(19.3)	—
Others and adjustments	Revenue	0.4	0.9	0.4	97.9
	Operating profit	(2.5)	(3.7)	(1.1)	—
Amount reported in the Consolidated Statements of Profit or Loss	Revenue	248.4	249.9	1.4	0.6
	Operating profit	8.3	(12.1)	(20.4)	—

c. **Outlook for the Fiscal Year Ending March 31, 2023**

Although there have been indications of improvement in economic activity in many countries in North America and Europe since the spread of COVID-19, there is no clear indication of when the pandemic will be fully contained. People's behavior is being constrained to a certain extent by localized lockdowns, such as strengthening the zero-COVID-19 policy in China, and such situation is increasing uncertainty. The Company also assumes that the deficit will continue in the first half of the next fiscal year based on the assumption that the effects of the semiconductor supply shortage, prolonged international logistics transportation periods, and the downside risk of the European economy due to the geopolitical impact in Eastern Europe, as well as the uncertainty in the world economy caused mainly by the high crude oil prices will continue, and its economic activity will recover at different rates depending on regions or industry/business types. Despite its challenging business environment, the Company is ready to proactively enhance the earning power of each business and transform our revenue structure.

The Company's priority policy is to strengthen the ability to create stable cash by quickly restoring the profitability of main businesses such as the office unit. Next, to complete the business portfolio transformation by the fiscal year ending March 31, 2026, we will focus on the following four business types and ensure that their goals are achieved.

i. **Business with stable profit**—In the office and production print units, the Company will implement structural reform measures by further streamlining operations to increase profitability under the assumption that material and logistics costs will remain at a high level for an extended period. In addition, the company will review our manufacturing strategy with a medium-term market perspective in consideration of geopolitical risks.
ii. **Core Businesses** — The sensing, performance materials, IJ (inkjet) components, and healthcare units will continue to strengthen business development in growth areas, and as a leader in portfolio transformation (in the areas of measurements, inspections, and diagnosis), they will complete the preparation for the fiscal year ending March 31, 2026 by achieving the original medium-term business strategy targets.
iii. **Strategic new businesses**—In the unit of DW-DX, industrial print, precision medicine, and imaging-IoT solutions, the company gives priority to improving performance based on the investment made before and executes up-front investments that are carefully selected for the future. In addition, DW-DX unit will focus on the appropriate DX investment field. The company will continue to enforce the capital policies in precision medicine unit, and accelerate expanding areas in imaging-IoT solutions unit.
iv. **Business with low profit**—The optical components and marketing services units will continue to promote measures with the aim of use of external capital and rebuild for the future growth.

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 [¥110 to the U.S. dollar and ¥125 to the euro, respectively], with forecasts as follows:

	Fiscal year ended March 31, 2022	Forecast for the fiscal year ending March 31, 2023
	Billions of yen	Billions of yen
Revenue	911.4	980.0
Operating profit (loss)	(22.2)	15.0
Profit (loss) attributable to owners of the Company	(26.1)	5.5
	%	%
ROE (Note)	-4.8	1.0

(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, 2021	As of March 31, 2022	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	1,299.7	1,338.1	38.3
Total liabilities	749.0	776.6	27.5
Total equity	550.7	561.5	10.7
Equity attributable to owners of the Company	539.8	549.8	9.9
	Yen	Yen	Yen
Equity per share attributable to owners of the Company	1,093.98	1,113.71	19.73
	%	%	%
Equity ratio attributable to owners of the Company	41.5	41.1	-0.4

Total assets as of March 31, 2022, were 1,338.1 billion yen, an increase of 38.3 billion yen (3.0%) from March 31, 2021. This is primarily attributed to an increase of 28.7 billion yen in inventories, an increase of 17.3 billion yen in trade and other receivables, an increase of 15.1 billion yen in other non-current assets, an increase of 6.6 billion yen in goodwill and intangible assets, a decrease of 10.9 billion yen in other financial assets, a decrease of 6.7 billion yen in deferred tax assets, and a decrease of 6.1 billion yen in cash and cash equivalents.

Total liabilities as of March 31, 2022, were 776.6 billion yen, an increase of 27.5 billion yen (3.7%) from March 31, 2021. This is primarily attributed to an increase of 38.9 billion yen in bonds and borrowings, an increase of 8.4 billion yen in other financial liabilities, a decrease of 7.5 billion yen in retirement benefit liabilities, and a decrease of 6.4 billion yen in deferred tax liabilities.

Total equity as of March 31, 2022, was 561.5 billion yen, an increase of 10.7 billion yen (2.0%) from March 31, 2021.

Equity attributable to owners of the Company was 549.8 billion yen as of March 31, 2022, an increase of 9.9 billion yen (1.8%) from March 31, 2021. This is primarily attributed to an increase of 44.3 billion yen in other components of equity (primarily exchange differences on translation of foreign operations), the recording of a loss attributable to owners of the Company of 26.1 billion yen, and a decrease of 9.6 billion yen on share premiums.

As a result of the above, the equity per share attributable to owners of the company was 1,113.71 yen, and the equity ratio attributable to owners of the Company decreased by 0.4 percentage points to 41.1%.

b. Analysis of Cash Flows

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Cash flows from operating activities	78.0	37.4	(40.6)
Cash flows from investing activities	(34.3)	(50.9)	(16.6)
Total (Free cash flows)	43.7	(13.5)	(57.2)
Cash flows from financing activities	(13.0)	2.1	15.2

For the fiscal year ended March 31, 2022, net cash provided by operating activities was 37.4 billion yen, and net cash used in investing activities totaled 50.9 billion yen. As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an outflow of 13.5 billion yen for the current period.

Net cash provided by financing activities was 2.1 billion yen.

In addition, cash and cash equivalents as of March 31, 2022, decreased by 6.1 billion yen from March 31, 2021, to 117.6 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 37.4 billion yen. On top of the loss before tax of 23.6 billion yen, this is attributable to net effects of increase in cash flows mainly due to depreciation and amortization expenses of 75.7 billion yen and Impairment losses and reversal of impairment losses of 10.9 billion yen, and decrease in cash flows due to decrease in inventories of 17.3 billion yen.

Cash flows from investing activities

Net cash used in investing activities was 50.9 billion yen, mainly due to purchases of property, plant and equipment of 41.2 billion yen, purchases of intangible assets of 19.7 billion yen and sales of investment securities of 6.1 billion yen.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an outflow of 13.5 billion yen (an inflow of 43.7 billion yen in the previous fiscal year).

Cash flows from financing activities

Net cash provided by financing activities was 2.1 billion yen (net cash outflow of 13.0 billion yen in the previous fiscal year), reflecting redemption of bonds and repayments of long-term loans payable of 32.3 billion yen, repayments of lease liabilities of 19.2 billion yen, and cash dividends paid of 14.8 billion yen, netted with proceeds from net increase in short-term loans payable of 57.8 billion yen and proceeds from bonds issuance and long-term payable of 10.6 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

Under our philosophy of “The Creation of New Value,” Konica Minolta has continued to deliver social value by using the technologies of image input/output, image processing and analysis, which center our strengths in ‘Imaging’ technology. Since the inauguration of Konica Minolta by business integration in 2003, we remain committed to enhance our strength of technology and have made a progress on transformation of our business portfolio, basing on genre-top strategy, which focuses the business resources on fields with growth potential and chances of winning. From now to 2030, with the corporate vision of ‘Imaging to the People’, our desire of delivering values that help solving social issues with the foundation of imaging technology will remain the same.

The external environment surrounding the Company in the next consolidated fiscal year (the "next fiscal year") is expected to be severe continuously, which was not anticipated when the medium-term business strategy "DX2022" was formulated, including tight semiconductor supplies, prolonged logistics transportation periods, lockdown due to the rebound of COVID-19 cases in China, and geopolitical impact in Eastern Europe, and the management index originally set for the fiscal year ending 2023 in "DX2022" will have to be revised. We take seriously the fact that we ended up with operating losses for two consecutive fiscal years, and under the management structure renewed in April 2022, we will steer management based on the setting of life-size targets, implementation of business selection, and strengthening of cash generation capabilities, and place top priority on stable cash generation through prompt restoration of profitability in our core businesses. Specifically, we will implement structural reforms centered on the office unit of the Digital Workplace Business. In parallel, we will review our manufacturing strategy in anticipation of market shrinkage over the medium-term, to fundamentally improve its profitability toward the fiscal year ending March 31, 2026.

Although uncertainty over the business environment is expected to continue after the next fiscal year, the Company accelerates the completion of two portfolio transformations by the fiscal year ending March 31, 2026 aiming to establish a business structure resilient to environmental changes and a management foundation capable of sustainable profit growth. The first transformation will be the shift toward Digital Workplace Business from traditional office business by expansion and high-value addition of business by providing solutions tailored to each type of industry and business category, using the business transformation support services of local government as a leading example. The second is a portfolio shift to less dependent on the office business and accelerate the growth in measurement, inspection, and diagnostic fields. For each segment, the necessary capital investments, M&A and strategic capital/business alliances will be made to further accelerate the Industry Business, which recorded significant profit growth in the current fiscal year. The capital investments for sales expansion in the growing markets of large displays and mobile displays, where we focus in the performance materials unit, M&A for expansion of applications subject to measurements in the sensing unit, and the promotion of monetarization in the enhanced imaging IoT platform, are planned to be made. In Healthcare Business, the healthcare unit (modalities and medical IT) will promote the expansion of high-value-added products and services such as the mobile dynamic digital radiography system and the AI that supports image diagnosis, and further achievements on strategic collaboration. The precision medicine unit will continue to work on a capital management strategy to acquire its own capital raising ability for future growth. The Professional Print Business will aim the industrial print unit for continuous growth for profit contribution, while the production print unit will expand the provision of customer value through highly competitive new product lines.

We have always placed “sustainability” at the core of our management. We believe that contributing to the realization of a sustainable society, or a society where everyone can live with a sense of purpose, is the very way to achieve the sustainable growth of the company. In other words, working for the sustainability of society can directly improve the sustainability of our own company. Based on this long-term perspective, the Company will create values in our five material issues, “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” through our businesses, and recognize long-term returns to our shareholders and other stakeholders.

3. SIGNIFICANT EVENTS REGARDING PREMISE OF GOING CONCERN

As a result of recording operating losses for the two consecutive fiscal years, as of the end of the current fiscal year, the Company breached financial covenants stipulated in some of the syndicated loan agreements and other agreements executed between the Company and multiple financial institutions. The Company has, as of the filing date of this report, obtained the consent from all relevant financial institutions not to request the Company to forfeit the benefit of time due to this breach, thus, we believe there is no significant uncertainties regarding the premise of going concern.

4. 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.

5. CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES

(1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	123,823	117,670
Trade and other receivables	262,849	280,214
Inventories	156,942	185,661
Income tax receivables	7,609	3,884
Other financial assets	3,203	970
Other current assets	27,595	30,449
Total current assets	582,024	618,851
Non-current assets		
Property, plant and equipment	292,535	287,749
Goodwill and intangible assets	347,478	354,094
Investments accounted for using the equity method	9	9
Other financial assets	36,997	28,320
Deferred tax assets	36,365	29,570
Other non-current assets	4,342	19,527
Total non-current assets	717,728	719,272
Total assets	1,299,752	1,338,124

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade and other payables	185,793	182,063
Bonds and borrowings	92,072	194,597
Lease liabilities	18,833	17,336
Income tax payables	2,234	4,389
Provisions	12,270	11,319
Other financial liabilities	34,974	45,095
Other current liabilities	53,487	56,192
Total current liabilities	399,667	510,995
Non-current liabilities		
Bonds and borrowings	223,247	159,709
Lease liabilities	76,547	77,012
Retirement benefit liabilities	18,191	10,603
Provisions	7,054	6,685
Other financial liabilities	5,795	4,076
Deferred tax liabilities	11,219	4,719
Other non-current liabilities	7,327	2,821
Total non-current liabilities	349,382	265,628
Total liabilities	749,049	776,623
Equity		
Share capital	37,519	37,519
Share premium	203,753	194,060
Retained earnings	294,283	269,461
Treasury shares	(9,694)	(9,517)
Share acquisition rights	551	464
Other components of equity	13,475	57,822
Equity attributable to owners of the Company	539,888	549,810
Non-controlling interests	10,814	11,690
Total equity	550,703	561,500
Total liabilities and equity	1,299,752	1,338,124

(2) Consolidated Statements of Profit or Loss

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Revenue	863,381	911,426
Cost of sales	488,726	518,689
Gross profit	374,654	392,736
Other income	14,031	10,274
Selling, general and administrative expenses	389,672	404,890
Other expenses	15,280	20,418
Operating profit (loss)	(16,266)	(22,297)
Finance income	5,010	6,892
Finance costs	8,756	8,211
Share of profit (loss) of investments accounted for using the equity method	12	—
Profit (loss) before tax	(20,000)	(23,617)
Income tax expense (income)	(5,349)	2,589
Profit (loss) for the year	(14,650)	(26,206)
Profit (loss) attributable to:		
Owners of the Company	(15,211)	(26,123)
Non-controlling interests	560	(83)
Earnings (loss) per share	Yen	Yen
Basic	(30.75)	(52.93)
Diluted	(30.75)	(52.93)

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss) for the year	(14,650)	(26,206)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	8,158	14,140
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	4,811	1,571
Total items that will not be reclassified to profit or loss	12,969	15,711
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	(299)	408
Exchange differences on translation of foreign operations (net of tax)	21,532	44,872
Share of other comprehensive income (loss) of investments accounted for using the equity method (net of tax)	15	0
Total items that may be subsequently reclassified to profit or loss	21,249	45,280
Total other comprehensive income (loss)	34,219	60,992
Total comprehensive income (loss)	19,568	34,786
Total comprehensive income (loss) attributable to:		
Owners of the Company	18,750	34,397
Non-controlling interests	817	388

(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, 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

(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, 2021	37,519	203,753	294,283	(9,694)	551	13,475	539,888	10,814	550,703
Profit (loss) for the year	—	—	(26,123)	—	—	—	(26,123)	(83)	(26,206)
Other comprehensive income (loss)	—	—	—	—	—	60,520	60,520	471	60,992
Total comprehensive income (loss)	—	—	(26,123)	—	—	60,520	34,397	388	34,786
Dividends	—	—	(14,806)	—	—	—	(14,806)	(23)	(14,830)
Acquisition and disposal of treasury shares	—	—	(66)	177	—	—	111	—	111
Share-based payments	—	53	—	—	(87)	—	(34)	—	(34)
Changes in ownership interests in subsidiaries	—	(510)	—	—	—	—	(510)	510	—
Equity and other transactions with non-controlling shareholders	—	(84)	—	—	—	—	(84)	—	(84)
Put options written on non-controlling interests	—	(9,150)	—	—	—	—	(9,150)	—	(9,150)
Transfer from other components of equity to retained earnings	—	—	16,173	—	—	(16,173)	—	—	—
Total transactions with owners	—	(9,692)	1,300	177	(87)	(16,173)	(24,475)	486	(23,988)
Balance as of March 31, 2022	37,519	194,060	269,461	(9,517)	464	57,822	549,810	11,690	561,500

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before tax	(20,000)	(23,617)
Depreciation and amortization expenses	77,568	75,754
Impairment losses and reversal of impairment losses	856	10,951
Share of (profit) loss of investments accounted for using the equity method	(12)	—
Interest and dividends income	(4,065)	(3,256)
Interest expenses	7,866	6,565
(Gain) loss on sales and disposals of property, plant and equipment, and intangible assets	1,076	1,697
(Increase) decrease in trade and other receivables	14,921	3,995
(Increase) decrease in inventories	13,783	(17,301)
Increase (decrease) in trade and other payables	(4,849)	2,141
Decrease due to transfer of rental assets	(4,907)	(4,017)
Increase (decrease) in retirement benefit liabilities	(2,510)	(2,748)
Others	5,499	(10,112)
Subtotal	85,228	40,051
Dividends received	645	622
Interest received	3,559	2,566
Interest paid	(8,415)	(6,499)
Income taxes (paid) refunded	(2,957)	696
Net cash provided by (used in) operating activities	78,060	37,438

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,674)	(41,261)
Purchase of intangible assets	(14,523)	(19,784)
Proceeds from sales of property, plant and equipment, and intangible assets	3,955	1,086
Purchase of investments in subsidiaries	(5,069)	—
Sales of investments in subsidiaries	—	2,155
Proceeds from sales of investments accounted for using the equity method	663	—
Proceeds from sales of investment securities	8,642	6,162
Proceeds from transfer of business	—	2,077
Payments for transfer of business	(771)	(38)
Others	(1,552)	(1,398)
Net cash provided by (used in) investing activities	(34,330)	(50,999)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	37,827	57,879
Proceeds from bonds issuance and long-term loans payable	25,851	10,670
Redemption of bonds and repayments of long-term loans payable	(42,763)	(32,314)
Repayments of lease liabilities	(20,534)	(19,206)
Cash dividends paid	(9,921)	(14,887)
Payment of dividends to non-controlling interests	(23)	(23)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(2,786)	—
Others	(734)	(1)
Net cash provided by (used in) financing activities	(13,085)	2,125
Effect of exchange rate changes on cash and cash equivalents	3,274	5,283
Net increase (decrease) in cash and cash equivalents	33,921	(6,152)
Cash and cash equivalents at the beginning of the year	89,901	123,823
Cash and cash equivalents at the end of the year	123,823	117,670

(6) Notes to the Consolidated Financial Statements

[Notes Regarding Going Concern Assumptions]

Not applicable.

[Change in Accounting Estimates]

The company recognized an impairment loss on goodwill of 10, 951 million yen during the fiscal year ended March 31, 2022. The carrying amounts of the cash-generating units to which the goodwill is allocated were reduced to its recoverable amounts calculated as value in use. The details are as follows:

Of the goodwill arose from the acquisition of MOBOTIX AG which belongs to the Industry Business, the delay in the solution development and the decline in profitability due to supply shortage of materials such as semiconductors resulted in the recognition of an impairment loss on goodwill allocated to MOBOTIX AG of 5,893 million yen. In addition, of the goodwill arose from the acquisition of MOBOTIX AG which belongs to the Industry Business, the decline in profitability due mainly to the longer than expected market development resulted in the recognition of an impairment loss on goodwill allocated to the imaging- IoT solutions field of 3,528 million yen. The decline in profitability because of the decline in demand for sales promotion printings and services due to prolonged COVID-19 pandemic also resulted in the recognition of an impairment loss on goodwill arose from the acquisition of Konica Minolta Marketing Services EMEA Limited, which belongs to the Professional Print Business, of 1,487 million yen.

[Other Income]

Components of other income are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Insurance income	356	2,473
Subsidy income including compensation for sustaining businesses	7,447	2,081
Gain on transfer of business	1,217	1,811
Gain on settlement of retirement benefit plans	1,218	-
Others	3,791	3,907
Total	14,031	10,274

[Other Expenses]

Components of other expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Impairment losses	856	10,951
Toner supply measures expenses	-	1,990
Loss on sales and disposals of property, plant and equipment, and intangible assets	1,385	1,881
Business structure improvement expenses	7,608	893
Others	5,429	4,701
Total	15,280	20,418

[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 has established four reportable segments as the "Digital Workplace Business," "Professional Print Business," "Healthcare Business," and "Industry Business" by taking into account the primary usage of products of the respective businesses in the markets and their similarities.

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, 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, 2021

(Millions of yen)

	Reportable segments					Others (Note 2)	Adjustments (Note 3) (Note 4) (Note 5)	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

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments					Others (Note 2)	Adjustments (Note 3) (Note 4) (Note 5) (Note 6)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	465,421	194,729	109,930	139,240	909,322	2,103	—	911,426
Intersegment (Note 1)	2,595	122	719	5,088	8,525	17,833	(26,359)	—
Total	468,017	194,851	110,650	144,329	917,847	19,937	(26,359)	911,426
Segment profit (loss)	(6,200)	1,035	(20,330)	18,538	(6,956)	(2,143)	(13,198)	(22,297)
Other items								
Depreciation and amortization expenses	32,975	13,729	10,868	10,965	68,539	175	7,039	75,754
Impairment losses on non-financial assets	8	1,493	—	9,421	10,924	—	27	10,951

(Notes)

1. Intersegment revenue is based on market prices and others.
2. "Others" include businesses related to QOL solutions not included in any of the reportable segments.
3. Adjustments of revenue are elimination of intersegment transactions.
4. 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.
5. Adjustments of depreciation and amortization expenses are mainly related to equipment not attributable to any of the reportable segments.
6. Adjustments of impairment losses on non-financial assets are related to property, plant and 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, 2021	Fiscal year ended March 31, 2022
Japan	176,796	177,285
USA	225,423	230,141
Europe	250,158	260,860
China	85,732	95,980
Asia	72,142	85,882
Others	53,128	61,276
Total	863,381	911,426

(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:

Non-current assets	As of March 31, 2021	As of March 31, 2022
Japan	251,377	246,514
USA	221,044	238,240
Europe	129,947	120,138
China	20,613	19,946
Asia	16,112	15,324
Others	5,190	6,143
Total	644,285	646,307

(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 loss per share are calculated based on the profit attributable to owners of the Company using the following information:

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	Millions of yen	Millions of yen
Basis of calculating basic loss per share		
Profit (loss) for the year attributable to owners of the Company	(15,211)	(26,123)
Loss for the year not attributable to owners of the Company	–	—
Profit (loss) for the year to calculate basic loss per share	(15,211)	(26,123)
	Thousands of shares	Thousands of shares
Weighted average number of ordinary shares outstanding during the year	494,755	493,580
	Yen	Yen
Basic earnings (loss) per share	(30.75)	(52.93)
Basis of calculating diluted loss per share	Millions of yen	Millions of yen
Profit (loss) for the year to calculate basic earnings per share	(15,211)	(26,123)
Adjustments of loss for the year	–	—
Profit (loss) for the year to calculate diluted earnings per share	(15,211)	(26,123)
	Thousands of shares	Thousands of shares
Weighted average number of ordinary shares outstanding during the year	494,755	493,580
Impact of dilutive effects	–	—
Weighted average number of diluted ordinary shares outstanding during the year	494,755	493,580
	Yen	Yen
Diluted earnings (loss) per share	(30.75)	(52.93)

[Events after the Reporting Period]

Not applicable.