

# Konica Minolta, Inc.

## March 2015 Consolidated Financial Results

**Three months** : January 1, 2015 – March 31, 2015  
**Twelve months** : April 1, 2014 – March 31, 2015

**- Announced on May 13th, 2015 -**

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Shoei Yamana  
President and CEO  
Konica Minolta, Inc.



KONICA MINOLTA

# Settlement of accounts summary for Fiscal 2014

## Main points of Mar 2015 financial results

Konica Minolta achieved full-year targets adjusted upward during the period for net sales and operating income. A steady start was made in the first fiscal year of the Medium Term Business Plan “TRANSFORM 2016.”

**Net sales : ¥1,011.8bn (YoY +7%)**

- ✓ The mainstay Business Technologies Business was the driving force behind the sales growth. This business bounced back to the ¥1 trillion mark in net sales for the first time in seven fiscal years following the complete withdrawal of photo business in fiscal 2007.

**Operating income : ¥66.2bn (YoY +14%)**

- ✓ Enhanced profitability in the commercial and industrial printing field, the effect of structural reforms in the Industrial Business and sales gains in performance materials made contributions. The effect of the weak yen also played a part, absorbing the increase in advance expenses.

**Net income : ¥32.7bn (YoY +50%)**

- ✓ Net income was up 1.5 times year on year after factoring in special factors such as improvement to extraordinary income and losses owing primarily to asset sale as well as reversal of deferred tax assets in line with tax reform (-¥7.9 billion).

**ROE : 6.7% ( Previous year 4.6%)**

## Mar 2015 overview:

# Third-party assessments of Konica Minolta's management

Secured top evaluations from international CSR rating agencies and investment indices as well as various management evaluations in Japan

International rating agencies	<ol style="list-style-type: none"> <li><b>RobecoSAM:</b> Selected for Gold Class (highest rank) Only five Japanese companies were selected, and we were the only one in our sector.</li> <li><b>Dow Jones Sustainability World Index:</b> Named for third consecutive year with the highest evaluation in the sector.</li> <li><b>Oekom Research AG:</b> Awarded Prime Status (highest rank) for the fifth consecutive year</li> </ol>
Japanese investment indices	<ol style="list-style-type: none"> <li><b>JPX Nikkei Index 400:</b> Selected for the second consecutive year</li> <li><b>Brand of Companies Enhancing Corporate Value through Health and Productivity Management:</b> Selected in the first fiscal year of the system</li> </ol>
Management evaluations in Japan	<ol style="list-style-type: none"> <li><b>Quality Management Level Research:</b> Secured overall top position</li> <li><b>Environmental Management Survey:</b> Ranked first place in the overall manufacturing sector</li> </ol>

# Mar 2015 financial results highlight- overview

	[Billions of yen]					
	12M Mar 2015	12M Mar 2014	YoY	4Q Mar 2015	4Q Mar 2014	YoY
Net sales (a)	1,011.8	943.8	7%	277.9	260.9	7%
Gross income	497.8	451.5	10%	134.6	123.7	9%
<i>Gross income ratio</i>	49.2%	47.8%		48.4%	47.4%	
Operating income	66.2	58.1	14%	20.8	19.2	8%
<i>Operating income ratio</i>	6.5%	6.2%	-	7.5%	7.4%	-
Amortization of goodwill	9.2	9.4	-2%	2.3	2.2	4%
Operating income before amortization of Goodwill (b)	75.4	67.5	12%	23.1	21.5	8%
<i>(b)/(a)</i>	7.5%	7.2%	-	8.3%	8.2%	-
Pre-tax Profit	55.2	23.5	135%	14.0	9.6	47%
Net income	32.7	21.9	50%	10.7	11.1	-3%
<i>Net income ratio</i>	3.2%	2.3%	-	3.9%	4.2%	-
ROE [%]*1	6.7%	4.6%	2.1			
ROE [%]*2	7.0%	4.7%	2.3			
FCF	47.4	34.2		20.7	10.4	
FOREX [Yen] USD	109.93	100.24	9.69	119.09	102.78	16.31
euro	138.77	134.37	4.40	134.18	140.79	△ 6.61

\*1 ROE (Return on equity): net income / average total net assets

\*2 ROE (Return on equity): Profit attributable to owners of the Company /Average equity attributable to owners of the Company

## Mar 2015 financial results highlight- segment

Net Sales	12M			4Q			4Q			[Billions of yen]
	Mar 2015	Mar 2014	YoY	Mar 2015	Mar 2014	YoY	Mar 2015	Mar 2014	YoY	
Business Technologies	817.3	739.9	10%	227.7	206.6	10%				
Office Services	604.2	567.1	7%	165.5	156.6	6%				
Commercial/Industrial print	213.1	172.9	23%	62.2	50.0	24%				
Healthcare	78.6	82.3	-5%	23.3	27.2	-14%				
Industrial Business	112.8	116.1	-3%	25.8	25.8	0%				
Industrial Optical Systems	51.8	57.8	-10%	11.7	11.7	0%				
Performance Materials	61.0	58.3	5%	14.1	14.1	0%				
Others	3.2	5.4	-	1.1	1.4	-				
<b>Group Overall</b>	<b>1,011.8</b>	<b>943.8</b>	<b>7%</b>	<b>277.9</b>	<b>260.9</b>	<b>7%</b>				

Operating income	12M			4Q			4Q			
	Mar 2015	Mar 2014	YoY	Mar 2015	Mar 2014	YoY	Mar 2015	Mar 2014	YoY	
Business Technologies	71.8	66.6	8.8%	22.9	21.4	10.1%	10.3%	7%		
Healthcare	2.7	4.5	3.5%	1.4	2.2	6.0%	7.9%	-35%		
Industrial Business	19.4	15.2	17.2%	3.2	2.8	12.2%	10.8%	14%		
Eliminations and Corporate	-27.8	-28.2	-	-6.7	-7.1	-	-	-		
<b>Group Overall</b>	<b>66.2</b>	<b>58.1</b>	<b>6.5%</b>	<b>20.8</b>	<b>19.2</b>	<b>7.5%</b>	<b>7.4%</b>	<b>8%</b>		

※ Results for Industrial Inkjet Business, previously included in Others, have been recorded under Commercial/Industrial Printing in the Business Technologies Business for the current year. This change is retroactively applied to results for the year ended March 2014.

# Business Technologies Business - Overview

## Net sales : ¥817.3bn (YoY +10%)

- Sales increased in both office services and commercial and industrial printing fields, driven by an increase in sales of color units and expansion in the service business.

## Operating income : ¥71.8 (YoY +8%)

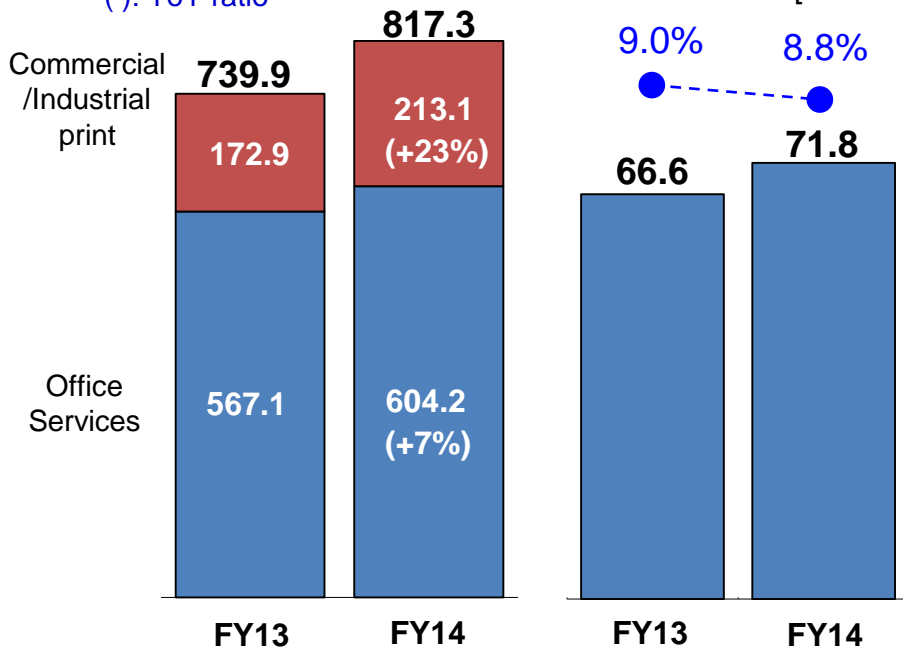
- Enhanced profitability in the commercial and industrial printing field drove an increase in operating income.

### Net sales / Operating income

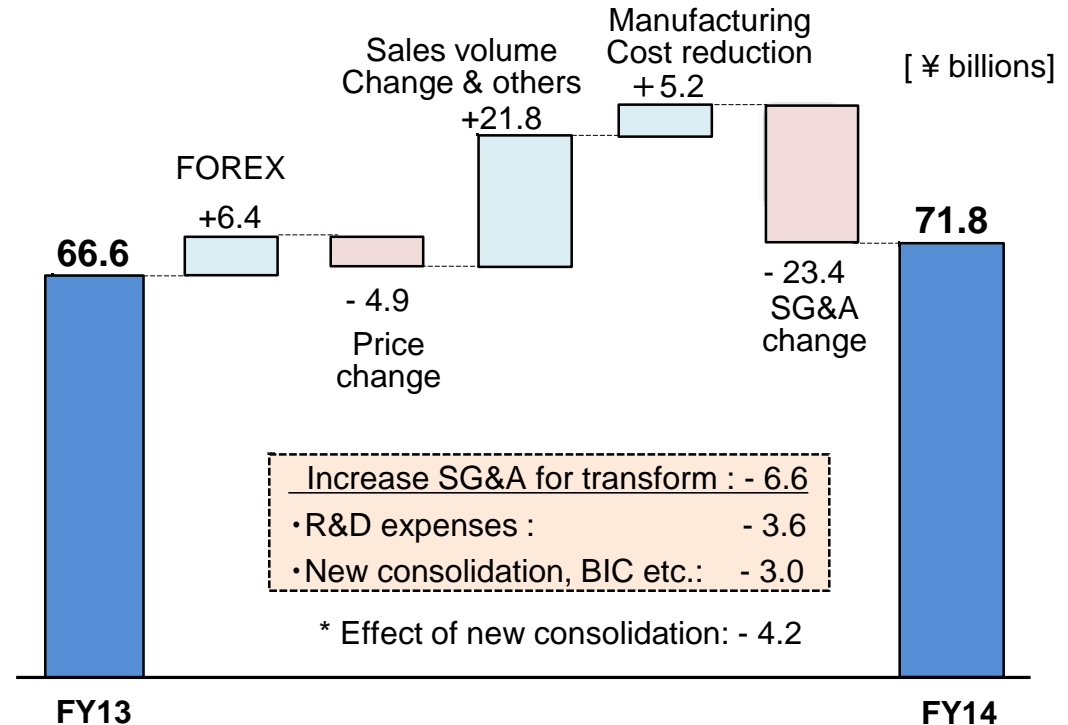
Left: Net sales, Right: Operating income ●OP Ratio

( ): YoY ratio

[ ¥ billions ]



### Operating income Analysis



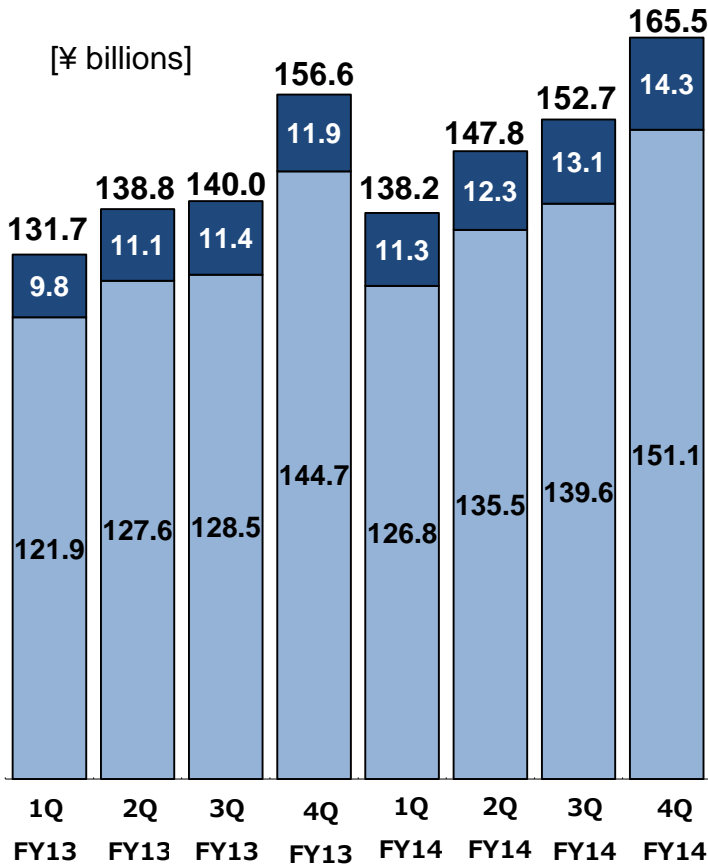
# Business Technologies Business :

## Office Service business - Sales performance

### □ Net sales : ¥165.5bn (YoY +6%)

- Net sales increased due to a significant increase in sales of A3 color units in growing countries and expanded hybrid-type sales mainly in Europe and the United States.
- In OPS and GMA, in addition to securing new customers, contracts were extended with several existing customers.

### Quarterly Net Sales Transition



### 4Q Sales (Annual)

IT service solution

**¥14.3bn**  
YoY+20%

**¥51.0bn**  
YoY+15%

Office Product

**¥151.1bn**  
YoY+4%

**¥553.1bn**  
YoY+6%

**OPS** **¥20.7bn** YoY+43% **¥74.3bn** YoY+64%

**GMA** **¥7.4bn** YoY+20% **¥25.7bn** YoY+23%

### Summary

- ✓ Hybrid-type sales increased steadily in Europe in addition to North America.
- ✓ A3 color strategic units introduced in growing markets remained solid.
- ✓ Color PVs were strong in the United States due to accumulation of color MIF.
- ✓ A new global contract was secured from a conglomerate in the defense, aircraft and communications fields (France-based).



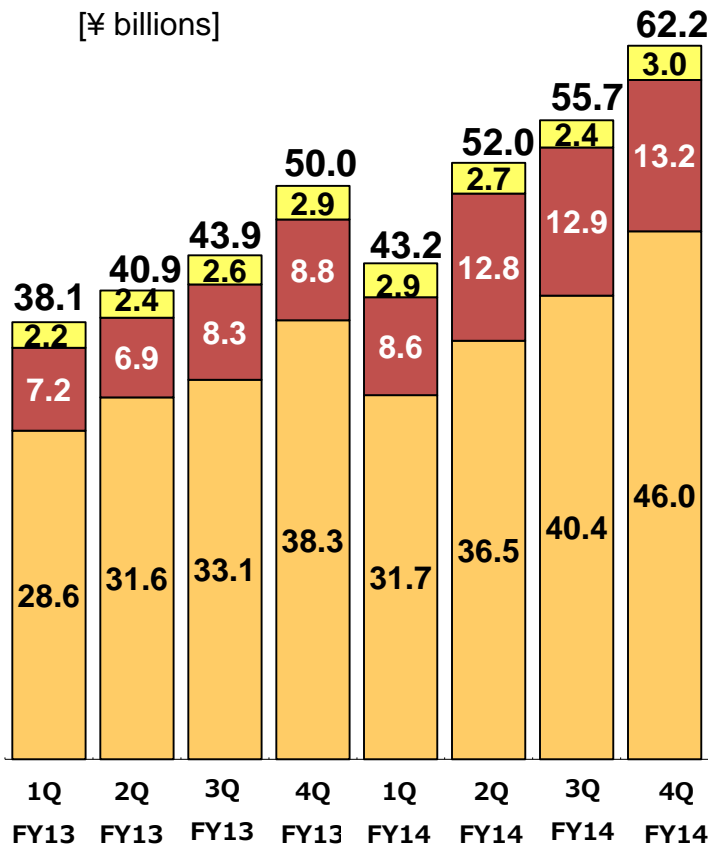
# Business Technologies Business : Commercial / Industrial Print Business- Sales performance

## □ Net sales : ¥62.2bn (YoY +24%)

- Sales of color units were solid due in part to the effect of new products. The trend of increasing PV continued in line with growth in MIF.
- Business foundations were reinforced by expanding global sites for MPM service and acquiring dealers in Brazil and India.

### Quarterly Net Sales Transition

[¥ billions]



Industrial Inkjet

### 4Q Sales (Annual)

**¥3.0bn**  
YoY+1%      **¥11.0bn**  
YoY+9%

MPM Print service

**¥13.2bn**  
YoY+50%      **¥47.5bn**  
YoY+52%

Production print

**¥46.0bn**  
YoY+20%      **¥154.6bn**  
YoY+18%

### Summary

- ✓ Results of component business were solid.
- ✓ Sales of textile printers to Turkey slowed down due to the impact of the Ukraine situation.
- ✓ Sites were established in Japan and the United States. This signaled the completion of a global structure.
- ✓ Several new contracts were acquired in Europe, including with one of the world's largest energy companies.
- ✓ Sales of color units were solid in Japan, the United States, Europe and other regions.
- ✓ Sales of non-hardware were also strong.

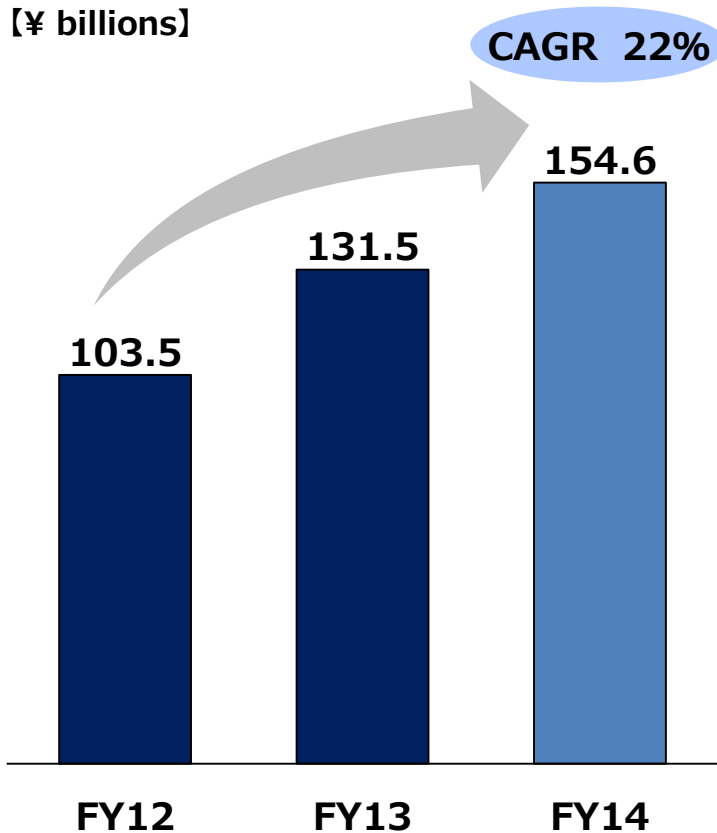
# Main points of Mar 2015 financial results:

## Improved profitability in production print fields

- Konica Minolta expanded domain from existing customer segment (\*LPP) to new customer base (\*MPP) by deploying MPM and introducing new products. Color MIF/color PV also steadily increased, which contributed to enhanced profitability.

### Sales of Production Print Fields

【¥ billions】



Effect of new products

+

Increase in Color MIF

+

Increase in Color PV

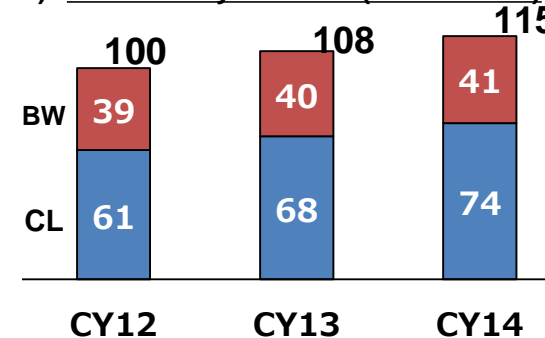
### Factors

#### 1) bizhub PRESS C1100



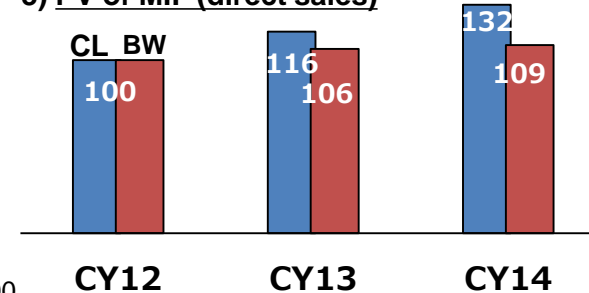
- ✓ High productivity, high durability
- ✓ High image quality
- ✓ Paper responsiveness

#### 2) \*MIF in 5 key markets (direct sales)



- ✓ Color MIF growth: 10% (CAGR)
- ✓ Composition ratio of color MIF: 64%

#### 3) PV of MIF (direct sales)



- ✓ Color PV growth: 15% (CAGR)

\* Base index: CY12 = 100

\*MIF in 5 key markets= JP /NA/ UK/Germany /France

# Healthcare Business - Overview

## Net sales : ¥78.6bn (YoY - 5%)

➢ Sales were strong overseas, particularly in North America, China and India. While sales of mainstay DR systems were strong in Japan, sales of local procurements continued to decline due to the prolonged impact of a cooling off in market conditions.

## Operating income : ¥2.7bn (YoY - 39%)

➢ In addition to a decrease in gross profit in line with a decline in sales of local procurements, significant advance expenses were incurred alongside the launch of the diagnostic ultrasound systems business.

### Net sales / Operating income

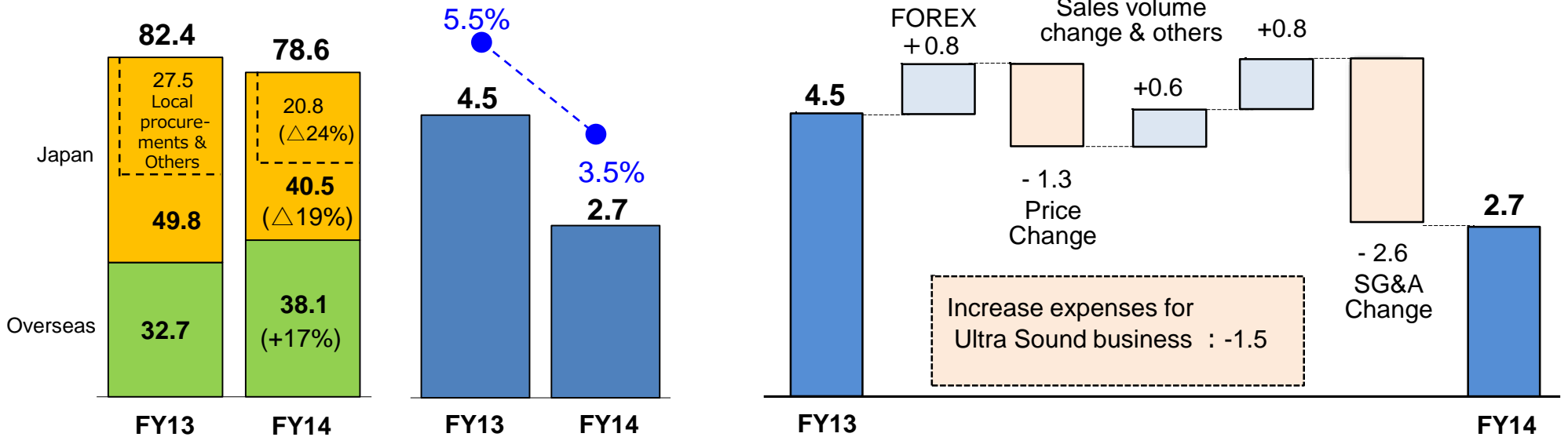
### Operating income Analysis

Left: Net sales, Right: Operating income ●OP Ratio

( ): YoY ratio

[ ¥ billions ]

[ ¥ billions ]



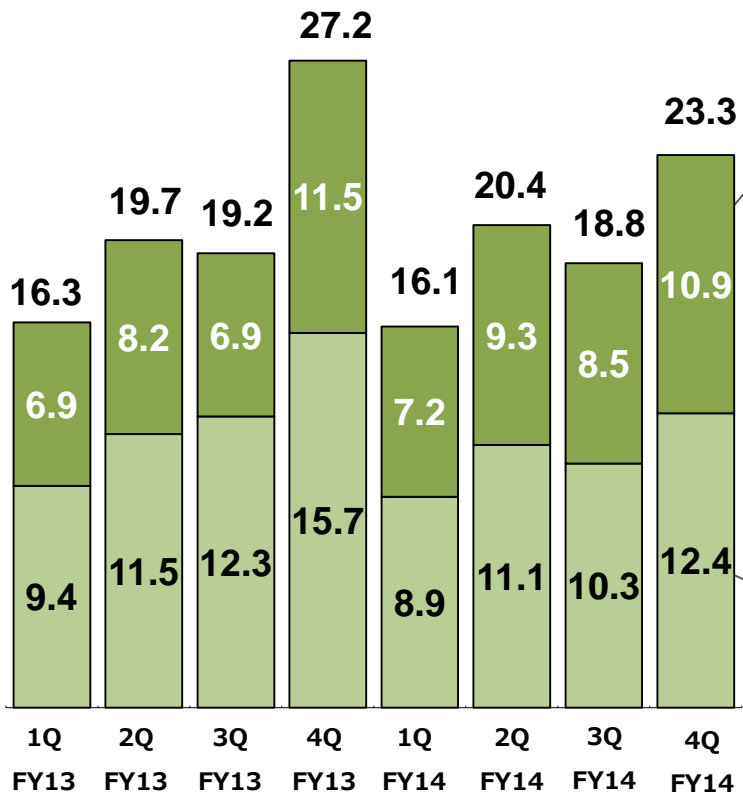
# Healthcare business - Sales performance

## Net sales : ¥23.3bn (YoY - 14%)

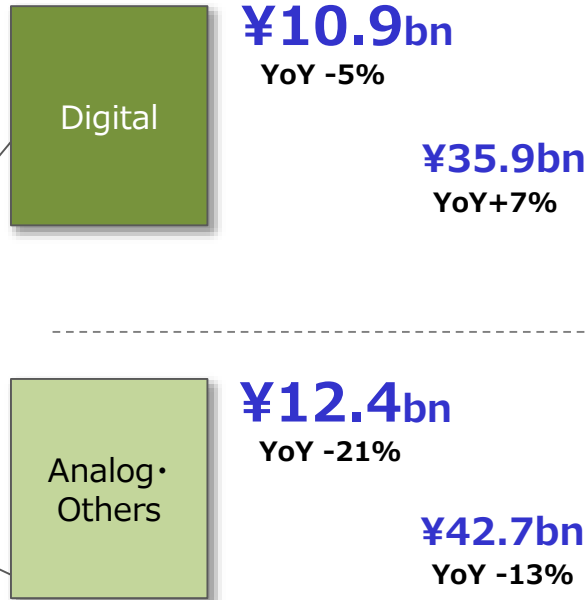
- Although digital sales only decreased slightly, local procurements for Japan posted a marked decline. Sales were down on the whole due in part to the impact of a rush in demand prior to the consumption tax rate hike last year.

### Quarterly Net Sales Transition

[ ¥ billions]



### 4Q Sales (Annual)



### Summary

- ✓ Sales volume of cassette-type DR systems expanded despite tough market conditions in Japan and overseas.
- ✓ New HS1 diagnostic ultrasound system developed in-house was highly acclaimed in the market. Sales have increased since the closing stages of the fiscal year after establishing a sales system.
- ✓ Sales declined on the whole year on year due in part to the impact of a rush in demand prior to the consumption tax rate increase last year.
- ✓ Sales of film products were strong in emerging countries, helping to post a result on par with the previous year.
- ✓ Sales were down due to weaker business inquiries for purchased goods in Japan.

※ **Digital** : X-ray systems(DR,CR), Ultrasound diagnostic imaging systems, Medical IT service etc.

**Analog and others.** : Film, Imager, Local procurements etc.

# Industrial Business – Overview

## Net sales : ¥112.8bn (YoY - 3%)

- Despite sales growth in performance materials, net sales decreased in line with falling demand for compact DSC, downsizing of the lens business for mobile phone cameras and withdrawal of the glass substrates for HDDs business.

## Operating income : ¥19.4bn (YoY +28%)

- An increase in sales of performance materials and measuring instruments coupled with the effects of structural reforms implemented in the previous fiscal year in optical systems for industrial use contributed to an increase in profit.

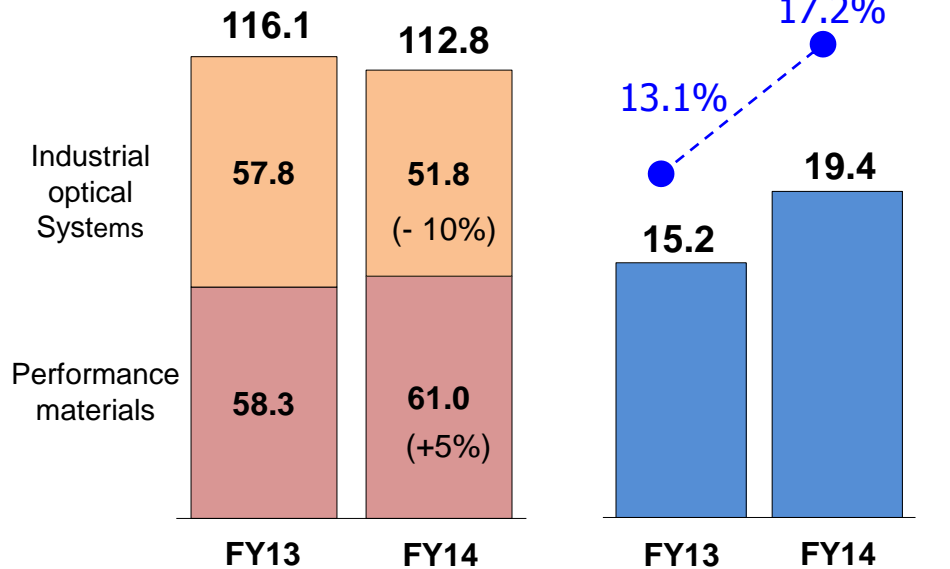
### Net sales / Operating income

Left: Net sales, Right: Operating income ● OP Ratio

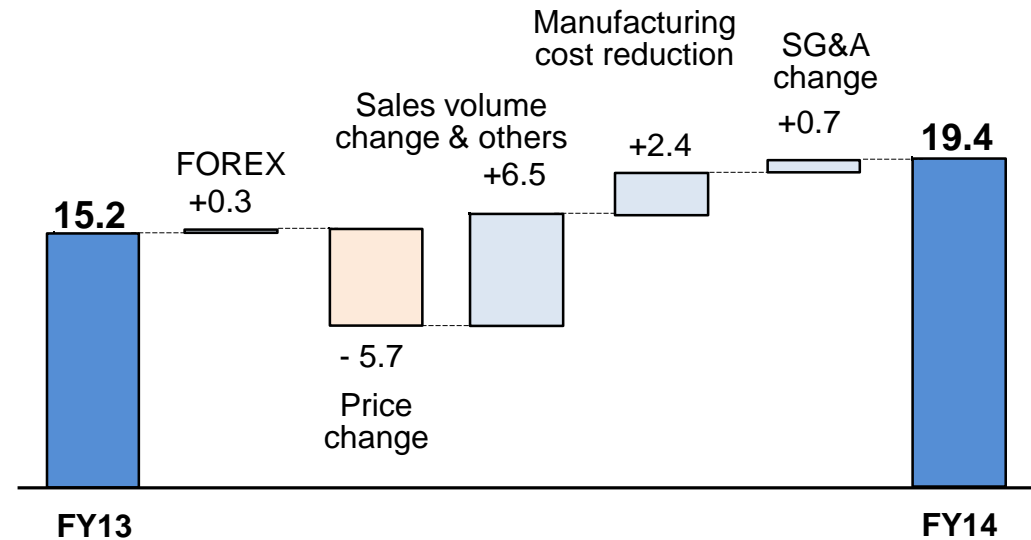
( ): YoY ratio

[ ¥ billions ]

[ ¥ billions ]



### Operating income Analysis



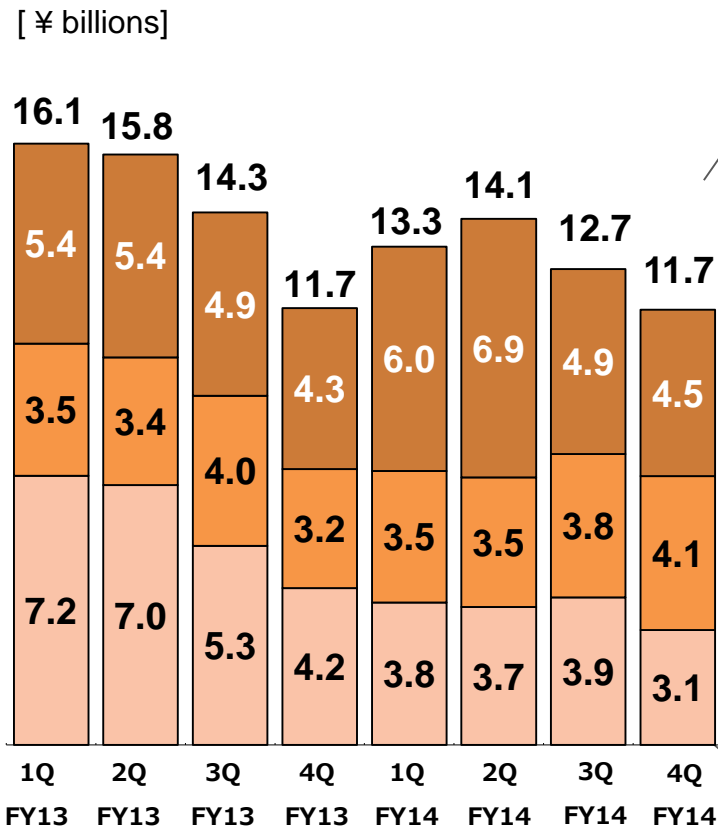
# Industrial business : Industrial Optical Systems – Sales performance

## Net sales : ¥11.7bn (YoY - 0%)

- Performance of mainstay products was strong, particularly spectrophotometers for displays in the measuring instruments field and lenses for industrial and professional use in the optics field.

Net sales were held to the same level as the previous fiscal year due primarily to deterioration in market conditions for compact DSC and so on.

### Quarterly Net Sales Transition



### 4Q Sales(Annual)

**¥4.5bn**  
YoY+3%

**¥22.3bn**  
YoY+12%

**¥4.1bn**  
YoY+29%

**¥15.0bn**  
YoY+6%

**¥3.1bn**  
YoY -26%

**¥14.6bn**  
YoY -39%

### Summary

- ✓ Strong performance on the whole, notably in mainstay light-source color measuring instruments.

- ✓ Strong performance of mainstay products led to an increase year on year amid difficult market conditions.

- ✓ Sales of BD pickup lenses for home video game consoles remained strong.
- ✓ Sales declined due to a decrease in demand for compact DSC and so on.

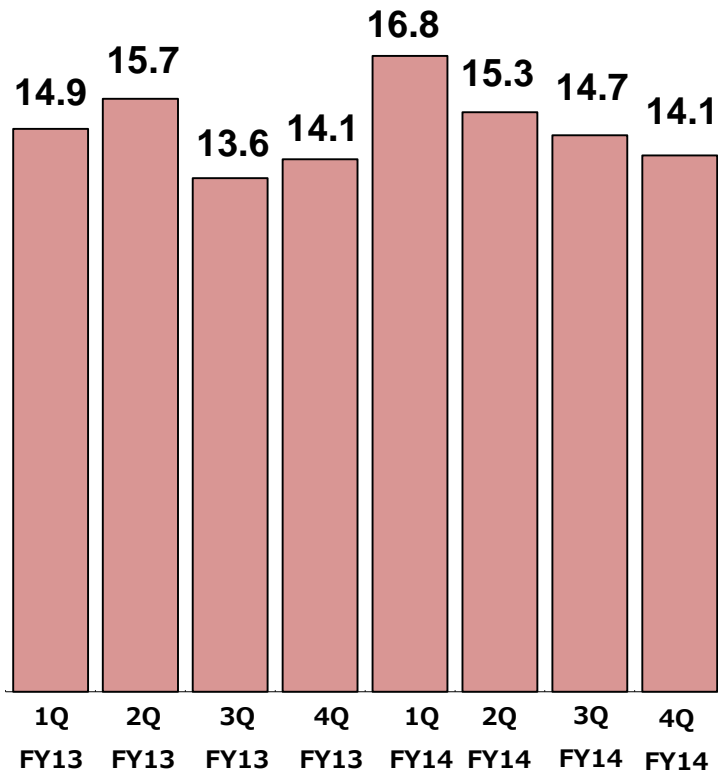
# Industrial Business : Performance materials – Sales performance

## □ Net sales : ¥14.1bn (YoY +0%)

- Demand for small & medium-size and large-size panels were strong due to the trend for larger screen size of LCD TVs and solid sales of smartphones

### Quarterly Net Sales Transition

[ ¥ billions]



#### ■ For FPD

- Large size
- Small & medium size

#### Trend in shipment and market composition for LCD panels (Area base)

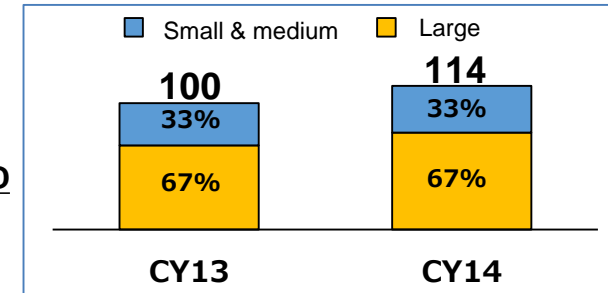
\* Base index: CY13 = 100

#### ■ For New field business

- Window film
- OLED

### Summary

- ✓ The trend for larger screen size continued and sales of VA-TAC for LCD TVs were strong.
- ✓ Sales of small & medium-size panels remained strong, supported by demand for smartphones, and sales of TAC optical thin film continued to grow.



- ✓ New products were introduced in the window film field.
- ✓ In OLEDs, several orders were secured for illumination in a theme park. Operations are underway at a mass-production factory.

## <Ref.> Full-year results of Mar 2015 - IFRS -

The Company will voluntarily adopt the IFRS (International Financial Reporting Standards) from this year's securities report.

In view of the fact that we have received numerous inquiries from various parties concerning the IFRS-based consolidated results forecast, to avoid confusion and conduct appropriate information disclosure, we release the following as reference information.

	<J-GAAP>		<IFRS>
Net sales :	¥1011.8bn	→	¥1002.8bn
Operating income :	¥66.2bn	→	¥65.8bn
	<ul style="list-style-type: none"> <li>✓ Causes of increase: Non-amortization of goodwill and change in depreciation method, etc.</li> <li>✓ Causes of decrease: Non-operating income and expenses (excluding financial income), extraordinary income or loss, etc.</li> </ul>		
Net income :	¥32.7bn	→	¥40.8bn
	<ul style="list-style-type: none"> <li>✓ Causes of increase: Non-amortization of goodwill and change in depreciation method, etc.</li> </ul>		
ROE :	6.7%	→	8.0%



# Financial Outlook for Mar 2016

Konica Minolta is committed to achieving double-digit growth in profit and 7% operating income ratio in the interim year of the Medium Term Business Plan “TRANSFORM 2016” with the aim of steadily realizing goals for the final fiscal year.

Net sales : ¥1,100.0bn (YoY +10%)

Operating income : ¥77.0bn (YoY +17%)

Net income : ¥50.0bn (YoY +23%)

ROE : 10% ( Previous year 8.6%)

- ✓ FOREX assumption :1US\$=¥120, 1€=¥130 <Previous results: 1US\$=¥109.93, 1€=¥138.77>
- ✓ Shift to International Financial Reporting Standards (IFRS) from this fiscal year.
- ✓ The year-on-year comparisons above compare results in the previous fiscal year with reference figures converted based on IFRS.

\* Forecast figure for ROE is calculated as “Net Income on Stockholders’ Equity”

# Progress of Medium Term Business Plan

	FY2014			FY2015	FY2016	
	Fiscal year-start announcement	Latest forecast	Result	Reference	Fiscal year-start announcement	Management target
	J-GAAP	J-GAAP	J-GAAP	IFRS	IFRS	IFRS
Net sales	¥1,000.0bn	¥1,010.0bn	¥1,011.8bn	¥1,002.8bn	¥1,100.0bn	¥1,100.0bn or more
Operating income	¥62.0bn	¥65.0bn	¥66.2bn	¥65.8bn	¥77.0bn	¥90.0bn
OP ratio	6.2%	6.4%	6.5%	6.6%	7.0%	8% or more
Net income	¥26.0bn	¥33.0bn	¥32.7bn	¥40.8bn	¥50.0bn	N/A
ROE※	5.6%	7.0%	7.0% 6.7%	8.6% 8.0%	10%	10% or more
FOREX assumption	¥100/\$	¥108.90/\$	¥109.93/\$		¥120/\$	¥100/\$
	¥135/€	¥138.98/€	¥138.77/€		¥130/€	¥135/€

\*Return on equity (ROE) is calculated as net income / average shareholders' equity in the upper line and net income / average equity in the lower line.

# Progress toward achievement of ROE of at least 10%

\*ROE is calculated as the ratio of net income to shareholders' equity

**ROE**

||

**Profitability**  
Net income ratio

×

**Efficiency**  
Total assets turnover

×

**Soundness**  
Financial leverage

FY2014		FY2015	FY2016	
Reference	Main result of policy	Forecast at start of year	Management target	Theme/policy
IFRS		IFRS	IFRS	
8.6%		10%	10% or more	
4.1%	<ul style="list-style-type: none"> <li>Operating income ratio: 6.6%</li> <li>Non-operating income: - ¥2.8 bn</li> <li>Extraordinary income: +¥26.5 bn</li> </ul>	4.5%	5% or more	<b>Business portfolio transformation + profitability</b> <ul style="list-style-type: none"> <li>Operating income ratio of at least 8%</li> <li>Increase non-operating/extraordinary income</li> </ul>
1.01	<ul style="list-style-type: none"> <li>Sale of noncurrent assets: ¥8.6 bn</li> <li>Sale of shares held: ¥3.3 bn</li> <li>Inventory turnover months: 2.5/FY13→2.5/FY14</li> </ul>	1.1	1.0 or more	<b>Balance sheet management</b> <ul style="list-style-type: none"> <li>Sell off idle assets</li> <li>Reduce inventories</li> <li>Actively provide returns to shareholders</li> </ul>
2.06	<ul style="list-style-type: none"> <li>Net D/E ratio: - 0.02</li> <li>Credit rating: R&amp;I→A JCR→A+</li> </ul>	2.0	2.0	<b>Secure financial soundness</b> <ul style="list-style-type: none"> <li>Net debt/equity ratio: Zero</li> <li>Maintain a credit rating of A</li> </ul>

# Mar 2016 financial forecast highlight- overview (IFRS)

[Billions of yen]

	Forecast	Results	
	Mar 2016	Mar 2015	YoY
Net sales(a)	1,100.0	1,002.8	10%
Operating income	77.0	65.8	17%
<i>Operating income ratio</i>	<i>7.0%</i>	<i>6.6%</i>	
Pre-tax Profit	76.0	65.5	16%
Net income	50.0	40.8	23%
<i>Net income ratio</i>	<i>4.5%</i>	<i>4.1%</i>	
EPS [Yen]	99.60	80.80	
ROE (%)	10.0%	8.6%	
CAPEX	55.0		
Depreciation	55.0		
R&D expenses	80.0		
FCF	15.0		
Investment and loan	35.0		
*Purchase of tangible/intangible assets			
FOREX [Yen] USD	120.00	109.93	
euro	130.00	138.77	

FOREX impact per 1yen movement  
(Full year)

	Net sales	OP
USD	¥3.0bn	¥0.2bn
Euro	¥1.7bn	¥0.8bn

\* If the RMB floats pegged to the US dollar, the foreign exchange sensitivity of the US dollar in operating income will be cancel out by about 40%.

\* Forecast figure for ROE is calculated as "Net Income on Stockholders' Equity"

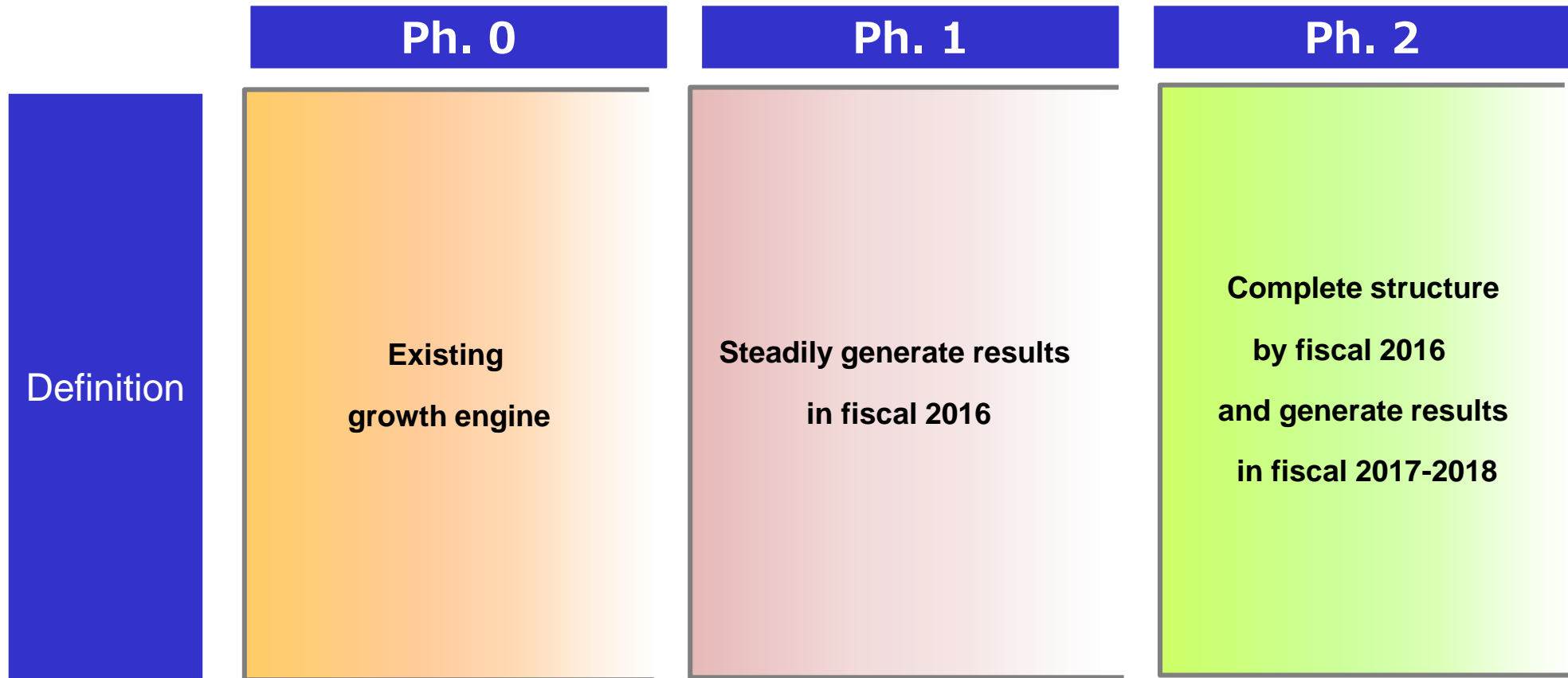
# Mar 2016 Sales & Operating income forecast highlight

## - segment (IFRS)

Net Sales	Forecast	Results	[Billions of yen]
	Mar 2016	Mar 2015	YOY
Business Technologies	890.0	808.3	10%
Office Services	650.0	597.2	9%
Commercial/Industrial print	240.0	211.1	14%
Healthcare	85.0	78.6	8%
Industrial Business	125.0	112.8	11%
Industrial Optical Systems	63.0	51.8	22%
Performance Materials	62.0	61.0	2%
Others	-	3.2	-
<b>Group Overall</b>	<b>1,100.0</b>	<b>1,002.8</b>	<b>10%</b>

Operating income	Forecast		Results		YOY
	Mar 2015		Mar 2014		
Business Technologies	84.0	9.4%	72.7	9.0%	16%
Healthcare	4.0	4.7%	2.1	2.7%	90%
Industrial Business	21.0	16.8%	19.7	17.5%	7%
Eliminations and Corporate	-32.0	-	-28.7	-	-
<b>Group Overall</b>	<b>77.0</b>	<b>7.0%</b>	<b>65.8</b>	<b>6.6%</b>	<b>17%</b>

# Roadmap for growth under TRANSFORM 2016



# Roadmap for growth under TRANSFORM 2016

	Ph. 0	Ph. 1	Ph. 2
Office Service	<b>Maximize color PV</b>		(Growth not dependent on PV)
	OPS/GMA	Penetrate hybrid-type sales	New-generation office/platform
	Solutions by industry type and business category	Start providing MCS globally	
A3 color next-generation engine			
Commercial Industrial Print	<b>Maximize color PV</b>		Enter digital marketing domain
	MPP flagship model	Make full-scale entry into HPP with KM-1	
	MPM global system	Increase high added value by deploying MMS	
	Textile printers	Tie-up with MGI	Expand domain into label printing, etc.
Companywide			New business starting from BIC



# Roadmap for growth under TRANSFORM 2016

	Ph. 0	Ph. 1	Ph. 2
Healthcare	<b>High-value-added model with modality + service</b>		
	DR	Diagnostic ultrasound systems Medical IT services	Enhance sophistication of diagnostics Regional partnerships, at-home solutions
Industrial Optical system	Light-source measuring instruments	Expand measuring instruments domain	Digital manufacturing
	Lenses for industrial and professional use	Expand optical systems domain • Projector domain • Automotive optical systems	
	BD pickup lenses for game consoles		
Performance materials	TAC film	New functional film for displays Window film	New functional film and materials business OLED lighting

## Shareholder return

Our policy is to actively make returns to shareholders while comprehensively taking into account such areas as consolidated results and promoting strategic investment in growing fields.

We will work to expand returns to shareholders by increasing dividend amount and flexibly acquiring the Company's own shares.

Dividend forecast: (Annual) ¥30 per share (Interim/year-end: ¥15 per share)

- ✓ FY2014 result: (Annual) ¥20 per share (Interim/year-end: ¥10 per share)
- ✓ Consolidated dividend payout ratio: 30%

Acquisition of the Company's own shares: Limited to ¥10 bn and 10 million shares

- ✓ Number of shares to be acquired: 10 million (2.0% of the total number of outstanding shares)
- ✓ Total value of shares to be acquired: ¥10 bn
- ✓ Acquisition period: May 14, 2015 to August 31, 2015

Cancellation of treasury shares: 9 million (1.8% of the total number of issued shares prior to amortization)

- ✓ Planned date of cancellation: June 30, 2015

## Policy for returns to shareholders

	FY2012	FY2013	FY2014	FY2015	FY2016
	Result	Result	Result	Forecast at start of year	Direction
Dividends (per share)	¥15	¥17.5 *Includes a commemorative dividend of ¥2.5	¥20	¥30	Aspire to continuously increase dividends
Share repurchase	N/A	¥15.8bn	¥14.2bn	¥10.0bn	Conduct flexibly and strategically
Treasury share cancellation	N/A	N/A	20 million share (3.0%)	9 million share (1.8%)	

Inside of ( ) values are the ratio to the total number of authorized share before cancellation



KONICA MINOLTA

# Supplementary Information

# Mar 2015 financial results highlight- overview

				[Billions of yen]		
	Mar 2015	Mar 2014	YoY	4Q Mar 2015	4Q Mar 2014	YoY
Net sales(a)	1,011.8	943.8	7%	277.9	260.9	7%
Gross income	497.8	451.5	10%	134.6	123.7	9%
<i>Gross income ratio</i>	<i>49.2%</i>	<i>47.8%</i>		<i>48.4%</i>	<i>47.4%</i>	-
Operating income	66.2	58.1	14%	20.8	19.2	8%
<i>Operating income ratio</i>	<i>6.5%</i>	<i>6.2%</i>	-	<i>7.5%</i>	<i>7.4%</i>	-
Amortization of goodwill	9.2	9.4	-2%	2.3	2.2	4%
Operating income before amortization of Goodwill (b)	75.4	67.5	12%	23.1	21.5	8%
<i>(b)/(a)</i>	<i>7.5%</i>	<i>7.2%</i>	-	<i>8.3%</i>	<i>8.2%</i>	-
Ordinary income	59.9	54.6	10%	16.1	17.9	-10%
Pre-tax Profit	55.2	23.5	135%	14.0	9.6	47%
Net income	32.7	21.9	50%	10.7	11.1	-3%
<i>Net income ratio</i>	<i>3.2%</i>	<i>2.3%</i>	-	<i>3.9%</i>	<i>4.2%</i>	-
EPS [Yen]	64.73	41.38		21.36	21.16	
CAPEX	46.1	47.4		13.0	16.1	
Depreciation	50.9	47.4		13.8	12.2	
R&D expenses	75.3	71.2		19.6	18.7	
FCF	47.4	34.2		20.7	10.4	
Investment and lending	19.9	14.5		4.1	4.7	
FOREX [Yen] USD	109.93	100.24	9.69	119.09	102.78	16.31
euro	138.77	134.37	4.40	134.18	140.79	△ 6.61

# Operating profit analysis

## Mar 2015 vs Mar 2014

[Billions of yen]

	Business Technologies	Healthcare	Industrial Business	Total
<b>[Factors]</b>				
Forex impact	6.4	0.8	0.3	7.2
Price change	-4.9	-1.3	-5.7	-11.9
Sales volume change, and other, net	21.8	0.6	6.5	29.3
Cost up/down	5.2	0.8	2.4	8.4
SG&A change, net	-23.4	-2.6	0.7	-25.0
<b>[Operating income]</b>				
Change, YoY	5.2	-1.8	4.3	8.1

## 4Q/Mar 2015 vs 4Q/Mar 2014

	Business Technologies	Healthcare	Industrial Business	Total
<b>[Factors]</b>				
Forex impact	-1.1	0.3	0.0	-1.0
Price change	-1.8	-0.4	-0.8	-3.0
Sales volume change, and other, net	9.2	-0.3	0.0	8.9
Cost up/down	1.3	0.2	1.4	2.8
SG&A change, net	-6.0	-0.4	-0.2	-6.3
<b>[Operating income]</b>				
Change, YoY	1.6	-0.7	0.4	1.6

# Cash Flows

[Billions of yen]

	Mar 2015	Mar 2014	YoY	4Q Mar 2015	4Q Mar 2014	YoY
Income before income taxes and minority interests	55.2	23.5	31.7	14.0	9.6	4.5
Depreciation and amortization	50.9	47.4	3.5	13.8	12.2	1.5
Income taxes paid	-11.7	-13.8	2.0	-2.1	-3.6	1.5
Change in working capital	7.4	32.9	-25.5	4.6	9.8	-5.2
<b>I. Net cash provided by operating activities</b>	<b>101.7</b>	<b>89.9</b>	<b>11.8</b>	<b>30.3</b>	<b>28.0</b>	<b>2.3</b>
<b>II. Net cash used in investing activities</b>	<b>-54.3</b>	<b>-55.8</b>	<b>1.5</b>	<b>-9.7</b>	<b>-17.7</b>	<b>8.0</b>
<b>I.+ II. Free cash flow</b>	<b>47.4</b>	<b>34.2</b>	<b>13.3</b>	<b>20.7</b>	<b>10.4</b>	<b>10.3</b>
Change in debts and bonds	-39.7	-33.5	-6.2	-16.2	-25.3	9.1
Purchase of treasury shares	-13.5	-15.8	2.3	0.0	-15.8	15.8
Cash dividends paid	-8.9	-9.3	0.4	-0.1	-0.2	0.1
Other	0.3	-3.4	3.7	1.7	-1.7	3.5
<b>III. Net cash used in financing activities</b>	<b>-61.8</b>	<b>-62.0</b>	<b>0.2</b>	<b>-14.6</b>	<b>-42.9</b>	<b>28.4</b>

# SGA, non-operating and extraordinary income/loss

	Mar 2015	Mar 2014	YoY	Mar 2015 4Q	Mar 2014 4Q	YoY
<b>SG&amp;A:</b>						
Selling expenses - variable	58.5	53.2	5.3	17.0	15.6	1.4
R&D expenses	75.3	71.2	4.1	19.6	18.7	0.9
Labor costs	183.6	167.8	15.8	47.5	43.8	3.7
Other	114.2	101.2	13.1	29.8	26.4	3.4
<b>SGA total*</b>	<b>431.6</b>	<b>393.3</b>	<b>38.2</b>	<b>113.8</b>	<b>104.5</b>	<b>9.3</b>
	<i>* Forex impact: + ¥13.3 bn. (Actual: ¥25.0bn.)</i>			<i>+ ¥3.1 bn. (Actual: ¥6.3bn.)</i>		
<b>Non-operating income/loss:</b>						
Interest and dividend income/loss, net	0.1	-0.7	0.9	0.0	-0.2	0.3
Foreign exchange gain, net	-0.4	-0.1	-0.3	-2.0	-0.2	-1.8
Other	-6.0	-2.7	-3.4	-2.8	-1.0	-1.8
<b>Non-operating income/loss, net</b>	<b>-6.3</b>	<b>-3.5</b>	<b>-2.8</b>	<b>-4.7</b>	<b>-1.4</b>	<b>-3.3</b>
<b>Extraordinary income/loss:</b>						
Sales of noncurrent assets, net	1.2	-2.0	3.2	0.3	-0.6	0.9
Sales of investment securities	1.1	0.0	1.0	1.1	0.0	1.1
Business structure improvement expenses	-2.1	-3.5	1.5	-1.4	-1.8	0.4
Impairment loss	-3.8	-5.5	1.7	-1.0	-5.1	4.1
Loss on business withdrawal	-	-16.1	16.1	-	-	-
Special extra retirement payments	-	-4.7	4.7	-	-	-
Other	-1.1	0.7	-1.8	-1.0	-0.8	-0.2
<b>Extraordinary income/loss, net</b>	<b>-4.6</b>	<b>-31.1</b>	<b>26.5</b>	<b>-2.0</b>	<b>-8.3</b>	<b>6.3</b>



[Billions of yen]

Assets:	Mar 2015	Mar 2014	Change
Cash and short-term investment securities	177.5	188.5	-11.0
Notes and A/R-trade	226.9	220.1	6.8
Inventories	121.1	115.3	5.8
Other	68.9	65.4	3.4
<b>Total current assets</b>	<b>594.3</b>	<b>589.3</b>	<b>4.9</b>
Tangible assets	175.1	173.4	1.7
Intangible assets	109.9	111.4	-1.5
Investments and other assets	91.3	92.0	-0.7
<b>Total noncurrent assets</b>	<b>376.2</b>	<b>376.7</b>	<b>-0.5</b>
<b>Total assets</b>	<b>970.5</b>	<b>966.1</b>	<b>4.4</b>
<b>Liabilities and Net Assets:</b>			
Notes and A/P-trade	98.2	96.2	1.9
Interest bearing debts	159.5	196.1	-36.6
Other liabilities	211.1	193.6	17.5
<b>Total liabilities</b>	<b>468.8</b>	<b>486.0</b>	<b>-17.2</b>
Total shareholders' equity*	499.6	478.4	21.2
Other	2.1	1.7	0.4
<b>Total net assets</b>	<b>501.7</b>	<b>480.1</b>	<b>21.6</b>
<b>Total liabilities and net assets</b>	<b>970.5</b>	<b>966.1</b>	<b>4.4</b>

[yen]

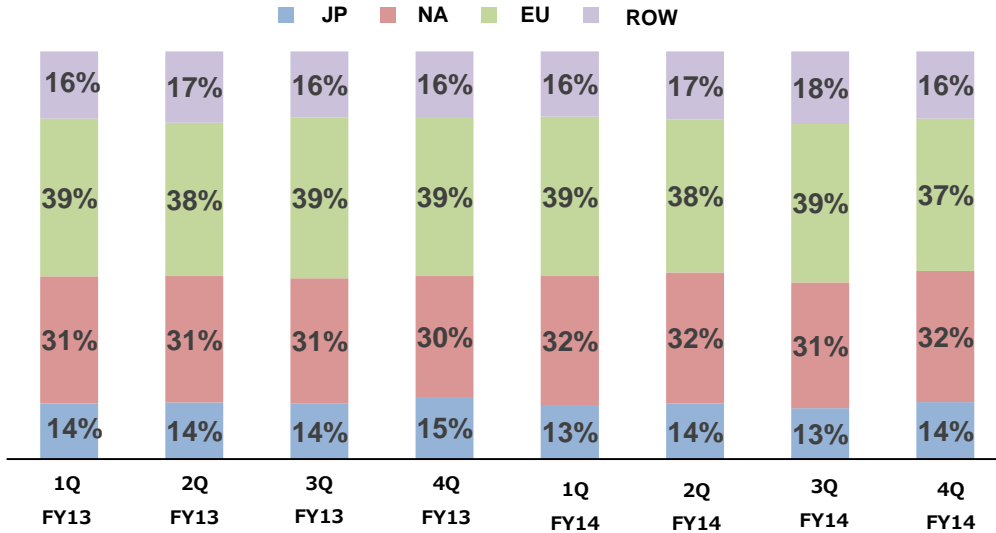
	Mar 2015	Mar 2014	YoY
USD	120.17	102.92	17.25
euro	130.32	141.65	-11.33

**Main Indicators**

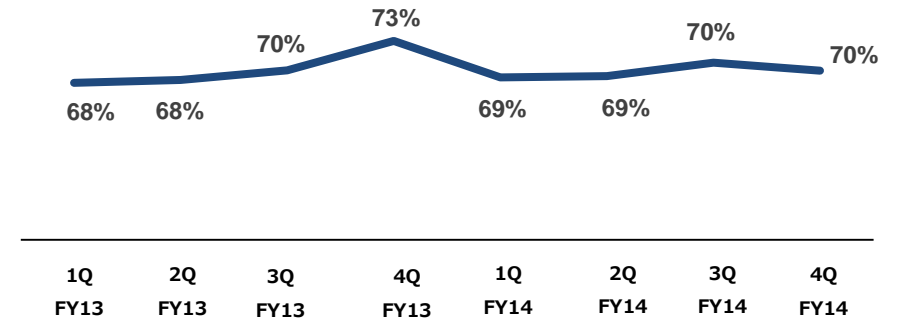
	Mar 2015	Mar 2014
D/E ratio	0.32	0.41
Inventories turnover (Month)	2.53	2.52
Shareholders' equity (%)	51.5	49.5

# Unit sales trend: Business Technologies: Quarterly transition

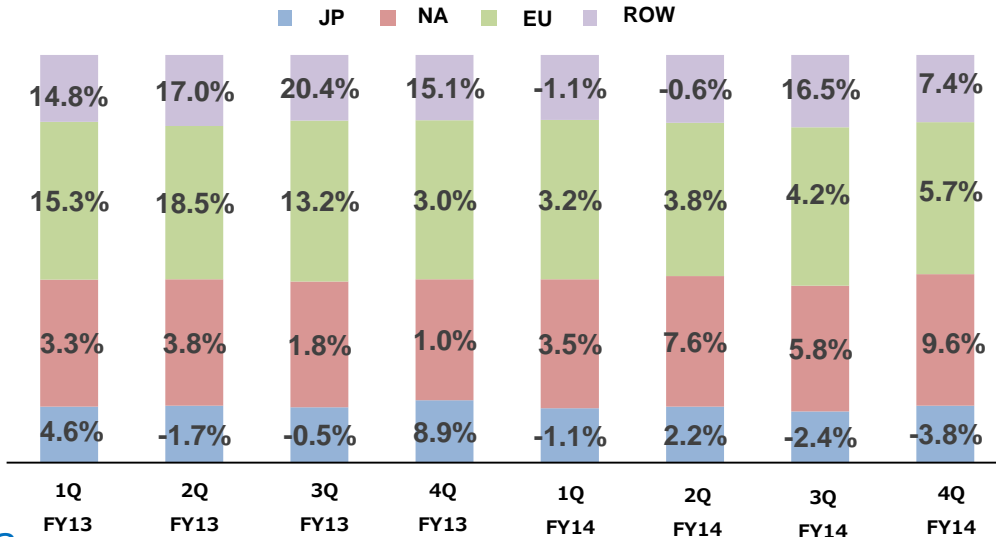
■ Distribution of net sales by segment (in yen)



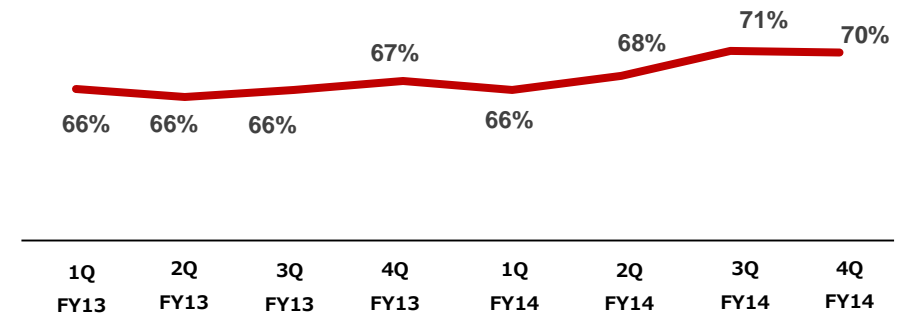
■ Percentage of color in sales of hardware (Office)



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



■ Percentage of color in sales of hardware (PP)

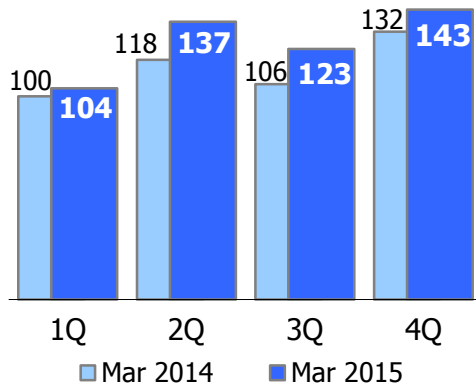


# Unit sales trend: Business Technologies: Quarterly transition

## A3 color MFP- Units\*

YoY : +8%

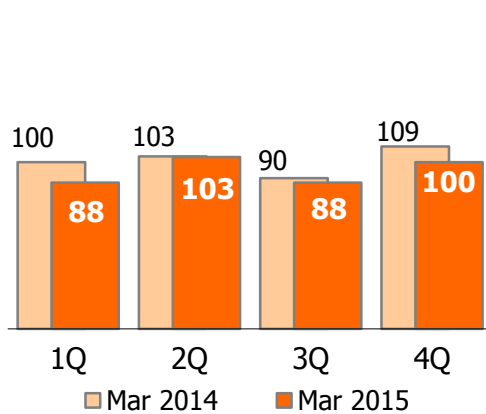
QoQ: +16%



## A3 mono MFP- Units\*

YoY :  $\Delta$  9%

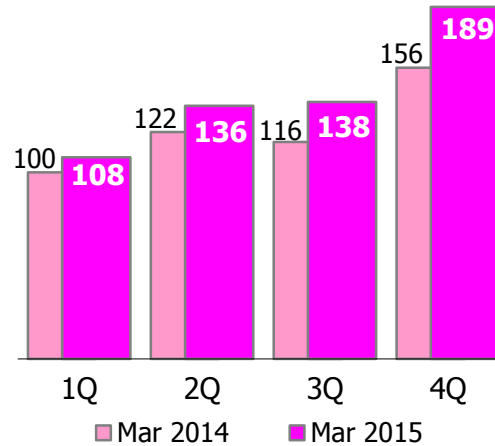
QoQ: +14%



## Color Production Print - Units\*

YoY : +21%

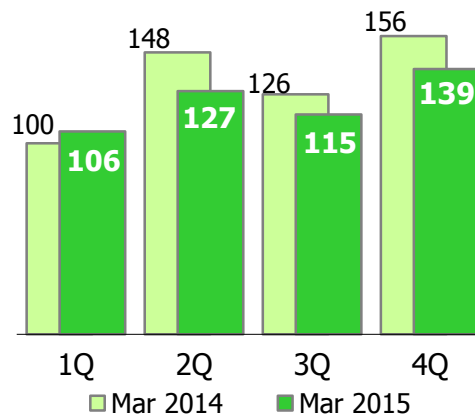
QoQ: +37%



## Mono Production Print - Units\*

YoY :  $\Delta$  11%

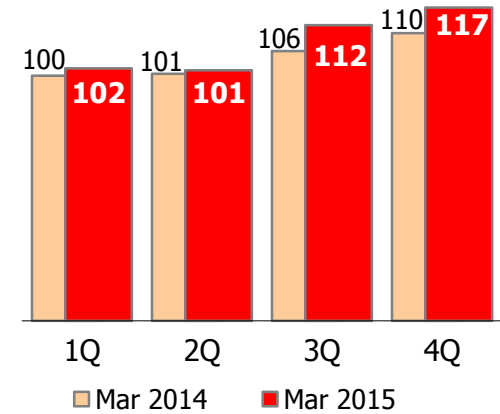
QoQ: +21%



## Office Non-hardware\* (w/o forex effects)

YoY : +6%

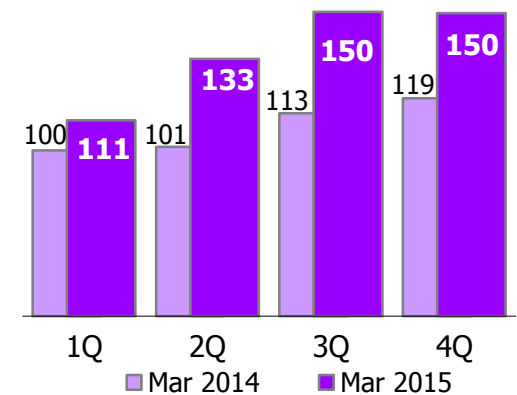
QoQ: +4%



## Production Non-hardware\* (w/o forex effects)

YoY : +26%

QoQ: Flat

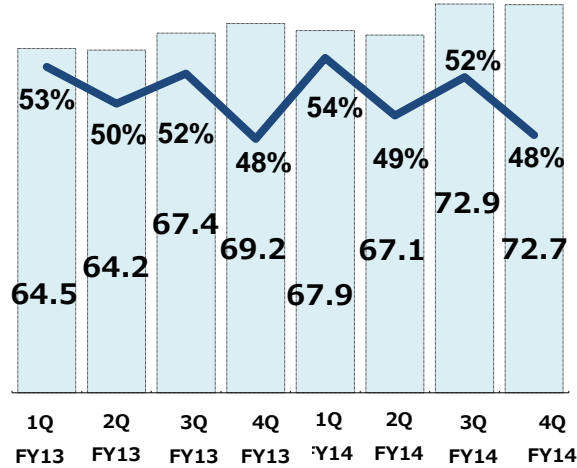


\* Base index : "1Q Mar2014" = 100

# Business Technologies Business: Sales results of non-hard

Sales & ratio of non-hard

## Office product

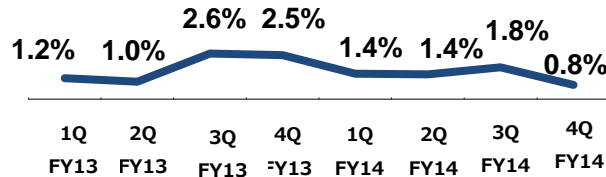


YoY sales increase of non-hard

(w/o FOREX)

FY13 YOY: +1.2%

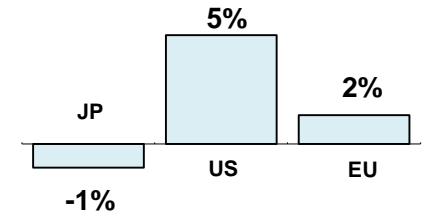
FY14 YoY : +1.3%



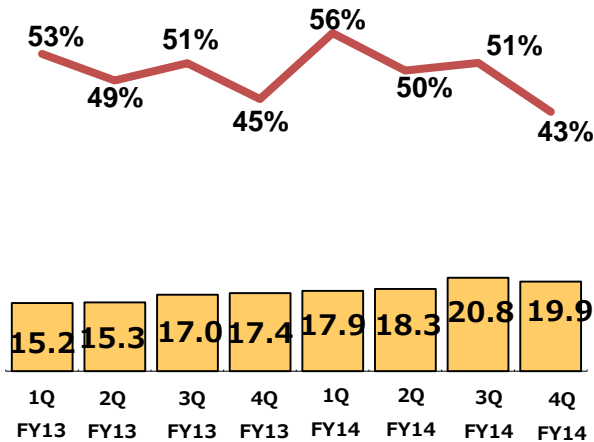
YoY sales increase of non-hard (regional)

[FY2014-4Q]

(w/o FOREX)

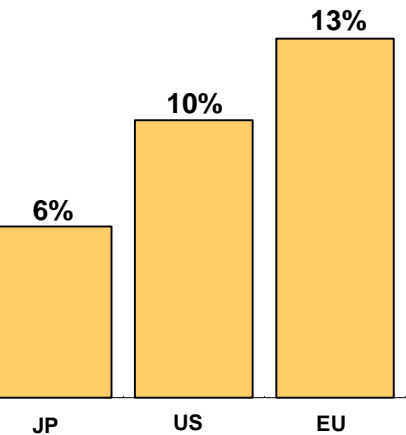
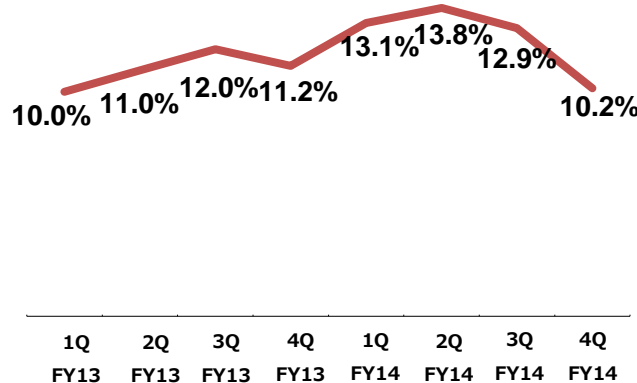


## Production print



FY13 YOY: +9.0%

FY14 YoY : +11.7%



**Giving Shape to Ideas**



**KONICA MINOLTA**

*Cautionary Statement:*

*The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.*

*Remarks:*

*Yen amounts are rounded to the nearest 100 million.*