KONICA MINOLTA 150 YEARS

# Konica Minolta, Inc.
# 2nd Quarter/FY2023 ending in March 2024 Consolidated Financial Results

**Toshimitsu Taiko**

**President and CEO**

**Three months : July 1, 2023 - September 30, 2023**

**Six months : April 1, 2023 – September 30, 2023**

**- Announced on November 2, 2023 -**

Giving Shape to Ideas



Thanks for joining our financial results briefing session today.
I will explain our financial results for the Q1 of FY2023 and the progress of Medium-Term Business Plan, which we disclosed today at 15:00.

## Today's Summary

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### FY2023 Q2 Result

- Company overall YoY: Revenue increased and profit decreased in Q2, revenue and profit increased in H1
- Business contribution profit: ¥6.4 billion in Q2, returned to profitability in H1 totaling ¥2.3 billion
  (operating profit: ¥5.2 billion in Q2, returned to profitability in H1 totaling ¥0.8 billion)
  Increase: office, precision medicine
  Decrease: production print, sensing
- Versus plan: Overall, results slightly exceeded the company's expectations

### Medium-Term Business Plan Progress

- Business selection and concentration:
  - Non-focused business: Conclusion of Strategic Alliance Agreement for optical components unit
  - Direction changing business: Ongoing review based on evaluation criteria and considering execution status of FY2023 budget
- Reinforcement of financial foundation
  - Operating CF returned to profitability (+¥31.8 billion) due to reduction of working capital

 

On the second page, here is a summary of the points I would like to share with you today.
First, in the Q2 of the fiscal year, business contribution profit(BCP) recorded ¥6.4 billion, in H1 totaling a surplus of ¥2.3 billion, and operating profit recorded ¥5.2 billion, in H1 totaling ¥0.8 billion. The situation by business segment will be explained in detail later. The Q2 profit recovery was in line with expectations, but the results were slightly above the company's forecasts.
Regarding the progress of Medium-Term Business Plan, there was progress in optical components business regarding the selection and concentration of businesses. I will explain this in detail later. We are also focusing on enhancing our cash flow generation capabilities and by reducing working capital, operating cash flow was a surplus of ¥31.8 billion.

# FY2023 Q2 PERFORMANCE OVERVIEW

## FY2023 Q2 Performance | Summary

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### Q2 Revenue

- Increased revenue
- By segment Increase: Digital Workplace, Industry
  Decrease: Professional Print, Healthcare

### Q2 Profit/cash flow

- SG&A: Flat YoY in real terms due to SG&A control despite increase in personnel expenses with higher wages
- Business contribution profit*: Returned to profitability due to improvement in gross profit ratio due to production cost reductions, lower logistics expenses, and other factors
- FCF: Significant improvement due to better operating CF

[¥ billions]

| | FY2023 6M | vs FY2022 | | | FY2023 Q2 | vs FY2022 | | |
|---|---|---|---|---|---|---|---|---|
| | | FY2022 6M | YoY | YoY (w/o FOREX) | | FY2022 Q2 | YoY | YoY (w/o FOREX) |
| **Revenue** | 552.8 | 530.7 | +4% | -1% | 286.4 | 282.9 | +1% | -4% |
| **Gross Profit** | 237.2 | 226.0 | +5% | -1% | 125.3 | 121.3 | +3% | -3% |
| Gross Profit ratio | 42.9% | 42.6% | +0.3pt | | 43.8% | 42.9% | +0.9pt | |
| **SG & A** | 235.0 | 225.3 | +4% | +0% | 119.0 | 114.6 | +4% | -1% |
| **Business Contribution Profit** | 2.3 | 0.7 | +211% | -312% | 6.4 | 6.7 | -4% | -47% |
| **Operating Profit** | 0.8 | -5.1 | - | - | 5.2 | 5.9 | -11% | -60% |
| to owners of the Company **Profit attributable** | -4.5 | -6.7 | - | | 1.1 | 2.0 | -46% | |
| **FCF** | 9.4 | -25.4 | - | | 20.2 | -0.5 | - | |
| FOREX [Yen] | | | | | | | | |
| **USD** | 141.00 | 133.97 | +7.03 | | 144.62 | 138.37 | +6.25 | |
| **EUR** | 153.39 | 138.73 | +14.66 | | 157.30 | 139.34 | +17.96 | |

*Business contribution profit: Original index of the Company, the profit subtracted sales cost, SG&A from revenue

 

On page 4, the company's financial results for the Q2 and the H1 of the fiscal year are shown. The consolidated revenue for the Q2 was ¥286.4 billion. Excluding the impact of FOREX, revenue declined because there was the effect of boosting sales by eliminating the order backlog in office business in Q2 of the previous fiscal year, but the rebound was within expectations. The gross profit rate improved by about one percentage point from the previous fiscal year. As we prioritized supplies last year, logistics costs such as air transport of MFP and toner affected cost of sales. Lower production costs also contributed to improved gross profit rate.
On the other hand, SG&A expenses rose approximately ¥1 billion due to an increase in wages and merit increase in response to globally soaring prices, but we recognize that we needed to further restrain the costs by the effects of structural reform and other factors. However, other expenses were also restrained, and as a result, excluding the impact of FOREX, we controlled SG&A expenses at almost the same level as the previous fiscal year.
Consequently, operating profit of 1H recorded a profit of ¥0.8 billion, despite a slight decrease in both BCP and operating profit in the Q2 from the previous fiscal year. Regarding strengthening our cash generating capabilities which we are focusing on in this fiscal year, free cash flow was ¥20.2 billion in the Q2 as a result of the improvement in operating cash flow.

## FY2023 Q2 Performance | Revenue & Profit by Segment

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[¥ billions]

| Revenue | FY23 6M | vs FY22 | | | FY23 Q2 | vs FY22 | | |
|---|---|---|---|---|---|---|---|---|
| | | FY22 6M | YoY | w/o FOREX | | FY22 Q2 | YoY | w/o FOREX |
| Digital Workplace | 294.5 | 278.5 | +6% | -0% | 151.2 | 149.6 | +1% | -5% |
| Professional Print | 124.0 | 119.9 | +3% | -1% | 63.8 | 64.8 | -1% | -6% |
| Healthcare | 63.9 | 64.0 | -0% | -3% | 34.5 | 35.3 | -2% | -5% |
| Industry *1 | 69.4 | 67.3 | +3% | -0% | 36.2 | 32.5 | +11% | +8% |
| Corporate, etc. *1 | 1.0 | 1.1 | -8% | -8% | 0.6 | 0.7 | -19% | -19% |
| Company overall | 552.8 | 530.7 | +4% | -1% | 286.4 | 282.9 | +1% | -4% |

| Business Contribution Profit | FY23 6M | rate | vs FY22 After adjustment for head-office expenses *2 | | | FY23 Q2 | rate | vs FY22 After adjustment for head-office expenses *2 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY22 6M | YoY | w/o FOREX | | | FY22 Q2 | YoY | w/o FOREX |
| Digital Workplace | 10.7 | 4% | 7.3 | +48% | +17% | 8.4 | 6% | 7.4 | +12% | -11% |
| Professional Print | 3.6 | 3% | 3.8 | -5% | -45% | 2.8 | 4% | 3.6 | -22% | -49% |
| Healthcare | -4.0 | - | -7.8 | - | - | -0.8 | - | -2.1 | - | - |
| Industry *1 | 6.0 | 9% | 12.2 | -51% | -55% | 3.4 | 10% | 5.2 | -34% | -40% |
| Corporate, etc. *1 | -14.1 | - | -14.8 | - | - | -7.5 | - | -7.6 | - | - |
| Company overall | 2.3 | 0% | 0.7 | +211% | -312% | 6.4 | 2% | 6.7 | -4% | -47% |

| Operating Profit | FY23 6M | rate | vs FY22 After adjustment for head-office expenses *2 | | | FY23 Q2 | rate | vs FY22 After adjustment for head-office expenses *2 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY22 6M | YoY | w/o FOREX | | | FY22 Q2 | YoY | w/o FOREX |
| Digital Workplace | 10.0 | 3% | 2.7 | +266% | +187% | 8.0 | 5% | 7.0 | +15% | -10% |
| Professional Print | 3.7 | 3% | 3.5 | +5% | -38% | 2.7 | 4% | 3.6 | -24% | -51% |
| Healthcare | -4.3 | - | -8.6 | - | - | -0.9 | - | -2.3 | - | - |
| Industry *1 | 5.5 | 8% | 12.1 | -54% | -59% | 2.9 | 8% | 5.2 | -45% | -50% |
| Corporate, etc. *1 | -14.2 | - | -14.9 | - | - | -7.6 | - | -7.6 | - | - |
| Company overall | 0.8 | 0% | -5.1 | - | - | 5.2 | 2% | 5.9 | -11% | -60% |

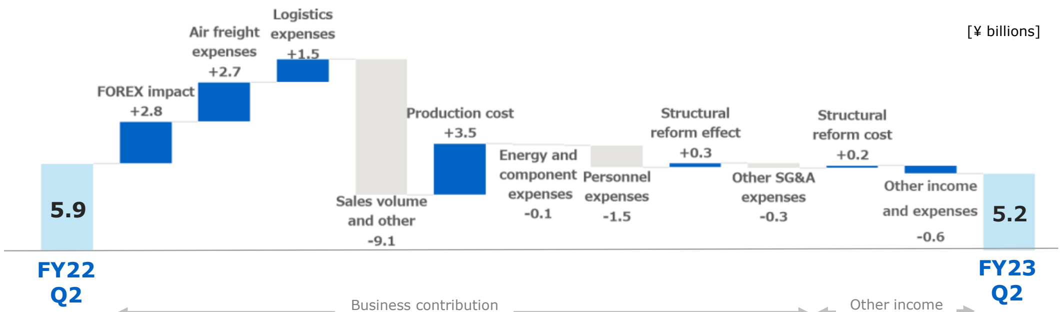
*1 FORXAI's revenue, business contribution profit, and operating profit are included in Industry Business in FY2022 and in Corporate, etc. in FY2023. These figures in FY2022 are included in Corporate, etc. in this material.
*2 Adjustment for head-office expenses: Some part of expenses regarding the whole corporate had been transferred to each business segment until FY2022 and has not been transferred in FY2023. The figures in the table are the ones after adjusting the cost allocation of FY2022 results to the FY2023 base as a reference. They include the common expenses in Digital Workplace Business and Professional Print Business.

The changes of revenue and profit by business are shown on page 5, but we will explain the situation by business later in detail.

## FY2023 Q2 Performance | Factors of Increase/Decrease of Operating Profit(Q2)

[¥ billions]




Business contribution profit components | Other income components

| | FY22 Q2 | FOREX impact | Air freight expenses | Logistics expenses | Sales volume and other | Production cost | Energy and component expenses | Personnel expenses | Structural reform effect | Other SG&A expenses | Structural reform cost | Other income and expenses | FY23 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Digital Workplace | 7.0 | +1.7 | +1.3 | +1.5 | -5.3 | +2.0 | - | -1.2 | +0.3 | +0.6 | +0.1 | +0.0 | 8.0 |
| Professional Print | 3.6 | +1.0 | +1.4 | - | -2.9 | +0.2 | +0.1 | -0.4 | - | -0.2 | - | -0.0 | 2.7 |
| Healthcare | -2.3 | -0.1 | - | - | +0.6 | +0.8 | -0.2 | +0.2 | - | -0.0 | +0.1 | -0.0 | -0.9 |
| Industry | 5.2 | +0.2 | - | - | -1.4 | +0.4 | - | -0.1 | - | -0.9 | - | -0.5 | 2.9 |
| Corporate, etc. | -7.6 | +0.0 | - | - | -0.1 | - | - | - | - | +0.2 | - | -0.1 | -7.6 |
| Company overall | 5.9 | +2.8 | +2.7 | +1.5 | -9.1 | +3.5 | -0.1 | -1.5 | +0.3 | -0.3 | +0.2 | -0.6 | 5.2 |

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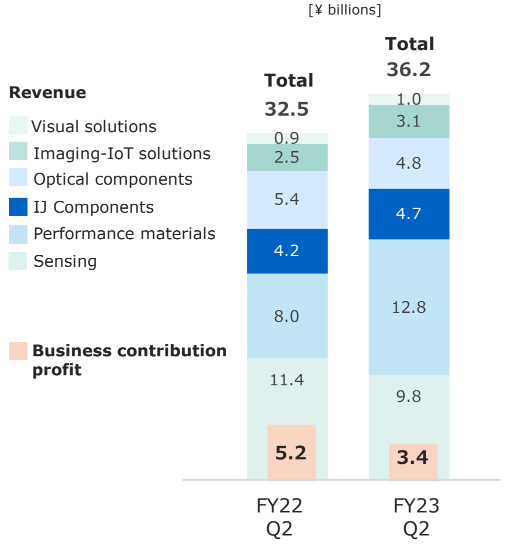
Move to page 6.
Factors contributing to changes in operating profit from Q2 of FY2022 are shown here. From the previous fiscal year, the Digital Workplace Business and Professional Print Business suffered a large decline in sales volume due to a loss of the effect of sales increase by eliminating order backlog and globally soaring personnel expenses. However, this decline was offset by favorable situation of FOREX, normalized logistics, a decrease in air transport, and production cost reductions.

## FY2023 Q2 Performance | Business Trends of Industry




Revenue (YoY)

| | |
|---|---|
| **Sensing** | • Light source color: Weak demand, especially among major customers, affected by restrained capital investments in displays<br>• Object color: Maintained solid performance<br>• Automotive visual inspection: Maintained strong performance due to the growth in Asia including Japan |
| **Performance materials** | • TV (VA phase difference films): Growth in "SANUQI" films for large-size TVs in addition to sales increase due to the market recovery<br>• IT/smartphones (thin films): Progress in adjustments of surplus stock in supply chains |
| **IJ components** | • Strong performance in inkjet heads for sign graphics applications |
| **Optical components** | • Stagnation in sales of lenses for projectors due to market conditions |
| **Imaging-IoT solutions** | • Monitoring camera solution: Revenue increased in our European and U.S. sales companies<br>• Acquisition of Force Security, a U.S. system integrator |
| **Visual solutions** | • Directly managed planetariums: Delayed recovery to pre-COVID levels |

Business Contribution Profit

| | |
|---|---|
| **Industry Business** | • IJ components & performance materials: Profit increased<br>• Sensing: Profit decreased |

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Beginning on page 7, I will explain the results for the Q2 by business segments.
First topic is about sensing unit. Sales of light source color measurement declined, mainly among major customers, due to the impact of customer's restrained capital investments in displays. While we have seen good sign in the forecast toward the end of this fiscal year, situations remained severe during the H1 of the fiscal year. Object color measurement and automotive visual inspection are strong year-on-year.
In performance materials unit, sales of new resin "SANUQI" grew in phase difference films for large TVs in addition to the recovering market conditions. Although sales of films for small-and medium-sized panels were affected by inventory adjustments by customers last year, currently inventory adjustments are progressing.
In the inkjet components business, sales of heads for sign graphics applications, which are used in the printing of outdoor advertising, have remained strong. In optical components business, demand for lenses for projectors is declining due mainly to market conditions.
In imaging-IoT solutions, the expansion of monitoring camera solution progressed in our European and U.S. sales companies, and sales also increased. We have also acquired a U.S. system integrator.
In visual solutions unit, sales remained almost same level as the previous year as the stream of visitors at directly managed planetariums did not return to the pre-COVID-19 level.
In the Industry Business as a whole, BCP posted a decline due to the impact of lower sales of sensing unit, which performed well last year.

## FY2023 Q2 Performance | Business Trends of Healthcare

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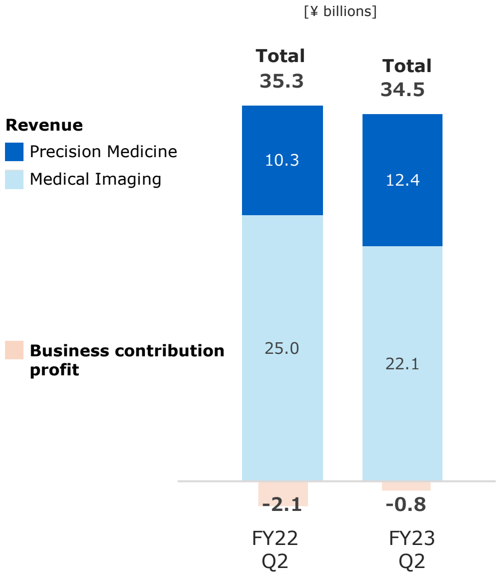


### Revenue

(YoY)

| | |
|---|---|
| **Medical Imaging** | • X-ray: In Japan, decrease in hospital market and strong in clinic market. Slowdown in the U.S. hospital market due to restraint in investments<br>• Dynamic Digital Radiography: Growth in the U.S. based on high value-added imaging<br>• Diagnostic ultrasound: Growth in orthopedics and obstetrics in Japan, and growth in Asia |
| **Precision Medicine** | • Genetic testing: Ambry's profit continued due to increase in received samples<br>• Drug discovery support: Invicro returned to profitability as a result of expanded contracts for both clinical trials and preclinical trials<br>• Business in Japan: GenMineTOP panel test services launched in August |

### Business Contribution Profit

| | |
|---|---|
| **Healthcare Business** | • Medical imaging: profit decreased<br>• Precision Medicine: deficit improved significantly |

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On page 8, we explain the results of Healthcare Business.
Sales of DR to be used for X-ray diagnosis declined in the Japanese hospital market, but sales in the market of medical clinics in Japan remained strong. In the United States, sales of X-ray systems for the hospital market slowed due to restraint in investments. Dynamic Digital Radiography that we can only provide in the world grew steadily, mainly in the U.S. hospital market, based on high value-added imaging.
On the other hand, sales of diagnostic imaging equipment and other products, purchased from other companies and sold by our domestic sales companies, which we are not focusing on from a profitability perspective, decreased. As a result, overall revenue of medical imaging unit declined.
In precision medicine unit, Ambry Genetics continued to achieve profitability on a non-consolidated basis due to the increase of the number of received samples for genetic testing and improved processing efficiencies at the laboratory. Drug discovery support also saw an increase in the sales related to clinical trials by pharmaceutical companies.
Invicro has also been profitable on a non-consolidated basis. In the domestic business, GenMineTOP panel test services have been approved for health insurance coverage in Japan and the services were launched in August.
BCP for Healthcare Business as a whole is deficit, but precision medicine unit has narrowed its loss, and profitability continues to improve as planned.

## FY2023 Q2 Performance | Business Trends of Professional Print

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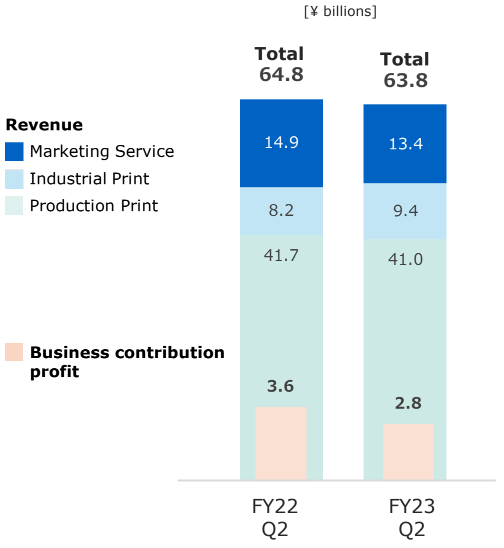


### Revenue

(YoY)

| | |
|---|---|
| **Production Print** | • Hardware: 88%<br>Unit sales of color models 85% (HPP 140%)<br>Unit sales of monochrome models 79%<br>• Non-hard: 97% with decrease in Europe and U.S. and strong performance in China and India |
| **Industrial Print** | • Hardware: Volume growth in KM-1 and label press and others. Delayed implementation of a part of large-sized presses.<br>• Non-hard: Continued QoQ sales growth |

### Business Contribution Profit

| | |
|---|---|
| **Professional Print Business** | • Production print: profit decreased<br>• Industrial print: deficit improved<br>• Marketing service: profit increased |

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P9 is about Professional Print Business.
In production print unit the revenue of hardware was 88% year on year. Although the economic conditions in Europe and China had a negative impact on customer companies' willingness to capital investments, excluding the impact of the order backlog in the previous fiscal year, sales were 95% of the previous year. The sales volume of color models decreased to 85%. However, the sales volume in the category of Heavy Production Print (HPP) that we are focusing on aiming to cultivate customers for medium-sized and larger printing companies is growing by 40%, which will lead to the future expansion of non-hard. In the industrial print unit, the sales volume of hardware has increased in all applications. And growth in non-hard is also continuing. However, the result is behind the plan due to the delayed contracts for large-scale projects such as packaging in Europe, but we aim to close the contracts in the H2.
The BCP of Professional Print Business posted a decline due to the impact of lower sales of production print.

## FY2023 Q2 Performance | Business Trends of Digital Workplace

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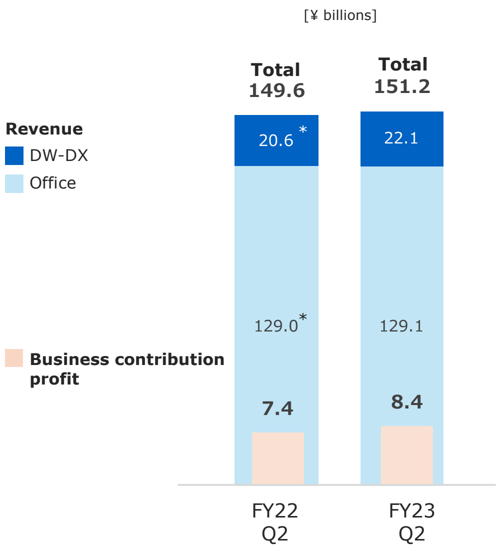



*FY22 Revenue includes allocation of sales regarding application services with MFP

### Revenue

(YoY)

| | |
|---|---|
| **Office** | • Hardware: 89%<br>Unit sales of A3 color models 81% (A4 131%)<br>Unit sales of A3 monochrome models 52%<br>• Non-hard: 95% with decrease in Japan, the U.S. and Europe, with increase in China and India |
| **DW-DX** | • Operation optimizing service (IIM business*): Strong performance<br>• IT management service (IMS business*): Slowdown in the U.S. |

### Business Contribution Profit

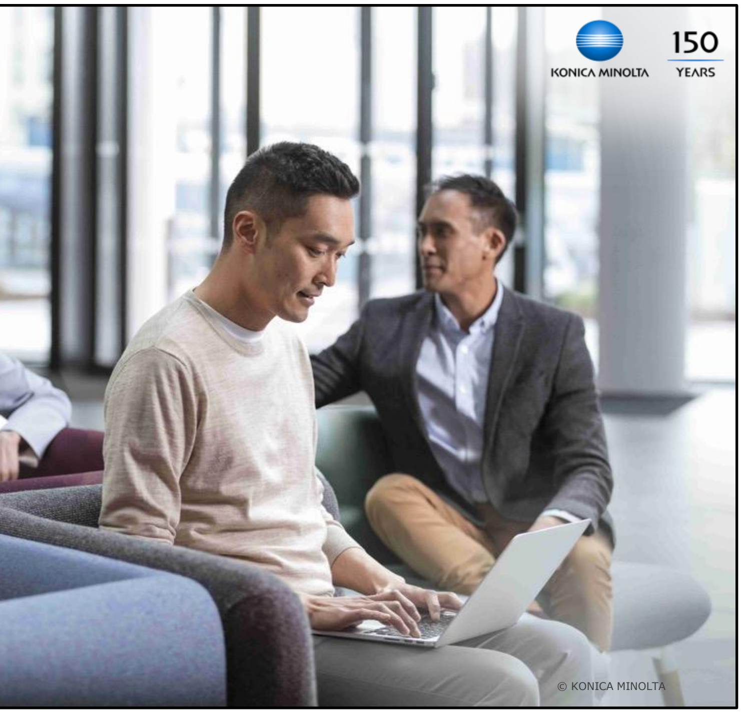
| | |
|---|---|
| **Digital Workplace Business** | • Office: Profit increased due to the effect of production cost reduction and the reduction of logistics costs, lower air transport expenses and others |

*IIM business: Provides business content management and business process management
*IMS business: Provides IT management service

Page 10 is about Digital Workplace Business.
Revenue of office unit was 89% year-on-year, and the sales volume of hardware seems to be weak. However, the decline by the rebound was within expectations because there was the effect of boosting sales by eliminating the order backlog in Q2 of the previous fiscal year. Excluding the impact of the order backlog in the previous fiscal year, the year-on-year change was 103%. By region, while Europe and China were affected by the economic slowdown, the U.S. demand, which we expected to be affected by recessions at the beginning of the fiscal year, remained firm, and as a result, overall demand for offices was stronger than expected.
In DW-DX unit, operation optimizing service for customer companies was strong.
Profits were same level as the previous fiscal year which had the effects of eliminating the order backlog due to the factors explained in page of the change in profits of the entire company.

# MEDIUM-TERM BUSINESS PLAN PROGRESS



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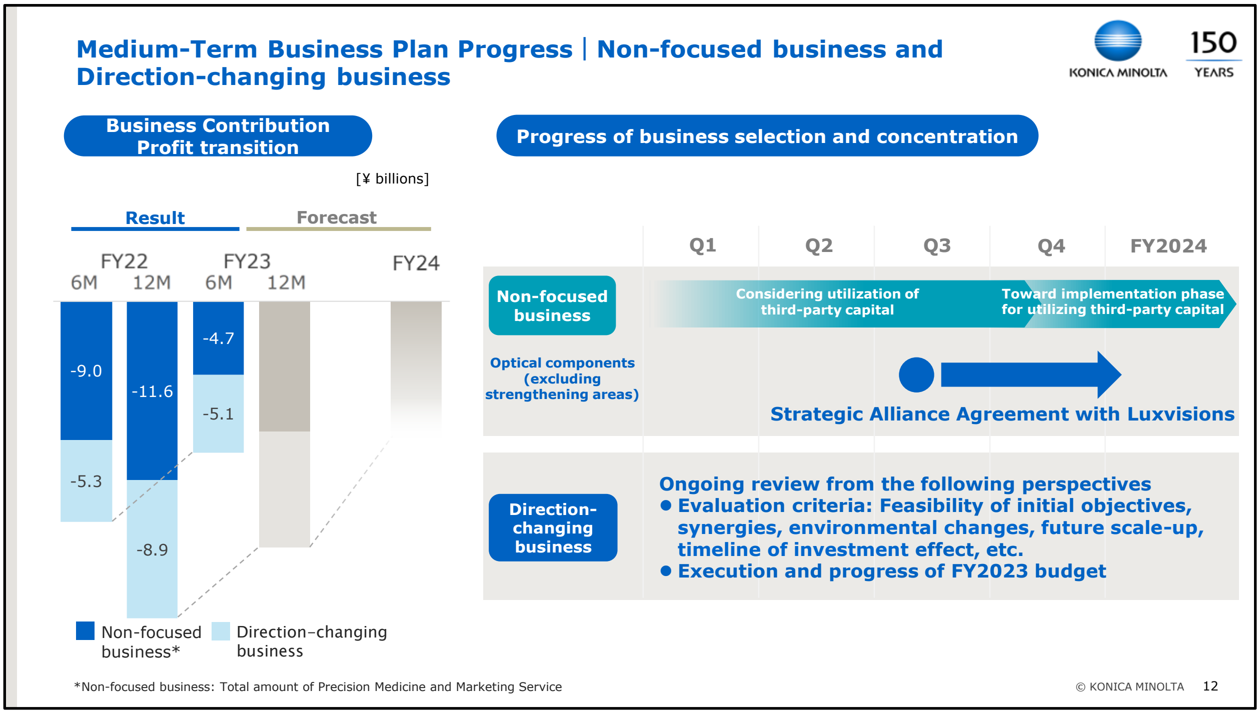
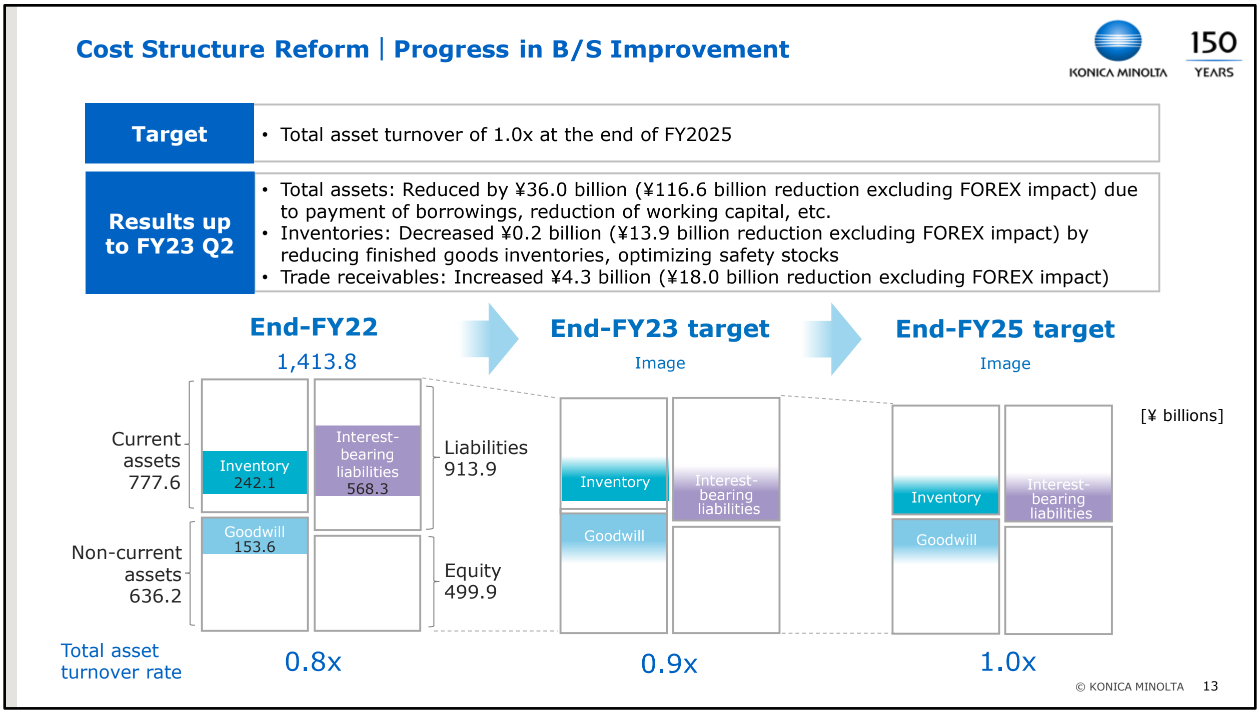



From page 12, we will explain the progress of Medium-Term Business Plan. First topic is about the selection and concentration of businesses. Regarding of optical components business for the non-industrial applications, which is a non-focused business, we announced on October 26 that we have entered into an agreement of strategic alliance with Luxvisions. The outline and aim of this issue will be explained later. Regarding the direction-changing business, we have clarified the evaluation criteria for each business and are continuing to consider the direction depending on status of implementation and progress of the FY2023 budget. We are working to make judgments while keeping an eye on current progress, based on feasibility of initial objectives, synergies, environmental changes, future scale-up, timeline of investment effect, which have been formerly established as evaluation criteria.




On page 13, we will explain the progress of the cost structural reform, which aims to strengthen our financial foundation.
Total assets were reduced by ¥36 billion due to the repayment of borrowings and the reduction of working capital, etc. Excluding the impact of FOREX, we reduced total assets by ¥116.6 billion. Inventories and trade receivables have been reduced by ¥13.9 billion and ¥18.0 billion, respectively, excluding the impact of FOREX.

## Reinforcement of Financial Foundation | Inventories and Operating Cash Flow

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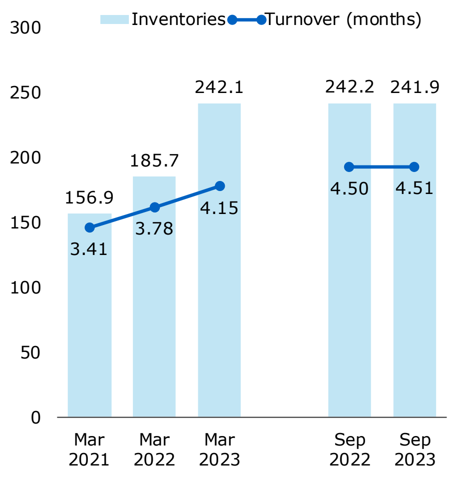
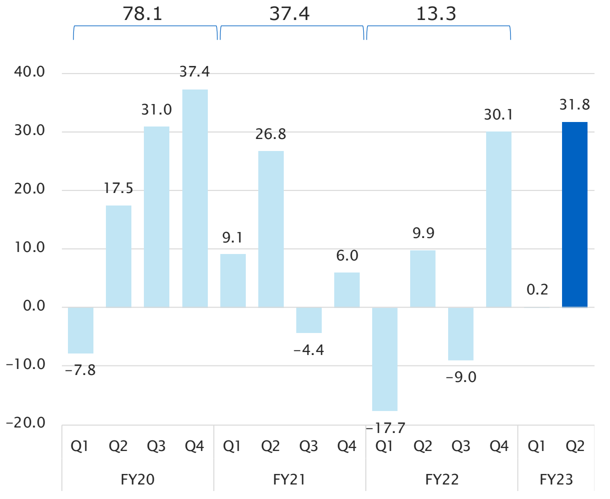
### Inventories

[¥ billions]




### Operating cash flow

[¥ billions]



On page 14, the trends in inventories and operating cash flow are shown in graph. Operating cash flow amounted to surplus of ¥31.8 billion due to the return to profitability and the reduction of inventories. We intend to further accelerate these actions in H2 of the fiscal year.

## FY2023 Earnings Forecast | Summary

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- Revised only revenue forecast upward, profit left unchanged from the beginning of this fiscal year (after factoring in some risk factors)
- FOREX assumption changed only for U.S. dollar
- Annual dividend left unchanged as ¥5/share (interim dividend of ¥0 and year-end dividend of ¥5)

[¥ billions]

| | FY23 Forecast | vs Previous Forecast | | | vs FY22 | | | FOREX Sensitivity*2 | |
|---|---|---|---|---|---|---|---|---|---|
| | | FY23 Previous Forecast | Change | Change rate | Result | Change | Change rate | Revenue | OP |
| **Revenue** | **1,150.0** | **1,140.0** | +10.0 | + 1% | **1,130.4** | +19.6 | + 2% | | |
| **Business Contribution Profit** | **24.0** | **24.0** | - | - | **29.7** | -5.7 | -19% | | |
| **Operating Profit** | **18.0** | **18.0** | - | - | **-95.1** | +113.1 | - | | |
| **Profit attributable to owners of the Company** | **4.0** | **4.0** | - | - | **-103.2** | +107.2 | - | | |
| CAPEX | 52.0 | 52.0 | - | | 43.8 | +8.2 | | | |
| Depreciation and Amortization Expenses *1 | 55.0 | 55.0 | - | | 55.2 | -0.2 | | | |
| R&D expenses | 68.0 | 68.0 | - | | 63.9 | +4.1 | | | |
| FCF | 24.0 | 24.0 | - | | -24.2 | +48.2 | | | |
| Investment and lending | 6.0 | 6.0 | - | | 2.5 | +3.5 | | | |
| FOREX [Yen] | | | | | | | | | |
| USD | 140.0 | 135.0 | +5.0 | | 135.5 | +4.5 | | +3.2 | - 0.3 |
| EUR | 140.0 | 140.0 | - | | 141.0 | -1.0 | | +1.8 | +0.6 |
| CNY | 19.0 | 19.0 | - | | 19.7 | -0.7 | | +3.4 | +1.0 |

*1 Depreciation and amortization expenses : IFRS16 right-of-use assets amortization expenses not included.
*2 FOREX Sensitivity: FOREX impact at ¥1 change (annual)

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FY2023 earnings forecast is explained on page 15. Regarding FOREX assumptions, the yen is still depreciating recently, but considering the uncertain global economic conditions, the assumption for US dollar will be changed from the previous ¥135 to ¥140, and the initial assumption for the euro will remain unchanged at ¥140. Based on the performance progress of H1, the FOREX impact and the business environment outlook for H2, we have decided to revise the forecast by an increase of ¥10 billion for only revenue after careful examination of the forecast for the year. With regard to operating profit, we believe that there is room for upside compared to the initial forecast due to the fact that the H1 of the fiscal year trended slightly above the Company's forecast and that FOREX assumption was conservatively set. However, we have decided to keep the initial forecast unchanged, comprehensively taking into account possibilities, including downside risks of rising interest rates and the economic downturn, and the expenses arising from the implementation of the selection and concentration of businesses.
Unfortunately, we are in a continuous loss situation. Therefore, we will prioritize the restoration of trust by keeping the forecast for the period unchanged and delivering solid results. On the other hand, in the future, we intend to revise our forecasts in the event that there is a change in FOREX assumptions or a new action in the selection and concentration of businesses.

## FY2023 Earning Forecast | by segments

[¥ billions]

| Revenue | FY23 Forecast | vs Previous Forecast | | | vs FY22 | | |
|---|---|---|---|---|---|---|---|
| | | FY23 Previous Forecast | Change | Change rate | FY22 Result * | Change | Change rate |
| Digital Workplace | 603.0 | 590.0 | +13.0 | +2% | 600.3 | +2.7 | +0% |
| Professional Print | 260.0 | 255.0 | +5.0 | +2% | 252.6 | +7.4 | +3% |
| Healthcare | 141.0 | 140.0 | +1.0 | +1% | 137.8 | +3.2 | +2% |
| Industry | 145.0 | 154.0 | -9.0 | -6% | 137.1 | +7.9 | +6% |
| Corporate, etc. | 1.0 | 1.0 | 0.0 | +0% | 2.6 | -1.6 | -62% |
| Company overall | 1,150.0 | 1,140.0 | +10.0 | +1% | 1,130.4 | +19.6 | +2% |

| Business contribution profit | FY23 Forecast | Ratio | vs Previous Forecast | | | | vs FY22 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY23 Previous Forecast | | Change | Change rate | FY22 Result * | | Change | Change rate |
| Digital Workplace | 24.0 | 4% | 20.0 | 3% | +4.0 | +20% | 30.7 | 5% | -6.7 | -22% |
| Professional Print | 12.0 | 5% | 11.5 | 5% | +0.5 | +4% | 15.1 | 6% | -3.1 | -20% |
| Healthcare | -3.5 | - | -3.5 | - | 0.0 | - | -7.0 | - | +3.5 | - |
| Industry | 18.5 | 13% | 22.0 | 14% | -3.5 | -16% | 21.7 | 16% | -3.2 | -15% |
| Corporate, etc. | -27.0 | - | -26.0 | - | -1.0 | - | -30.7 | - | +3.7 | - |
| Company overall | 24.0 | 2% | 24.0 | 2% | 0.0 | +0% | 29.7 | 3% | -5.7 | -19% |

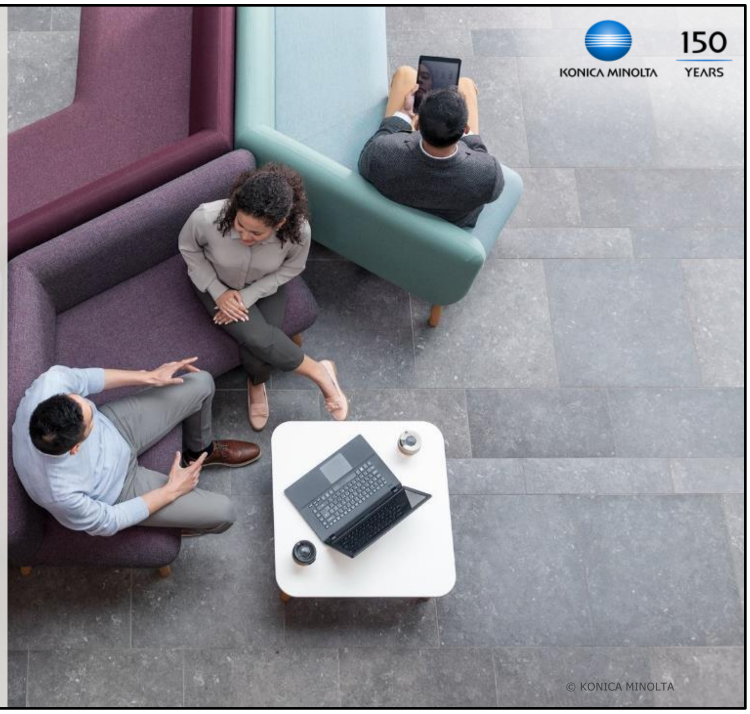
| Operating profit | FY23 Forecast | Ratio | vs Previous Forecast | | | | vs FY22 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY23 Previous Forecast | | Change | Change rate | FY22 Result * (w/o Impairment loss) | | Change | Change rate |
| Digital Workplace | 21.0 | 3% | 17.0 | 3% | +4.0 | +24% | 24.4 | 4% | -3.4 | -14% |
| Professional Print | 11.5 | 4% | 11.0 | 4% | +0.5 | +5% | 14.4 | 6% | -2.9 | -20% |
| Healthcare | -4.0 | - | -4.0 | - | 0.0 | - | -8.0 | - | +4.0 | - |
| Industry | 18.5 | 13% | 21.0 | 14% | -2.5 | -12% | 21.6 | 16% | -3.1 | -14% |
| Corporate, etc. | -29.0 | - | -27.0 | - | -2.0 | - | -30.9 | - | +1.9 | - |
| Company overall | 18.0 | 2% | 18.0 | 2% | 0.0 | +0% | 21.5 | 2% | -3.5 | -16% |

*FY2022 results are the amount after rearrangement of FOXAI and adjustment for head-office expenses

On page 16, based on the performance for H1 and business environment outlook for H2, the forecast has been revised because each segment has the strength or weakness. Digital Workplace Business and Professional Print Business have increased and Industry Business have decreased primarily to reflect sensing unit conditions.

# MEDIUM-TERM BUSINESS PLAN PROGRESS IN THE INDUSTRY BUSINESS

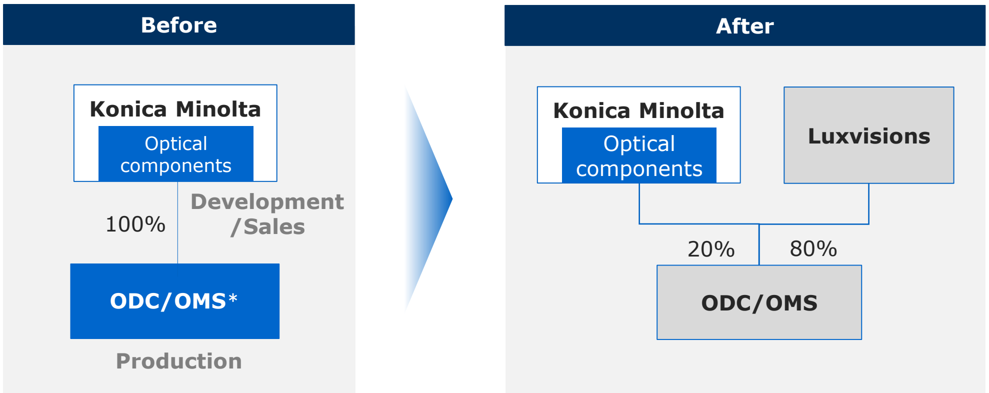




This section explains the progress of the Industry Business in Medium-Term Business Plan.

## Strategic Alliance with Luxvisions* for Optical Components Business

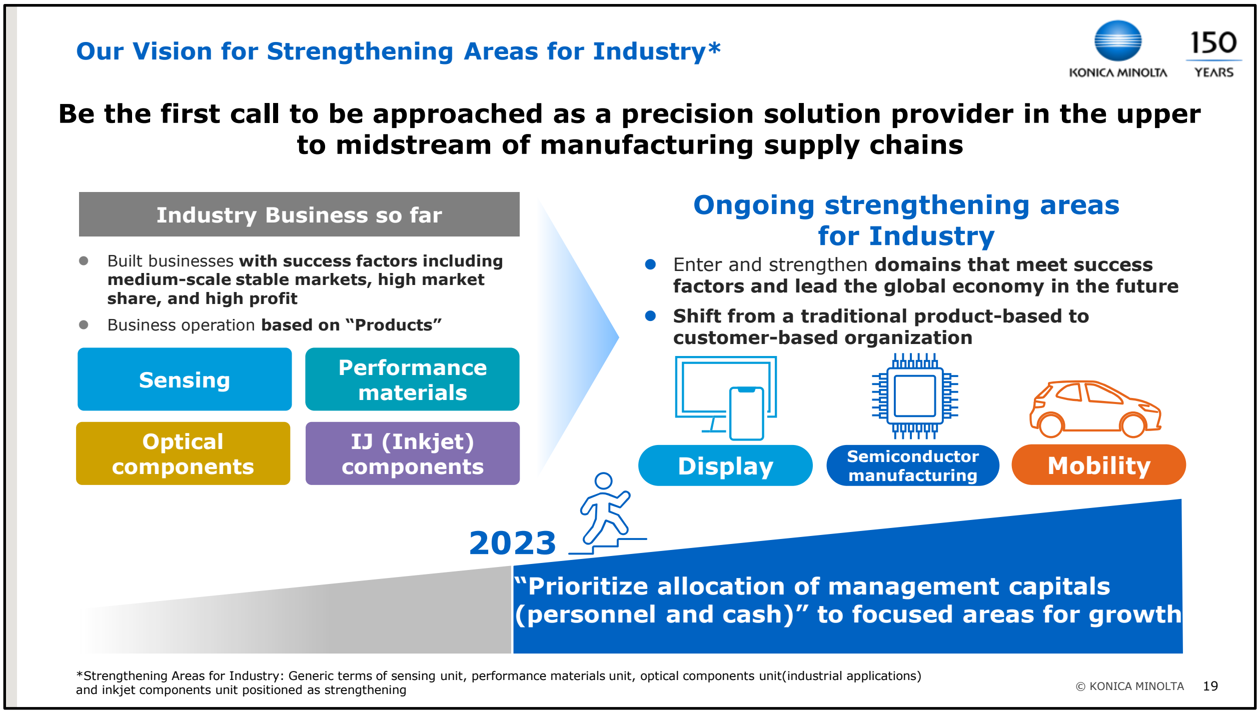
- Luxvisions: Major electronic components manufacturer headquartered in Guangzhou, China, and operates worldwide primarily in the camera module business.
- Konica Minolta transferred 80% of the equity interests of two of its Chinese manufacturing subsidiaries to Luxvisions.



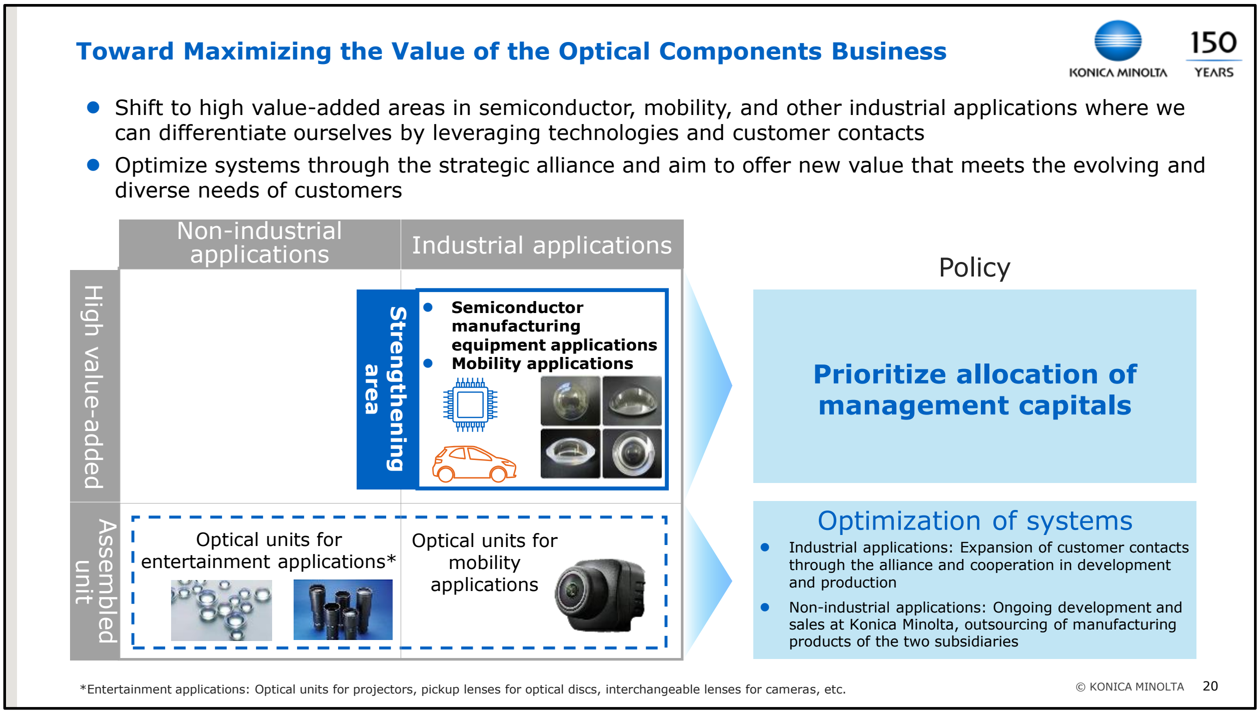

*Luxvisions: Guangzhou Luxvisions Innovation Technology Limited
*ODC: Konica Minolta Opto (Dalian) Co., Ltd.
*OMS: Konica Minolta Optical Products (Shanghai) Co., Ltd.

As described on page 18, on October 26, we announced that we have entered into an agreement to transfer 80% of the equity interests of two of its Chinese manufacturing subsidiaries to Guangzhou Luxvisions Innovation Technology Limited, a major electronic components company in China.
This is a part of the selection and concentration of businesses based on the positioning of businesses as defined in Medium-Term Business Plan.
And I will provide a supplementary explanation regarding the aims and the impact on our overall performance.




On page 19, we outline our vision for the Industry Business, which we explained at the Industry Business briefing session on October 10. Our Industry Business aims to be the first call to be approached as a precision solution provider in the upper to midstream of manufacturing supply chains. We have defined our focus areas as "display," "semiconductor manufacturing," and "mobility" in order to shift our business promotion from business unit and product basis to customer and industry basis. And we will prioritize the allocation of management capital and aim to expand the scale of our business while increasing speed and maintaining high profitability.
I would like to explain first of all that optical components business shares the same vision.




On page 20, we explain our efforts to maximize the value of our optical components business. Taking advantage of the core technologies we have refined to date, such as materials, precision fabrication and high-end optical design and the contact with our customers, we will strengthen our high value-added area of industrial applications centered on highly functional components, such as optical components for semiconductor manufacturing equipment, highly functional thin films, and irregular shaped lenses in the mobility field. To this end, we have decided to optimize the production system for our "assembled unit" products through this strategic alliance, and aim to provide new value in response to customer evolution and diversity.

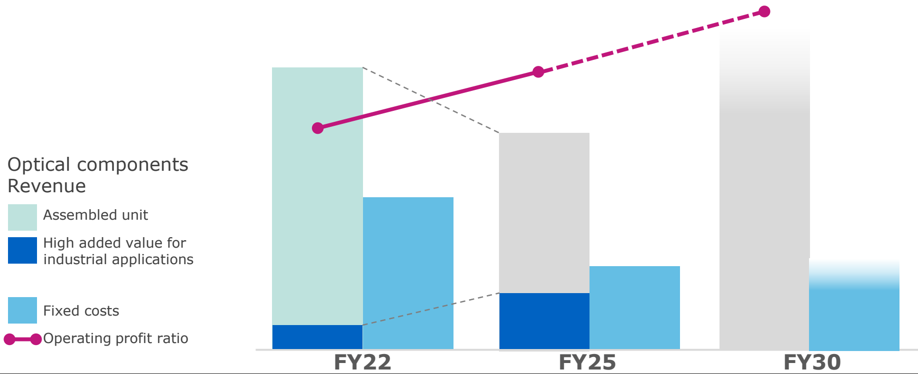
We will accelerate the shift to high value-added field by prioritizing the allocation of management capital to the strengthening area of semiconductor manufacturing and highly functional components for mobility, which can differentiate us from competitors.

## Earnings Impact of Optical Components Business in Medium to Long Term

KONICA MINOLTA 150 YEARS

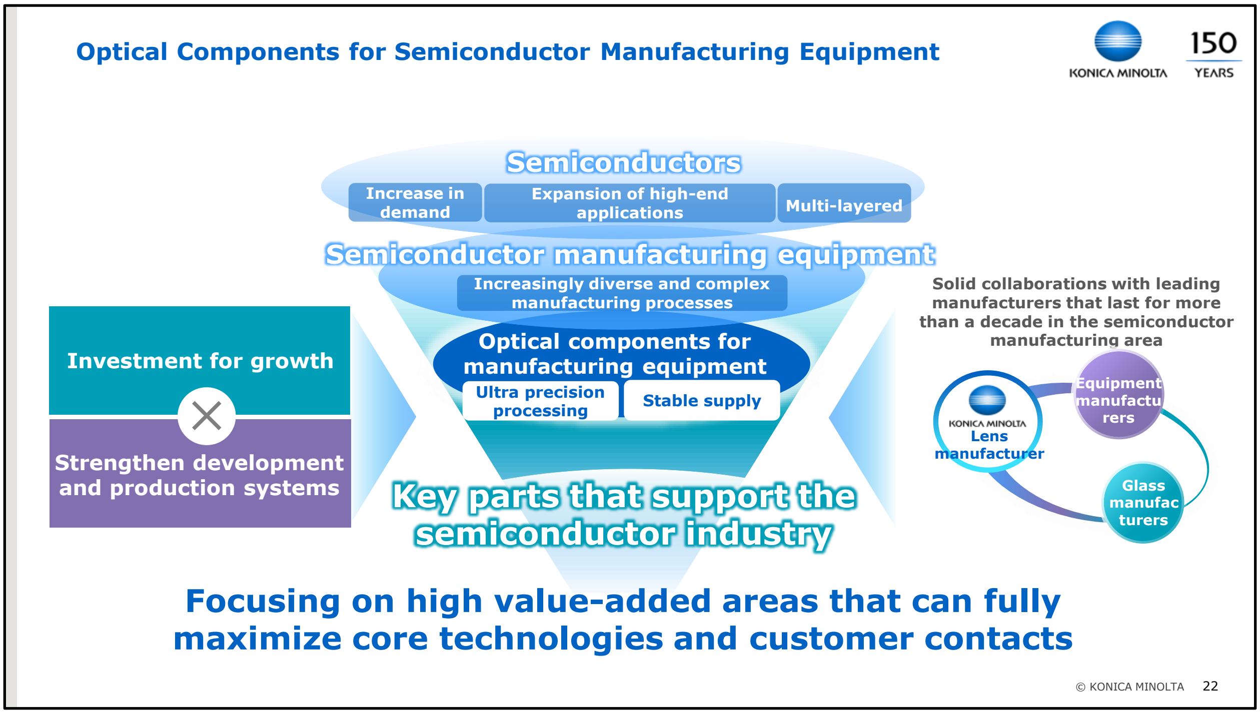
Transfer of equity interests:
- Two Chinese manufacturing subsidiaries becoming affiliated companies accounted for using the equity method through transfer of equity interests to Luxvisions
- Transfer price: To be determined by making adjustments to the base price of ¥9.5 billion for factors, including working capital
- Scheduled date of execution of transfer of equity interests: After January 2024 (planned)

Optical components business:
- Expect higher profit in optical components business despite lower revenue until FY2025 versus Medium-Term Business Plan
- Aim to improve operating profit ratio in mid to long term by improving capital efficiency and industrial applications growth as an focusing area




 21

On page 21, we will explain the impact of this strategic alliance on earnings of optical components business.
First, the impact on PL in FY2023 is minimal. The transfer price of the transfer of equity interests will be determined by making adjustments to the base price of ¥9.5 billion for factors, including working capital.
From the viewpoint of future market growth potential, attractiveness to us, and future profitability, we will optimize our structure by transferring 80% of the portion of assembly units to Luxvisions. We expect economic benefits of decrease of the burden of fixed cost caused due to production fluctuations by this alliance during Medium-Term Business Plan period, while this alliance will reduce revenue.
Through these initiatives, we will concentrate resources on high value-added industrial applications, raise operating profit ratio from the current level of just under 3% to around 15% in the near future, and proceed with the business transformation.




Move to page 22. In this slide, we will explain the optical components business for semiconductor manufacturing equipment, which we will concentrate more resources in as strengthening areas for Industry Business through this alliance. The optical components we provide to manufacturers of semiconductor manufacturing equipment are one of the key parts that support the semiconductor industry. The optical components market for semiconductor manufacturing equipment applications is quite large, with a total accessible market of ¥800 billion. However, considering the vast range of product performance and other factors, we intend to focus our efforts by targeting areas where the technologies we have cultivated to date can be used to their fullest potential. Currently, the key target market we intend to approach over the medium to long term is estimated to be around ¥100 billion in size. In this field, we are required to have the capabilities to customize products to meet the various needs of equipment manufacturers and to stably supply products and have been building strong collaborative relationship with major equipment manufacturers and glass manufacturers for more than a decade in the field of semiconductor manufacturing based on the core technology we have cultivated to date. Going forward, we will further invest resources to facilities and R&D for growth and strengthen our development and manufacturing systems, and as a result, we will establish a unique position in optical components for semiconductor manufacturing equipment and make the business one of the major pillars of our optical components business. As above, I explained our aims for these initiatives. Regarding non-focused business and direction-changing business, we will promptly communicate them as soon as the conditions for disclosure are met in the future.

## SUSTAINABILITY INITIATIVES


Finally, I would like to explain sustainability initiatives from page 23.

## Initiatives of FY2023 Q2

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### Release of various reports

- Integrated Report 2023 (Coming soon)
- Sustainability Report 2023 (click here)


### Konica Minolta Wins the Good Design Award 2023 for the KINOSIS, Dynamic Digital Radiography

～Improving the value of diagnosis by dynamic radiography analysis, Konica Minolta's proprietary technology～

【Comments from Screening Committee of Japan Institute of Design Promotion】
**Dynamic Digital Radiography (DDR) is the first system in the world to visualize in-vivo movement.** The system was developed through serious co-creation and research with hospitals and clinics, taking some 15 years. **This initiative sets an example for designing a new standard in the medical field.** The system is impressive and deserves the Good Design Award. **We strongly hope that the system will spread in society.**

The page 24 is related to sustainability, and we have published various reports such as Integrated Report and Sustainability Report. In addition, we won the Good Design Award 2023 for the workstation KINOSIS, Dynamic Digital Radiography which is our unique technology. As commented in the evaluation, we intend to meet the strong expectations of further social implementation.

Future Plans

## Konica Minolta Day ~ Sustainability Briefing Session ~

- **Date: 12th December, 2023**
- **Agenda:**

| Theme | Speaker (planned) | |
|---|---|---|
| Sustainability management | President and CEO | Toshimitsu Taiko |
| Human capital | Executive Vice President and Executive Officer | Shinichiro Oka |
| Environment | Sustainability Group Leader, Management Planning Division | Masahiro Tokuchi |
| Technology | Executive Vice President and Executive Officer | Toshiya Eguchi |
| Intellectual property | General Manager, Intellectual Property Division | Motohiro Makino |
| Outside Directors' panel discussion | Outside Director, Chairperson of the Board | Chikatomo Kenneth Hodo |
| | Outside Director, Chairperson of Corporate Governance Committee | Soichiro Sakuma |
| | Outside Director, Chairperson of the Compensation Committee | Masumi Minegishi |

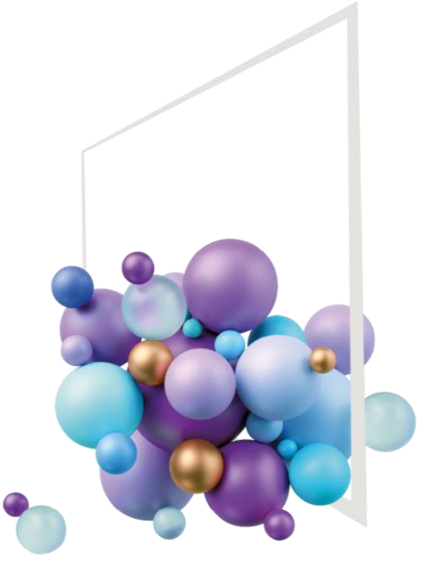
As you can see on page 25, we will be holding Konica Minolta Day on sustainability next month on the 12th of December. We plan to hold the event both online and at the venue. The theme and speakers are scheduled to be as described, so please join us.

Thank you very much for your attention today.

# APPENDIX

**Some of the materials that had been disclosed on this presentation slides have been changed to disclosure on the website. You can download and check it from below.**

https://www.konicaminolta.com/shared/changeable/investors/include/fr/pdf/2024/2024_2q_presentation_supplementary.xlsx



Giving Shape to Ideas

## FY2023 Earning Forecast | FY2023 Perceptions of Environment

**Digital Workplace**

- **Hardware**: Despite concerns about market deterioration in Germany and France, remains steady in North America and Japan, and decreased demand in China due to economic slump
- **Non-hard**: Despite ongoing changes in work styles, sales decline is limited due to a recovery in the office attendance rate and the reduction of market inventory through resale.
- **IT/DX**: Solid demand

**Professional Print**

- No change in shift to digital printing
- **Hardware**: Prolonged business negotiations due to slowdown in European and Chinese economies
- **Non-hard**: Increase in print volume demand led by midsize and major companies, driven by India and China markets

**Industry**

**Display area**:

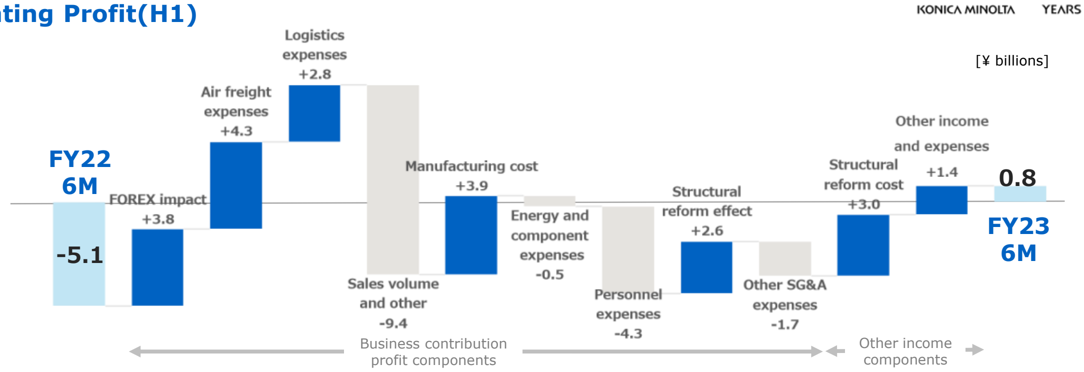
- **Films**: TV applications recovered from impact of previous year's adjustments in market inventories in H1 but slowdown expected from H2 due to lower demand for final products. In IT/mobile applications of our thin films the adjustments of market inventories progressed but maintaining flat from the drop by rebound from stay-at-home demand
- **Light source color measurement**: Sluggish demand affected by restrained capital investments in displays; however, signs of demand recovery from late H2 to FY24 with recent improvement

**Healthcare**

- **Medical imaging**: Higher needs for higher quality and greater efficiency of medical and IT services, reaction from increased demand attributable to pandemic subsidies (Japan), and the trend of restrained capital investments due to concerns over economic downturn (U.S.)
- **Precision Medicine**: Moderate recovery from impact of pandemic

# FY2023 Q2 Performance | Factors of Increase/Decrease of Operating Profit(H1)

KONICA MINOLTA 150 YEARS

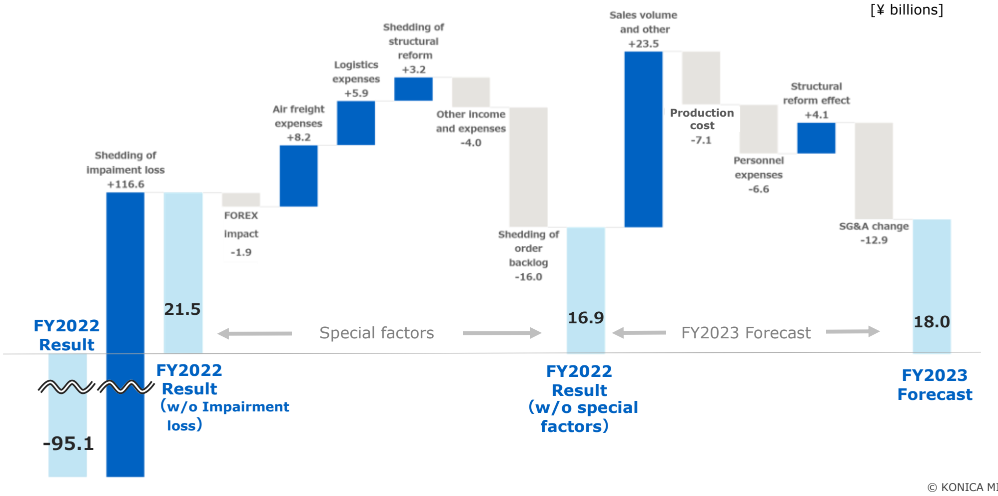



| | FY22 6M | FOREX impact | Air freight expenses | Logistics expenses | Sales volume and other | Production cost | Energy and component expenses | Personnel expenses | Structural reform effect | Other SG&A expenses | Structural reform cost | Other income and expenses | FY23 6M |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Digital Workplace | 2.7 | +2.2 | +3.3 | +2.8 | -5.5 | +2.8 | +0.4 | -2.9 | +2.2 | -1.8 | +2.9 | +1.0 | 10.0 |
| Professional Print | 3.5 | +1.5 | +1.0 | - | -2.4 | +0.2 | +0.2 | -0.8 | - | +0.1 | - | +0.4 | 3.7 |
| Healthcare | -8.6 | -0.3 | - | - | +2.5 | +0.8 | -0.2 | -0.2 | +0.4 | +0.7 | +0.1 | +0.5 | -4.3 |
| Industry | 12.1 | +0.5 | - | - | -3.9 | +0.0 | -0.9 | -0.4 | - | -1.6 | - | -0.4 | 5.5 |
| Corporate, etc. | -14.9 | -0.1 | - | - | -0.1 | - | - | -0.0 | - | +0.9 | - | +0.0 | -14.2 |
| Company overall | -5.1 | +3.8 | +4.3 | +2.8 | -9.4 | +3.9 | -0.5 | -4.3 | +2.6 | -1.7 | +3.0 | +1.4 | 0.8 |

## FY2023 Earning Forecast | Factors of Increase/ Decrease of Operating Profit(repost)

- Special factors in FY22: Shedding of air freight expenses, logistics expenses, structural reform expenses, shedding of order backlog
- FY23 forecast: Increase in sales volume, price adjustment, increase in costs



## Financial Result - Overview

KONICA MINOLTA 150 YEARS

[¥ billions]

| | FY23 6M | vs FY22 | | FY23 Q2 | vs FY22 | |
|---|---|---|---|---|---|---|
| | | FY22 6M | YoY | | FY22 Q2 | YoY |
| Revenue | 552.8 | 530.7 | +4% | 286.4 | 282.9 | +1% |
| Gross Profit | 237.2 | 226.0 | +5% | 125.3 | 121.3 | +3% |
| Gross Profit ratio | 42.9% | 42.6% | +0.3pt | 43.8% | 42.9% | +0.9pt |
| SG & A | 235.0 | 225.3 | +4% | 119.0 | 114.6 | +4% |
| Business Contribution Profit | 2.3 | 0.7 | +211% | 6.4 | 6.7 | -4% |
| Business Contribution Profit ratio | 0.4% | 0.1% | | 2.2% | 2.4% | |
| Other income and costs | -1.5 | -5.9 | - | -1.2 | -0.8 | - |
| Operating Profit | 0.8 | -5.1 | - | 5.2 | 5.9 | -11% |
| Operating Profit ratio | 0.1% | - | | 1.8% | 2.1% | |
| Finance income and costs | -4.4 | 2.2 | - | -3.1 | -1.3 | - |
| Profit before tax | -3.7 | -3.1 | - | 2.0 | 4.5 | -54% |
| Profit before tax ratio | - | - | | 0.7% | 1.6% | |
| Profit attributable to owners of the Company | -4.5 | -6.7 | - | 1.1 | 2.0 | -46% |
| Profit attributable to owners of the Company ratio | - | - | - | 0.4% | 0.7% | - |
| EPS [Yen] | -9.09 | -13.66 | | 2.17 | 4.03 | |
| CAPEX | 18.9 | 17.9 | | 11.1 | 9.5 | |
| Depreciation and Amortization Expenses * | 27.1 | 27.8 | | 13.8 | 14.0 | |
| R&D expenses | 32.5 | 31.1 | | 16.4 | 15.9 | |
| FCF | 9.4 | -25.4 | | 20.2 | -0.5 | |
| Investment and lending | 0.7 | 1.6 | | 0.7 | 0.7 | |
| FOREX [Yen] USD | 141.00 | 133.97 | +7.03 | 144.62 | 138.37 | +6.25 |
| EUR | 153.39 | 138.73 | +14.66 | 157.30 | 139.34 | +17.96 |

*Depreciation and amortization expenses : IFRS16 right-of-use assets amortization expenses not included.

# Analysis of Increase/ Decrease of Operating Profit

[¥ billions]

| Comparison of YoY FY23/6M vs. FY22/6M | Digital Workplace | Professional Print | Healthcare | Industry | corporate, etc. | Total |
|---|---|---|---|---|---|---|
| [Operating Profit] | | | | | | |
| FOREX impact | + 2.2 | + 1.5 | - 0.3 | + 0.5 | - 0.1 | + 3.8 |
| Sales volume change, and other | + 0.3 | - 1.3 | + 3.1 | - 4.9 | - 0.1 | - 2.9 |
| Price adjustment | + 1.2 | + 0.4 | + 0.0 | + 0.2 | - | + 1.9 |
| SG&A expenses | - 0.3 | - 0.8 | + 0.9 | - 2.0 | + 0.9 | - 1.3 |
| Other income and expenses | + 3.9 | + 0.4 | + 0.6 | - 0.4 | + 0.0 | + 4.4 |
| Total | + 7.3 | + 0.2 | + 4.3 | - 6.6 | + 0.7 | + 5.9 |

| Comparison of YoY FY23/Q2 vs. FY22/Q2 | Digital Workplace | Professional Print | Healthcare | Industry | corporate, etc. | Total |
|---|---|---|---|---|---|---|
| [Operating Profit] | | | | | | |
| FOREX impact | + 1.7 | + 1.0 | - 0.1 | + 0.2 | + 0.0 | + 2.8 |
| Sales volume change, and other | - 1.9 | - 1.9 | + 1.2 | - 0.9 | - 0.1 | - 3.7 |
| Price adjustment | + 0.2 | + 0.1 | - | - 0.1 | - | + 0.3 |
| SG&A expenses | + 0.9 | - 0.0 | + 0.2 | - 1.0 | + 0.2 | + 0.2 |
| Other income and expenses | + 0.1 | - 0.0 | + 0.1 | - 0.5 | - 0.1 | - 0.4 |
| Total | + 1.1 | - 0.8 | + 1.4 | - 2.3 | + 0.0 | - 0.7 |

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

[¥ billions]

| | FY23 6M | vs FY22 | | FY23 Q2 | vs FY22 | |
|---|---|---|---|---|---|---|
| | | FY22 6M | YoY | | FY22 Q2 | YoY |
| **SG&A** | | | | | | |
| Selling expenses - variable | 22.3 | 25.2 | -2.9 | 11.3 | 12.5 | -1.2 |
| R&D expenses | 32.5 | 31.1 | +1.4 | 16.4 | 15.9 | +0.6 |
| Personnel expenses | 115.4 | 107.0 | +8.4 | 58.6 | 54.8 | +3.7 |
| Others | 64.7 | 61.9 | +2.8 | 32.7 | 31.5 | +1.2 |
| SG&A total | 235.0 | 225.3 | +9.7 | 119.0 | 114.6 | +4.4 |
| ** FOREX impact:* | *+9.6bn. (Actual: +0.1bn.)* | | | *+5.2bn. (Actual: -0.8bn.)* | | |
| **Other income:** | | | | | | |
| Insurance income | 0.3 | 1.2 | -0.8 | 0.3 | 0.2 | +0.1 |
| Other income | 2.4 | 1.7 | +0.7 | 1.0 | 0.9 | +0.1 |
| Other income total | 2.8 | 2.9 | -0.1 | 1.3 | 1.1 | +0.2 |
| **Other expenses** | | | | | | |
| Loss on sales and disposals of property, plant and equipment, and intangible assets | 1.1 | 0.4 | +0.7 | 1.1 | 0.4 | +0.7 |
| Business structure improvement costs | 0.8 | 3.6 | -2.9 | 0.2 | 0.1 | +0.0 |
| Settlement payments | - | 1.6 | -1.6 | - | - | - |
| Other expenses | 2.4 | 3.1 | -0.7 | 1.3 | 1.4 | -0.1 |
| Other expenses total | 4.3 | 8.8 | -4.5 | 2.5 | 1.9 | +0.6 |
| **Finance income/loss:** | | | | | | |
| Interest income/Dividends received/Interest expense | -5.0 | -2.3 | -2.7 | -2.6 | -1.3 | -1.3 |
| Foreign exchange gain/loss (net) | 0.8 | 4.3 | -3.5 | -0.7 | 0.1 | -0.8 |
| Others | -0.2 | 0.1 | -0.3 | 0.2 | -0.1 | +0.3 |
| Finance income/loss, net | -4.4 | 2.2 | -6.5 | -3.1 | -1.3 | -1.8 |

## Consolidated Statements of Cash Flows

KONICA MINOLTA 150 YEARS

[¥ billions]

| | FY21 6M | FY22 6M | FY23 6M |
|---|---|---|---|
| Profit (loss) before tax | -2.7 | -3.1 | -3.7 |
| Depreciation and amortization expenses | 37.8 | 37.7 | 37.8 |
| Increase/decrease in trade and other receivables ("-" is increase) | 21.8 | 1.1 | 28.5 |
| Increase/decrease in inventories ("-" is increase) | 1.5 | -39.2 | 16.9 |
| Increase/decrease in trade and other payables ("-" is decrease) | -14.3 | 6.6 | -25.7 |
| Others | -8.2 | -10.9 | -21.7 |
| **Cash flows from operating activities** | **35.9** | **-7.8** | **32.0** |
| Purchase of property, plant and equipment | -18.3 | -10.6 | -11.5 |
| Purchase of intangible assets | -8.9 | -8.8 | -9.0 |
| Purchase of investments in subsidiaries | - | -0.7 | -1.4 |
| Others | 3.3 | 2.5 | -0.7 |
| **Net cash provided by (used in) investing activities** | **-23.9** | **-17.6** | **-22.6** |
| **Free cash flows** | **11.9** | **-25.4** | **9.4** |

# Consolidated Statements of Financial Position

KONICA MINOLTA 150 YEARS

[¥ billions]

| | Mar 2022 | Mar 2023 | Sep 2023 |
|---|---|---|---|
| Cash and cash equivalents | 117.7 | 180.6 | 111.0 |
| Trade and other receivables | 280.2 | 313.5 | 316.0 |
| Inventories | 185.7 | 242.1 | 241.9 |
| Other current assets | 35.3 | 41.4 | 44.5 |
| **Total current assets** | **618.9** | **777.6** | **713.4** |
| Property, plant and equipment | 287.7 | 289.1 | 294.3 |
| Goodwill and intangible asseets | 354.1 | 258.9 | 277.6 |
| Othe non-current assets | 77.4 | 88.2 | 92.6 |
| **Total non-current assets** | **719.3** | **636.2** | **664.4** |
| **Total assets** | **1,338.1** | **1,413.8** | **1,377.8** |

| | Mar 2022 | Mar 2023 | Sep 2023 |
|---|---|---|---|
| Trade and other payables | 182.1 | 200.5 | 191.0 |
| Bonds and borrowings | 354.3 | 469.1 | 396.4 |
| Lease liabilities | 94.3 | 99.2 | 103.0 |
| Othe liabilities | 145.9 | 145.1 | 153.0 |
| **Total liabilities** | **776.6** | **913.9** | **843.4** |
| Equity attributable to owners of the Company | 549.8 | 487.4 | 520.4 |
| Non-controlling interests | 11.7 | 12.5 | 14.0 |
| **Total equity** | **561.5** | **499.9** | **534.4** |
| **Total liabilities and equity** | **1,338.1** | **1,413.8** | **1,377.8** |

| | Mar 2022 | Mar 2023 | Sep 2023 |
|---|---|---|---|
| Equity ratio (%) | 41.1 | 34.5 | 37.8 |
| Equity ratio for company rating (%) | 44.8 | 37.9 | 41.3 |
| D/E ratio | 0.82 | 1.17 | 0.96 |

## FOREX Impact on Revenue and Operating Profit

[FOREX : ¥]
[Impact, Sensitivity : ¥ billions]

| | FY22 | FY23 | YoY Impact | | FX Sensitivity*2 | |
|---|---|---|---|---|---|---|
| | 6M | 6M | Revenue | OP | Revenue | OP |
| USD | 133.97 | 141.00 | +10.7 | - 0.6 | +3.2 | - 0.3 |
| EUR | 138.73 | 153.39 | +11.5 | +4.4 | +1.8 | +0.6 |
| GBP | 162.89 | 177.49 | +1.8 | - 0.0 | +0.3 | +0.1 |
| European Currency*1 | - | - | +14.4 | +4.5 | +2.6 | +0.9 |
| CNY | 19.89 | 19.75 | - 0.2 | +0.1 | +3.4 | +1.0 |
| Other | - | - | +1.0 | +0.0 | - | - |
| Exchange contract effect | - | - | - | - 0.2 | - | - |
| Total | - | - | +25.8 | +3.8 | - | - |

*1 European currency: Currencies used in Europe including EUR/GBP
*2 FOREX Sensitivity: FOREX impact at ¥1 change (annual)

## FY2023 Q2 Performance | Revenue and Profit by Segment YoY

KONICA MINOLTA 150 YEARS

[¥ billions]

| Revenue | FY23 6M | vs FY22 | | | vs FY22 After adjustment* | | | FY23 Q2 | vs FY22 | | | vs FY22 After adjustment* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FY22 6M | YoY | w/o FOREX | FY22 6M | YoY | w/o FOREX | | FY22 Q2 | YoY | w/o FOREX | FY22 Q2 | YoY | w/o FOREX |
| Digital Workplace | 294.5 | 278.5 | +6% | -0% | 278.5 | +6% | -0% | 151.2 | 149.6 | +1% | -5% | 149.6 | +1% | -5% |
| Professional Print | 124.0 | 119.9 | +3% | -1% | 119.9 | +3% | -1% | 63.8 | 64.8 | -1% | -6% | 64.8 | -1% | -6% |
| Healthcare | 63.9 | 64.0 | -0% | -3% | 64.0 | -0% | -3% | 34.5 | 35.3 | -2% | -5% | 35.3 | -2% | -5% |
| Industry | 69.4 | 67.5 | +3% | -1% | 67.3 | +3% | -0% | 36.2 | 32.5 | +11% | +7% | 32.5 | +11% | +8% |
| Corporate, etc. | 1.0 | 1.0 | +4% | +4% | 1.1 | -8% | -8% | 0.6 | 0.7 | -9% | -9% | 0.7 | -19% | -19% |
| Company overall | 552.8 | 530.7 | +4% | -1% | 530.7 | +4% | -1% | 286.4 | 282.9 | +1% | -4% | 282.9 | +1% | -4% |

| Business Contribution Profit | FY23 6M | rate | vs FY22 | | | vs FY22 After adjustment* | | | FY23 Q2 | rate | vs FY22 | | | vs FY22 After adjustment* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY22 6M | YoY | w/o FOREX | FY22 6M | YoY | w/o FOREX | | | FY22 Q2 | YoY | w/o FOREX | FY22 Q2 | YoY | w/o FOREX |
| Digital Workplace | 10.7 | 4% | 1.1 | +854% | +657% | 7.3 | +48% | +17% | 8.4 | 6% | 4.6 | +57% | +43% | 7.4 | +12% | -11% |
| Professional Print | 3.6 | 3% | 5.4 | -32% | -60% | 3.8 | -5% | -45% | 2.8 | 4% | 4.2 | -8% | -56% | 3.6 | -22% | -49% |
| Healthcare | -4.0 | - | -8.2 | - | - | -7.8 | - | - | -0.8 | - | -2.3 | - | - | -2.1 | - | - |
| Industry | 6.0 | 9% | 10.8 | -44% | -49% | 12.2 | -51% | -55% | 3.4 | 10% | 4.5 | +169% | -30% | 5.2 | -34% | -40% |
| Corporate, etc. | -14.1 | - | -8.3 | - | - | -14.8 | - | - | -7.5 | - | -4.4 | - | - | -7.6 | - | - |
| Company overall | 2.3 | 0% | 0.7 | +211% | -312% | 0.7 | +211% | -312% | 6.4 | 2% | 6.7 | -89% | -47% | 6.7 | -4% | -47% |

| Operating Profit | FY23 6M | rate | vs FY22 | | | vs FY22 After adjustment* | | | FY23 Q2 | rate | vs FY22 | | | vs FY22 After adjustment* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY22 6M | YoY | w/o FOREX | FY22 6M | YoY | w/o FOREX | | | FY22 Q2 | YoY | w/o FOREX | FY22 Q2 | YoY | w/o FOREX |
| Digital Workplace | 10.0 | 3% | -3.4 | - | - | 2.7 | +266% | +187% | 8.0 | 5% | 4.2 | -34% | +51% | 7.0 | +15% | -10% |
| Professional Print | 3.7 | 3% | 5.0 | -27% | -57% | 3.5 | +5% | -38% | 2.7 | 4% | 4.1 | -15% | -57% | 3.6 | -24% | -51% |
| Healthcare | -4.3 | - | -9.0 | - | - | -8.6 | - | - | -0.9 | - | -2.5 | - | - | -2.3 | - | - |
| Industry | 5.5 | 8% | 10.7 | -48% | -54% | 12.1 | -54% | -59% | 2.9 | 8% | 4.5 | +171% | -42% | 5.2 | -45% | -50% |
| Corporate, etc. | -14.2 | - | -8.4 | - | - | -14.9 | - | - | -7.6 | - | -4.4 | - | - | -7.6 | - | - |
| Company overall | 0.8 | 0% | -5.1 | - | - | -5.1 | - | - | 5.2 | 2% | 5.9 | - | -60% | 5.9 | -11% | -60% |

*FY2022 results(after adjustment) are the amount after rearrangement of FOXAI and adjustment for head-office expenses

## Quarterly Financial Results by Segments : Revenue

[¥ billions]

| [Revenue] | FY22 * | | | | | FY23 | |
|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | **Total** | Q1 | Q2 |
| Digital Workplace | 128.9 | 149.6 | 158.7 | 163.1 | **600.3** | 143.3 | 151.2 |
| Office | 110.9 | 129.0 | 137.7 | 141.6 | **519.1** | 122.6 | 129.1 |
| DW-DX | 18.0 | 20.6 | 20.9 | 21.6 | **81.1** | 20.7 | 22.1 |
| Professional Print | 55.1 | 64.8 | 65.1 | 67.7 | **252.6** | 60.2 | 63.8 |
| Production print | 35.5 | 41.7 | 42.9 | 41.9 | **161.9** | 37.7 | 41.0 |
| Industrial print | 6.0 | 8.2 | 7.2 | 11.0 | **32.3** | 7.7 | 9.4 |
| Marketing services | 13.6 | 14.9 | 15.1 | 14.8 | **58.4** | 14.8 | 13.4 |
| Healthcare | 28.7 | 35.3 | 32.9 | 40.9 | **137.8** | 29.3 | 34.5 |
| Medical imaging | 19.1 | 25.0 | 21.3 | 29.1 | **94.6** | 18.0 | 22.1 |
| Precision medicine | 9.5 | 10.3 | 11.6 | 11.8 | **43.3** | 11.3 | 12.4 |
| Industry | 34.9 | 32.5 | 33.1 | 36.6 | **137.1** | 33.2 | 36.2 |
| Sensing | 13.5 | 11.4 | 11.3 | 10.8 | **46.9** | 9.1 | 9.8 |
| Performance materials | 11.3 | 8.0 | 8.3 | 11.6 | **39.2** | 11.4 | 12.8 |
| IJ components | 3.7 | 4.2 | 4.7 | 4.5 | **17.1** | 4.5 | 4.7 |
| Optical components | 3.6 | 5.4 | 5.4 | 5.3 | **19.8** | 4.7 | 4.8 |
| Imaging-IoT solutions | 1.9 | 2.5 | 2.6 | 2.7 | **9.8** | 2.7 | 3.1 |
| Visual solutions | 0.8 | 0.9 | 0.9 | 1.8 | **4.3** | 0.8 | 1.0 |
| Corporate, etc. | 0.3 | 0.7 | 0.5 | 1.0 | **2.6** | 0.4 | 0.6 |
| Company overall | 247.8 | 282.9 | 290.3 | 309.4 | **1130.4** | 266.4 | 286.4 |

*FY2022 results are the amount after rearrangement of FOXAI and adjustment for head-office expenses

## Quarterly Financial Results by Segments : Profit

KONICA MINOLTA 150 YEARS

[¥ billions]

| [Business Contribution Profit] | FY22 * | | | | | FY23 | |
|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | **Total** | Q1 | Q2 |
| Digital Workplace | -0.2 | 7.4 | 9.4 | 14.0 | **30.7** | 2.4 | 8.4 |
| Professional Print | 0.2 | 3.6 | 5.5 | 5.7 | **15.1** | 0.8 | 2.8 |
| Healthcare | -5.7 | -2.1 | -0.4 | 1.1 | **-7.0** | -3.2 | -0.8 |
| Industry | 7.0 | 5.2 | 4.1 | 5.5 | **21.7** | 2.6 | 3.4 |
| Corporate, etc. | -7.2 | -7.6 | -8.4 | -7.5 | **-30.7** | -6.6 | -7.5 |
| Company overall | -5.9 | 6.7 | 10.2 | 18.8 | **29.7** | -4.1 | 6.4 |

| [Operating Profit] | Q1 | Q2 | Q3 | Q4 | **Total** | Q1 | Q2 |
|---|---|---|---|---|---|---|---|
| Digital Workplace | -4.3 | 7.0 | 8.0 | 10.8 | **21.5** | 2.0 | 8.0 |
| Professional Print | -0.1 | 3.6 | 5.4 | 4.7 | **13.6** | 0.9 | 2.7 |
| Healthcare | -6.3 | -2.3 | -0.4 | -102.5 | **-111.5** | -3.4 | -0.9 |
| Industry | 7.0 | 5.2 | 4.0 | -2.6 | **13.5** | 2.7 | 2.9 |
| Corporate, etc. | -7.3 | -7.6 | -8.4 | -8.8 | **-32.1** | -6.6 | -7.6 |
| Company overall | -11.0 | 5.9 | 8.5 | -98.5 | **-95.1** | -4.4 | 5.2 |

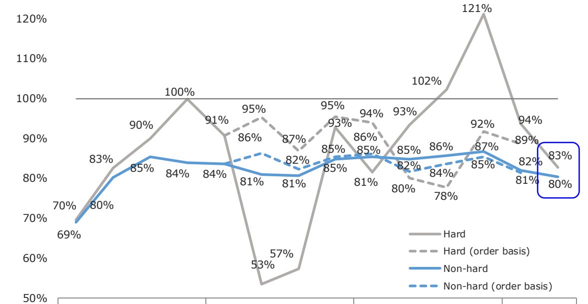
*FY2022 results are the amount after rearrangement of FOXAI and adjustment for head-office expenses

# FY23 Performance | Hard and Non-hard Revenue comparing with FY19

Eliminated excess order backlog to normal levels.

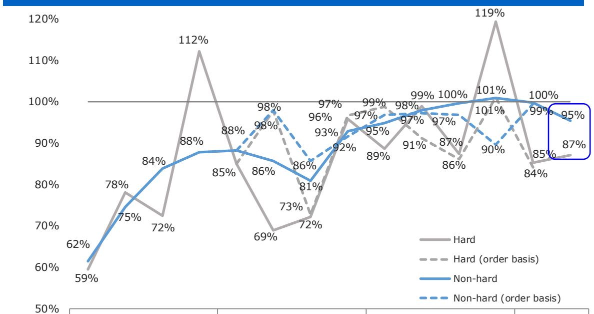
Indexed with FY2019 Q1 as 100

## Office



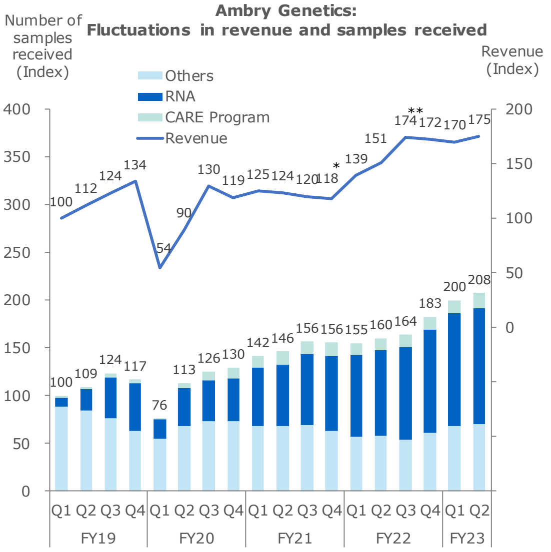

| Non-hard By region | FY20 | | | | FY21 | | | | FY22 | | | | FY23 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Japan | 85% | 90% | 94% | 92% | 92% | 87% | 91% | 89% | 89% | 87% | 89% | 89% | 88% | 84% |
| U.S. | 62% | 73% | 78% | 81% | 77% | 75% | 74% | 82% | 77% | 80% | 81% | 82% | 71% | 74% |
| Europe | 66% | 82% | 83% | 78% | 83% | 82% | 77% | 82% | 87% | 82% | 78% | 87% | 82% | 78% |
| China | 107% | 105% | 115% | 140% | 109% | 111% | 75% | 110% | 114% | 107% | 104% | 127% | 108% | 134% |
| India | 52% | 68% | 98% | 113% | 73% | 103% | 127% | 108% | 143% | 128% | 159% | 144% | 180% | 149% |
| Overall | 69% | 80% | 85% | 84% | 84% | 81% | 81% | 85% | 85% | 85% | 86% | 87% | 82% | 80% |

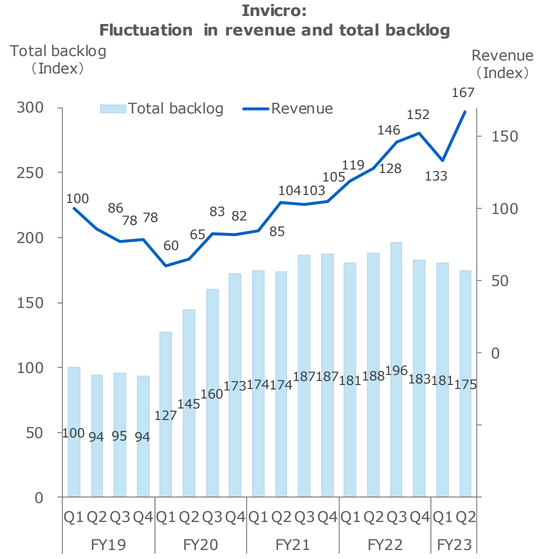
## Production Print




| Non-hard By region | FY20 | | | | FY21 | | | | FY22 | | | | FY23 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Japan | 76% | 82% | 88% | 87% | 81% | 76% | 66% | 78% | 75% | 72% | 77% | 80% | 76% | 77% |
| U.S. | 52% | 67% | 77% | 82% | 76% | 75% | 76% | 90% | 81% | 83% | 86% | 82% | 75% | 71% |
| Europe | 64% | 77% | 79% | 78% | 88% | 94% | 77% | 86% | 98% | 105% | 96% | 97% | 95% | 91% |
| China | 113% | 117% | 140% | 138% | 176% | 138% | 98% | 127% | 120% | 143% | 144% | 196% | 204% | 200% |
| India | 34% | 71% | 105% | 113% | 83% | 107% | 121% | 114% | 136% | 127% | 152% | 140% | 180% | 160% |
| Overall | 62% | 75% | 84% | 88% | 88% | 86% | 81% | 93% | 95% | 98% | 100% | 101% | 100% | 95% |

# Revenue and KPI Trends of Genetic Testing and Drug Discovery Support Business




Indexed with FY2019 Q1 as 100 / Revenue is JPY basis.

*Before reduction of recoverable amount of accounts receivable and revenue
**After reflection of recoverable amount of accounts receivable and revenue

## Segment information

| Before March 31, 2023 | |
|---|---|
| Digital Workplace Business | ■ Office(OP)<br>■ DW-DX(DW-DX) |
| Professional Print Business | ■ Production print(PP)<br>■ Industrial print(IP)<br>■ Marketing services(MS) |
| Healthcare Business | ■ Healthcare(HC)<br>■ Precision medicine(APM) |
| Industry Business | Sensing<br>■ Measuring instruments(MI)<br>Materials and components<br>■ Performance materials(PM)<br>■ Optical components(OC)<br>■ IJ components(IJ)<br>Imaging-IoT solutions<br>■ Imaging-IoT solutions(IIS)<br>■ Visual solutions(VS) |
| Corporate, etc., QOL | |

| After April 1, 2023 | |
|---|---|
| Digital Workplace Business | ■ Office(OP)<br>■ DW-DX(DW-DX) |
| Professional Print Business | ■ Production print(PP)<br>■ Industrial print(IP)<br>■ Marketing services(MS) |
| Healthcare Business | ■ Healthcare(HC)<br>■ Precision medicine(APM) |
| Industry Business | ■ Sensing(SE)<br>■ Performance materials(PM)<br>■ Optical components(OC)<br>■ IJ components(IJ)<br>■ Imaging-IoT solutions(IIS)<br>■ Visual solutions(VS) |
| Corporate, etc., QOL | |

## Glossary

- **MFP（Multi Functional Peripheral) speed segment: Digital Workplace Business**
  Seg. 1 to 20ppm, Seg.2 21-30ppm, Seg.3 31-40ppm, Seg.4 41-69ppm, Seg.5 70~ppm（A4 vertical, minute speed)

- **Color production print machine segments: Professional Print Business**
  ELPP（Entry Light Production Print) Monthly printing volume: 1-0.3 million sheets for low-priced products mainly for large companies' centralized printing rooms
  LPP（Light Production Print) Monthly printing volume: 0.1-0.3 million sheets for commercial printing
  MPP（Mid Production Print) Monthly printing volume: 30-1 million sheets for commercial printing
  HPP（Heavy Production Print) Monthly printing volume:1 million sheets or more for commercial printing

- **RNA (ribonucleic acid) testing: Healthcare Business**
  Testing to identify changes in mRNA structure in the primary transcript of DNA(deoxyribonucleic acid). Analysis of transcript mRNA can provide more detailed test results on DNA mutations that used to be considered of undetermined clinical significance in conventional DNA testing.

- **CARE Program（Comprehensive Assessment, Risk & Education): Healthcare Business**
  Program to provide total support for effective pick-up and genetic diagnostics of the high-risk group of genetic breast cancer.

- **GenMineTOP cancer genome profiling system: Healthcare Business**
  This system, developed together with the University of Tokyo and the National Cancer Center Research Institute, analyzes genes in tumor tissue. This system is unique in that it analyzes not only DNA, but also RNA, and analyzes the DNA of non-cancerous cells as well as the tumor tissue.

- **FORXAI :** FORXAI is an imaging IoT platform that accelerates digital transformation of society together with customers and partners.

*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.*