



**SHINKA 2019**  
Evolution



# Konica Minolta, Inc. 1<sup>st</sup> Quarter/FY2019 ending in March 2020 **Consolidated Financial Results**

Three months: April 1, 2019 – June 30, 2019  
– Announced on July 30, 2019 –

Seiji Hatano  
Senior Executive Officer  
Chief Financial Officer  
Konica Minolta, Inc.

	FY2019 1Q	FY2018 1Q	YoY	YoY (W/O Forex)
Revenue	241.7	255.2	-5%	-3%
Operating Profit	0.6	15.4	-96%	-89%
Profit attributable to owners of the parent	-1.2	11.2	-	
<b>FOREX [Yen]</b>				
USD	109.90	109.07	+0.83	
EUR	123.49	130.06	- 6.57	

## Revenue

- Although there was a decrease in revenue from Office, Professional Print, and Optical Systems for Industrial Use field of Industrial Business due to effects of the US-China trade frictions, slowing in the Chinese economy, a continuing sense of uncertainty about the European economy, exchange rates and other factors, revenue from Healthcare and from the Materials and components field of Industrial Business remained stable year on year. In new business, there was an increase in revenue centered on Bio-healthcare.

## Operating Profit

- The shift to high value-added sales continued and the gross profit ratio maintained a stable level year on year, but decreased revenue resulted in a decline in gross profit.
- Influenced by CRE strategy-related ¥10.4 billion and other temporary factors. Even though SG&A expenses were being limited, the decline in gross profit could not be fully absorbed, and the profit decreased.

# FY2019 1Q Performance Overview | Revenue & Operating Profit by Segment

[¥ billions]

<u>Revenue</u>	FY2019 1Q		FY2018 1Q	YoY	YoY (W/O Forex)
Office	134.6		143.5	- 6%	-4%
Professional Print	50.6		53.4	- 5%	-2%
Healthcare	18.6		18.6	+0%	+1%
Industrial	28.1		31.6	- 11%	-11%
Optical systems for industrial use	7.2		10.1	- 29%	-27%
Materials and components	21.0		21.5	- 2%	-3%
<b>New business</b>	<b>9.6</b>		<b>7.8</b>	<b>+22%</b>	<b>+21%</b>
Bio-healthcare	7.2		5.9	+23%	+22%
Others	2.3		2.0	+19%	+19%
Corporate, etc.	0.2		0.3	- 33%	+5%
<b>Company overall</b>	<b>241.7</b>		<b>255.2</b>	<b>- 5%</b>	<b>-3%</b>

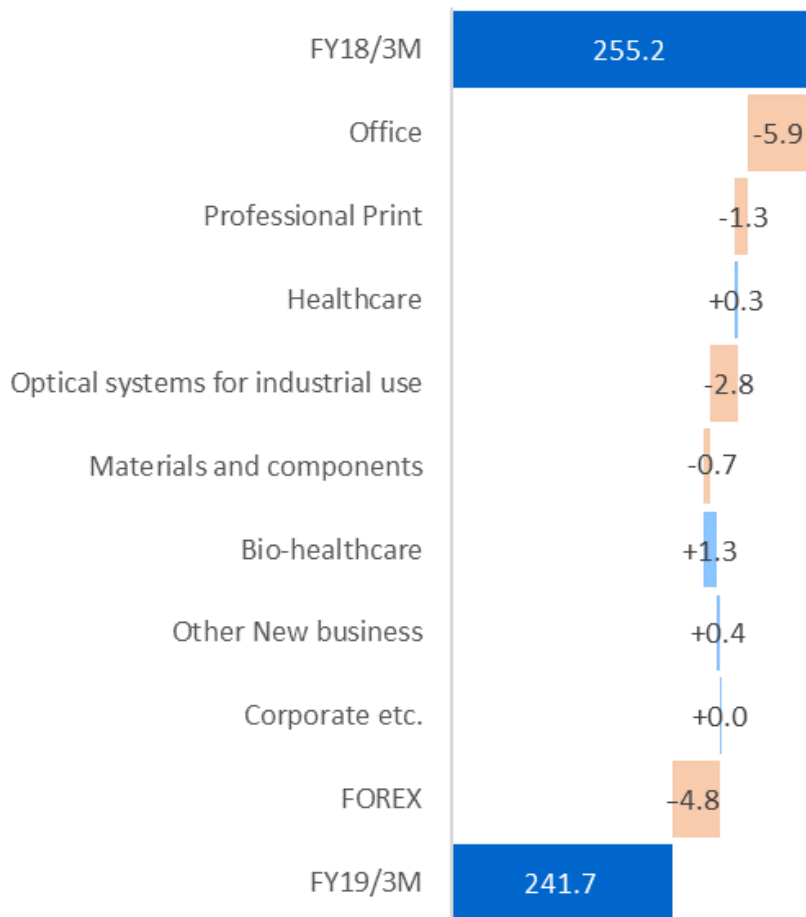
<u>Operating profit/OPM</u>	FY2019 1Q		FY2018 1Q	YoY	YoY (W/O Forex)
Office	7.7	+5.7%	9.3	- 17%	-6%
Professional Print	1.1	+2.1%	1.7	- 37%	-28%
Healthcare	-0.3	-1.6%	-0.2	—	—
Industrial	4.8	+17.1%	6.8	- 29%	-31%
<b>New business</b>	<b>-6.4</b>	<b>—</b>	<b>-5.1</b>	<b>—</b>	<b>—</b>
Corporate, etc.	-6.3	—	3.1	—	—
<b>Company overall</b>	<b>0.6</b>	<b>+0.2%</b>	<b>15.4</b>	<b>- 96%</b>	<b>-89%</b>

# FY2019 1Q Performance Overview | Bridge-Revenue & Operating Profit

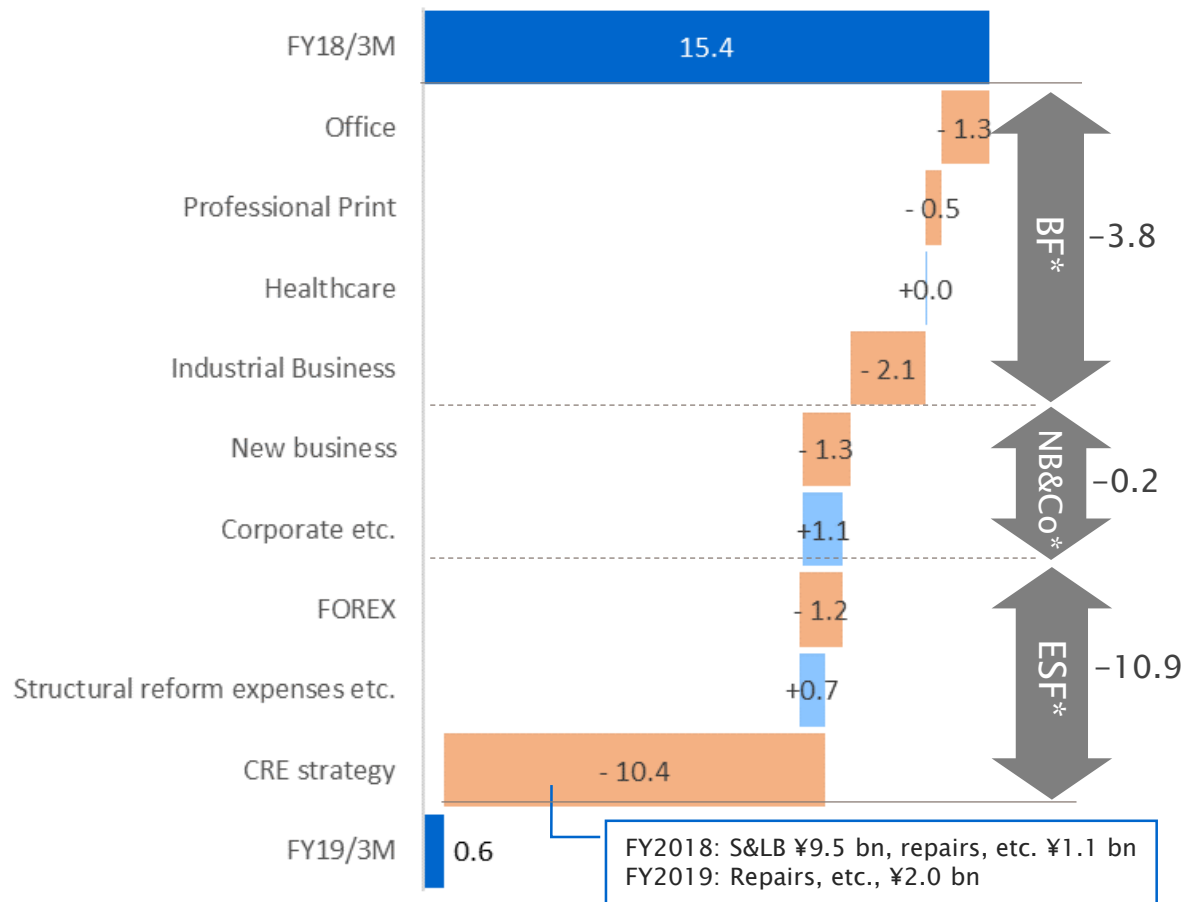


[¥ billions]

## Revenue



## Operating Profit



\* BF: Business Factors

NB&Co: New Business and Corporate

ESF: External and Special Factors

# YoY Increase/Decrease Factors in 1Q Performance and Forecast of Influence from 2Q on



KONICA MINOLTA

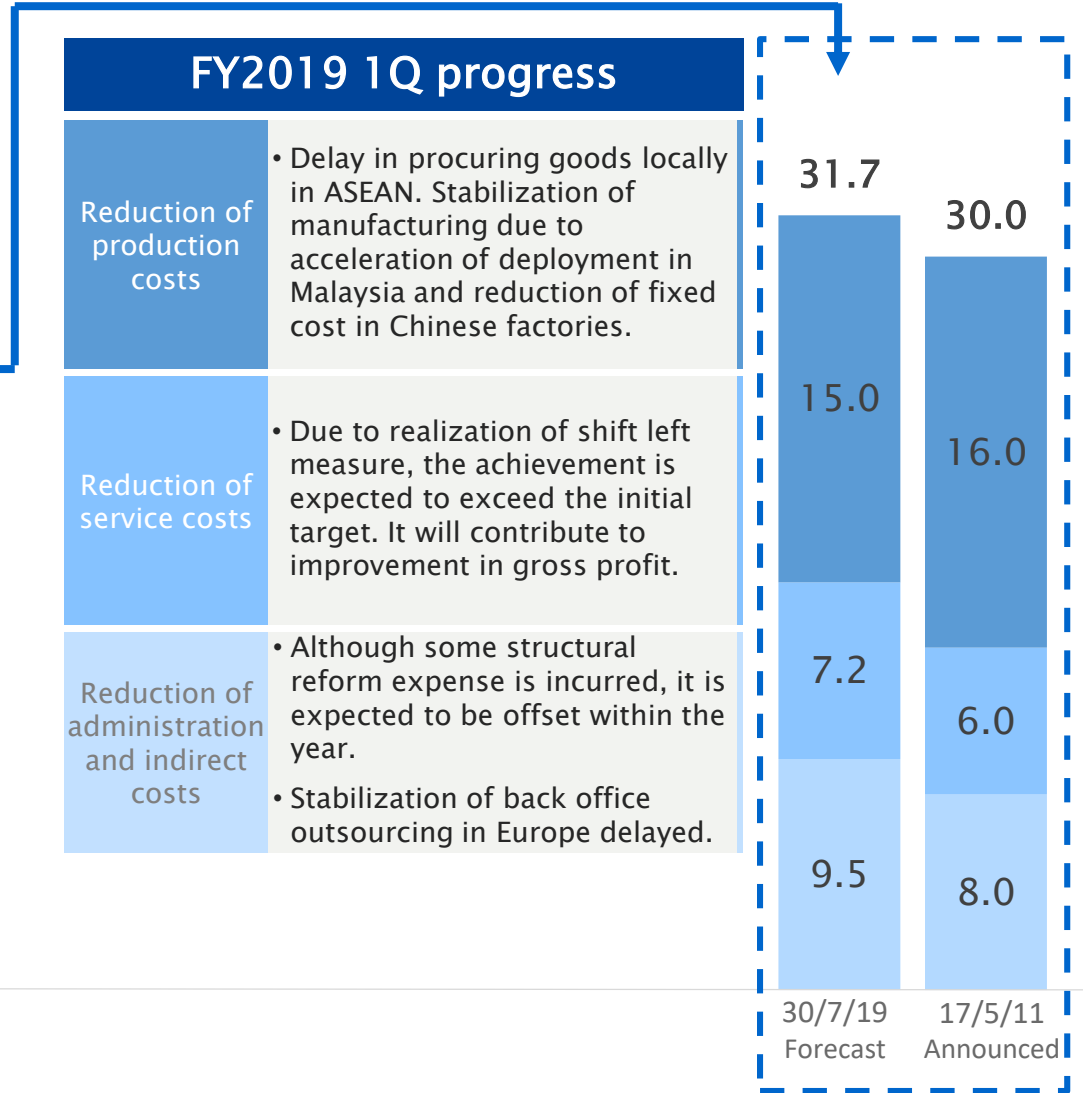
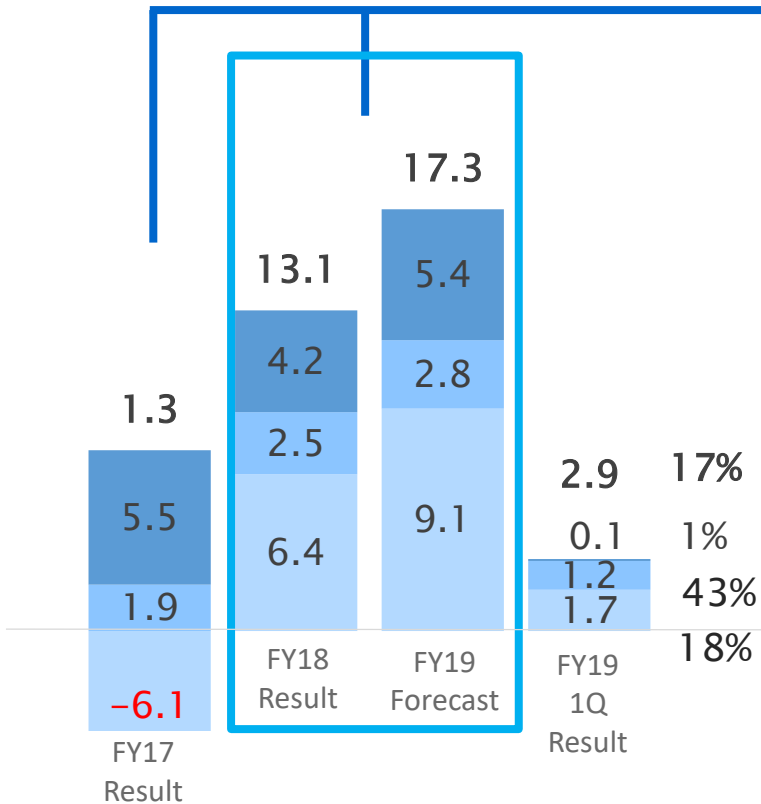
■ Sustained □ Temporary [¥ billions]

Business	Difference from prev. forecast	Main reasons for difference	Forecast of Influence from 2Q on
Office	-1.6	<ul style="list-style-type: none"> <li>■ Influence from the exchange rate of strong yen against euro (¥1.0 billion)</li> <li>□ It took time to sell out old products, and the contribution rate of new products declined</li> <li>□ Delay in accomplishment of reducing manufacturing costs and administrative and indirect costs</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuing the influence from the exchange rate of strong yen against euro</li> </ul>
Professional Print	-0.6	<ul style="list-style-type: none"> <li>■ Influence from the exchange rate of strong yen against euro (¥0.2 billion)</li> <li>□ Addressing U.S.-China trade frictions delayed production cost reduction effects</li> <li>□ Loss on abandonment of core systems in MS (¥0.4 billion, temporary)</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuing the influence from the exchange rate of strong yen against euro</li> </ul>
Healthcare	-0.1		
Industrial Business	-2.0	<ul style="list-style-type: none"> <li>□ (Measuring Instruments) Increase in demand accompanying the broadening of product applications in the same period of the previous year</li> <li>■ (Measuring Instruments) Greater than anticipated cuts in capital investment by core customers accompanying sluggishness in the smartphone market</li> </ul>	<ul style="list-style-type: none"> <li>■ (Measuring Instruments) Customers' cuts in capital investment are likely to continue during the first half (progress in the second half is anticipated as the initial forecast)</li> </ul>
New business	-1.3	<ul style="list-style-type: none"> <li>□ (Bio-healthcare) Handled as prior fiscal year expense (¥0.3 billion)</li> <li>■ (WPH) Delayed in acquiring customers</li> </ul>	<ul style="list-style-type: none"> <li>■ (WPH) Decline in recurring revenue</li> </ul>
Corporate	-9.4	<ul style="list-style-type: none"> <li>□ CRE expenses reduction of ¥1.0 billion (net difference ¥10.4 billion)</li> </ul>	<ul style="list-style-type: none"> <li>□ CRE income difference is expected (2018 2Q ¥5.4 billion/3Q ¥5.4 billion)</li> </ul>
<b>Company total</b>	<b>-14.9</b>		

## Late Start in FY2019 Manufacturing Costs and Administrative and Indirect Costs will be Recovered Toward Last Half

[¥ billions]

- Production costs
- Service costs
- Administration and indirect cost



[¥ billions]

## Revenue · Operating Profit

Quarterly Financial Results

FY18		1Q	2Q	3Q	4Q
Revenue	OP	125.7	127.5	125.7	130.4
	ITS	17.9	19.7	20.0	21.0
OP		9.3	13.4	11.6	12.8

FY19		1Q	YoY
Revenue	OP	116.4	-7%
	ITS	18.1	+1%
OP		7.7	-17%

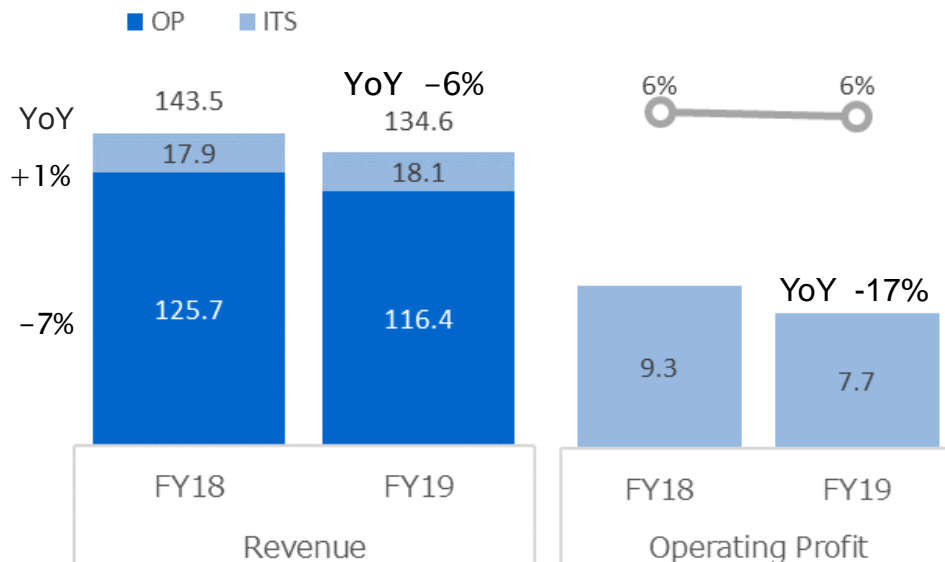
## 1Q Summary

### Office (OP)

- Although sales of newly designed bizhub i-series models began for the first time in seven years, which was equipped with industry-leading security functionality and other features, it took time to sell out old products. Contribution from new products is expected from 2Q on.
- Non-hardware revenue in Northern Europe, Germany, and US fell short of expectation, and Free-to-Fee and other measures were accelerated.
- Delays in stabilizing back office outsourcing in Europe caused carry-over of recording a portion of revenue.
- Major projects carried over from FY18 in Europe progressed to approximately 2,000 units.

### IT Services Solutions (ITS)

- Sales were sluggish due to a slowdown in customer IT investment in Europe.
- Promoting digitization of operations mainly in North America contributed to reduce service costs and improve quality.



3M

[¥ billions]

## Revenue · Operating Profit

Quarterly Financial Results

FY18		1Q	2Q	3Q	4Q
Revenue	PP	36.5	38.3	39.2	41.6
	IP	3.5	5.9	4.1	7.3
	MS	13.4	11.6	12.6	13.8
OP		1.7	3.7	3.3	5.1

FY19		1Q	YoY
Revenue	PP	34.2	-6%
	IP	3.8	+6%
	MS	12.6	-6%
OP		1.1	-37%

## 1Q Summary

### Production Print (PP)

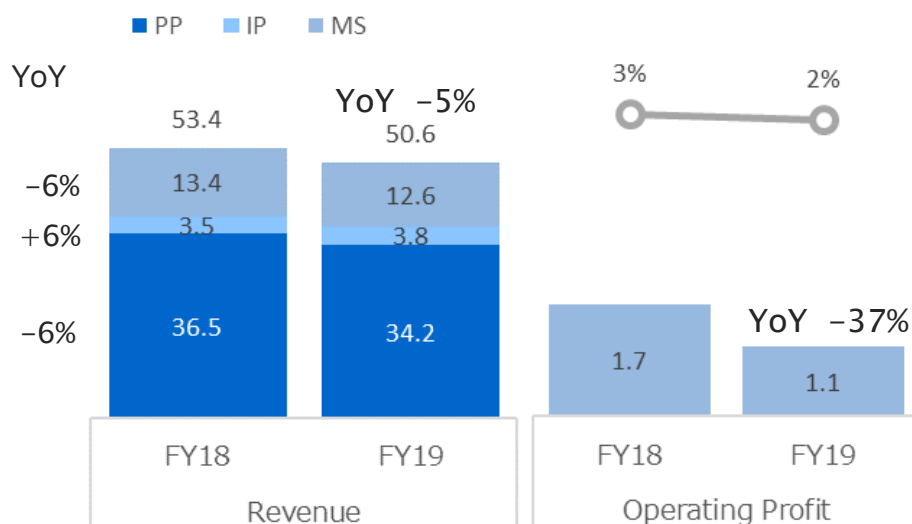
- Although color ELPP products declined in Europe and the US, LPP/MPP products maintained their level from the previous year and monochrome models increased. Sales of color models increased in countries with growing markets centered on China and ASEAN.
- The value appeal of the IQ-501 with automatic product inspection functionality was expanded.

### Industrial Print (IP)

- Although the KM-1 was affected in part by the slowdown of the economy in China, the pipeline expanded in Europe and other regions.
- Digital decorative printing equipment deals closing also expanded in Europe and the US, but installation for some customers being carried over to 2Q had an influence.
- Sales launch of a new label printer (AL230) with significantly improved productivity is anticipated to bring full-scale contribution from 2Q.

### Marketing Services (MS)

- Although the shift to value-added services is being continued, printing-related revenue in Europe declined so that overall revenue also showed a decrease.
- Loss on abandonment of old systems due to integration of core systems (¥0.4 billion, temporary.)

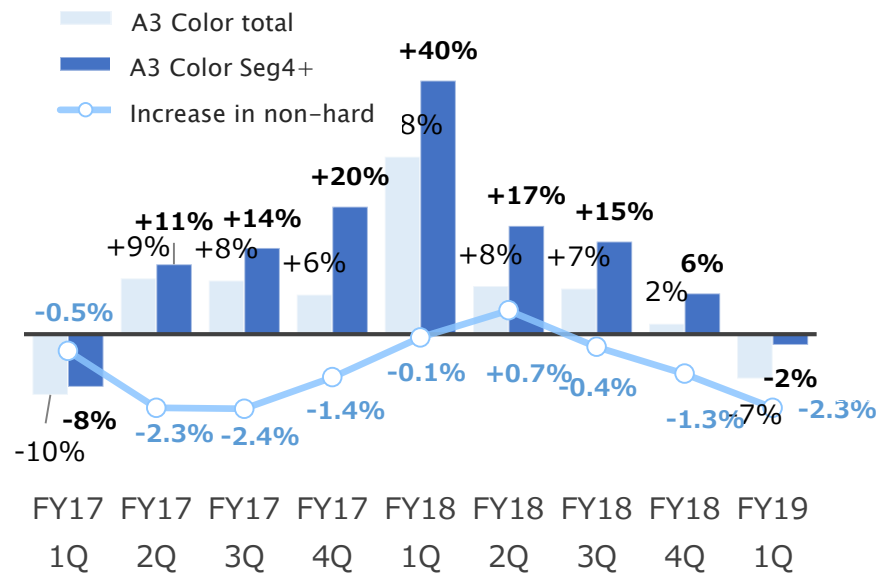




## Office

- New products offer high added value with high-level security functions, advanced operability, increased processing speed, enlarged memory capacity, and other such features, and we are confident of the feedback from customers, agencies, and our own sales teams. Recovery will occur from 2Q on. Installation of large projects in Europe will continue.
- Although non-hardware revenue for the year appears likely to show negative growth, gross profit is expected to be maintained by the acceleration of Free-to-Fee, shift left, and other such measures.

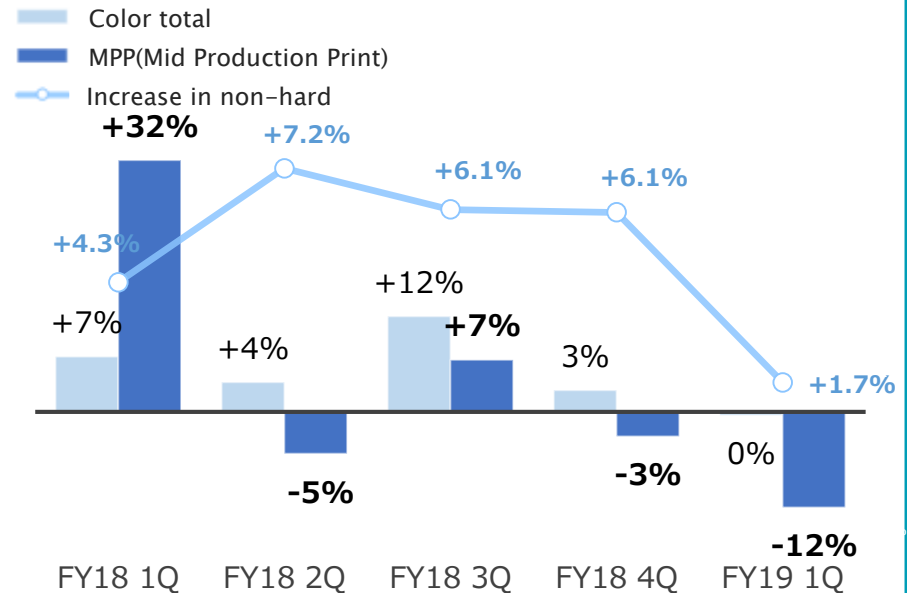
### Year-on-year growth rate in A3 color MFP shipments



## Production Print

- The value appeal of the IQ-501 with automatic product inspection functionality and our scientific sales approach will consolidate MPP new customer development to a new level of strength from 2Q on.
- MIF and PV have increased in direct channel, but non-hard growth has been sluggish because of continuing inventory adjustments in resale channels. Stimulation of demand by IQ-501 utilization programs oriented to resale is expected to bring recovery.

### Year-on-year growth rate in Production Print color models



[¥ billions]

## Revenue · Operating Profit

Quarterly Financial Results

FY18		1Q	2Q	3Q	4Q
Revenue	HC	17.0	19.6	19.4	27.5
	HIT	1.6	2.1	1.4	2.3
OP		-0.2	1.0	0.3	1.2

FY19		1Q	YoY
Revenue	HC	16.9	-0%
	HIT	1.8	+8%
OP		-0.3	-

## 1Q Summary

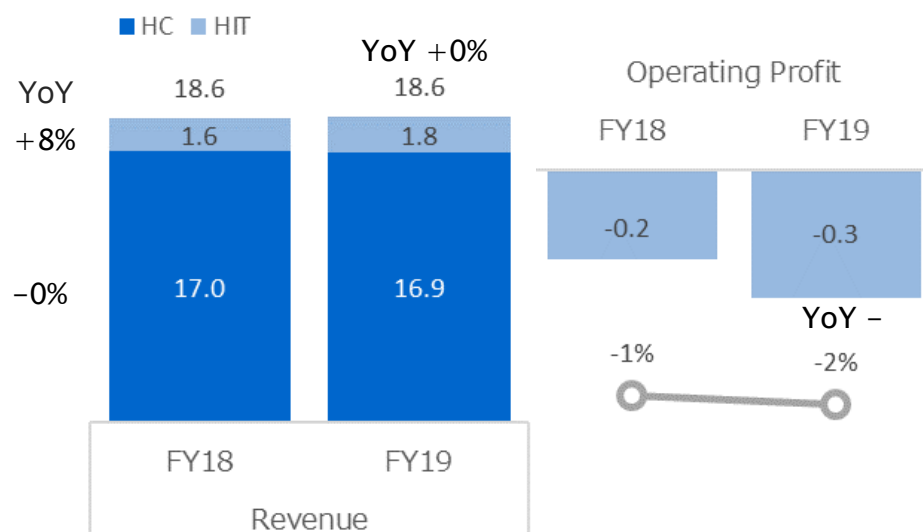
### Healthcare (HC)

- DR sales volume increases in the Asia region, with a focus on Japan. Although DR sales volume in the US was stable, there was a drop in unit sale prices due to the shift in demand from hospitals to clinics, and overall revenue declined slightly.
- In ultrasound diagnostic equipment, the impact of new products brought a progressive expansion of sales in the obstetrics and internal medicine fields, and there was a rise in revenue centered on Japan.
- We exhibited a digital X-ray video imaging system at the International Technical Exhibition of Medical Imaging, and our high value-added imaging received favorable opinions.

### Medical IT (HIT)

- PACS sales grew in Japan and the US.
- Development investment yielded results and we acquired large contracts for Medical IT platforms in the US.

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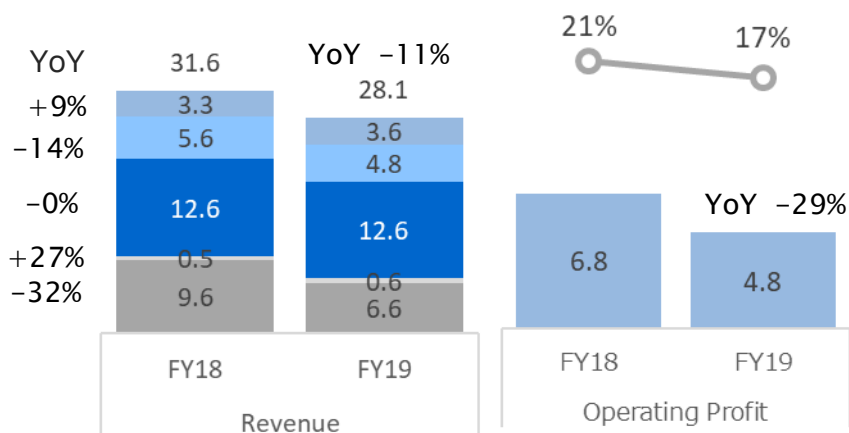
[¥ billions]

## Revenue · Operating Profit

FY18		1Q	2Q	3Q	4Q
Revenue	SE	9.6	7.2	7.7	7.6
	VS	0.5	0.7	0.5	1.3
	PM	12.6	11.7	12.9	10.9
	OC	5.6	5.4	4.9	4.7
	IJ	3.3	3.0	2.8	3.7
OP		6.8	4.7	5.6	3.9

FY19		1Q	YoY
Revenue	SE	6.6	-32%
	VS	0.6	+27%
	PM	12.6	-0%
	OC	4.8	-14%
	IJ	3.6	+9%
OP		4.8	-29%

■ SE ■ VS ■ PM ■ OC ■ IJ



## 1Q Summary

### Optical Systems for Industrial Use

: Measuring Instruments (SE), Imaging Solutions (VS)

- Measuring Instruments: Sales of light-source color devices declined due to such factors as reduced investment by major customers, and there had been demand due to diversification of display product in the same period of the previous year, so that year-on-year revenue decreased significantly.
- Due to the accelerated start-up of the Visual Inspection business for automobiles, Eines Systems was acquired.

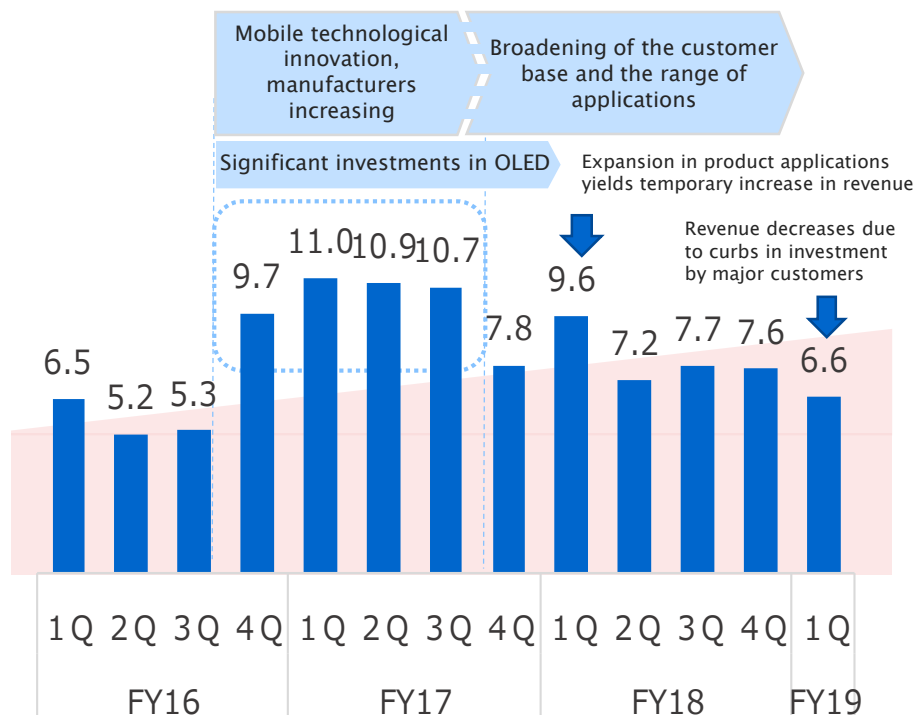
### Materials and Components : Performance Materials (PM), Optical Components (OC), IJ Components (IJ)

- Performance Materials: The strategy of switching product composition to high value-added products yielded effects, and the revenue increased year on year.
- Optical Components: Although a trend toward recovery in lens sales volume was observed, the influence of slowing in the Chinese economy resulted in a year-on-year decrease in revenue.
- IJ Components: Solid sales centered in Asia and Europe continued, yielding increased revenue year on year.

## Measuring Instruments

- Market: Influenced in part by sluggish smartphone demand, the display market hit a temporary plateau in FY2019 and the outlook in FY2020 is returning to growth.
- Konica Minolta: Expansion of the customer base and broadening of applications could not completely compensate the adverse conditions of restrained capital investment by major mobile customers. The aim is to acquire demand in FY2020 and expand the visual inspection market.

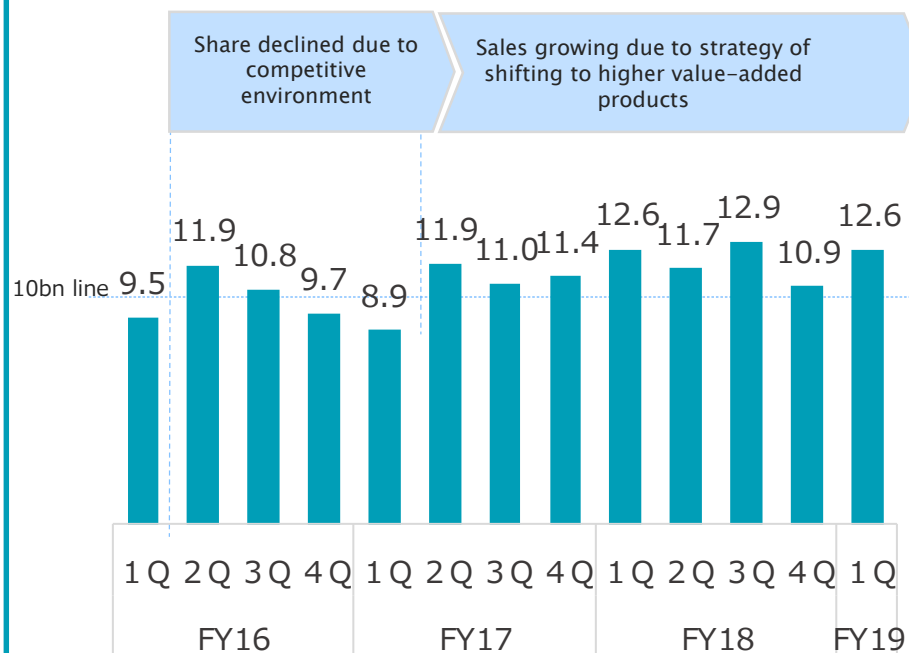
### Measuring Instruments revenue (¥ billions)



## Performance Materials

- Market: With the shift toward larger displays for TVs and other products, display area continues to expand. Business opportunities are also expanding due to the diversification of displays.
- Konica Minolta: With the shift to higher value added products, growth at or above the market level continues. In FY2019, the increased customer value achieved by new resin product brings full-scale expansion of our business fields.

### Net sales of Performance Materials (¥ billions)



[¥ billions]

## Revenue · Operating Profit

Quarterly Financial Results

FY18		1Q	2Q	3Q	4Q
Revenue	BHC	5.9	6.5	6.6	6.9
	Others	2.0	2.3	2.2	2.3
OP		-5.1	-3.5	-5.4	-5.3

FY19		1Q	YoY
Revenue	BHC	7.2	+23%
	Others	2.3	+19%
OP		-6.4	-

## 1Q Summary

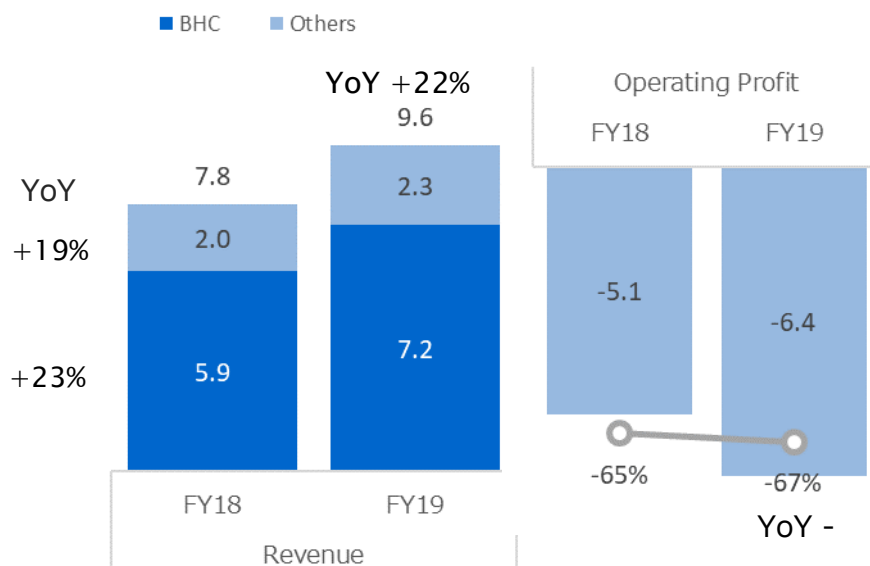
### Bio-healthcare (BHC)

- The RNA testing started in the previous fiscal year together with our DNA testing yielded differentiation in the area of genetic testing and the number of samples submitted for testing increased.
- Deployment of genetic diagnostic services has begun in a tie-up with LSI Medience Corporation in Japan.
- Joint R&D on a next-generation global oncogenic gene panel test has been agreed to start with the University of Tokyo and the National Cancer Center Research Institute.
- In the area of pharmaceutical development support, although acquisition of contracts in the central nervous system field was delayed, orders in the cancer field are coming in steadily. A prior fiscal year expense was also incurred (¥0.3 billion, temporary).

### Others : Workplace Hub (WPH), QOL, Status monitoring, Digital manufacturing

- Although the number of customers falls short of plan, the WPH sales region has grown to 20 countries and 15 cities in the US. Agency agreements have also surpassed the planned 40 companies and is expected to increase from 2Q on.
- Average sales per customer achieved the target.

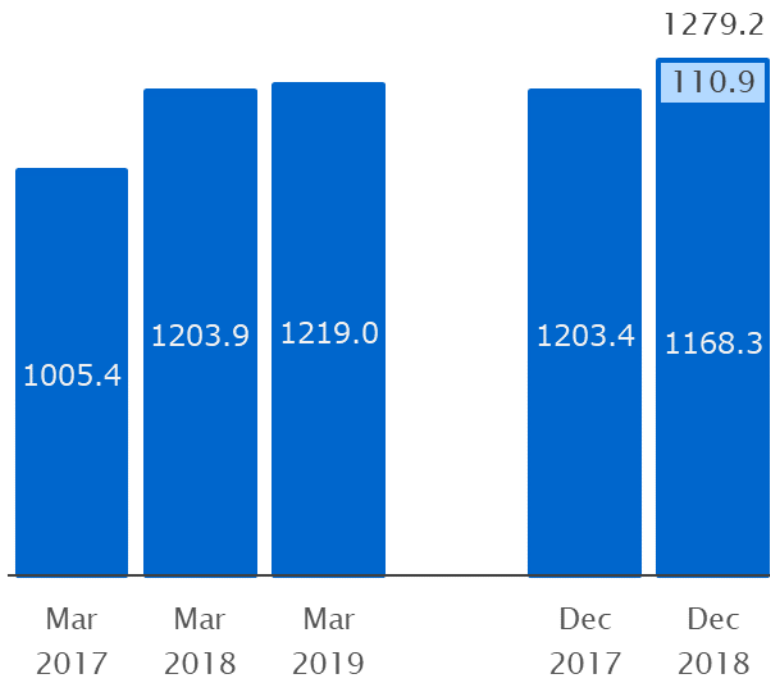
3M



## Total Assets

[¥billions]

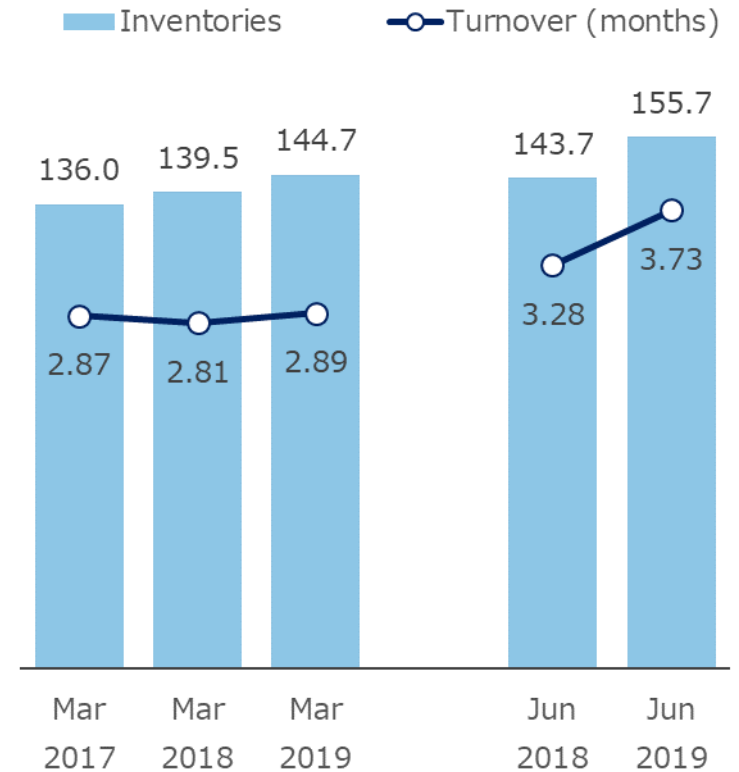
Increase due to right-of-use assets being moved onto the balance sheet through the adoption of IFRS16 (beginning of the term ¥110.9 billion) as well as the increase in inventory assets.



## Inventory/Turnover

[¥billions]

Increase due to preparatory inventory for full swing in sales of new office products, inventory for measures to counter tariffs due to the US-China trade frictions, stocks built to prepare for 2Q sales, and other such factors.



Inventory turnover, in months = Inventory balance at end of fiscal year / Average cost of sales for most recent three months

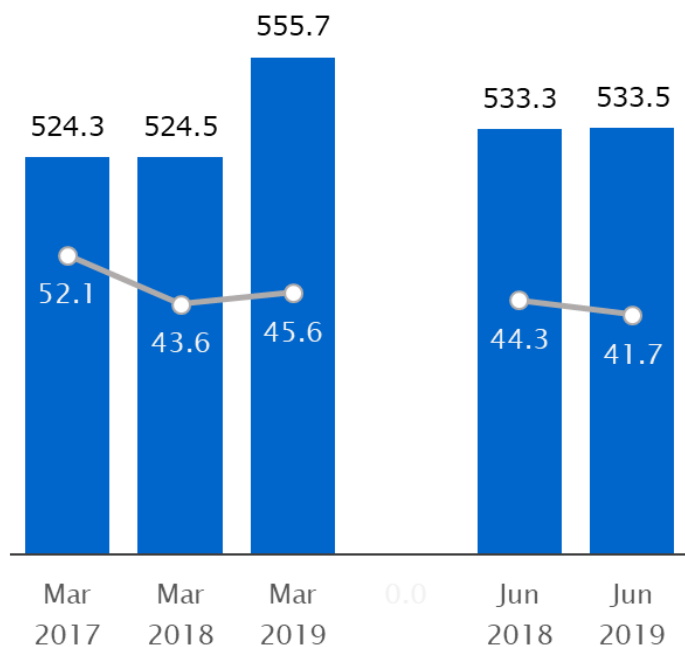
## Equity & Equity Ratio [¥billions]

Attributable to owners of the parent company

Due primarily to currency translation differences, shareholders' equity was reduced.

Due in part to right-of-use assets being moved onto the balance sheet through the application of IFRS16, actual performance remained unchanged even though the equity ratio declined.

■ Shareholders' equity    ○— Equity ratio(%)



Excluding the impact of IFRS16, equity ratio was 45.7%  
(The one for company rating 49.9%)

(For Company Rating 45.5%)

Equity = Equity attributable to owners of the parent

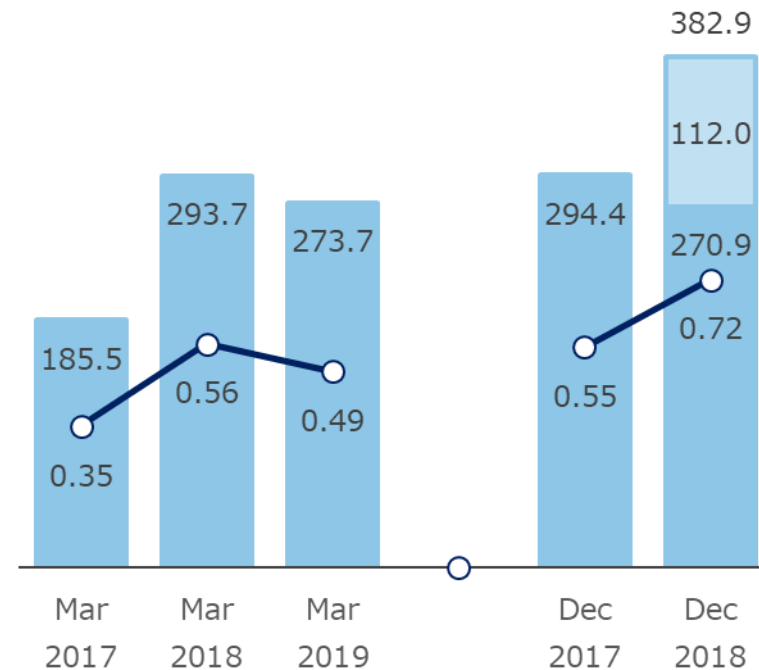
Equity ratio = Equity attributable to owners of the parent / Total assets

## Interest-Bearing Debts & D/E Ratio [¥billions]

Increase from lease liabilities being moved onto the balance sheet through the application of IFRS 16 (beginning of the term ¥112.0 billion.)

■ Interest-bearing debts

○— Debt-to-equity ratio (times)



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

[¥ billions]

	FY2019 12M Forecast (Current)	FY2019 12M Forecast (Previous)	FY2018 12M Results	YoY
Revenue	1 085.0	1 120.0	1 059.1	+2%
Operating Profit	60.0	66.0	62.4	-4%
Profit attributable to owners of the parent	37.5	45.5	41.7	-10%
ROE	6.7%	8.0%	7.7%	
<b>FOREX [Yen]</b>				
USD	105.0	110.0	110.91	
EUR	123.0	125.0	128.41	

## Full-year earnings forecast

- Exchange rate: EUR and USD assumptions revised to ¥123 and ¥105, respectively.
- Revenue: Taking revised USD rate and current quarter progress into consideration, adjusted downward by ¥35.0 billion.
- Operating profit: Taking the revision of the assumed EUR rate, the influence of external environment on business, temporary factors, and other such factors into consideration, adjusted downward by ¥6.0 billion.

## Dividend forecast

- Annual dividend: Unchanged at ¥30 per share (¥15 for both interim and period-end).



# FY2019 Earnings Forecast | Segments

[¥ billions]

Revenue	FY2019 12M		FY2018 12M	
	Forecast (Current)	Forecast (Previous)	Results	YoY
Office	575.0	595.0	587.9	- 2%
Professional Print	235.0	240.0	227.7	+ 3%
Healthcare	90.0	92.0	90.9	- 1%
Industrial	125.0	130.0	116.7	+ 7%
Optical systems for industrial use	35.0	40.0	35.2	- 0%
Materials and components	90.0	90.0	81.5	+ 10%
New business	60.0	63.0	34.7	+ 73%
Bio-healthcare	35.0	35.0	25.9	+ 35%
Others	25.0	28.0	8.7	+ 186%
Corporate, etc.	0.0	0.0	1.2	-
<b>Company overall</b>	<b>1,085.0</b>	<b>1,120.0</b>	<b>1,059.1</b>	<b>+ 2%</b>

Operating Profit	FY2019 12M		FY2018 12M		FY2018 12M		
	Forecast (Current)		Forecast (Previous)		Results	YoY	
Office	50.0	8.7%	52.5	8.8%	47.2	8.0%	+ 6%
Professional Print	17.0	7.2%	17.5	7.3%	13.8	6.1%	+ 23%
Healthcare	4.0	4.4%	4.0	4.3%	2.4	2.6%	+ 67%
Industrial	23.0	18.4%	25.0	19.2%	20.9	17.9%	+ 10%
New business	-12.0		-10.0		-19.3		-
Corporate, etc.	-22.0		-23.0		-2.6		-
<b>Company overall</b>	<b>60.0</b>	<b>5.5%</b>	<b>66.0</b>	<b>5.9%</b>	<b>62.4</b>	<b>5.9%</b>	<b>- 4%</b>

# Appendix

[¥ billions]

	FY2019 3M	FY2018 3M	YoY
Revenue	241.7	255.2	- 5%
Gross Profit	116.7	123.7	- 6%
Gross Profit ratio	48.3%	48.5%	-
Operating Profit	0.6	15.4	- 96%
Operating Profit ratio	0.2%	6.1%	-
Profit before tax	-1.4	15.3	- 109%
Profit before tax ratio	-0.6%	6.0%	-
Profit attributable to owners of the parent	-1.2	11.2	- 111%
Profit attributable to owners of the parent ratio	-0.5%	4.4%	-
EPS [Yen]	-2.44	22.61	
CAPEX	9.7	8.6	
Depreciation and Amortization Expenses	18.9	14.6	
R&D expenses	18.9	20.4	
FCF	-15.0	-0.4	
Investment and lending	3.7	3.0	
FOREX [Yen]	109.90	109.07	+0.83
USD			
EUR	123.49	130.06	- 6.57

# Appendix SG&A–Other Income/ Expenses–Finance Income/Loss

[¥ billions]

	FY2019 3M	FY2018 3M	YoY
<b>SG&amp;A:</b>			
Selling expenses – variable	11.3	12.0	– 0.7
R&D expenses	18.9	20.4	– 1.5
Personnel expenses	52.2	52.9	– 0.7
Others	30.3	29.9	+0.4
<b>SG&amp;A total</b>	<b>112.8</b>	<b>115.3</b>	<b>– 2.5</b>
	<i>* Forex impact: –1.8bn. (Actual: –0.7bn.)</i>		
<b>Other income:</b>			
Gain on sales of property, plant and equipment	0.0	9.6	– 9.6
Other income	0.5	0.5	– 0.0
<b>Other income total</b>	<b>0.5</b>	<b>10.1</b>	<b>– 9.6</b>
<b>Other expenses</b>			
Loss on sales of property, plant and equipment	2.5	1.3	+1.3
Special extra retirement payments	0.0	0.0	+0.0
Other expenses	1.4	1.8	– 0.4
<b>Other expenses total</b>	<b>3.9</b>	<b>3.0</b>	<b>+0.9</b>
<b>Finance income/loss:</b>			
Interest income/Dividends received/Interest expense	–0.8	–0.1	– 0.7
Foreign exchange gain/loss (net)	–0.9	0.3	– 1.1
Others	–0.2	–0.3	+0.0
<b>Finance income/loss, net</b>	<b>–1.9</b>	<b>– 0.0</b>	<b>– 1.8</b>

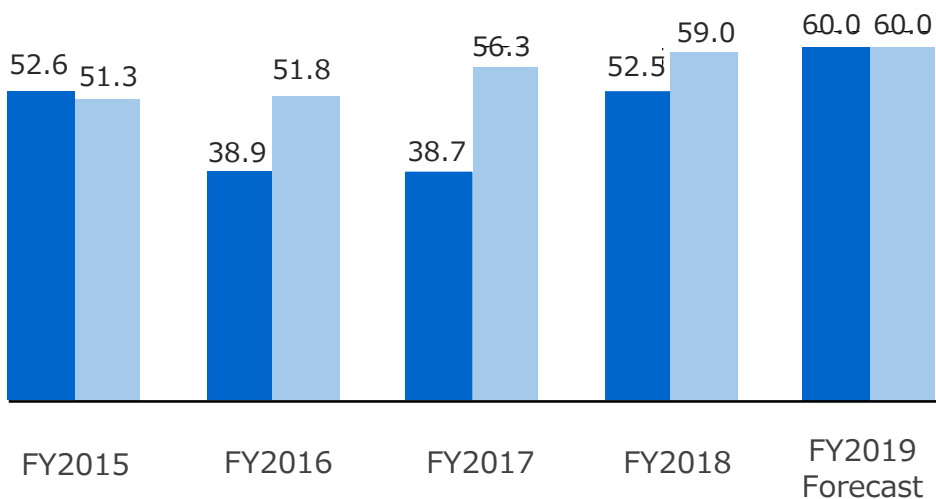
FY19/1Q vs. FY18/1Q

	Office	Professional Print	Healthcare	Industrial Business	New business	corporate, etc.	Total
<b>[Factors]</b>							
Forex impact	- 1.0	- 0.2	- 0.1	+0.1	+0.0	- 0.0	- 1.2
Sales volume change, and other, net	- 1.8	+1.1	- 0.2	- 2.2	+0.7	+0.2	- 2.2
Price change	- 0.6	- 0.7	- 0.5	- 0.0	-	-	- 1.8
Cost up/down	+0.2	- 0.5	+0.1	+0.2	-	-	+0.1
SG&A change, net	+1.5	- 0.2	+0.6	- 0.0	- 2.0	+0.8	+0.7
Other income and expense	+0.1	- 0.3	+0.0	+0.0	- 0.1	- 10.3	- 10.5
<b>[Operating Profit]</b>							
Change, YoY	- 1.6	- 0.6	- 0.1	- 2.0	- 1.3	- 9.4	- 14.9

[¥ billions]

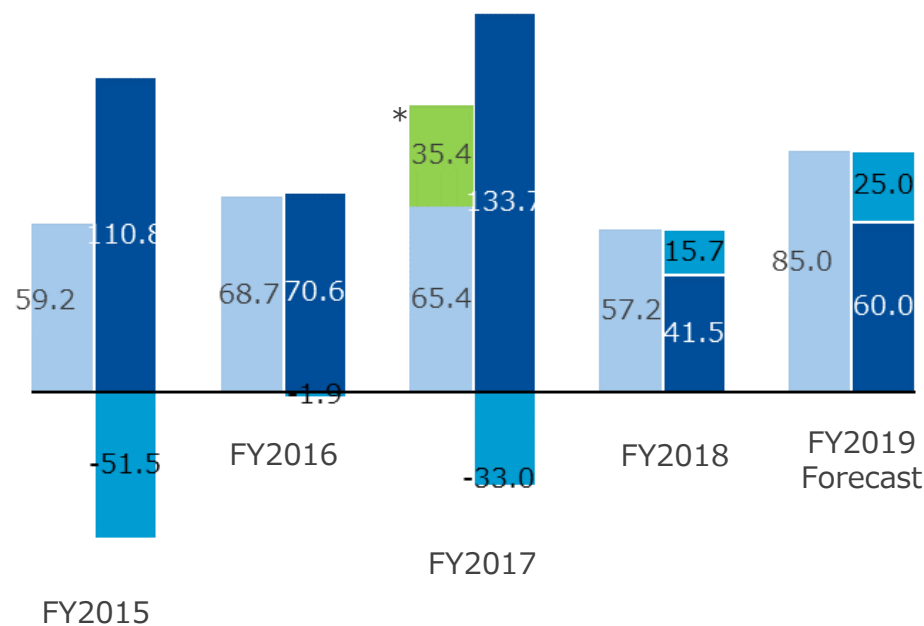
## Capital Expenditure and Depreciation and Amortization Expenses

- Capital expenditures
- Depreciation and amortization



## Free Cash Flows

- INCJ
- FCF
- Net cash flows from investing activities
- Net cash flows from operating activities



\*FCF forecast for FY2019 does not include investment and lending  
INCJ : Innovation Network Corporation of Japan

[¥ billions]

	FY2019 12M		FY2018 12M	
	Forecast (current)	Results	YoY	
Revenue	1,085.0	1,059.1	+ 2%	
Operating Profit	60.0	62.4	- 4%	
Operating Profit ratio	5.5%	5.9%		
Profit before tax	55.0	60.1	- 9%	
Profit attributable to owners of the parent	37.5	41.7	- 10%	
Profit attributable to owners of the parent ratio	3.5%	3.9%		
EPS [Yen]	75.80	84.33		
ROE* (%)	6.7%	7.7%		
CAPEX	60.0	52.5		
Depreciation and Amortization Expenses	60.0	59.0		
R&D expenses	80.0	78.4		
FCF (without investment and loan for FY19)	25.0	15.7		
Investment and loan	20.0	14.0		
	FOREX [Yen]	USD	105.00	110.91
		EUR	123.00	128.41

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

# Appendix FOREX Impact on Revenue and Operating Profit

[FOREX : ¥]

[Impact, Sensitivity : ¥ billions]

	FY19	FY18	YoY Impact		FX Sensitivity*2	
	3M	3M	Revenue	OP	Revenue	OP
USD	109.07	109.90	+0.9	-0.2	+3.4	-0.0
EUR	130.06	123.49	-2.7	-1.4	+1.8	+0.6
GBP	148.55	141.16	-0.5	+0.0	+0.3	+0.1
European Currency*1	-	-	-3.9	-1.3	+2.5	+1.0
CNY	17.13	16.07	-0.8	-0.2	+3.2	+1.3
AUD	82.59	76.94	-0.5	-0.1	+0.4	+0.1
Other	-	-	-0.4	-0.1	-	-
Exchange contract effect	-	-	-0.0	+0.7	-	-
Total impact from FY2018	-	-	-4.8	-1.2	-	-

\*1 European currency: Currencies used in Europe including EUR/GBP

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



## ■ Composition of revenue by region (in yen)

	FY2017				FY2018				FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Japan	13%	13%	12%	12%	13%	12%	12%	12%	12%
North America	34%	34%	33%	31%	33%	33%	33%	33%	34%
EU	36%	36%	38%	40%	36%	36%	36%	36%	36%
Others	17%	17%	17%	17%	18%	19%	18%	18%	17%

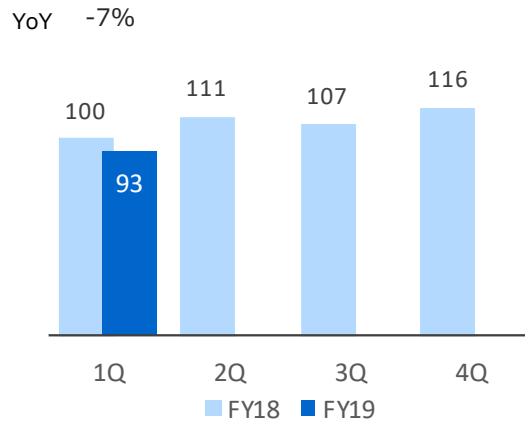
## ■ Change in revenue by region (w/o FOREX)

	FY2017				FY2018				FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Japan	+2%	+0%	-1%	-1%	+4%	+1%	+2%	+3%	-8%
North America	+2%	+3%	-3%	+8%	+5%	+4%	+5%	+4%	-2%
EU	-1%	+2%	+1%	+4%	+4%	+1%	+1%	+0%	-2%
Others	-10%	-8%	-5%	-2%	+16%	+8%	+10%	+10%	-18%

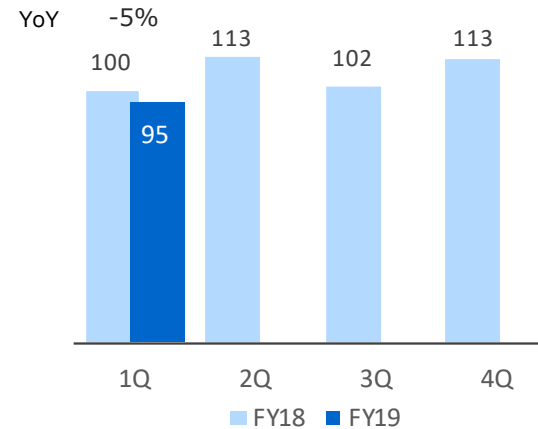
## ■ Percentage of color in sales of hardware

	FY2017				FY2018				FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Office	69%	72%	72%	72%	73%	73%	73%	74%	72%
Professional Print	78%	76%	80%	78%	81%	80%	80%	81%	78%

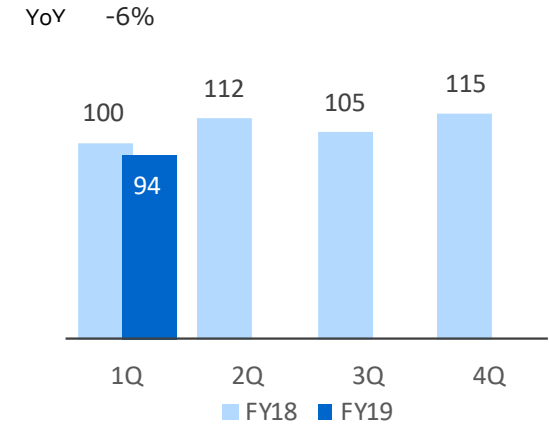
■ A3 Color MFP– Units\*



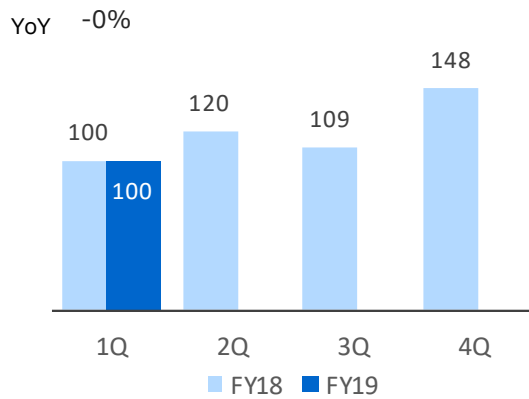
■ A3 monochrome MFP– Units\*



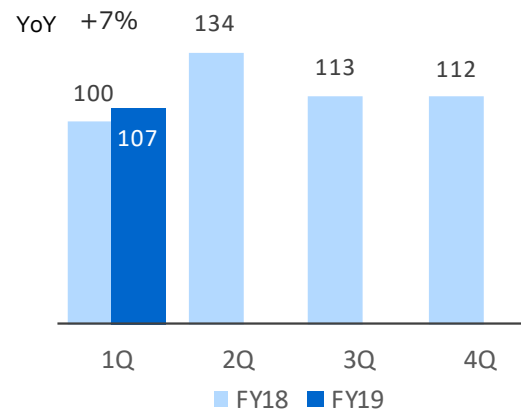
■ A3 MFP– Units\*



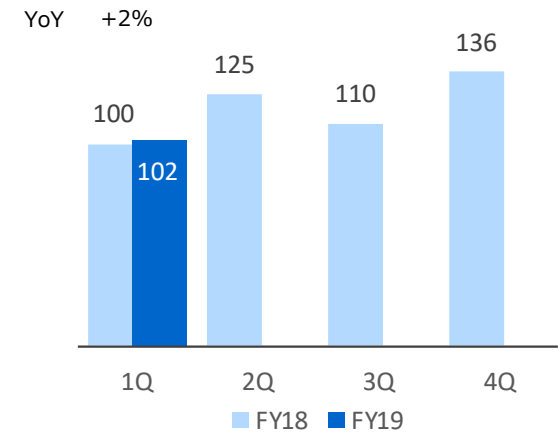
■ Color Production Print – Units\*



■ Monochrome Production Print – Units\*

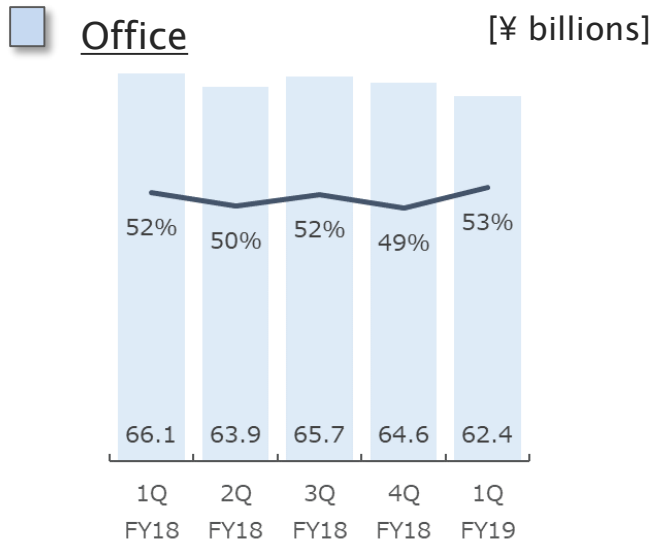


■ Production Print – Units\*



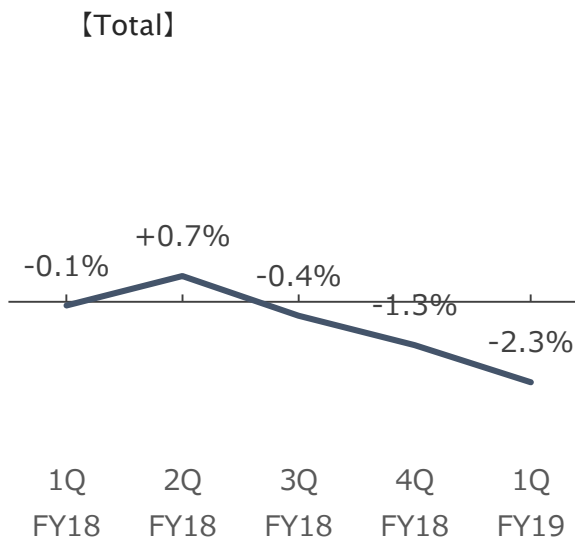
\* Base Index: "FY2018-1Q = 100

## Revenue & ratio of non-hard

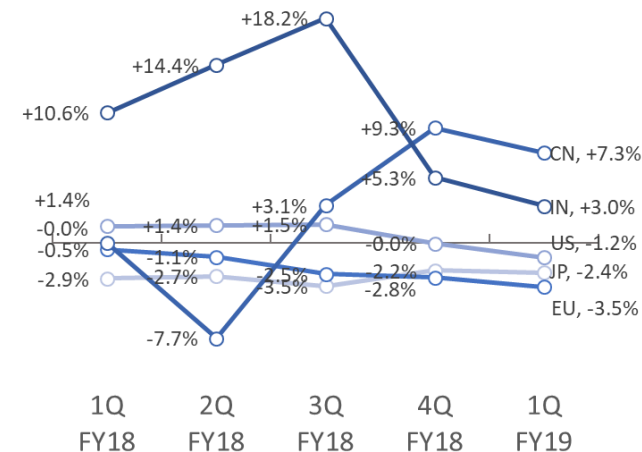


## YoY revenue increase in non-hard

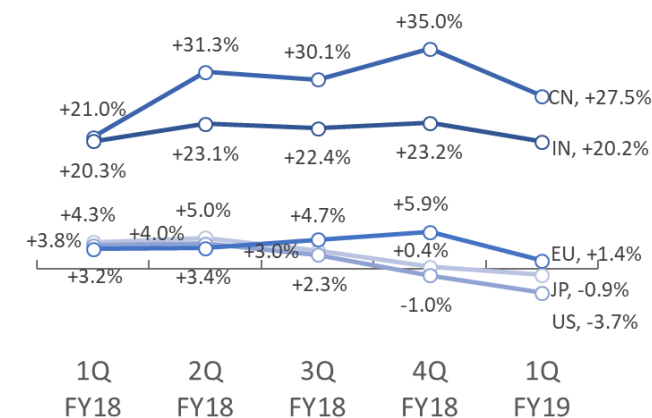
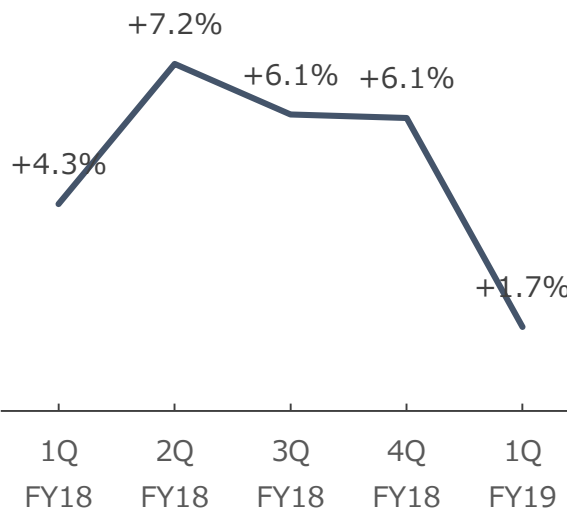
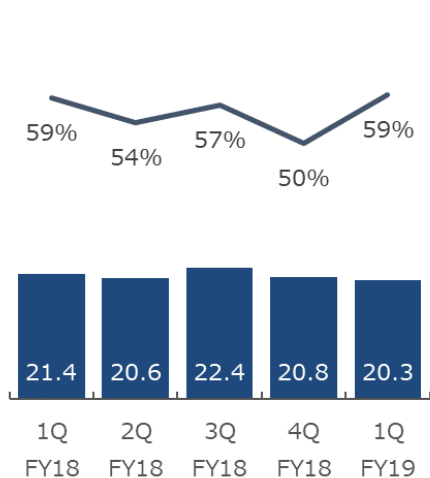
(w/o FOREX)



## [Regional YoY]



## Production print



# Appendix Quarterly Financial Results : Segments

[¥ billions]

【Revenue】	FY17				FY18				FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Office Business	133.0	146.5	148.2	156.2	143.5	147.2	145.7	151.4	134.6
Professional Print Business	49.0	52.2	53.9	59.2	53.4	55.9	55.8	62.7	50.6
Healthcare Business	19.5	23.3	24.0	29.6	18.6	21.6	20.9	29.8	18.6
Industrial Business	28.7	31.3	30.1	28.1	31.6	28.0	28.8	28.3	28.1
Optical Systems for Industrial Use	11.7	11.5	11.1	8.8	10.1	7.9	8.2	9.0	7.2
Material · Components	17.0	19.8	19.0	19.4	21.5	20.1	20.6	19.3	21.0
New business	1.9	2.3	5.7	7.4	7.8	8.8	8.8	9.2	9.6
Bio-healthcare	-	-	3.6	5.4	5.9	6.5	6.6	6.9	7.2
Others	1.9	2.3	2.1	2.0	2.0	2.3	2.2	2.3	2.3
Corporate etc.	0.1	0.2	0.3	0.4	0.3	0.3	0.4	0.2	0.2
Company overall	232.4	255.8	262.2	281.0	255.2	261.9	260.5	281.5	241.7
【Operating Profit】	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Office Business	5.3	14.8	9.8	15.0	9.3	13.4	11.6	12.8	7.7
Professional Print Business	1.6	0.9	2.6	4.2	1.7	3.7	3.3	5.1	1.1
Healthcare Business	-0.5	3.4	1.0	1.7	-0.2	1.0	0.3	1.2	-0.3
Industrial Business	6.1	5.9	5.6	5.9	6.8	4.7	5.6	3.9	4.8
New Business	-2.7	-3.2	-4.4	-5.6	-5.1	-3.5	-5.4	-5.3	-6.4
Corporate etc.	-1.1	-10.0	-5.9	3.6	3.1	-0.2	0.4	-5.8	-6.3
Company overall	8.7	11.8	8.6	24.8	15.4	19.2	15.9	11.9	0.6

# Business Segments for FY 2019

## Core businesses

Strengthen profitability through structural cost reforms to become businesses that support profits during the medium term business plan

## Growth businesses

Utilize resources in which upfront investment was made during the previous medium term business plan, with the aim of making highly profitable new businesses around the core

## New businesses

Establish new business models appropriate to the IoT age, targeting highly profitable businesses



Business segment

\*Certain BUs, such as Healthcare and Measuring Instruments, may be incubating growth businesses internally, as is the case with the main businesses.

Business Unit	Core businesses	Growth businesses	New businesses
Office	Office ITS		WPH
Professional Print	Production Print (PP)	Industrial Printing (IP) <small>Textiles</small> Marketing services	
Healthcare	Healthcare Business <small>Ultrasound</small>	Medical IT	Bio-healthcare
Optical Systems for Industrial Use	Measuring Instruments <small>Visual Inspection</small>	Imaging Solutions	QOL Status monitoring <small>Digital Manufacturing</small>
Materials and components	Performance Materials <small>New Films</small> IJ Components <small>Optical Components</small>	Materials <small>OLED</small>	

- **IQ-501 (Intelligent Quality Optimizer): (Professional Print Business)**  
An optional unit that implements constant monitoring/control during printing to automate color management and front/back register control. This drastically cuts down on control times and improve production time.
- **Workplace Hub (WPH): (New Business)**  
This is a platform that will become the base for the IoT business that Konica Minolta plans to focus on. In addition to MFP functions, a server is integrated to create a solution that drives efficiencies by reducing the overall costs of IT infrastructure management, providing real-time data-driven visibility of IT usage patterns that help to improve business processes. This will link people and data, and empower them to make smarter decisions and solve problems in the office.
- **Genetic diagnosis: (Bio-healthcare)**  
DNA information is described as the blueprint for bodily tissue, and this kind of diagnosis identifies in-born susceptibility to cancer and other diseases by examining that information.  
Knowing about such predispositions through genetic information makes it possible to deal efficiently with a disease if it is contracted.
- **Support for pharmaceutical development: (Bio-healthcare)**  
This is the provision of technical support to pharmaceutical companies when developing new drugs. New drug development tends to cost huge sums of money, and this support makes efficient use of our analytical technology to help move from preclinical study and clinical trials to market launch.
- **CRE Strategy (Corporate Real Estate Strategy): (Corporate)**  
A corporate strategy for a corporation to utilize its assets and real estate more efficiently in ways that benefit its business.
- **S&LB (Sale and Leaseback): (Corporate)**  
A method for using assets more efficiently as part of a corporate strategy, in which a corporation sells one of its assets and then continues to use the asset by leasing it back.
- **PACS (Picture Archiving and Communication System) : (Healthcare)**  
An image storage and communication system for medical image processing. More generally, any system for managing a large number of images, such as CT, MRI, and X-ray images from DR or CR.



**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.*