

August 1, 2023

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 [IFRS]

Company name:	Konica Minolta, Inc.
Stock exchange listings:	Tokyo (Prime Market)
Securities code number:	4902
URL:	<a href="http://konicaminolta.com">http://konicaminolta.com</a>
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Scheduled date for submission of securities report:	August 10, 2023
Scheduled date for dividends payment:	–
Availability of supplementary information for the quarterly financial results:	Yes
Organization of briefing on the quarterly financial results:	Yes (for institutional investors)

(Amounts less than one million yen are rounded down to the nearest million yen.)

### 1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

#### (1) Consolidated results of operations

(Percentage figures represent changes from the same period of the previous fiscal year.)

Three months ended	Revenue		Business contribution profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	266,408	7.5	(4,086)	–	(4,406)	–
June 30, 2022	247,849	7.8	(5,916)	–	(11,002)	–

  

Three months ended	Profit before tax		Profit for the period		Profit attributable to owners of the Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	(5,788)	–	(5,742)	–	(5,566)	–
June 30, 2022	(7,598)	–	(9,015)	–	(8,731)	–

Three months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
June 30, 2023	(11.27)	(11.27)
June 30, 2022	(17.69)	(17.69)

(Notes)

1. "Business contribution profit" is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
2. Total comprehensive income for the three months ended June 30, 2023 and 2022, was 20,019 million yen (a decrease of 39.0% year-on-year) and 32,844 million yen (an increase of 772.3% year-on-year), respectively.
3. Basic earnings per share and diluted earnings per share are calculated based on the profit attributable to owners of Konica Minolta, Inc. (the "Company").

## (2) Consolidated financial position

As of	Total assets	Total equity	Equity attributable to owners of the Company	Equity ratio attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2023	1,378,841	519,733	506,922	36.8
March 31, 2023	1,413,777	499,877	487,424	34.5

## 2. Dividends per share

	End of the three-month period	End of the six-month period	End of the nine-month period	End of the year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	10.00	–	0.00	10.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (forecast)		0.00	–	5.00	5.00

(Note) Changes from the latest dividend forecasts: None

## 3. Consolidated forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentage figures represent changes from the previous fiscal year.)

Fiscal year ending	Revenue		Business contribution profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	1,140,000	0.8	24,000	–	18,000	–

Fiscal year ending	Profit attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Yen
March 31, 2024	4,000	-	8.09

(Note) Changes from the latest consolidated forecasts: None

■ Notes

- (1) Changes in significant subsidiaries for the three months ended June 30, 2023 (changes in the scope of consolidation): None
- (2) Changes in accounting policies or changes in accounting estimates
- a. Changes in accounting policies required by International Financial Reporting Standards (IFRS): None
  - b. Changes in accounting policies other than the above a.: None
  - c. Changes in accounting estimates: None
- (3) Number of issued and outstanding shares (common stock)
- a. Number of issued and outstanding shares (including treasury shares)
    - As of June 30, 2023: 502,664,337 shares
    - As of March 31, 2023: 502,664,337 shares
  - b. Number of treasury shares
    - As of June 30, 2023: 8,566,025 shares
    - As of March 31, 2023: 8,752,824 shares
  - c. Average number of issued and outstanding shares during the period
    - The three months ended June 30, 2023: 493,962,873 shares
    - The three months ended June 30, 2022: 493,687,948 shares

(Note) The Company has established the Board Incentive Plan. The shares owned by the trust account relating to this trust are accounted for as treasury shares (2,395,688 shares as of June 30, 2023, and 2,567,818 shares as of March 31, 2023).

- This summary of quarterly consolidated financial results falls outside the scope of quarterly review procedures to be performed by certified public accountants or an audit firm.
- Explanation concerning the appropriate use of the forecasts for results of operations and other special matters

Note on the forecasts for the consolidated financial results

The forecasts for results of operations in this report are based on information currently available to the Company and its subsidiaries (the “Group”) and certain assumptions determined to be reasonable and are not intended to assure any achievement of the Group’s operations. Actual results may differ significantly from the forecasts due to various factors. For further details of the assumptions that form the basis of the forecasts and other related matters when referring to the forecasts, refer to “1. QUALITATIVE INFORMATION ON FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2023, (3) Explanation Regarding the Forecasts for the Consolidated Financial Results” in the attached Supplementary Information on page 13.

Supplementary information for the quarterly financial results and briefing on the quarterly financial results

The Company will hold a briefing on the quarterly financial results for institutional investors on Tuesday, August 1, 2023. The proceedings and details of the briefing, along with the supplementary information on the quarterly financial results to be presented at the briefing, will be posted on the website of the Group soon after the briefing.

## Supplementary Information

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# 1. QUALITATIVE INFORMATION ON FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2023

## (1) Qualitative Information on the Consolidated Operating Results

### a. Overview

	Three months ended June 30, 2022	Three months ended June 30, 2023	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	247.8	266.4	18.5	7.5
Gross profit	104.7	111.9	7.1	6.8
Business contribution profit (Note)	(5.9)	(4.0)	1.8	—
Operating profit (loss)	(11.0)	(4.4)	6.5	—
Profit (loss) before tax	(7.5)	(5.7)	1.8	—
Profit (loss) attributable to owners of the Company	(8.7)	(5.5)	3.1	—
	Yen	Yen	Yen	%
Basic earnings (loss) per share	(17.69)	(11.27)	6.42	—
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	8.3	7.7	(0.5)	7.0
Depreciation and amortization expenses	18.8	18.5	(0.2)	-1.4
Research and development expenses	15.2	16.0	0.8	5.3
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	(24.8)	(10.8)	14.0	—
	Number	Number	Number	%
Number of employees in the Group	39,307	39,731	424	1.1
	Yen	Yen	Yen	%
Foreign exchange rates				
U.S. dollar	129.57	137.37	7.80	6.0
Euro	138.12	149.47	11.35	8.2

(Note) "Business contribution profit" is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

During the three months ended June 30, 2023 (the "current period"), the Group's consolidated revenue amounted to 266.4 billion yen, an increase of 7.5% year-on-year. The external environment, such as restrictions on activities in China due to the Zero Corona Policy, shortages of semiconductors and other materials, and prolonged logistics transportation periods, has recovered, and the Group has recorded increases in revenue in the Digital Workplace Business, the Professional Print Business, and the Healthcare Business, year-on-year, thanks to the positive impact of the yen depreciation. The Industry Business saw a decline in revenue due to the impact of the early stage of the transitional period for capital investments in displays, mainly in the sensing unit. By region, the revenue growth was seen in each area, as Europe, North America, China, and Japan recorded increases of approximately 12%, 9%, 7%, and 3% of the year-before levels, respectively. While gross profit expanded through revenue growth, the Group continued to curb the increase in selling, general and administrative expenses.

The medium-term business plan starting from the current period fosters the selection and concentration of businesses and clarifies the roles and expectations of each business. The business contribution profit of the production print unit as a strengthening business and the office unit as a maintaining profit business significantly improved year-on-year due to the increase of gross profit primarily brought about by the uplifted sales volume of digital color printing press and color models of A3 multi-functional (MFPs). In the precision medicine unit, positioned as a non-focused business, although the unit has a significant social value with growth potential, the

Company is considering strategic options, including listing on the United States stock market and a business transfer to a third party, taking into account the strategic fit of the business in the Company and the need for investments in future growth. In addition to this, the DW-DX unit, positioned as a direction-changing business, assesses profitability by region and service. The business contribution losses in the precision medicine unit, the DW-DX unit, and the imaging-IoT solutions units narrowed year-on-year.

As a result of the above, business contribution loss and operating loss for the current period amounted to 4.0 billion yen and 4.4 billion yen, respectively (business contribution loss and operating loss of 5.9 billion yen and 11.0 billion yen, respectively, in the same period of the previous fiscal year). Quarterly loss before income taxes marked 5.7 billion yen (quarterly loss before income taxes of 7.5 billion yen in the same period of the previous fiscal year), and quarterly loss attributable to owners of the Company ended up at 5.5 billion yen (quarterly loss attributable to owners of the Company of 8.7 billion yen in the same period of the previous fiscal year).

The reportable segments have been reclassified, effective from the three months ended June 30, 2023. In the year-on-year comparisons, we compared and analyzed the figures with those for the same period in the previous fiscal year reclassified based on the new reportable segments. More details are provided in “2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES, (6) Notes to the Condensed Consolidated Financial Statements, [Segment Information].”

## b. Overview by Segment

		Three months ended June 30, 2022	Three months ended June 30, 2023	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	128.9	143.2	14.3	11.2
	Business contribution profit	(0.1)	2.3	2.5	-
	Operating profit	(4.2)	1.9	6.2	-
Professional Print Business	Revenue	55.0	60.1	5.1	9.3
	Business contribution profit	0.2	0.8	0.6	304.1
	Operating profit	(0.0)	0.9	1.0	-
Healthcare Business	Revenue	28.6	29.3	0.6	2.4
	Business contribution profit	(5.6)	(3.2)	2.4	-
	Operating profit	(6.2)	(3.3)	2.9	-
Industry Business	Revenue	34.8	33.1	(1.6)	- 4.8
	Business contribution profit	6.9	2.5	(4.3)	- 63.0
	Operating profit	6.9	2.6	(4.2)	- 61.8
Subtotal	Revenue	247.5	266.0	18.5	7.5
	Business contribution profit	1.3	2.5	1.2	91.4
	Operating profit	(3.6)	2.2	5.8	-
Others and adjustments (Note 2)	Revenue	0.3	0.3	0.0	16.6
	Business contribution profit	(7.2)	(6.6)	0.6	-
	Operating profit	(7.3)	(6.6)	0.7	-
Amount reported in the Condensed Consolidated Statement of Profit or Loss	Revenue	247.8	266.4	18.5	7.5
	Business contribution profit	(5.9)	(4.0)	1.8	-
	Operating profit	(11.0)	(4.4)	6.5	-

(Notes)

1. "Revenue" refers to revenue from external customers.
2. "Revenue" refers to revenue from external customers in "Others" in "2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES, (6) Notes to the Condensed Consolidated Financial Statements, [Segment Information]." "Operating profit" is the total of "Others" and "Adjustments" within the same table.
3. Effective from the three months ended June 30, 2023, certain businesses previously included in the "Industry Business" have been included in "Others." In addition, in order to evaluate the performance of each reportable segment more appropriately, we did not allocate a part of the expenses related to operations at headquarters to each reportable segment, but recorded them as corporate expenses not attributable to the reportable segments; therefore, we have changed the measurement method of reportable segment profit or loss. Moreover, the allocation method of expenses common to both the "Digital Workplace Business" and the "Professional Print Business" has been modified. The segment information for the three months ended June 30, 2022, is also disclosed based on the figures after reflecting these changes.



### **i. Digital Workplace Business**

In the office unit, the sales volume of A3 MFPs increased among major regions, including Europe, the United States, Japan, and China, due to the steady demand in the market. The sales volumes of color models, monochrome models, and all models turned out to be at 111%, 111%, and 111% year-on-year, respectively, and the hardware revenue went up. The non-hardware revenue, such as consumables and services, saw an overall decline as a result of the decreased revenue in Europe, the United States, and Japan, although revenues in some regions such as India, went up. As a result, the overall revenue in the office unit improved year-on-year.

In the DW-DX unit, which mainly offers such as IT services, the services to manage business content and operation processes were robust in Europe, while in Japan, in-house developed services, such as interpretation services using AI, grew. As a result, the DW-DX unit saw revenue growth year-on-year.

Based on the above, the Digital Workplace Business recorded a revenue of 143.2 billion yen (an increase of 11.2 % year-on-year), a business contribution profit of 2.3 billion yen (a business contribution loss of 0.1 billion yen for the same period in the previous fiscal year), and an operating profit of 1.9 billion yen (an operating loss of 4.2 billion yen for the same period in the previous fiscal year), contributed by the increase in gross profit due to the increasing revenues in each unit.

### **ii. Professional Print Business**

In the production print unit, the demand for printing presses remained steady. The sales volumes of color models, monochrome models, and all models reached 106%, 96%, and 103% year-on-year, respectively. As for the non-hardware revenue, such as consumables and services, the print volume among commercial printing companies remained at the year before level in Europe and declined in the United States. However, due to a rise in demand in both India and China, overall sales increased.

The industrial print unit showed a positive trend with an increase in sales volumes of inkjet press (AccurioJet KM-1), label press, digital embellishment press, and textile press. The non-hardware revenue went up in the fields of inkjet press and label press due to the growing demand for packaging and labeling of everyday essentials.

In the marketing services unit, revenue expanded because of the acceleration of the sales promotion activities of major customers in Europe and Asia, the strong print procurement support business, and the recovery of on-demand printing in Japan and South Korea.

Based on the above, the Professional Print Business recorded a revenue of 60.1 billion yen (an increase of 9.3% year-on-year), a business contribution profit of 0.8 billion yen (an increase of 304.1% year-on-year), and an operating profit of 0.9 billion yen (an operating loss of 0 billion yen for the same period in the previous fiscal year), as gross profit increased due to revenue growth in each unit.

### **iii. Healthcare Business**

In the healthcare unit, the sales volume of digital radiography (DR) to be used for X-ray diagnosis in Japan declined in the hospital market; however, it continued to remain strong in the market of medical clinics. In the United States, the unit saw solid sales of X-ray systems for the hospital market. The sales volume of the system of Dynamic Digital Radiography has made steady progress, primarily in the hospital market in Japan, and also went up in the United States. The diagnostic ultrasound systems, mainly for orthopedics and obstetrics in Japan, saw a growth in sales. For medical IT, sales of "Informity," an IT service supporting medical image management, remote medical care, and collaboration between hospitals and medical clinics, continued to grow in Japan; furthermore, sales of the Picture Archiving and Communication System (PACS) increased in the United States. Nevertheless, revenue from the healthcare unit declined year-on-year primarily due to the decrease in sales of purchased products for the hospital market, mainly in Japan.

In the precision medicine unit, genetic testing services saw an uplift in the number of genetic tests year-on-year, mainly in ribonucleic acid (RNA) testing, an assessment of germline mutations, supported by the market recovery in the United States. The revenue from the Company's drug discovery support service saw an increase year-on-year, mainly for clinical studies, because of the improvement in the implementation status of clinical trials in the United States. In addition, the loss narrowed as Ambry Genetics Corporation returned to profitability due to an improved collection rate on accounts receivable, higher laboratory utilization, and ongoing optimization of personnel.

As a result, the Healthcare Business recorded a revenue of 29.3 billion yen (an increase of 2.4% year-on-year), a business contribution loss of 3.2 billion yen (business contribution loss of 5.6 billion yen for the same period in the previous fiscal year) and an operating loss of 3.3 billion yen (an operating loss of 6.2 billion yen

for the same period in the previous fiscal year).

#### **iv. Industry Business**

Revenue in the sensing unit went down because of the slowdown in demand for light source color measurement instruments, mainly from major customers due to the impact of the early stage of the transitional period for capital investments in displays. The order for object color measurement instruments across China contributed to maintaining solid revenue. New orders of testing equipment for visual inspections of automobiles were steadily received, and as a result, revenue went up. As such, the sensing unit marked a decline in revenue year-on-year.

In the performance materials unit, while the continuing impact of adjustments in surplus stock in market supply chains from the previous fiscal year on sales of thin films for IT devices and smartphones, the demand for phase difference films for TV Vertical Alignment (VA), which are one of the Company's main products, remained strong, resulting in the revenue at the same level as the same period in the previous fiscal year.

In the inkjet (IJ) components unit, sales increased thanks to the recovery from the impact of activity restrictions due to the China's Zero corona policy in the previous fiscal year and the briskness at one of the largest sign graphics-related exhibitions in China, leading to an increase in revenue year-on-year.

In the optical components unit, the market for interchangeable lenses saw an upward trend, and the sales of products for semiconductor inspection equipment for industrial uses remained strong; as a result, the revenue increased year-on-year.

In the imaging-IoT solutions unit, sales of the monitoring camera solution progressed steadily in Europe and the United States, and sales of VAXTOR Technologies, S.L. (headquartered in Spain), which was acquired in the previous fiscal year and provides the Automated License Plate Recognition solution, remained strong; thus, the revenue improved year-on-year.

The visual solutions unit enjoyed growth in revenue year-on-year as sales were strong mainly in RSA Cosmons S.A. (headquartered in France), a global leading manufacturer of digital planetariums, which the Company acquired in 2019, despite the fact that the stream of visitors at the directly operated planetariums was sluggish.

As a result, the Industry Business recorded a revenue of 33.1 billion yen (a decrease of 4.8% from a year earlier), a business contribution profit of 2.5 billion yen (a decrease of 63.0% year-on-year), and an operating profit of 2.6 billion yen (a decrease of 61.8% year-on-year), due to a decrease in gross profit caused by the decline in sales in the sensing unit and soaring prices of raw materials and energy costs in the performance materials unit.

## (2) Qualitative Information on the Consolidated Financial Position

### a. Analysis of Consolidated Financial Position

	As of March 31, 2023	As of June 30, 2023	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	1,413.7	1,378.8	(34.9)
Total liabilities	913.8	859.1	(54.7)
Total equity	499.8	519.7	19.8
Equity attributable to owners of the Company	487.4	506.9	19.4
	%	%	%
Equity ratio attributable to owners of the Company	34.5	36.8	2.3

Total assets as of June 30, 2023, were 1,378.8 billion yen, a decrease of 34.9 billion yen (2.5%) from March 31, 2023. This is primarily attributed to a decrease of 70.7 billion yen in cash and cash equivalents, an increase of 13.9 billion yen in goodwill and intangible assets, an increase of 7.4 billion yen in other current assets, and an increase of 6.0 billion yen in property, plant, and equipment.

Total liabilities as of June 30, 2023, were 859.1 billion yen, a decrease of 54.7 billion yen (6.0%) from March 31, 2023. This is primarily attributed to a decrease of 54.6 billion yen in bonds and borrowings, a decrease of 19.7 billion yen in trade and other payables, an increase of 9.8 billion yen in other financial liabilities, and an increase of 5.1 billion yen in lease liabilities.

Total equity as of June 30, 2023, was 519.7 billion yen, an increase of 19.8 billion yen (4.0%) from March 31, 2023.

Equity attributable to owners of the Company was 506.9 billion yen as of June 30, 2023, an increase of 19.4 billion yen (4.0%) from March 31, 2023. This is primarily attributed to an increase of 28.8 billion yen in other components of equity (primarily exchange differences on translation of foreign operations) and the recording of a loss attributable to owners of the Company of 5.5 billion yen.

As a result of the above, the equity ratio attributable to owners of the Company increased by 2.3 percentage points to 36.8%.

## b. Analysis of Cash Flows

	Three months ended June 30, 2022	Three months ended June 30, 2023	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Cash flows from operating activities	(17.6)	0.2	17.8
Cash flows from investing activities	(7.2)	(11.0)	(3.8)
Total (Free cash flows)	(24.8)	(10.8)	14.0
Cash flows from financing activities	10.6	(63.9)	(74.5)

For the three months ended June 30, 2023, net cash provided in operating activities was 0.2 billion yen, and net cash used in investing activities totaled 11.0 billion yen. As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an outflow of 10.8 billion yen for the current period.

Net cash used by financing activities was 63.9 billion yen.

In addition, cash and cash equivalents as of June 30, 2023, decreased by 70.7 billion yen from March 31, 2023, to 109.8 billion yen, reflecting the effect of exchange rate fluctuations on cash and cash equivalents.

### Cash flows from operating activities

Net cash provided in operating activities was 0.2 billion yen. On top of the loss before tax of 5.7 billion yen, this is attributable to the net effects of cash inflows mainly due to a decrease in trade and other receivables of 24.4 billion yen, depreciation and amortization expenses of 18.5 billion yen, and a decrease in inventories of 9.4 billion yen and cash outflows mainly due to a decrease in trade and other payables of 31.3 billion yen.

### Cash flows from investing activities

Net cash used in investing activities was 11.0 billion yen, mainly due to the purchase of the property, plant, and equipment of 5.2 billion yen and the purchase of intangible assets of 4.2 billion yen.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an outflow of 10.8 billion yen (an outflow of 24.8 billion yen for the same period in the previous fiscal year).

### Cash flows from financing activities

Net cash used by financing activities was 63.9 billion yen (net cash inflows of 10.6 billion yen for the same period in the previous fiscal year), reflecting cash outflows of a net decrease in short-term loans payable of 48.4 billion yen, 10.3 billion yen in the redemption of bonds and repayments of long-term loans payable, and 5.3 billion yen in repayments of lease liabilities.

### **(3) Explanation Regarding the Forecasts for the Consolidated Financial Results**

The Company has decided to leave its full-year forecasts unchanged from those announced on May 15, 2023, considering the progress made during the three months period of the current three months ended June 30. The exchange rates, which are the assumptions for the forecast, have also unchanged from the yen against the U.S. dollar to 135 yen and 140 yen to the euro.

\*The above forecasts for the results of operations are based on suppositions, outlooks, and plans as of the release date of this report, and as such, they involve risks and uncertainties. Actual results may differ significantly from these forecasts due to various important factors, such as changes in economic conditions, market trends, and currency exchange rates.

Amounts less than one hundred million yen are rounded down to the nearest million yen in the “1. QUALITATIVE INFORMATION ON FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2023” section.

## 2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES

### (1) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	180,574	109,841
Trade and other receivables	313,494	314,747
Inventories	242,108	245,639
Income tax receivables	4,444	5,380
Other financial assets	2,481	1,204
Other current assets	34,487	41,950
<b>Total current assets</b>	<b>777,590</b>	<b>718,762</b>
<b>Non-current assets</b>		
Property, plant and equipment	289,127	295,180
Goodwill and intangible assets	258,886	272,849
Investments accounted for using the equity method	391	268
Other financial assets	21,444	24,092
Deferred tax assets	32,648	36,911
Other non-current assets	33,688	30,777
<b>Total non-current assets</b>	<b>636,187</b>	<b>660,078</b>
<b>Total assets</b>	<b>1,413,777</b>	<b>1,378,841</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	200,508	180,801
Bonds and borrowings	284,220	206,287
Lease liabilities	17,985	19,809
Income tax payables	3,323	4,250
Provisions	14,910	13,440
Other financial liabilities	39,079	49,008
Other current liabilities	59,661	62,685
<b>Total current liabilities</b>	<b>619,688</b>	<b>536,283</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	184,874	208,199
Lease liabilities	81,211	84,495
Retirement benefit liabilities	8,839	10,557
Provisions	7,456	7,560
Other financial liabilities	1,533	1,477
Deferred tax liabilities	4,960	5,227
Other non-current liabilities	5,335	5,306
<b>Total non-current liabilities</b>	<b>294,211</b>	<b>322,824</b>
<b>Total liabilities</b>	<b>913,899</b>	<b>859,108</b>
<b>Equity</b>		
Share capital	37,519	37,519
Share premium	204,154	203,904
Retained earnings	164,682	155,475
Treasury shares	(9,358)	(9,253)
Share acquisition rights	427	415
Other components of equity	89,999	118,860
<b>Equity attributable to owners of the Company</b>	<b>487,424</b>	<b>506,922</b>
Non-controlling interests	12,453	12,810
<b>Total equity</b>	<b>499,877</b>	<b>519,733</b>
<b>Total liabilities and equity</b>	<b>1,413,777</b>	<b>1,378,841</b>

## (2) Condensed Consolidated Statements of Profit or Loss

Three months ended June 30, 2022 and 2023

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	247,849	266,408
Cost of sales	143,090	154,508
Gross profit	104,758	111,900
Other income	1,751	1,455
Selling, general and administrative expenses	110,675	115,986
Other expenses	6,837	1,775
Operating profit (loss)	(11,002)	(4,406)
Finance income	5,528	2,212
Finance costs	2,051	3,467
Share of profit (loss) of investments accounted for using the equity method	(72)	(125)
Profit (loss) before tax	(7,598)	(5,788)
Income tax expense (income)	1,417	(45)
Profit (loss) for the period	(9,015)	(5,742)
Profit (loss) attributable to:		
Owners of the Company	(8,731)	(5,566)
Non-controlling interests	(283)	(176)
Earnings (loss) per share	Yen	Yen
Basic	(17.69)	(11.27)
Diluted	(17.69)	(11.27)



### (3) Condensed Consolidated Statements of Comprehensive Income

Three months ended June 30, 2022 and 2023

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss) for the period	(9,015)	(5,742)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	-	(3,633)
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	18	1,449
Total items that will not be reclassified to profit or loss	18	(2,183)
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	(113)	(423)
Exchange differences on translation of foreign operations (net of tax)	41,954	28,369
Total items that may be subsequently reclassified to profit or loss	41,841	27,946
Total other comprehensive income (loss)	41,859	25,762
Total comprehensive income (loss)	32,844	20,019
Total comprehensive income (loss) attributable to:		
Owners of the Company	32,333	19,662
Non-controlling interests	511	357

#### (4) Condensed Consolidated Statements of Changes in Equity

(Millions of yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2022	37,519	194,060	269,461	(9,517)	464	57,822	549,810	11,690	561,500
Profit (loss) for the period	—	—	(8,731)	—	—	—	(8,731)	(283)	(9,015)
Other comprehensive income (loss)	—	—	—	—	—	41,065	41,065	794	41,859
Total comprehensive income (loss)	—	—	(8,731)	—	—	41,065	32,333	511	32,844
Dividends	—	—	(7,405)	—	—	—	(7,405)	—	(7,405)
Acquisition and disposal of treasury shares	—	—	(8)	28	—	—	20	—	20
Share-based payments	—	(16)	—	—	(8)	—	(24)	—	(24)
Changes in ownership interests in subsidiaries	—	196	—	—	—	—	196	336	533
Equity and other transactions with non-controlling shareholders	—	(11)	—	—	—	—	(11)	—	(11)
Put options written on non-controlling interests	—	(4,897)	—	—	—	—	(4,897)	—	(4,897)
Transfer from other components of equity to retained earnings	—	—	1,325	—	—	(1,325)	—	—	—
Total transactions with owners	—	(4,728)	(6,087)	28	(8)	(1,325)	(12,122)	336	(11,785)
Balance as of June 30, 2022	37,519	189,331	254,641	(9,488)	455	97,561	570,021	12,538	582,559

(Millions of yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2023	37,519	204,154	164,682	(9,358)	427	89,999	487,424	12,453	499,877
Profit (loss) for the period	—	—	(5,566)	—	—	—	(5,566)	(176)	(5,742)
Other comprehensive income (loss)	—	—	—	—	—	25,228	25,228	534	25,762
Total comprehensive income (loss)	—	—	(5,566)	—	—	25,228	19,662	357	20,019
Acquisition and disposal of treasury shares	—	—	(7)	105	—	—	97	—	97
Share-based payments	—	(79)	—	—	(12)	—	(92)	—	(92)
Equity and other transactions with non-controlling shareholders	—	3	—	—	—	—	3	—	3
Put options written on non-controlling interests	—	(173)	—	—	—	—	(173)	—	(173)
Transfer from other components of equity to retained earnings	—	—	(3,633)	—	—	3,633	—	—	—
Total transactions with owners	—	(249)	(3,640)	105	(12)	3,633	(164)	—	(164)
Balance as of June 30, 2023	37,519	203,904	155,475	(9,253)	415	118,860	506,922	12,810	519,733

## (5) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit (loss) before tax	(7,598)	(5,788)
Depreciation and amortization expenses	18,836	18,565
Share of (profit) loss of investments accounted for using the equity method	72	125
Interest and dividends income	(866)	(731)
Interest expenses	1,832	3,096
(Gain) loss on sales and disposals of property, plant and equipment, and intangible assets	120	199
(Increase) decrease in trade and other receivables	10,378	24,489
(Increase) decrease in inventories	(16,417)	9,429
Increase (decrease) in trade and other payables	(3,156)	(31,328)
Decrease due to transfer of rental assets	(770)	(1,227)
Increase (decrease) in retirement benefit liabilities	238	1,575
Others	(16,132)	(15,101)
Subtotal	(13,462)	3,306
Dividends received	226	437
Interest received	933	764
Interest paid	(2,402)	(3,178)
Income taxes (paid) refunded	(2,974)	(1,124)
Net cash provided by (used in) operating activities	(17,679)	206

(Millions of yen)

	Three months ended June 30, 2022	Three months ended December 31, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,866)	(5,232)
Purchase of intangible assets	(4,624)	(4,275)
Proceeds from sales of property, plant and equipment, and intangible assets	284	196
Purchase of investments in subsidiaries	(239)	(1,003)
Proceeds from sales of investment securities	2,539	—
Others	(293)	(736)
Net cash provided by (used in) investing activities	(7,200)	(11,052)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	22,501	(48,491)
Proceeds from bonds issuance and long-term loans payable	18	212
Redemption of bonds and repayments of long-term loans payable	(365)	(10,315)
Repayments of lease liabilities	(4,984)	(5,304)
Cash dividends paid	(7,050)	(4)
Proceeds from stock issuance to non-controlling interests	470	—
Proceeds from sales of investments in subsidiaries without loss of control	78	—
Others	(0)	(0)
Net cash provided by (used in) financing activities	10,667	(63,903)
Effect of exchange rate changes on cash and cash equivalents	4,775	4,017
Net increase (decrease) in cash and cash equivalents	(9,435)	(70,732)
Cash and cash equivalents at the beginning of the period	117,670	180,574
Cash and cash equivalents at the end of the period	108,234	109,841

**(6) Notes to the Condensed Consolidated Financial Statements**  
**[Notes Regarding Going Concern Assumptions]**

Not applicable.

**[Other Income]**

Components of other income are as follows:

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Insurance income	965	44
Others	786	1,410
Total	1,751	1,455

**[Other Expenses]**

Components of other expenses are as follows:

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Business structure improvement expenses	3,513	601
Settlement payments	1,587	—
Others	1,737	1,173
Total	6,837	1,775

## [Segment Information]

### (a) Reportable segments

Operating segments of the Group are its components for which separate financial data is available and that are examined on a regular basis for the purpose of enabling the Group's management to decide on the allocation of resources and evaluate the results of operations. The Group has established business units by product and service category and formulates comprehensive strategies and conducts business activities in Japan and overseas for the products and services of each business unit. The Group comprises operating segments organized by product and service category based on each business unit, and based on the operating segments, the Company has established four reportable segments as the "Digital Workplace Business," "Professional Print Business," "Healthcare Business," and "Industry Business" by taking into account the primary usage of products of the respective businesses in the markets and their similarities.

Effective from the three months ended June 30, 2023, certain businesses previously included in the "Industry Business" have been included in "Others."

In order to evaluate the performance of each reportable segment more appropriately, we did not allocate a part of the expenses related to operations at headquarters to each reportable segment, but recorded them as corporate expenses not attributable to the reportable segments; therefore, from the three months ended June 30, 2023, we have changed the measurement method of reportable segment profit or loss. As a result of this change, segment income or loss in the "Digital Workplace Business," the "Healthcare Business," and the "Industry Business" for the three months ended June 30, 2022, increased by 2,312 million yen, 232 million yen, and 368 million yen, respectively, and "Adjustments" decreased by 2,913 million yen for the same period. In addition, the allocation method of expenses common to both the "Digital Workplace Business" and the "Professional Printing Business" has been modified, effective from the three months ended June 30, 2023. Along with this change, segment profit or loss for the three months ended June 30, 2022, increased by 1,015 million yen in the "Digital Workplace Business" and decreased by the same amount in the "Professional Print Business." The segment information for the three months ended June 30, 2022, is disclosed based on the figures after reflecting these changes.

Businesses of each reportable segment are described as follows:

	Business content
Digital Workplace Business	<u>Office</u> Development, manufacture, and sales of MFPs and related consumables; provision of related services and solutions
	<u>DW-DX</u> Provision of IT services and solutions
Professional Print Business	<u>Production Print</u> Development, manufacture, and sales of digital printing systems and related consumables for the commercial printing market
	<u>Industrial Print</u> Development, manufacture, and sales of digital printing systems and related consumables for the industrial printing market
	<u>Marketing Services</u> Provision of various printing services and solutions
Healthcare Business	<u>Healthcare</u> Development, manufacture, and sales of diagnostic imaging systems for medical use; provision of related services; provision of digitalization, networking, diagnostic services and solutions in medical practices
	<u>Precision Medicine</u> Genetic testing; provision of drug discovery support services
Industry Business	<u>Sensing</u> Development, manufacture, and sales of measuring instruments and others; provision of related solutions and services
	<u>Optical Components</u> Development, manufacture, and sales of lenses for industrial and professional use and others
	<u>Inkjet (I) Components</u> Development, manufacture, and sales of industrial inkjet printheads and others
	<u>Performance Materials</u> Development, manufacture, and sales of functional films for displays and others
	<u>Imaging-IoT Solutions</u> Development, manufacture, and sales of network cameras; provision of related solutions and services
	<u>Visual Solutions</u> Development, manufacture, and sales of visual-related equipment; provision of related solutions and services



(b) Information by reportable segment

Information by reportable segment of the Group is as follows. Segment profit refers to the operating profit of the segment.

Three months ended June 30, 2022

(Millions of yen)

	Reportable segments					Others (Note 2)	Adjustments (Note 3) (Note 4)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	128,912	55,078	28,652	34,863	247,506	342	—	247,849
Intersegment (Note 1)	707	16	140	1,353	2,217	3,617	(5,834)	—
Total	129,619	55,094	28,792	36,216	249,723	3,959	(5,834)	247,849
Segment profit (loss)	(4,251)	(90)	(6,295)	6,951	(3,685)	(1,025)	(6,291)	(11,002)

Three months ended June 30, 2023

(Millions of yen)

	Reportable segments					Others (Note 2)	Adjustments (Note 3) (Note 4)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	143,286	60,196	29,340	33,185	266,009	399	—	266,408
Intersegment (Note 1)	879	12	128	1,261	2,280	3,532	(5,813)	—
Total	144,165	60,208	29,469	34,446	268,290	3,931	(5,813)	266,408
Segment profit (loss)	1,990	938	(3,381)	2,653	2,200	(804)	(5,802)	(4,406)

(Notes)

1. Intersegment revenue is based on market prices and others.
2. "Others" include businesses related to QOL solutions not included in any of the reportable segments.
3. Adjustments of revenue are elimination of intersegment transactions.
4. Adjustments of segment profit are elimination of intersegment transactions and corporate expenses, which consist of general and administrative expenses and basic research expenses not attributable to any of the reportable segments or "Others." They include other revenue and other expenses not attributable to any of the reportable segments.

## **[Events after the Reporting Period]**

### **Additional Acquisition of Shares of Consolidated Subsidiary**

The Company and INCJ, Ltd. ("INCJ") made a joint acquisition of Ambry Genetics Corporation, the genetic testing company in 2017. After this acquisition, the Company established Konica Minolta Precision Medicine, Inc. (currently known as REALM IDx, Inc.), which has three subsidiaries, including Ambry Genetics Corporation, Invicro, LLC for supporting pharmaceutical development, and Konica Minolta REALM, Inc. that operates the business in Japan.

On July 3, 2023, the Company received the notice (the "Notice") from INCJ that it would exercise its option (the "Put Option") to request the Group to purchase all the shares of REALM IDx, Inc. held by INCJ. Upon receipt of this notice, the Group is required to acquire all the shares of REALM IDx, Inc. held by INCJ and complete the payment and share acquisition within approximately 180 days from the receipt of the Notice. As a result, the Group's ownership percentage in REALM IDx, Inc. will increase to 98.6% upon completion of the share acquisition.

The estimated acquisition cost of the additional shares in REALM IDx, Inc. is approximately 218 million U.S. dollars, which is converted to approximately 31.6 billion yen at the exchange rate as of the end of the first period of the current fiscal year (approximately ¥144.99 to one U.S. dollar).

This fair value of the Put Option was recorded as other financial liabilities. The balance at the end of the three months ended June 30, 2023, was 32.1 billion yen. If there is a difference between the exercise price and the balance of other financial liabilities, it will be adjusted in share premium. As a result, there will be no impact to the consolidated statement of profit or loss for the fiscal year ending March 31, 2024.

## **3. OTHERS**

### **Significant Events Regarding Premise of Going Concern**

As a result of recording significant impairment losses for the previous fiscal year, the Company recorded operating losses for three consecutive fiscal years as of the end of the previous fiscal year and breached financial covenants stipulated in some of the syndicated loan agreements and other agreements executed between the Company and multiple financial institutions, which stipulate that the Company shall not record operating losses for two consecutive fiscal years. The Company has, after the end of the previous fiscal year, obtained the consent from all relevant financial institutions not to request the Company to forfeit the benefit of time due to this breach. The Company believes there will be no problem with funding for the next one year from the end of the three months ended June 30, 2023, and thus, there are no significant uncertainties regarding the premise of going concern.