

## Konica Minolta, Inc.

### Q&A from FY March 2018 Financial Results Briefing Session

Date: May 14, 2018 17:30 – 18:30 JST  
Place: Iino Hall & Conference Center (Tokyo, Japan)

#### Cautionary Statement

*This material was prepared for those who were unable to attend the financial results briefing in person and is intended only for reference purposes. Readers are asked to acknowledge in advance that the following text is not a verbatim account of everything that was said at the briefing but a basic summary whose content was determined by Konica Minolta. Moreover, readers are asked to further acknowledge in advance that the business performance outlook and other content concerning future results in this document is based upon information that the company has at present and upon a rational evaluation based on certain assumptions and, additionally, that actual business performance can greatly vary due to a number of factors.*

#### [Q&A regarding Results for Konica Minolta as a whole]

Q. Please tell us the profit level that was achieved in FY2017 when special factors are excluded from operating profit, and what level of operating profit you expect in your FY2018 performance forecast.

A. First of all, about FY2017, our operating profit was ¥53.8 billion. This figure includes ¥8.0 billion in special factors, which include positive and negative elements that are to be excluded. Therefore the operating profit from our businesses came to approximately ¥46.0 billion. Taking the same approach to FY2018, we expect the contribution profit from businesses to come to about ¥55.0 billion.

#### [Q&A regarding Business segments]

Q. Regarding the Office Business, it says on page 5 that the MIF (Machines In the Field) and PV (Print Volume) have increased. However, it says on page 39 that the year-on-year revenue increase in non-hard is a negative figure. Please explain how these statements relate to each other.

A. The revenue from non-hard is affected by the factor of price. It is a fact that the first half was affected by the aggressive price tactics taken by other corporations in the same sector, so that revenues were tending to decline. That situation gradually improved in the second half, and when we look at the figures by region, 4Q revenue increased by 1% in North America.

Q. Your Workplace Hub product and services is attracting attention as an interesting initiative. Please tell us how much time you expect it to take before Workplace Hub is accepted on the market and start contributing to profits.

A. Our current target is customers in small and medium-sized enterprises and manufacturing. The value provided to the customer is being rated highly, and we anticipate being able to start recording revenue from FY2018 on. So far as the contribution to profits for the Group as a whole, we expect that to come in FY2021.

Q. In the bio-healthcare business, the plan calls for revenue to expand in FY2018. Please explain the background to this, and tell us what measures are involved.

A. Ambry is a company that already had strength in genetic counselor channels, and now it is adding to that strength by building channels for specialist cancer doctors. As we see it at Konica Minolta, we are strengthening our sales capabilities by making good use of cooperation with alliance partners that are in a complementary relationship with us.

Q. In the bio-healthcare business, please tell us what kind of strategy you are formulating for the future with the addition of Ambry and Invicro.

A. What we have at the root of it is the technology called HSTT (High Sensitive Tissue Testing) that Konica Minolta developed for detecting proteins. We are placing HSTT to be well received in the US, where is on the forefront of this field. Our aim is to provide a top level service in the US that combines this with the genetic technology at Ambry. We will win the US market competition using HSTT as a support system for drug development, as well, and then bring these back to Japan. Please understand that we made these strategic acquisitions with this concept in mind.

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