



SHINKA 2019
Evolution



KONICA MINOLTA

Konica Minolta, Inc.
3rd Quarter/FY2017 ending in March 2018
Consolidated Financial Results

Three months: October 1, 2017 – December 31, 2017

Nine months: April 1, 2017 – December 31, 2017

– Announced on February 1, 2018 –

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

FY2017 3Q Performance Overview

【¥ billions】

	9M Mar 2018	9M Mar 2017	YoY	YoY (W/O Forex)	3Q Mar 2018	3Q Mar 2017	YoY	YoY (W/O Forex)
Revenue	750.3	699.6	+7%	+2%	262.2	237.7	+10%	+4%
Operating profit	29.1	34.5	-16%	- 21%	8.6	15.9	- 46%	- 67%
Profit attributable to owners of the company	18.6	24.9	-25%		5.1	11.7	- 56%	
FOREX								
USD	111.70	106.63	5.07		112.98	109.30	3.68	
EUR	128.53	118.02	10.51		133.01	117.78	15.23	

Revenue

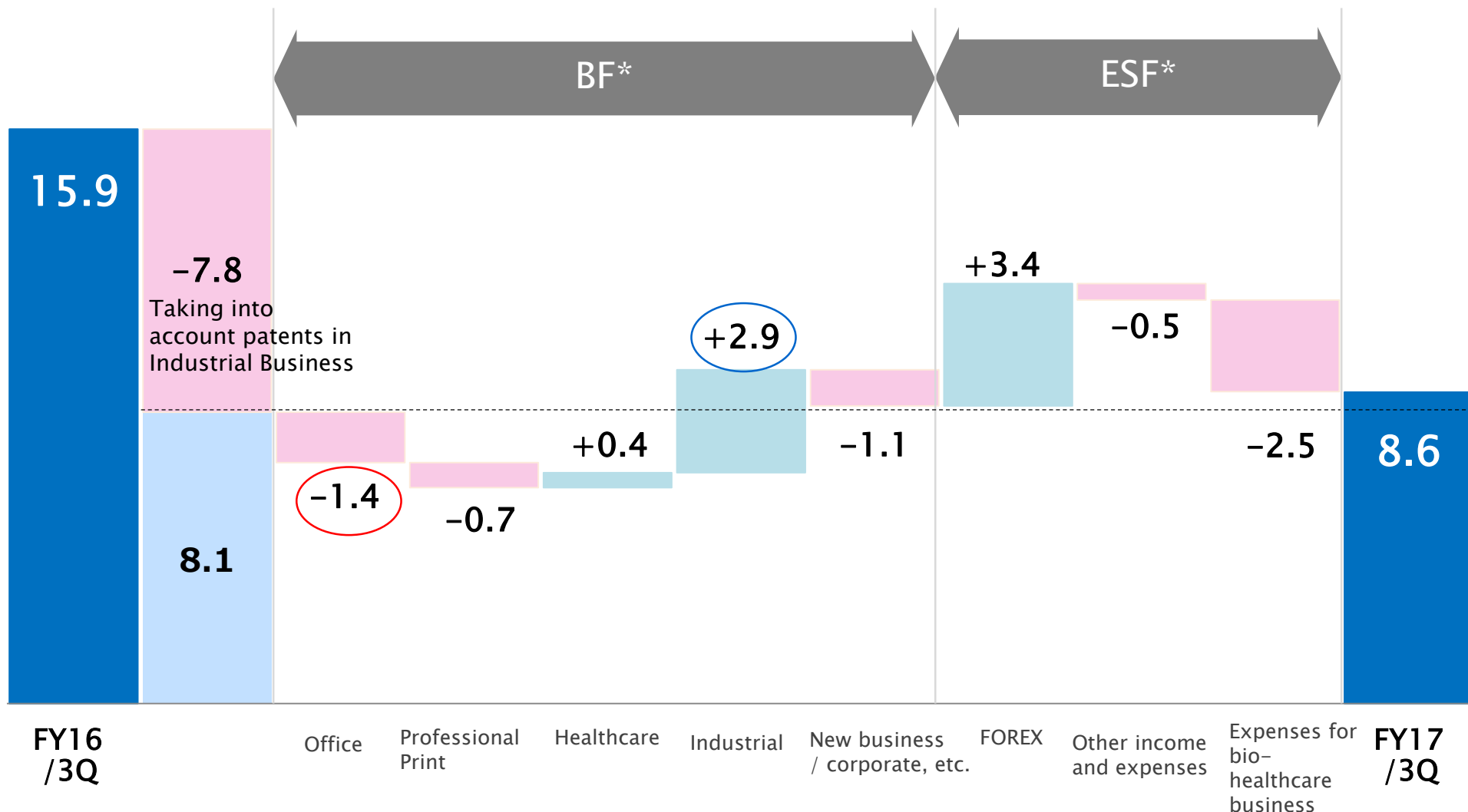
- There was a 7% YoY increase for the Group as a whole, with all business segments recording growth in revenue. In a continuation of 2Q, revenue rose by double-digit rates in 3Q.
- In the Office Business, North America and China, etc., remained solid, while sales of DR in the Healthcare Business increased in North America and Measuring Instruments continued to post significant increases in the Industrial Business.

Operating Profit

- Profit decreased by 16% for the Group as a whole. The ¥7.8 billion in patent-related income posted in the previous year had an impact by creating a temporary disparity.
- Although profit fell cumulatively in Office and Professional Print, the trend of improving profitability continued from 2Q. The Healthcare Business posted higher profit on the back of higher revenue, and the Industrial Business posted a significant increase in profit in a continuation of first-half performance

FY2017/3Q Operating Profit Analysis

[¥ billions]



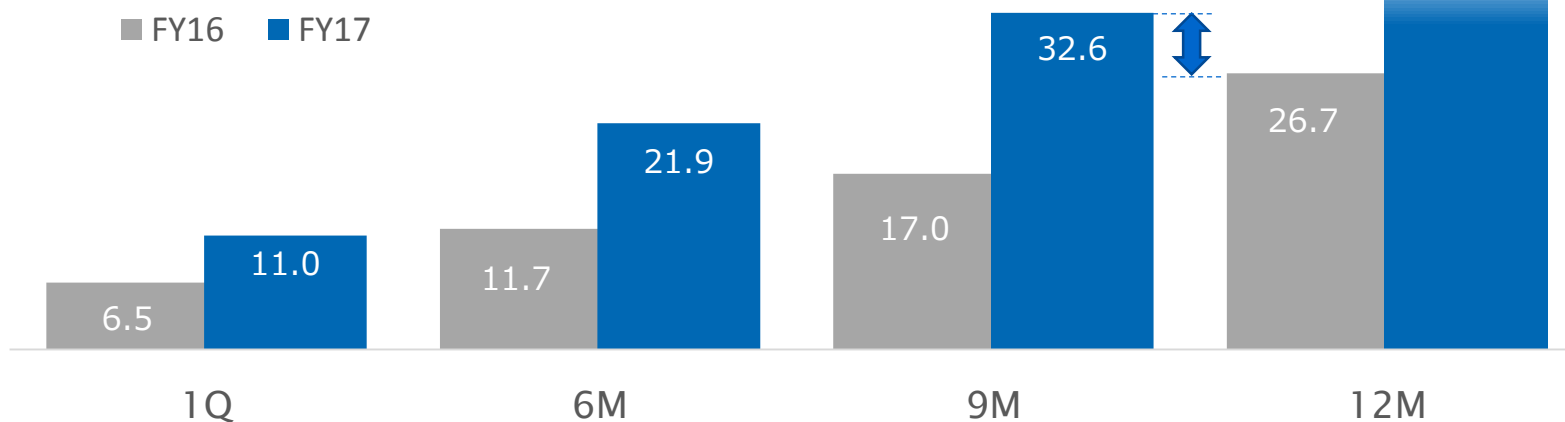
* BF: Business Factors; OP: Operating Profit; ESF: External and Special Factors

Business Topic 1: Industrial Business

- Progress report on Measuring Instruments unit

Overall	<ul style="list-style-type: none"> Steady progress was maintained for the whole 9 months. Revenue has already exceeded that of the whole of the previous fiscal year.
Light source color	<ul style="list-style-type: none"> Strong revenues are being maintained due to the support of investments in OLED displays. New demand is being opened up in Asia, and revenue has doubled over the same period in the previous fiscal year.
M&A effects	<ul style="list-style-type: none"> Instrument Systems (Germany) and Radiant Vision Systems (US) are both posting year-on-year growth in revenue, and the benefits of the acquisition are steadily being realized.
Object color	<ul style="list-style-type: none"> Stable growth in revenue has been achieved for the whole 9 months, and revenues are growing by nearly 20% year on year.

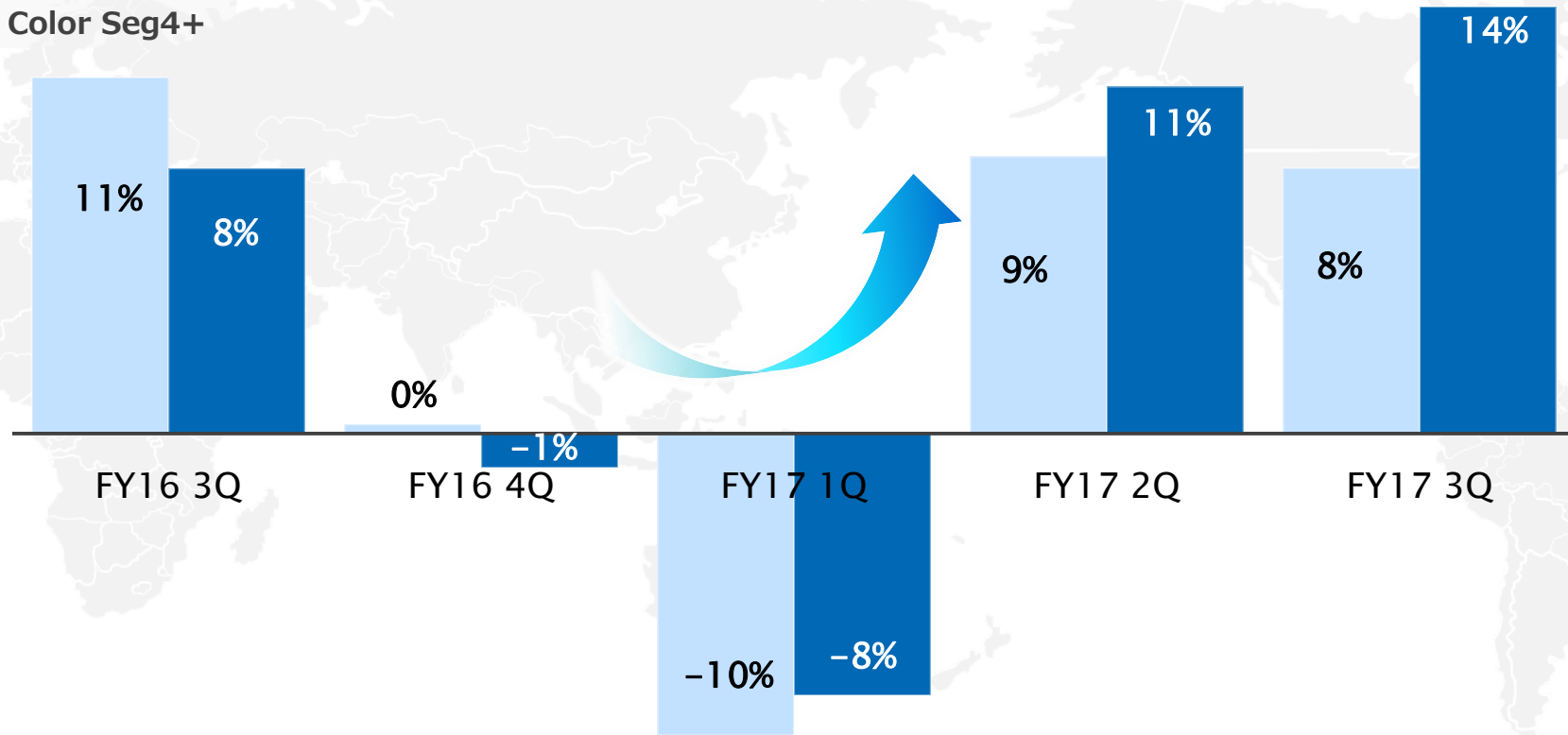
Measuring instruments revenue
【¥ billions】





YoY growth rate of sales volumes for A3 color office models

- A3 Color
- A3 Color Seg4+



Sales trends in 3Q

Color models, particularly Seg4+, achieved a year-on-year increase in sales volumes primarily in North America and China.

- Positive year-on-year growth in sales volumes for A3 color models continued from Q2 at **+8% YoY**.
- Seg4+ sales remained solid from Q2 at **+14% YoY**.

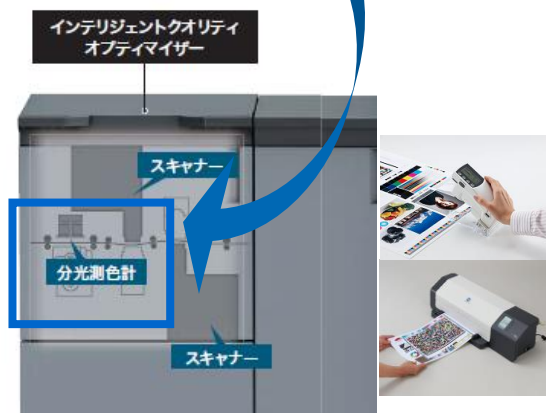
Business Topic 3: Professional Print Business

Measures to differentiate KM & provide greater added value

The IQ-501: Our unique strengths

A product that meets the need for color management and labor savings in the printing process by integrating measurement technology

IQ-501



- Built-in sensors for digital printing systems developed and automated to increase color reproducibility
- Maximized the strengths of the Konica Minolta Group

Business challenges for printing companies

- Reduce management costs for color management and printing position control.
- Improve reduced operational efficiency/disposal losses associated with operational errors, and increase machine utilization.
- Achieve more stable operations that do not rely on the skills of the operator.

Value offered by the IQ-501

Provides skill-free, less human-dependent, automated color management and printing position control that make operator workflows more efficient.



- Drastically reduces manual control times
- Cuts down on paper wasted due to color/register errors
- No specialized skills required

<Current Reception & Future Developments>

- Well received by customers; rate of installation increasing steadily
- Rollout to B&W production models and strengthening of non-price competitiveness.

*IQ-501 Intelligent Quality Optimizer

FY2017 3Q Revenue by Segment

【¥ billions】

	9M Mar 2018	9M Mar 2017	YoY	YoY (W/O Forex)	3Q Mar 2018	3Q Mar 2017	YoY	YoY (W/O Forex)
Office	427.7	407.3	+ 5%	- 1%	148.2	138.5	+ 7%	- 0%
Professional Print	155.0	148.2	+ 5%	- 1%	53.9	51.1	+ 5%	- 1%
Healthcare	66.9	63.4	+ 6%	+ 3%	24.0	22.0	+ 9%	+ 7%
Industrial	90.1	74.0	+ 22%	+ 19%	30.1	24.1	+ 25%	+ 21%
Optical systems for industrial use	34.3	18.8	+ 83%	+ 74%	11.1	6.1	+ 83%	+ 72%
Materials and components	55.8	55.3	+ 1%	- 0%	19.0	18.0	+ 5%	+ 4%
New business/ corporate, etc.	10.5	6.8	+ 56%	+ 48%	6.0	2.0	+ 201%	+ 189%
Company overall	750.3	699.6	+ 7%	+ 2%	262.2	237.7	+ 10%	+ 4%

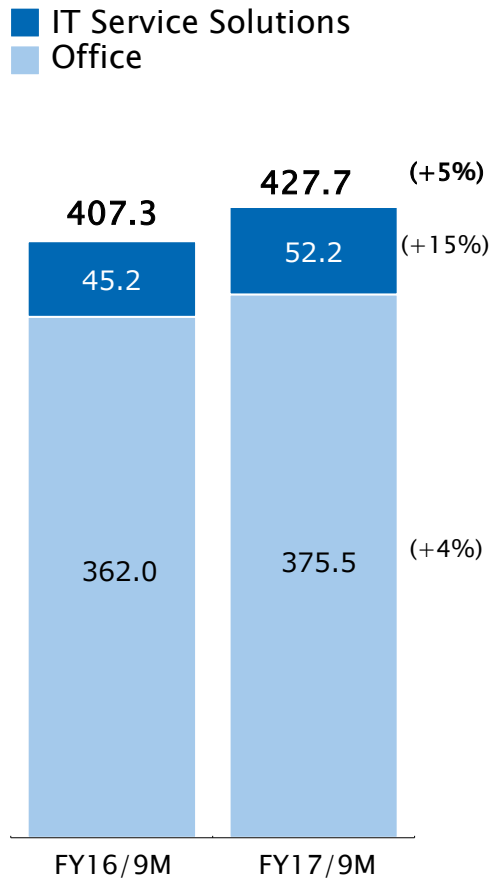
FY2017 3Q Operating Profit by Segment

【¥billions】

	9M Mar 2018	9M Mar 2017	YoY	YoY (W/O Forex)	3Q Mar 2018	3Q Mar 2017	YoY	YoY (W/O Forex)
Office	29.9	31.3	- 4%	- 2%	9.8	9.6	+ 2%	- 19%
Professional Print	5.1	6.8	- 25%	- 48%	2.6	2.5	+ 6%	- 37%
Healthcare	3.9	1.5	+ 157%	+ 133%	1.0	0.3	+ 266%	+ 162%
Industrial	17.6	16.8	+ 5%	+ 1%	5.6	10.4	- 46%	- 48%
New business/ corporate, etc.	- 27.4	- 21.9	-	-	- 10.3	- 6.8	-	-
Company overall	29.1	34.5	- 16%	- 21%	8.6	15.9	- 46%	- 67%

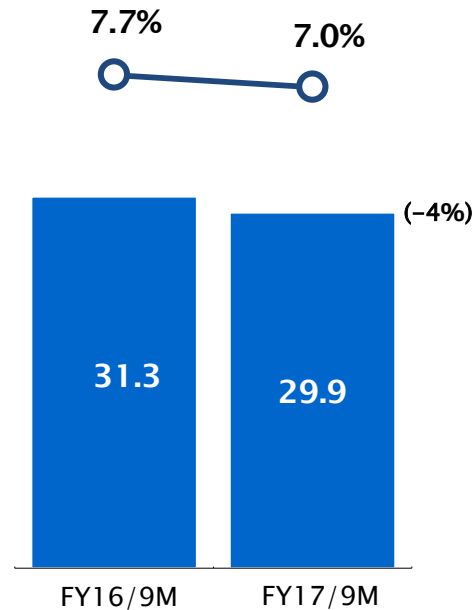
Revenue

【¥ billions】



Operating Profit

【¥ billions】



3Q Summary

IT Service Solutions

- Sales grew for the second quarter in a row. IT infrastructure management services for medium-sized enterprises were launched in Europe/Asia as well.
- In the US, we began offering IP phone hosting services. Rollout of services across the entire US proceeded smoothly. We also began rolling out IT infrastructure management services for medical institutions across the entire US.

Office

- Solid conditions were carried over from 2Q in China, such as the doubling in sales of A3 color models.
- In North America, solid sales of A3 color models continued, but in Europe sales fell due to the reaction to the winning of large projects in the previous year, and an order backlog.
- Multiple major projects were won, such as with a major European steel manufacturer and a next-generation global energy company.

OPS revenue: ¥27.0 billion (+17% YoY)

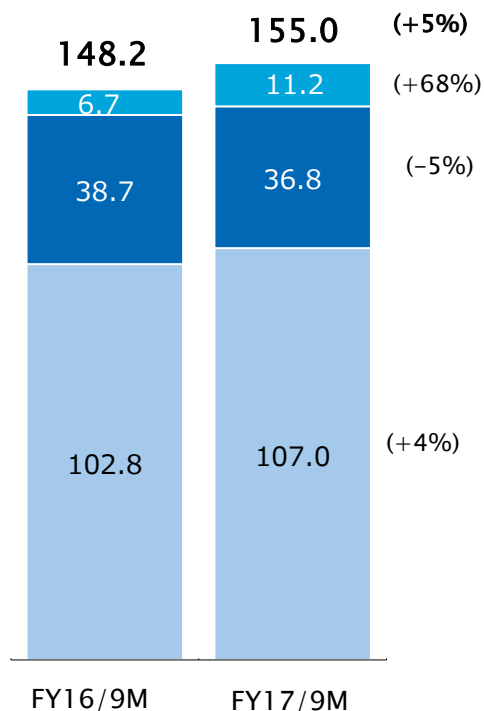
GMA revenue: ¥8.0 billion (+19% YoY)

Professional Print Business

Revenue

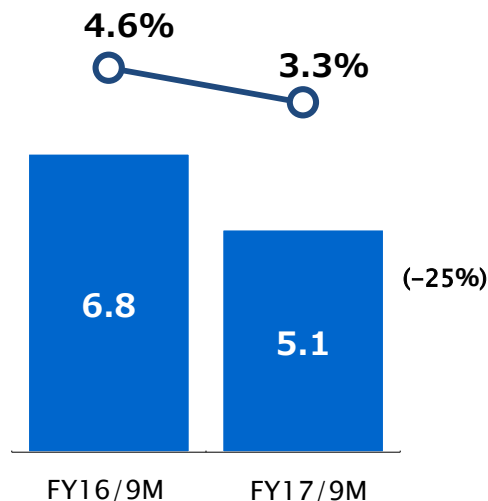
【¥ billions】

- Industrial Print
- Marketing Services
- Production Print



Operating Profit

【¥ billions】



3Q Summary

Industrial Printing

- Sales of the “AccurioJet KM-1” digital inkjet press and of digital decoration printing equipment produced by French subsidiary MGI expanded, primarily in North America.

Marketing Services

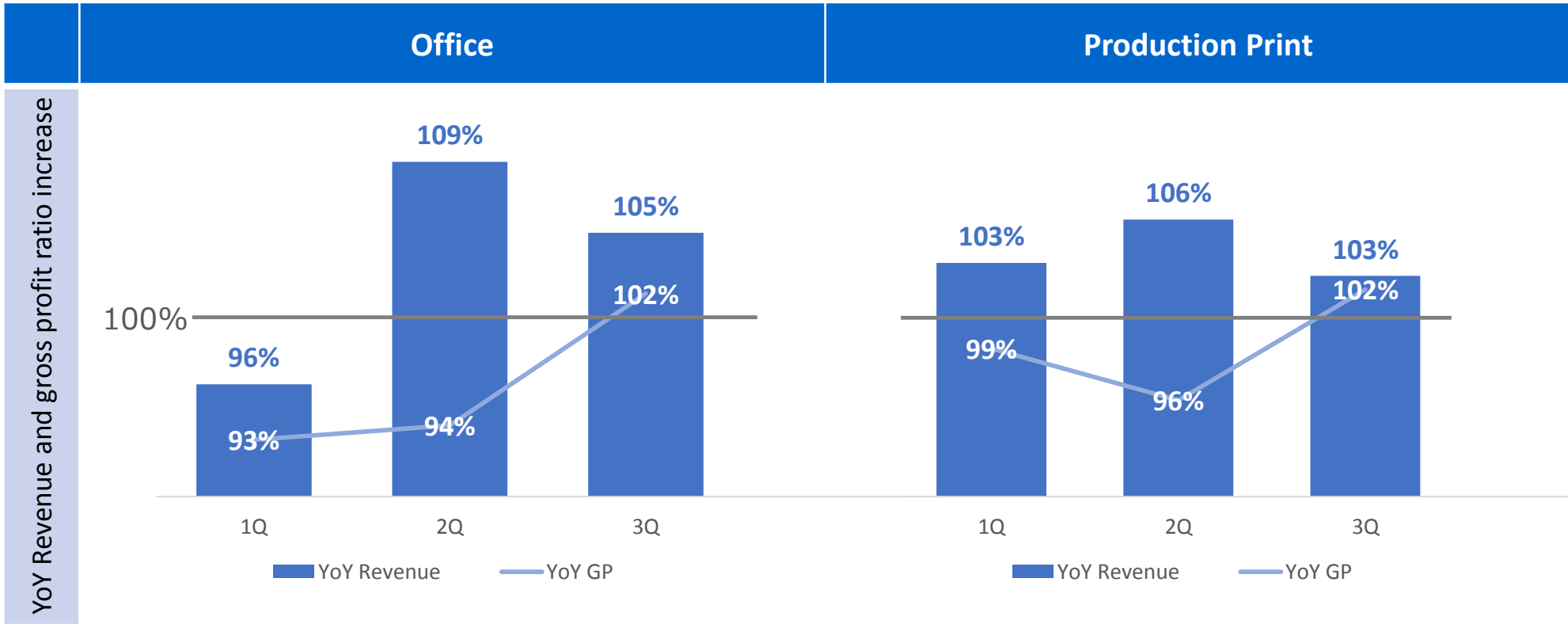
- 3Q showed a recovery trend despite continued constraints on marketing costs among our major customers. The number of projects won rose.
- Favorable conditions at Kinko’s continued for both the corporate and retail business.

Production Print

- The value offered by the automated output control unit “IQ-501,” which uses proprietary Konica Minolta functionality, is beginning to permeate customer consciousness.
- The flag ship model “AccurioPress C6100” series has been well received by printing customers, but sales discussions have been prolonged, delaying a full-scale contribution to profit until 4Q and beyond.
- Although performance was solid in emerging countries, including China.

IQ-501(Intelligent Quality Optimizer)

Initiatives to Strengthen Profitability in Office and Production Print



- Outcome of profitability improvement initiatives
- C759 series (Color 65/75 ppm) sales launch
 - Shift to high-speed color models
 - Hybrid sales expansion
 - Non-hard increase by MIF / PV increase
 - Focus on selected profitable and mid-sized bids
 - Reducing manufacturing costs

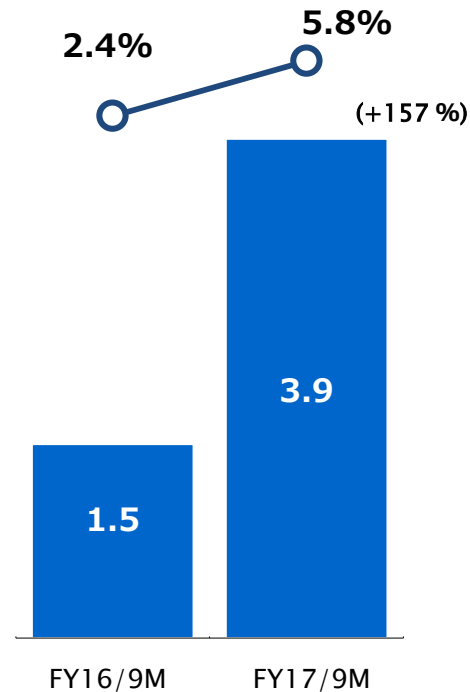
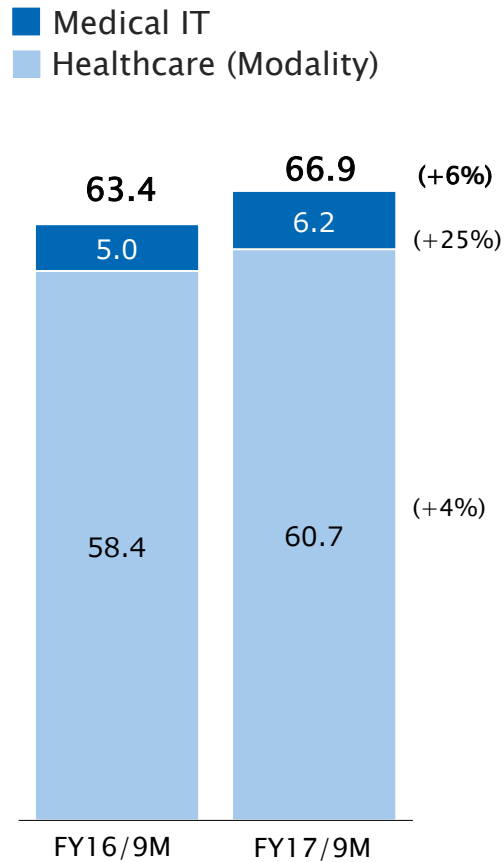
- Value offered by the automated output control unit "IQ-501"
- C6100 series sales launch and full swing
- Non-hard steady increase by MIF / PV increase
- Expansion of sales in China and India market

Revenue

【¥ billions】

Operating Profit

【¥ billions】



3Q Summary

Healthcare (Modality)

- X-ray: DR sales volumes are expanding, primarily in the US, due to strengthened cooperation with X-ray system manufacturers and the winning of a major project.
- Diagnostic ultrasound systems: Having been established our products as a “genre-top” product in the field of orthopedics, sales in Japan remain solid. Sales volume also grew year on year in the US and China.
- Service contracts are growing steadily.

Medical IT

- Higher sales volumes in the US are contributing to revenue.
- Service contract revenue is also rising steadily.

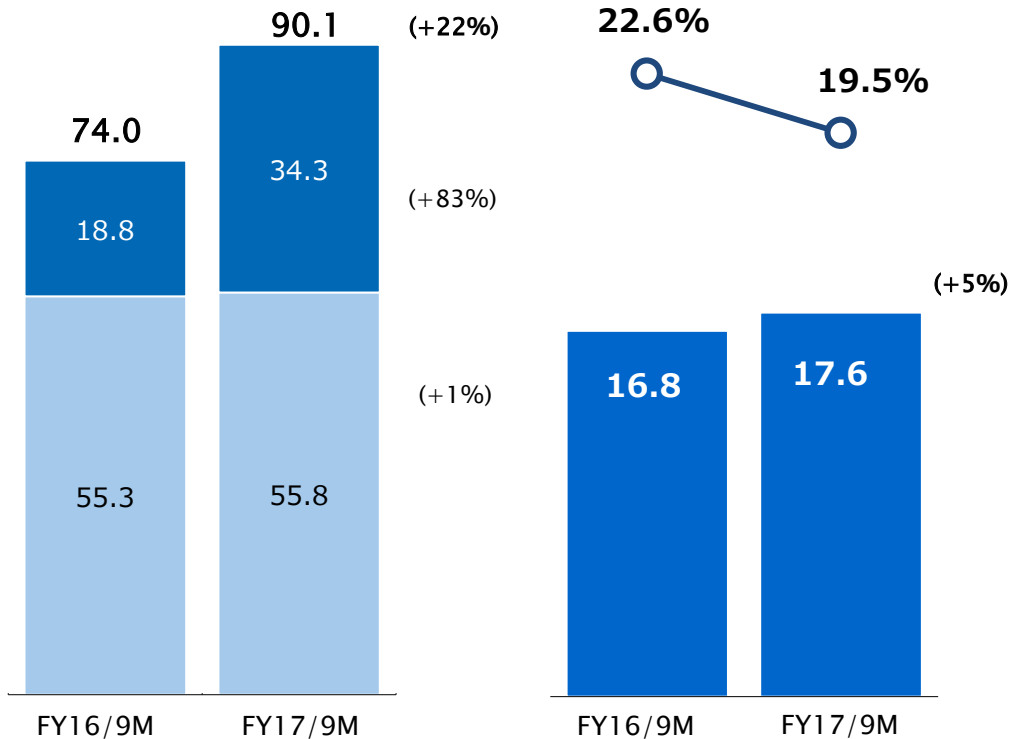
Revenue

【¥ billions】

Operating Profit

【¥ billions】

- Optical Systems for Industrial Use
- Materials・Components



3Q Summary

Optical systems for industrial use

- **Measuring Instruments:** In the light source color area, sales volume grew significantly year on year due to our ability to respond to new demand, mainly in Asia. Sales volume also grew steadily in the object color area, resulting in a substantial expansion in overall revenue.

Materials and components

- **Performance Materials:** In line with the increasing size of LCD TVs, we accelerated the sales shift to such high value-added products as water-resistant VA-TAC films and Zero-TAC film for IPS panels, managing to maintain revenue at the same level as that of the previous year despite price pressure.
- **Optical Components:** Slight decline in revenue due to contracting demand for end products.
- **IJ (inkjet) Components:** Higher revenues driven by sales in Europe/Asia.

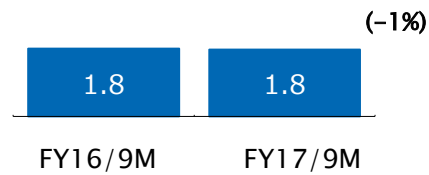
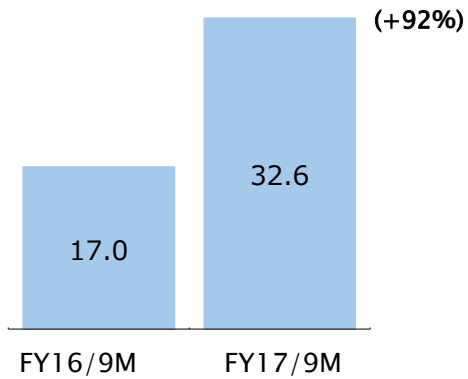
Revenue in Industrial Business Sub-Segments: 9 Months

Optical Systems for Industrial Use

【¥ billions】

■ Measuring Instruments

■ Imaging Solutions



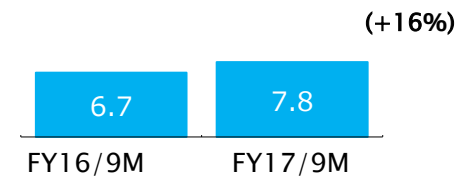
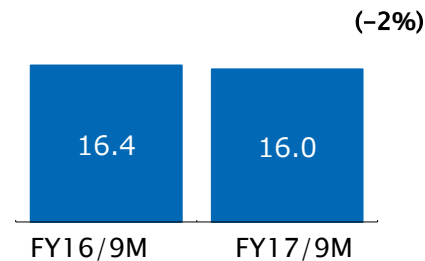
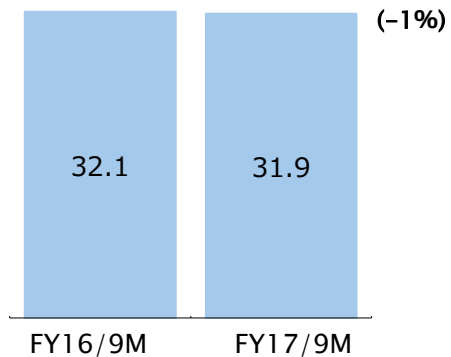
Materials · Components

【¥ billions】

■ Performance Materials

■ Optical Components

■ IJ (inkjet) Component





3Q New Business Progress : Precision Medicine



Oct.

Ambry Genetics M&A closing

Nov.

Invicro M&A closing





Analyze




Dec.

Precision medicine HQ establishment (USA)

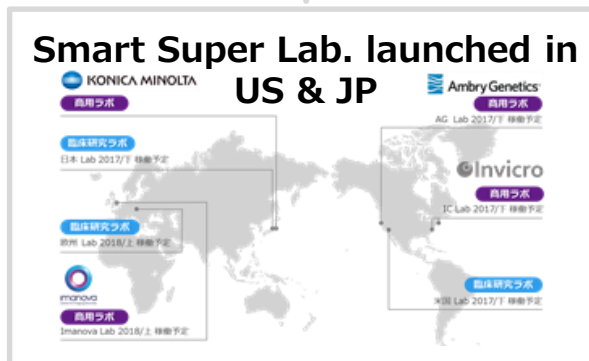
-  **CEO**
Mr. K. Fujii
-  **CTO**
Mr. K. Koshizuka

FY2017 4Q

Town meeting



Smart Super Lab. launched in US & JP



Company-Wide Balance Sheet: Impacts of Acquisition of Ambry & Invicro



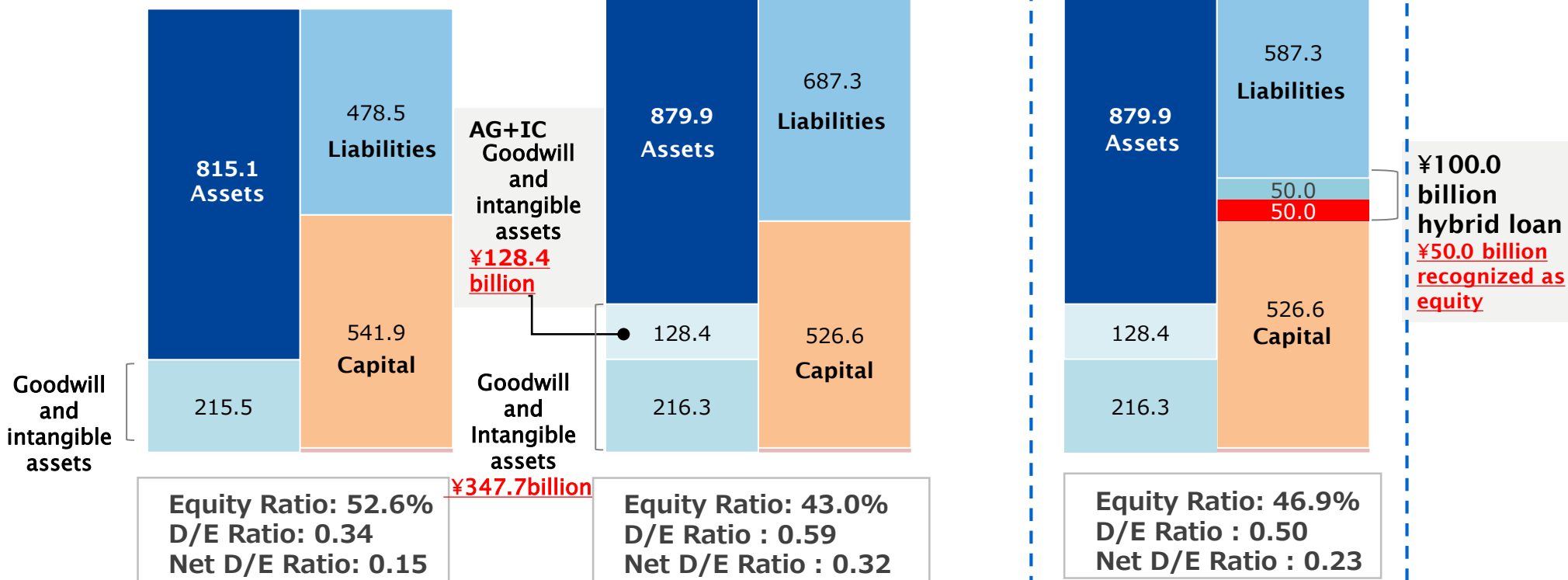
KONICA MINOLTA

- Capital: Raised through hybrid loan (100 billion) with recognizable equity characteristics and “A” rating
- Assets: Sum of goodwill + intangible assets associated with the two acquisitions has increased by ¥128.2 billion as of the end of December.

End of Sept. FY2017

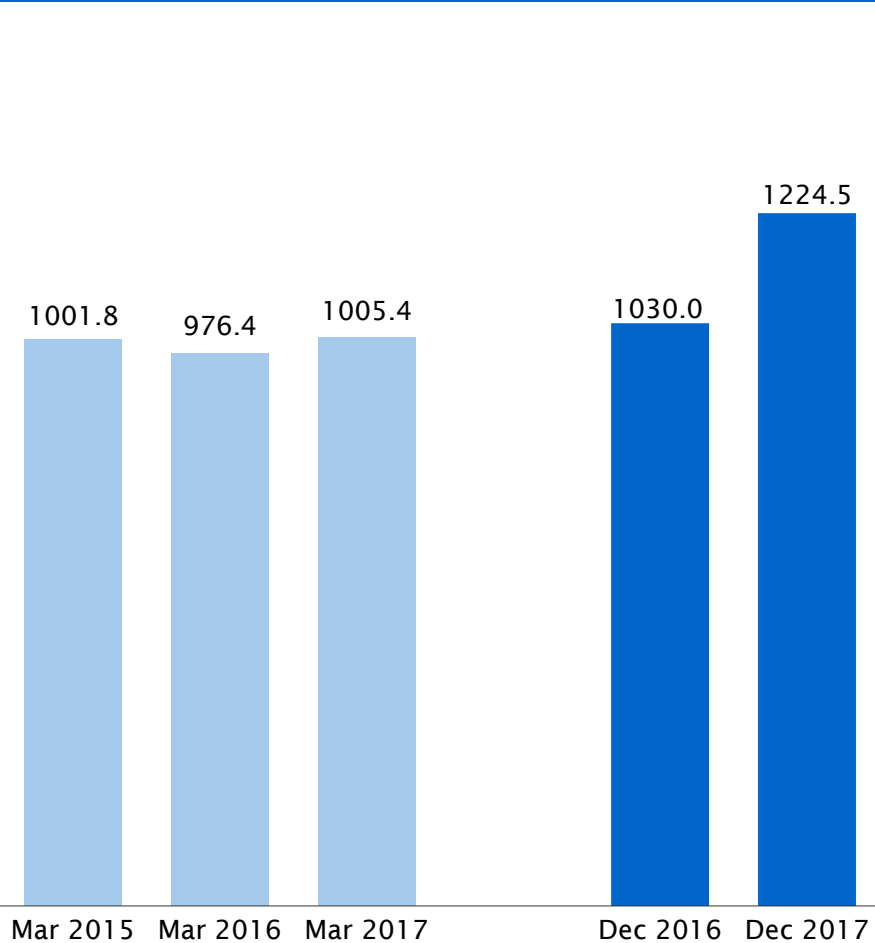
End of Dec. FY2017

If 50% of the ¥100.0 billion hybrid loan is recognized as equity [¥ billions]

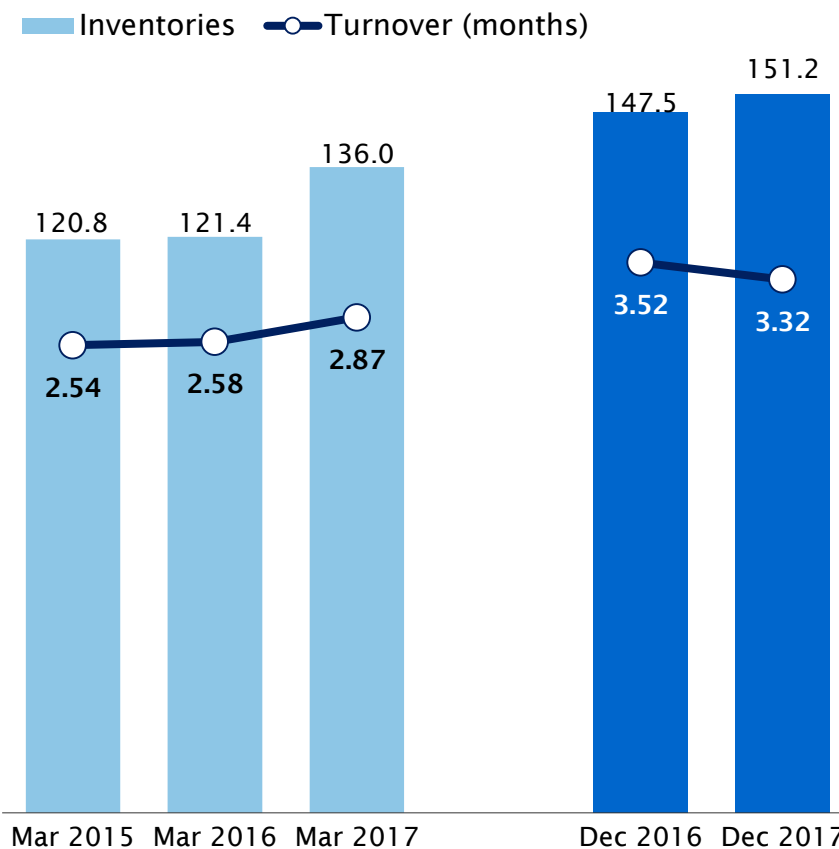


Major Items from Statements of Financial Position

Total Assets [¥ billions]

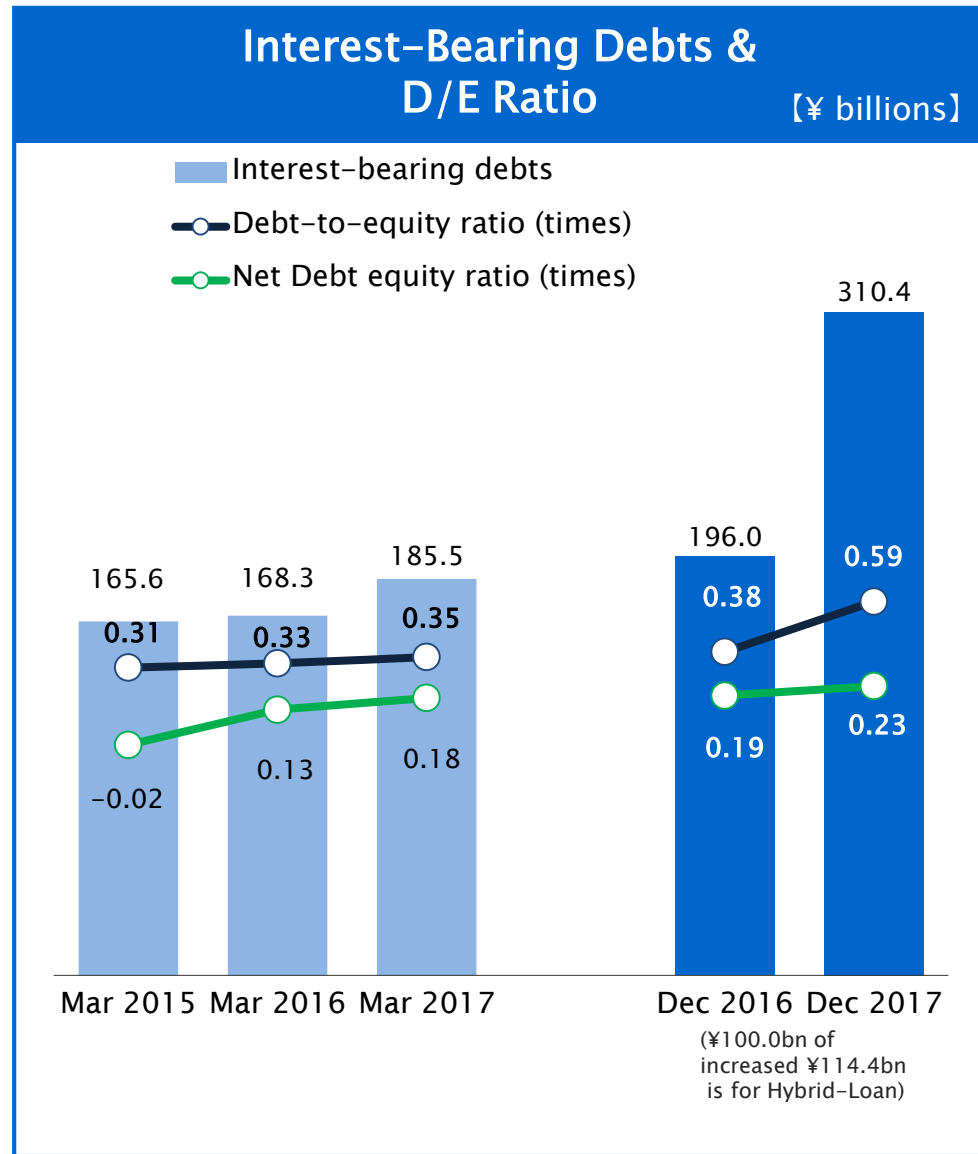
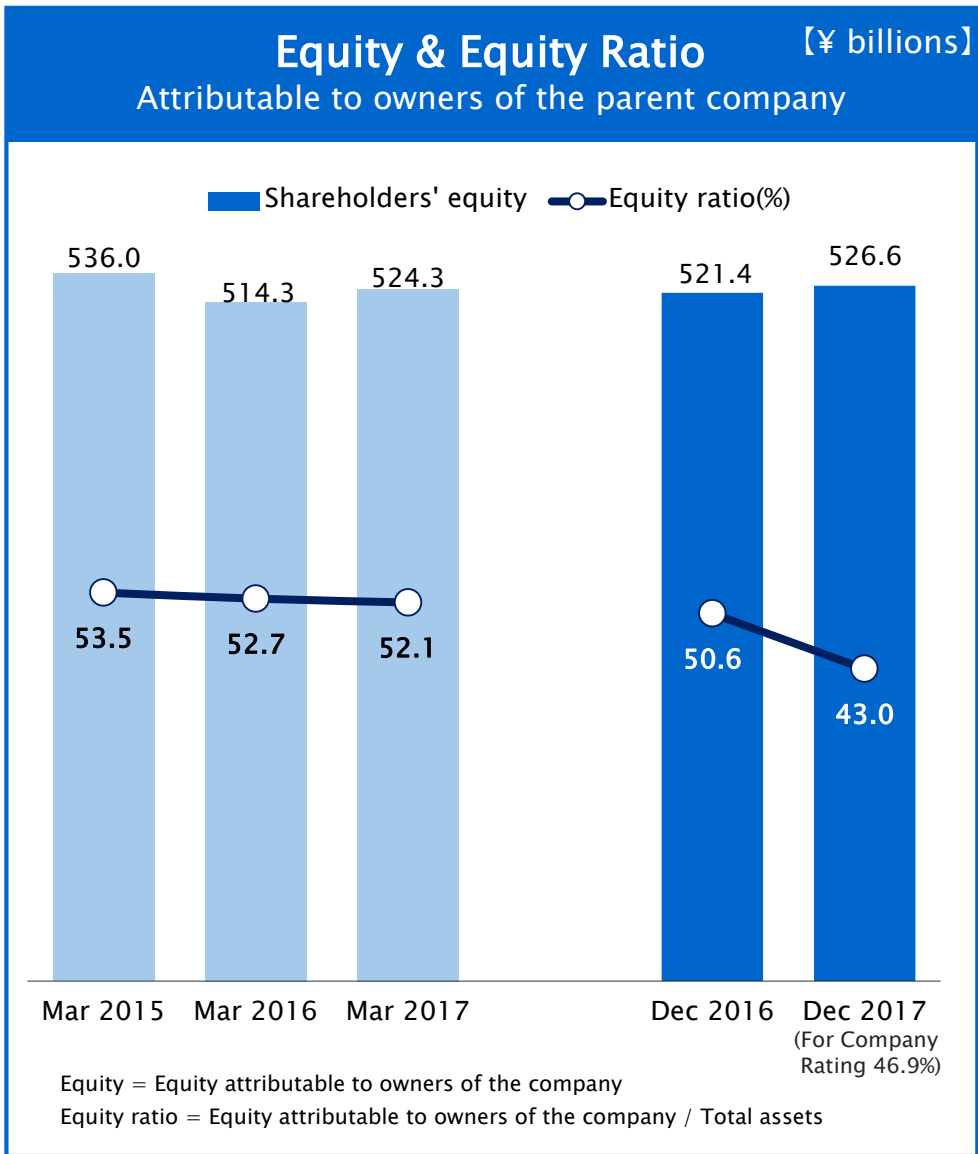


Inventory/Turnover [¥ billions]



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

Major Items from Statements of Financial Position



FY2017 Financial Forecast



KONICA MINOLTA

【¥ billions】

	Mar 2018 estimates (current)	Mar 2017 Results	YoY
Revenue	1000.0	962.6	+ 4%
Operating profit	48.0	50.1	- 4%
Profit attributable to owners of the company	31.0	31.5	- 2%
FOREX [Yen]			
USD	105	108.38	
EUR	130	118.79	

Full-year earnings forecast

- FOREX: Euro rate only was revised to ¥130 (a depreciation of ¥10). US dollar rate remains unchanged, at ¥105.
- Revenue and profit forecasts have been left unchanged from the previously announced figures.

Dividend forecast

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

Office/Professional Print Business Measures from 4Q Onward



		Office	Professional Print
Gross Profit	Top Line	<ul style="list-style-type: none"> • Full-scale profit contribution by C759 series • Improving profitability by shifting to high-speed color models • Keeping non-hardware on recovery track by increasing MIF/PV • Expansion of hybrid sales • Selecting projects based on profitability and increasing mid-sized projects • Expansion of sales in China • Rolling out recently-won major projects • Prompt resolution of order backlog 	<ul style="list-style-type: none"> • Improving gross profit ratio and generating demand by driving home value offered by the IQ-501 • Full-scale profit contribution by C6100 series • New product launch • Maintaining non-hardware growth by increasing MIF/PV • Start of profit contribution by industrial print • Expansion of sales in China/India
	Costs	<ul style="list-style-type: none"> • Increasing cost-cutting effects • Shift left (predictive and remote maintenance) 	
SG&A		<ul style="list-style-type: none"> • Delivery of outcomes from IT services with enhanced presale resources as a result of the Workplace Hub business launch 	<ul style="list-style-type: none"> • Reining in development costs accumulated in the first half due to moving up of new product launch

Initiatives to Strengthen Medium-Term Profitability

- As part of efforts to increase the earning capacity of our core business outlined in our Medium-Term Business Plan SHINKA 2019, we have been considering structural reforms over the medium term both in Japan and overseas. These structural reforms were pushed forward to this fiscal year, and have already been launched.
- Execute Sale & Leaseback as a part of CRE strategy.

Target/Purpose		Impact on Profit and Loss	
		FY17	FY18
Domestic	Improving the efficiency of the Group's operations and strengthening business by creating synergy within the Group	-¥1.0~1.5 billion	-¥2.0~3.0 billion
Overseas	Conversion of fixed costs to variable costs; consolidation of functions	-¥3.0~3.5 billion	
Expense TTL		-¥4.0~5.0 billion	
CRE strategy	Global optimization of facility use (land/buildings)	In the range of ¥10.0 billion	

Appendix

FY2017 3Q Financial Results Highlight – Overview



[¥ billions]

	9M Mar 2018	9M Mar 2017	YoY	3Q Mar 2018	3Q Mar 2017	YoY
Revenue	750.3	699.6	+ 7%	262.2	237.7	+ 10%
Gross profit	357.5	339.1	+ 5%	125.7	112.0	+ 12%
Gross profit ratio	47.7%	48.5%	-	47.9%	47.1%	-
Operating profit	29.1	34.5	- 16%	8.6	15.9	- 46%
Operating profit ratio	3.9%	4.9%	-	3.3%	6.7%	-
Profit before tax	27.1	34.1	- 20%	8.1	16.6	- 51%
Profit before tax ratio	3.6%	4.9%	-	3.1%	7.0%	-
Profit attributable to owners of the company	18.6	24.9	- 25%	5.1	11.7	- 56%
Profit attributable to owners of the company ratio	2.5%	3.6%	-	1.9%	4.9%	-
EPS [Yen]	37.61	50.27		10.32	23.54	
CAPEX	24.8	27.5		8.7	10.1	
Depreciation and amortization expenses	41.3	39.1		14.2	13.7	
R&D expenses	57.0	53.5		19.4	17.3	
FCF	-94.0	-9.7		-113.9	4.2	
Investment and lending	121.7	36.4		119.2	0.0	
FOREX [Yen] USD	111.70	106.63	5.07	112.98	109.30	3.68
EUR	128.53	118.02	10.51	133.01	117.78	15.23

FY 2017 Earnings Forecast– Overview

[¥ billions]

	Earnings Forecast		Results	
	Mar 2018		Mar 2017	YoY
Revenue	1,000.0		962.6	+ 4%
Operating profit	48.0		50.1	- 4%
	Operating profit ratio	4.8%	5.2%	
Profit before tax	46.0		49.3	- 7%
Profit attributable to owners of the company	31.0		31.5	- 2%
	Profit attributable to owners of the company ratio	3.1%	3.3%	
EPS [Yen]	62.64		63.65	
ROE*(%)	6.0%		6.3%	
CAPEX	55.0		38.9	
Depreciation and amortization expenses	55.0		51.8	
R&D expenses	79.0		73.3	
FCF	45.0		-1.9	
Investment and loan	95.0		36.7	
*Purchase of tangible/intangible assets				
	FOREX [Yen] USD	105.00	108.38	
	EUR	130.00	118.79	

*ROE: profit for the year attributable to the owners of the company, divided by the average (using figures from start and end of year) of the sum of share capital, share premium, retained earnings and treasury shares

FY 2017 Earnings Forecast– New Segments

[¥ billions]

Revenue	Earnings Forecast		Results		YoY
	Mar 2018		Mar 2017		
Office	565.0		558.2		+ 1%
Professional Printing	210.0		204.0		+ 3%
Healthcare	95.0		89.9		+ 6%
Industrial	120.0		101.6		+ 18%
Optical systems for industrial use	40.0		29.3		+ 36%
Materials and components	80.0		72.2		+ 11%
New business / corporate, etc.	10.0		8.9		-
Company overall	1,000.0		962.6		+ 4%

Operating Profit	Earnings Forecast		Results		YoY
	Mar 2018		Mar 2017		
Office	47.0	8.3%	43.4	7.8%	+ 8%
Professional Printing	11.0	5.2%	9.3	4.5%	+ 19%
Healthcare	6.5	6.8%	2.9	3.2%	+ 127%
Industrial	19.5	16.3%	22.0	21.7%	- 12%
New business / corporate, etc.	-36.0	0.0	-27.4		-
Company overall	48.0	4.8%	50.1	5.2%	- 4%

FY2017-9M Revenue and Operating Profit by Segment

[¥ billions]

Revenue

Operating Profit

FY16/9M

FY17/9M

FY16/9M

FY17/9M

699.6

750.3

6.8

10.5 (+56%)

55.3

55.8 (+1%)

18.8

34.3 (+83%)

63.4

66.9 (+6%)

148.2

155.0 (+5%)

407.3

427.7 (+5%)

34.5

29.1

16.8

17.6 (+5%)

1.5

3.9 (+157%)

6.8

5.1 (-25%)

31.3

29.9 (-4%)

-21.9

-27.4

New business /
corporate, etc.
Materials and
components
Optical systems for
industrial use
Healthcare

Industrial

Healthcare

Professional Print

Office

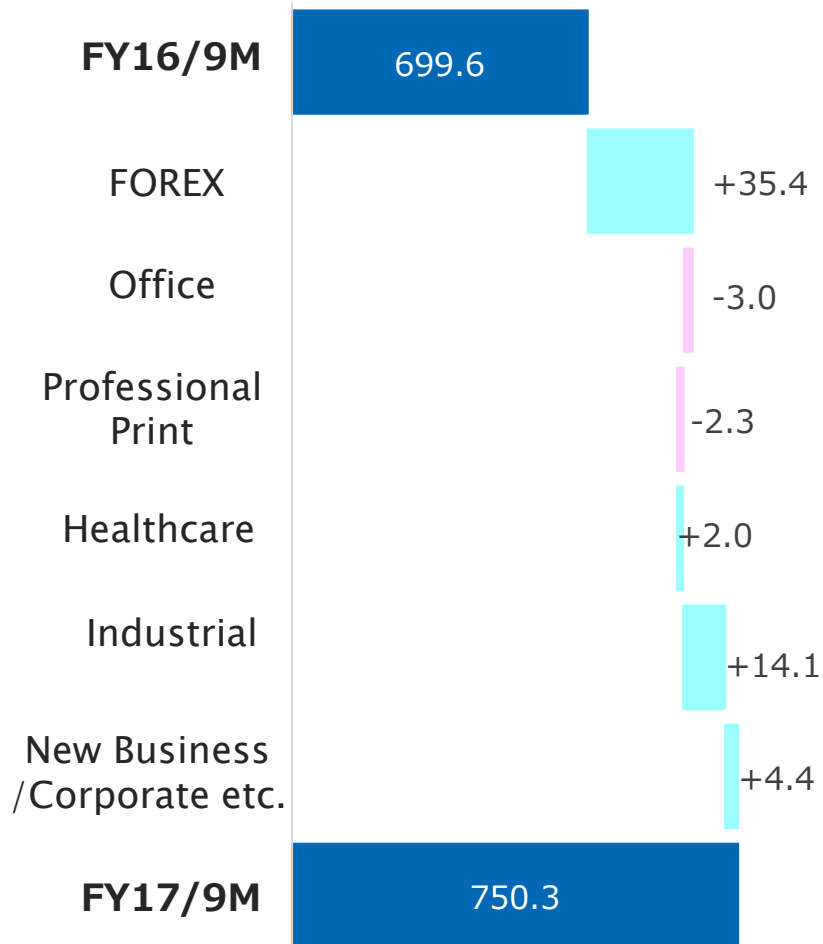
New business /
corporate, etc.

Office

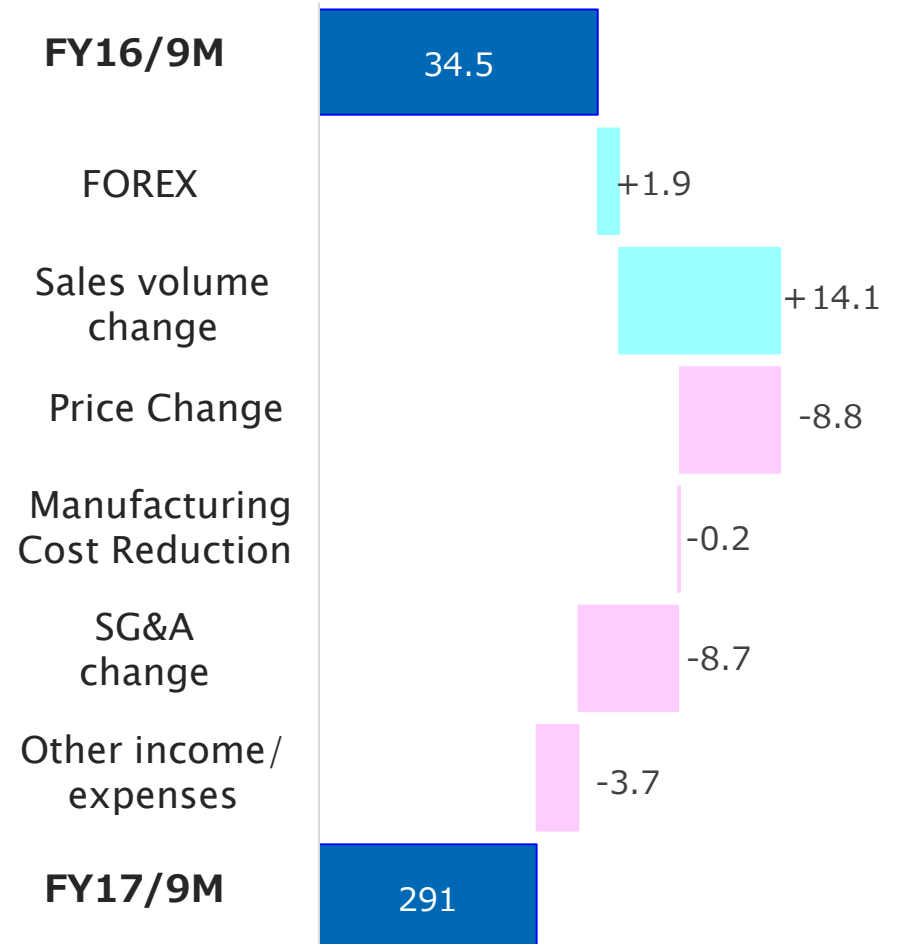
FY2017/9M Revenue & Operating Profit Analysis

[¥ billions]

Revenue



Operating Profit



Operating Profit Analysis

FY2017/9M vs FY2016/9M

[¥ billions]

	Office	Professional Printing	Healthcare	Industrial Business	New business / corporate, etc.	Total
[Factors]						
Forex impact	-0.5	1.5	0.4	0.7	-0.2	1.9
Price change	-3.4	-1.7	-1.3	-2.3	-	-8.8
Sales volume change, etc., net	-0.4	0.8	1.7	10.3	1.7	14.1
Cost up/down	-0.7	-0.2	0.2	0.5	-0.1	-0.2
SG&A change, net	-0.3	-0.8	-0.6	-0.4	-6.6	-8.7
Other income and expense	3.9	-1.4	2.0	-7.8	-0.3	-3.7
[Operating Profit]						
Change, YoY	-1.3	-1.7	2.4	0.8	-5.5	-5.4

FY2017/3Q vs FY2016/3Q

	Office	Professional Printing	Healthcare	Industrial Business	New business / corporate, etc.	Total
[Factors]						
Forex impact	2.0	1.1	0.3	0.2	-0.2	3.4
Price change	0.8	0.0	-1.0	-1.0	-	-1.2
Sales volume change, etc., net	-1.4	-0.3	1.4	3.9	1.7	5.3
Cost up/down	0.9	-0.2	0.1	0.2	-0.1	0.9
SG&A change, net	-1.6	-0.2	-0.2	-0.2	-5.3	-7.5
Other income and expense	-0.4	-0.2	0.0	-7.9	0.3	-8.3
[Operating Profit]						
Change, YoY	0.2	0.1	0.7	-4.8	-3.5	-7.3

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

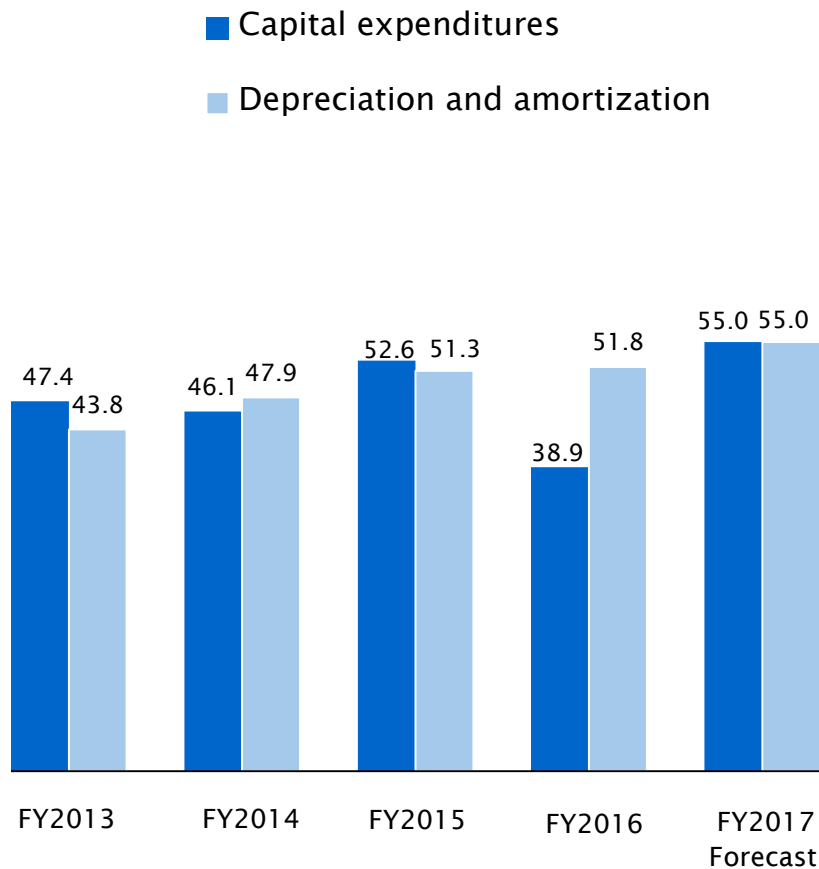
[¥ billions]

	9M Mar 2018	9M Mar 2017	YoY	3Q Mar 2018	3Q Mar 2017	YoY
SG&A:						
Selling expenses - variable	37.1	34.8	2.3	13.4	11.1	2.3
R&D expenses	57.0	53.5	3.5	19.4	17.3	2.1
Personnel expenses	149.0	142.3	6.7	50.6	47.5	3.1
Other	87.9	80.0	7.9	32.5	27.4	5.1
SG&A total	331.0	310.6	20.4	115.9	103.4	12.5
	<i>* Forex impact: ¥+11.6 bn. (Actual: +8.7bn.)</i>			<i>¥+5.0 bn. (Actual: ¥+7.5bn.)</i>		
Other income:						
Gain on sales of property, plant and equipment	11.2	0.2	11.0	0.1	0.0	0.1
Patent-related income	-	7.8	-	-	7.8	-
Other income	2.4	2.6	-0.2	0.6	0.8	-0.2
Other income total	13.6	10.5	3.1	0.7	8.6	-8.0
Other expenses						
Loss on sales of property, plant and equipment	0.5	0.6	-0.1	0.2	0.2	-0.0
Special extra retirement payments	5.3	0.2	5.2	0.2	0.2	0.1
Other expenses	5.2	3.7	1.5	1.4	1.0	0.4
Other expenses total	11.1	4.5	6.5	1.8	1.4	0.4
Finance income/loss:						
Interest income/Dividends received/Interest expense	-0.8	-0.1	-0.7	-0.5	0.0	-0.5
Foreign exchange gain/loss (net)	-0.8	0.1	-1.0	0.1	0.8	-0.7
Other	-0.2	-0.2	-0.0	-0.1	-0.1	0.0
Finance income/loss, net	-1.8	-0.2	-1.6	-0.5	0.8	-1.2

Outlook for Capital Expenditure and Depreciation and Amortization Expenses/ Free Cash Flows

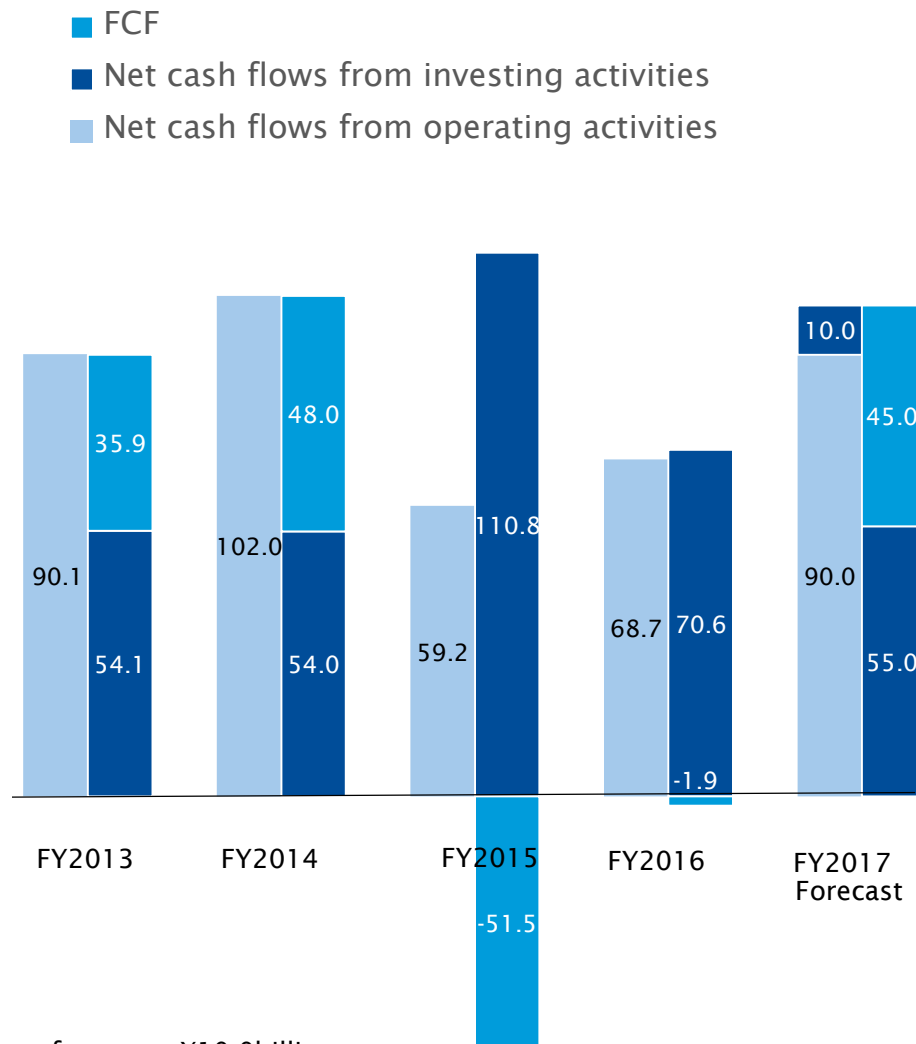
Capital Expenditure and Depreciation and Amortization Expenses

[¥ billions]



Free Cash Flows

[¥ billions]

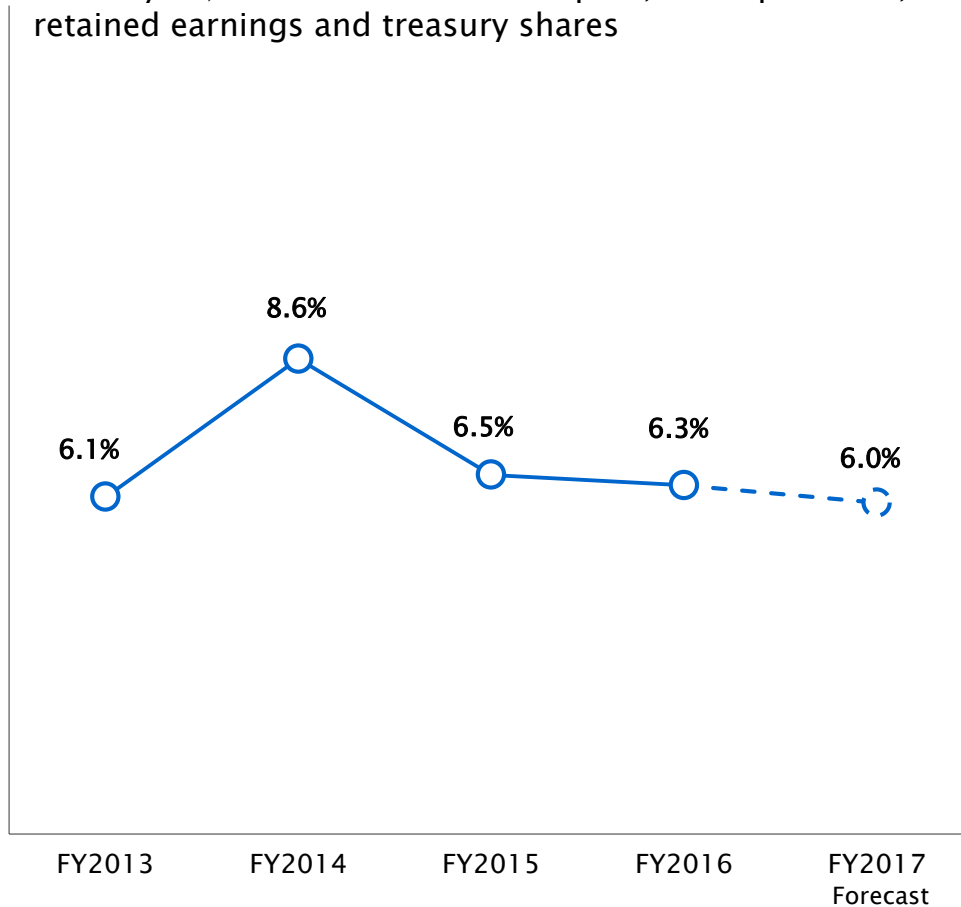


*Result of Liquidation of assets= ¥10.0billions

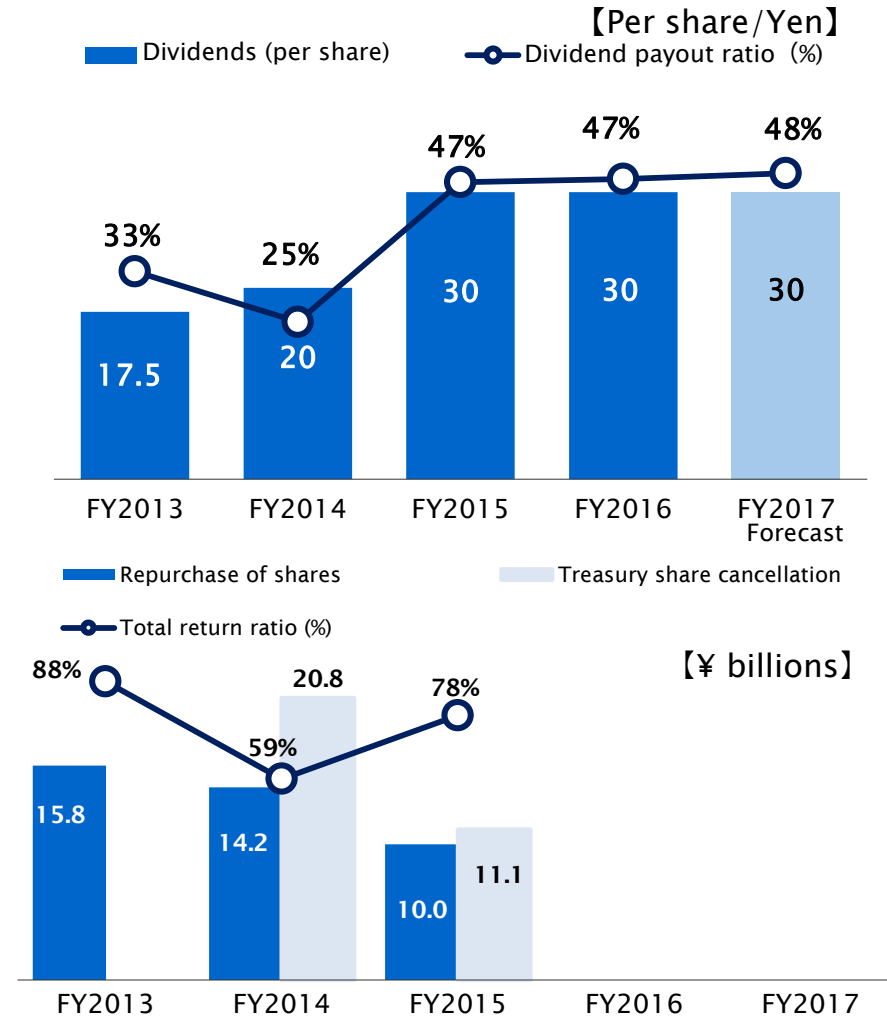
*FCF forecast for Mar 2018 does not include investment and lending

ROE

ROE: profit for the year attributable to the owners of the company, divided by the average (using figures from start and end of year) of the sum of share capital, share premium, retained earnings and treasury shares



Shareholder Returns



Unit Sales Trends: Office/Professional Print

■ Composition of revenue by region (in yen)

	FY2015				FY2016				FY2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
JP	12%	12%	12%	13%	13%	12%	13%	13%	13%	13%	12%
NA	33%	34%	34%	33%	32%	34%	33%	32%	34%	34%	33%
EU	37%	36%	38%	38%	37%	36%	36%	38%	36%	36%	38%
Other	18%	18%	17%	16%	18%	18%	18%	16%	17%	17%	17%

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

	FY2015				FY2016				FY2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
JP	+1%	+1%	+1%	-0%	-1%	-1%	-1%	-2%	+2%	+0%	-1%
NA	+5%	+1%	+3%	+0%	+2%	+3%	+6%	-3%	+2%	+3%	-3%
EU	+3%	+0%	+3%	+2%	+4%	+4%	+9%	+4%	-1%	+2%	+1%
Other	+20%	-3%	-4%	-1%	+4%	+7%	-12%	-1%	-10%	-8%	-5%

■ Percentage of color in sales of hardware

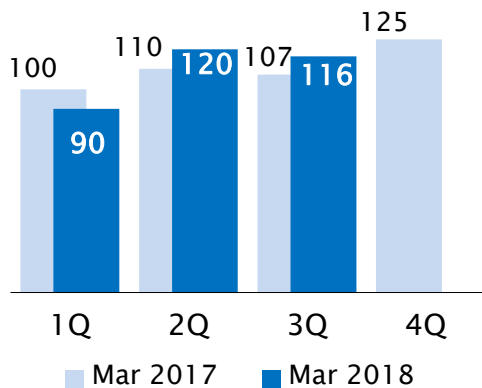
	FY2015				FY2016				FY2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Office	68%	66%	71%	71%	71%	72%	72%	72%	69%	72%	72%
PP	68%	71%	73%	73%	74%	73%	73%	72%	78%	76%	80%

Unit Sales Trend: Office/Professional Print

A3 Color MFP- Units*

YoY : +8%

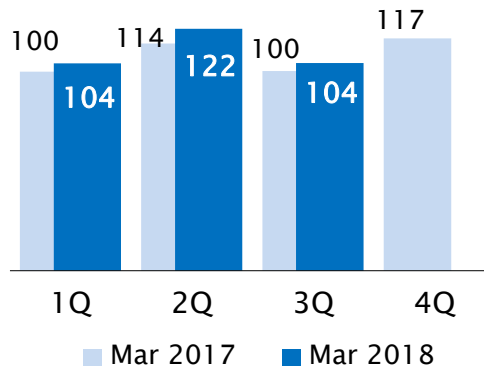
QoQ : -3%



A3 B&W MFP- Units*

YoY : +4%

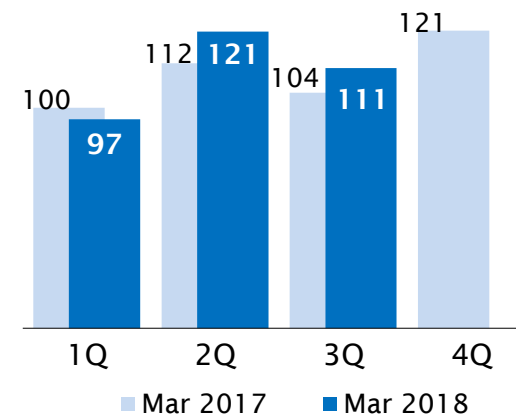
QoQ : -14%



A3 MFP TTL- Units*

YoY : +7%

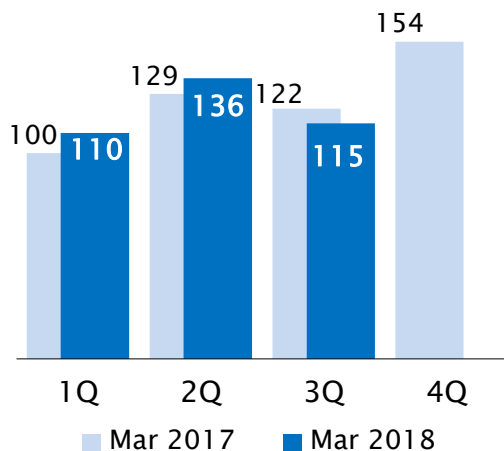
QoQ : -8%



Color Production Print - Units*

YoY : -6%

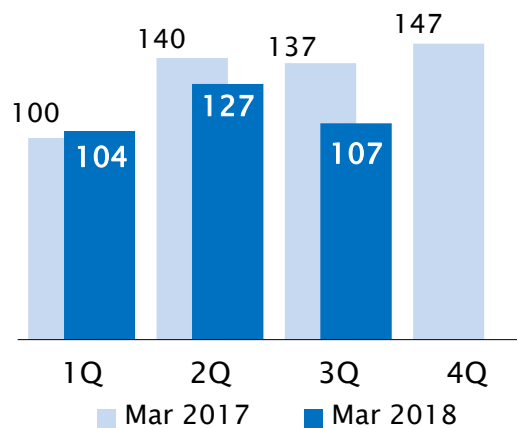
QoQ : -16%



B&W Production Print - Units*

YoY : -22%

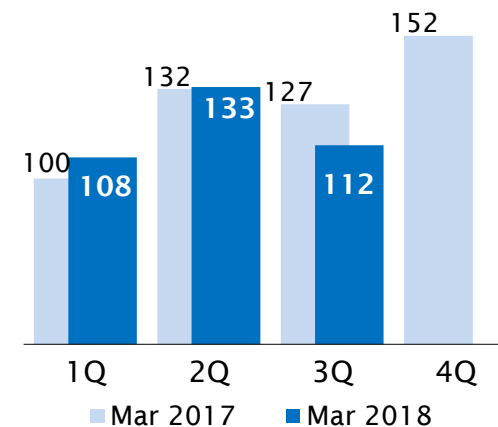
QoQ : -15%



Production Print - Units*

YoY : -12%

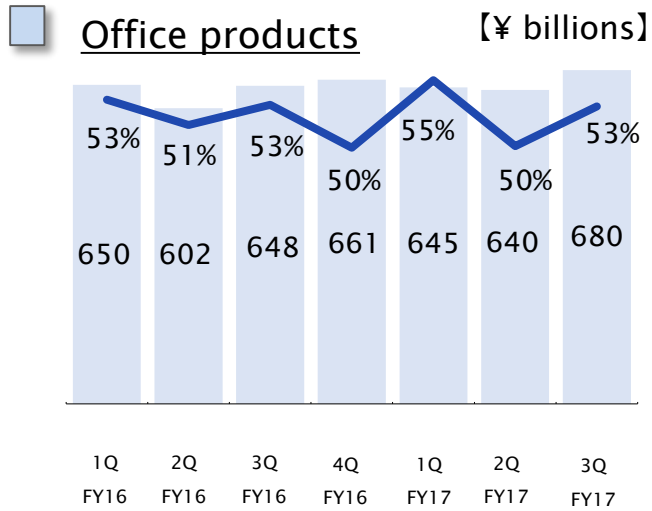
QoQ : -16%



* Base index : "1Q Mar2016" = 100

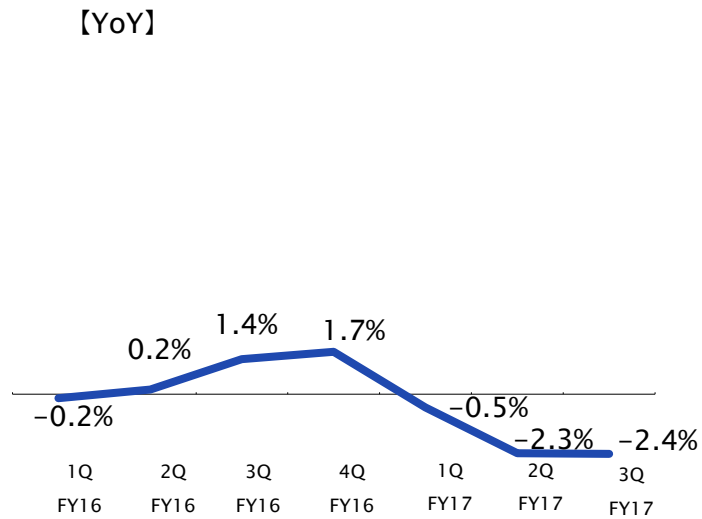
Office/Professional Print : Sales Results for Non-Hard

Revenue & ratio of non-hard

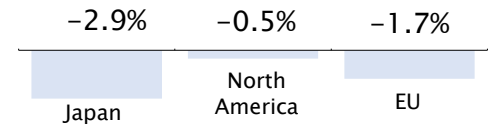


YoY revenue increase in non-hard

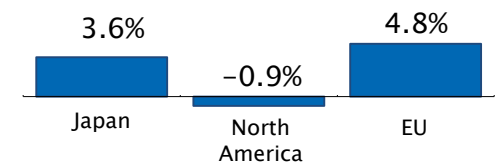
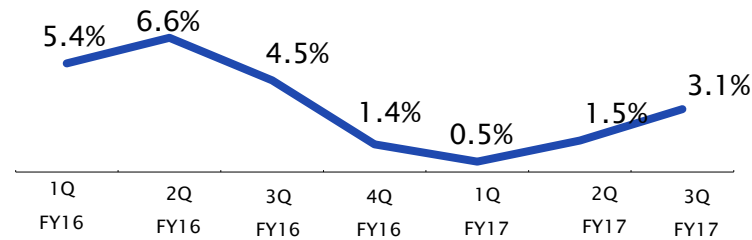
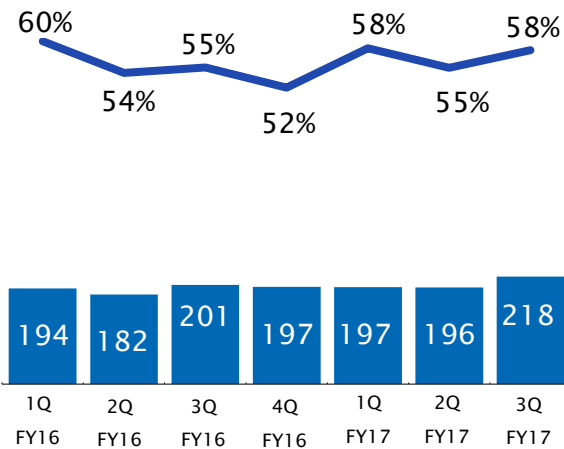
(w/o FOREX)



[Regional]



Production printing



FOREX Impact on Revenue and Operating Profit: 9M

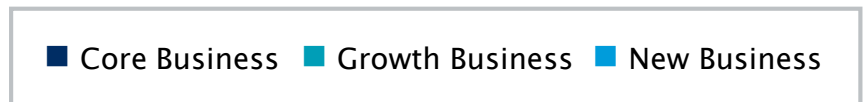
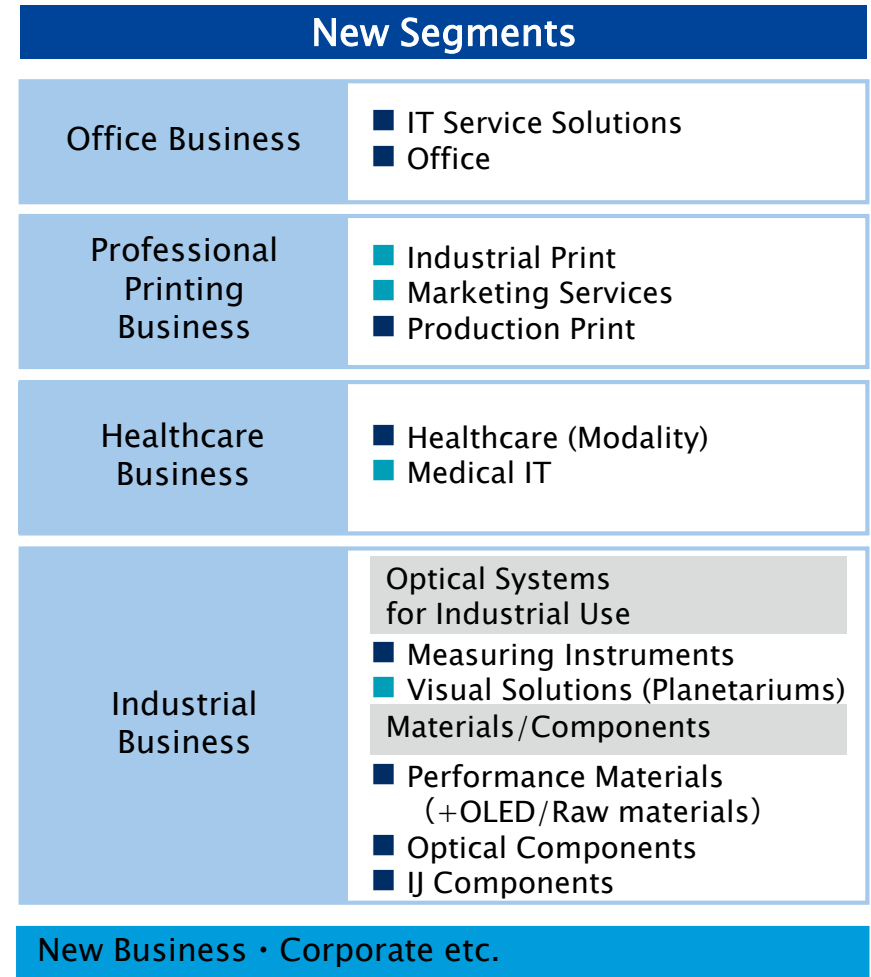
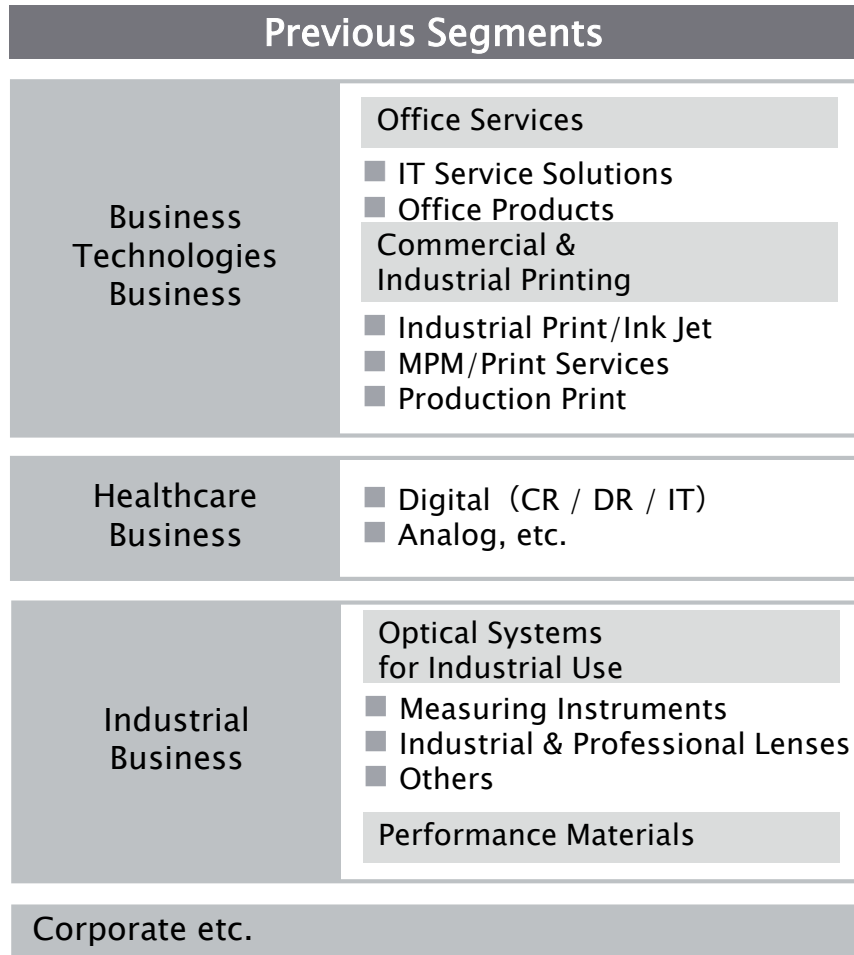
【FOREX : ¥】

【Impact, Sensitivity : ¥ billions】

	FY16	FY17	Impact from 2016		FX Sensitivity *2	
	9 M	9 M	Revenue	OP	Revenue	OP
USD	106.63	111.70	+ 11.9	+ 0.2	+ 3.1	+ 0.0
EUR	118.02	128.53	+ 14.0	+ 6.0	+ 1.9	+ 0.7
GBP	141.86	145.75	+ 0.6	- 0.0	+ 0.3	+ 0.1
European Currencies*1	—	—	+ 18.1	+ 6.1	+ 2.6	+ 1.1
CNY	15.95	16.64	+ 1.6	+ 0.3	+ 2.8	+ 0.8
AUD	80.02	85.96	+ 1.7	+ 0.5	+ 0.4	+ 0.1
Other	—	—	+ 2.0	+ 0.9	—	—
Exchange contract effect	—	—	—	- 6.1	—	—
Total impact from FY2016			+ 35.4	+ 1.9		

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

Business Segments Updated for New Mid-Term Plan Imprecation



Financial Results: Segments (Quarterly: FY16/1Q~FY17/2Q)

[¥ billions]

【Revenue】	FY16				FY17		
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q
Office Business	136.2	132.5	138.5	150.9	133.0	146.5	148.2
Professional Print Business	47.5	49.6	51.1	55.8	49.0	52.2	53.9
Healthcare Business	18.5	22.9	22.0	26.6	19.5	23.3	24.0
Industrial Business	24.9	25.1	24.1	27.5	28.7	31.3	30.1
Optical Systems for Industrial Use	7.0	5.7	6.1	10.5	11.7	11.5	11.1
Materials / Components	17.9	19.4	18.0	17.0	17.0	19.8	19.0
New Business / Corporate, etc.	2.1	2.6	2.0	2.1	2.1	2.5	6.0
Company Total	229.1	232.8	237.7	262.9	232.4	255.8	262.2
【Operating Profit】	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q
Office Business	11.4	10.3	9.6	12.1	5.3	14.8	9.8
Professional Print Business	1.6	2.7	2.5	2.5	1.6	0.9	2.6
Healthcare Business	0.2	1.0	0.3	1.4	-0.5	3.4	1.0
Industrial Business	3.4	3.0	10.4	5.3	6.1	5.9	5.6
New Business / Corporate, etc.	-7.7	-7.4	-6.8	-5.5	-3.8	-13.2	-10.3
Company Total	8.9	9.6	15.9	15.7	8.7	11.8	8.6

• **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 increases production time.

• **Kinko's: Kinko's Japan Co., Ltd. / Kinko's Korea Ltd.**

Kinko's provides print-on-demand services, primarily in large urban areas, and boasts impressive proposal capabilities and marketing skills. FedEx Kinko's Japan Co., Ltd., was acquired in 2012, and FedEx Kinko's Korea Ltd. in 2013.

• **MGI: MGI Digital Graphic Technology (Professional Print Business)**

MGI is an output device manufacturer based in France. Konica Minolta formed a financial and strategic alliance with MGI in 2014, and MGI became a consolidated subsidiary in 2016. MGI provides unique products requiring special techniques such as decorative printing that are tailored to customer needs, and operates its global business in North America and Asia with a particular focus on Europe.

• **DR: Digital Radiography: (Healthcare Business)**

A technique that detects the intensity distribution of the X-rays that pass through the body when an X-ray is taken, and then converts the data into a digital signal, which is processed by computer.

• **OLED: Organic Light-Emitting Diode (Industrial Business)**

Also known as organic EL (organic electroluminescence). OLED applies the phenomenon of organic compounds producing light when voltage is applied to lighting and display products.

• **Precision Medicine: (New Business)**

With this approach, advanced technology is used to perform genetic analyses of cells to match individual patients with the most appropriate treatments and optimal drug dosages for their specific disease.

• **OLED: Organic Light Emitting Diode (Industrial Business)**

Also known as organic EL (organic electroluminescence). OLED applies the phenomenon of organic compounds producing light when voltage is applied to lighting and display products.

• **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.



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.