

## Summary of Consolidated Financial Results for the Six Months Ended September 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>
Representative:	Toshimitsu Taiko President and CEO, Representative Executive Officer
Contact:	Kenichi Fujiwara General Manager, Corporate Accounting Division
Telephone number:	(81) 3-6250-2111
Scheduled date for submission of securities report:	November 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 six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

#### (1) Consolidated results of operations

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

Six months ended	Revenue		Business contribution profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	552,763	4.1	2,288	211.3	785	-
September 30, 2022	530,743	19.2	735	-	(5,138)	-

  

Six 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	%
September 30, 2023	(3,746)	-	(4,496)	-	(4,492)	-
September 30, 2022	(3,111)	-	(7,035)	-	(6,742)	-

Six months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2023	(9.09)	(9.09)
September 30, 2022	(13.66)	(13.66)

(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 six months ended September 30, 2023 and 2022, was 34,177 million yen (a decrease of 42.0% year-on-year) and 58,881 million yen.
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	%
September 30, 2023	1,377,803	534,422	520,389	37.8
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	–	0.00			
Fiscal year ending March 31, 2024 (forecast)			–	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	1,150,000	1.7	24,000	-19.3	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: Yes

■ Notes

- (1) Changes in significant subsidiaries for the six months ended September 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 September 30, 2023: 502,664,337 shares
    - As of March 31, 2023: 502,664,337 shares
  - b. Number of treasury shares
    - As of September 30, 2023: 8,254,362 shares
    - As of March 31, 2023: 8,752,824 shares
  - c. Average number of issued and outstanding shares during the period
    - The six months ended September 30, 2023: 494,154,614 shares
    - The six months ended September 30, 2022: 493,745,187 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 (2,223,585 shares as of September 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 SIX MONTHS ENDED SEPTEMBER 30, 2023, (3) Explanation Regarding the Forecasts for the Consolidated Financial Results” in the attached Supplementary Information on page 15.

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 Thursday, November 2, 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 SIX MONTHS ENDED SEPTEMBER 30, 2023

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

### a. Overview

	Six months ended September 30, 2022	Six months ended September 30, 2023	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	530.7	552.7	22.0	4.1
Gross profit	226.0	237.2	11.2	5.0
Business contribution profit (Note)	0.7	2.2	1.5	211.3
Operating profit (loss)	(5.1)	0.7	5.9	-
Profit (loss) before tax	(3.1)	(3.7)	(0.6)	-
Profit (loss) attributable to owners of the Company	(6.7)	(4.4)	2.2	-
	Yen	Yen	Yen	%
Basic earnings (loss) per share	(13.66)	(9.09)	4.57	-
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	17.8	18.8	0.9	5.4
Depreciation and amortization expenses	37.7	37.7	0.0	0.2
Research and development expenses	31.1	32.5	1.3	4.4
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	(25.3)	9.4	34.7	-
	Number	Number	Number	%
Number of employees in the Group	39,647	39,977	330	0.8
	Yen	Yen	Yen	%
Foreign exchange rates				
U.S. dollar	133.97	141.00	7.03	5.2
Euro	138.73	153.39	14.66	10.6

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

During the six months ended September 30, 2023 (the "current period"), the Group's consolidated revenue amounted to 552.7 billion yen, an increase of 4.1% year-on-year. In the Digital Workplace Business and Professional Print Business, revenue went up year-on-year, partly due to the impact of foreign exchange rates, although the degree of the impact may vary depending on the region. The Industry Business saw an increase in revenue as the performance materials unit, IJ components unit, and optical components unit performed well while the sensing unit was affected by restrained capital investments in displays. By region, sales in North America, Europe, China, and Asia (excluding China) increased by approximately 5%, 9%, 1%, and 1%, respectively, whereas revenue in Japan decreased by approximately 1% compared to the same period of the previous fiscal year.

Both business contribution profit and operating profit improved as a result of an uplift of gross profit through revenue growth while continuously curbing an increase in selling, general and administrative expenses. In the Professional Print Business, which is positioned as a strengthening business in the medium-term business plan starting from the current fiscal year, business contribution profit in the current period declined year-on-year mainly due to the economic impact in Europe and China; however, the trend of the shift from offset printing to

digital printing will not be changed, and its market is expected to grow in the medium term. Furthermore, the Industry Business recorded a decrease in profit primarily in the sensing unit because of the impact of restrained capital investments in displays; nevertheless, in the medium to long term, the Company has positioned growth areas, such as “display,” “mobility,” and “semiconductor manufacturing,” as its target areas to accelerate growth in existing businesses and development of new businesses. The office unit, positioned as a maintaining profit business, saw an increase in profit mainly due to an improvement in gross profit resulted from higher revenue, cost savings in production, and reduction in logistics costs. In the precision medicine unit, positioned as a non-focused business, 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, and the business contribution loss has been significantly reduced compared to the same period of the previous fiscal year.

As a result of the above, business contribution profit and operating profit for the current period amounted to 2.2 billion yen (an increase of 211.3% year-on-year) and 0.7 billion yen (operating loss of 5.1 billion yen in the same period of the previous fiscal year), respectively, and thus, operating profit turned profitable. Net finance income/costs ended up loss of 4.3 billion yen as a result of the impact of rising interest rates and other factors, and quarterly loss before income taxes marked 3.7 billion yen (quarterly loss before income taxes of 3.1 billion yen in the same period of the previous fiscal year), which led to a decrease in profit year-on-year. Nonetheless, quarterly loss attributable to owners of the Company was 4.4 billion yen (quarterly loss attributable to owners of the Company of 6.7 billion yen in the same period of the previous fiscal year), resulting in a decrease in the deficit.

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

		Six months ended September 30, 2022	Six months ended September 30, 2023	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	278.4	294.5	16.0	5.8
	Business contribution profit	7.2	10.7	3.4	47.7
	Operating profit	2.7	10.0	7.2	266.0
Professional Print Business	Revenue	119.8	124.0	4.1	3.5
	Business contribution profit	3.8	3.6	(0.2)	- 5.4
	Operating profit	3.4	3.6	0.1	5.3
Healthcare Business	Revenue	63.9	63.8	(0.1)	- 0.2
	Business contribution profit	(7.7)	(3.9)	3.7	-
	Operating profit	(8.5)	(4.2)	4.3	-
Industry Business	Revenue	67.3	69.3	2.0	3.0
	Business contribution profit	12.1	6.0	(6.1)	- 50.7
	Operating profit	12.1	5.5	(6.6)	- 54.5
Subtotal	Revenue	529.6	551.7	22.1	4.2
	Business contribution profit	15.5	16.3	0.8	5.4
	Operating profit	9.8	14.9	5.1	52.8
Others and adjustments (Note 2)	Revenue	1.0	1.0	(0.0)	- 7.8
	Business contribution profit	(14.8)	(14.0)	0.7	-
	Operating profit	(14.9)	(14.1)	0.7	-
Amount reported in the Condensed Consolidated Statement of Profit or Loss	Revenue	530.7	552.7	22.0	4.1
	Business contribution profit	0.7	2.2	1.5	211.3
	Operating profit	(5.1)	0.7	5.9	-

### (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 six months ended September 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 in Japan and India but was affected by economic slowdown in China, with the sales volumes of color models, monochrome models, and all models turned out to be at 94%, 72%, and 85% year-on-year, respectively. Nevertheless, the overall revenue of hardware increased partly due to the impact of foreign exchange rates. The revenue of non-hardware, such as consumables and services, saw an increase due to the increased revenue in some regions, such as China and India, and the impact of foreign exchange rates. In addition, cost reductions in production, lower logistics costs due to the normalization of freight rate and decrease in the Group's use of air transport contributed to higher gross profit and business contribution profit.

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. These factors, as well as the impact of foreign exchange rates, resulted in a year-on-year increase in revenue for the DW-DX unit. In addition, restraining selling, general and administrative expenses contributed to the reduction in business contribution loss.

Based on the above, the Digital Workplace Business recorded a revenue of 294.5 billion yen (an increase of 5.8% year-on-year), a business contribution profit of 10.7 billion yen (an increase of 47.7% year-on-year), and an operating profit of 10.0 billion yen (an increase of 266.0% year-on-year).

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

In the production print unit, as for the sales volume of the digital printing presses, color models, monochrome models, and all models reached 93%, 86%, and 91% year-on-year, respectively. The revenue of the Heavy Production Print (HPP) segment of color digital printing presses that the Group focuses on the sales activities, grew by 131% year-on-year. The revenue of non-hardware, such as consumables and services, increased due to the increased demand for color printing in India, China, Europe, and the United States. As a result, overall revenue in the production print unit increased year-on-year.

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, label press, and digital embellishment press due to the growing demand for packaging and labeling for daily necessities. As a result, overall revenue in the industrial print unit increased year-on-year.

In the marketing services unit, although the 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 expansion of on-demand printing business in Japan and South Korea, the revenue decreased year-on-year due to the deconsolidation of a domestic subsidiary

Based on the above, the Professional Print Business recorded a revenue of 124.0 billion yen (an increase of 3.5% year-on-year), a business contribution profit of 3.6 billion yen (a decrease of 5.4% year-on-year), and an operating profit of 3.6 billion yen (an increase of 5.3 % year-on-year)

### **iii. Healthcare Business**

In the healthcare unit, the sales volume of digital radiography (DR) to be used for X-ray diagnosis continued to remain strong in the market of medical clinics in Japan; however, it declined mainly in the hospital market in Japan and large hospitals in the United States affected by restraint in investments. The sales volume of the system of Dynamic Digital Radiography has made steady progress, primarily in the hospital market in the United States. The unit saw a growth in sales of the diagnostic ultrasound systems, mainly for orthopedics and obstetrics in Japan, and the sales also went up in Asia. In the medical IT, sales of "Informity," an ICT service supporting diagnostic imaging assistance, remote medical care, and collaboration between hospitals and medical clinics or between medical clinics and patients through the Internet, continued to grow in Japan; furthermore, sales of the Picture Archiving and Communication System (PACS) increased in the United States. Nevertheless, sales of purchased products for the hospital market decreased mainly in Japan. As a result of the above, revenue from the healthcare unit declined year-on-year.

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 for both clinical studies and preclinical studies, because of the improvement in the implementation status of clinical trials in the United States. In addition, "GenMineTOP Cancer Genome

Profiling System,” the next-generation panel for cancer-related genes, has been approved health insurance coverage in Japan. The loss of the whole unit narrowed down during the current period as Ambry Genetics Corporation continued to stay profitable during the second quarter of the current fiscal year (the “current accounting period”), thanks to an increase in gross profit as a result of an increase in revenue, an improved collection rate of accounts receivable, and higher laboratory utilization, and also, Invicro, LLC restored profitability during the current accounting period due to an increase in gross profit as a result of an increase in revenue.

As a result, the Healthcare Business recorded a revenue of 63.8 billion yen (a decrease of 0.2% year-on-year), a business contribution loss of 3.9 billion yen (business contribution loss of 7.7 billion yen for the same period in the previous fiscal year) and an operating loss of 4.2 billion yen (an operating loss of 8.5 billion yen for the same period in the previous fiscal year).

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

In the sensing unit, the revenue derived from object color measurement instruments remained solid, driven by orders in China. New orders of testing equipment for automotive visual inspections were steadily received, and as a result, revenue went up. Nevertheless, revenue from light source color measurement instruments went down because of the slowdown in demand, mainly from major customers, due to the impact of restrained capital investments in displays. As such, the sensing unit marked a decline in revenue year-on-year.

In the performance materials unit, surplus stock in supply chains of thin films for IT devices and smartphones is reducing, and the demand showed a recovery trend. Furthermore, the demand for phase difference films for TV Vertical Alignment (VA), which are one of the Company’s main products, remained strong, and the unit expanded sales of “SANUQI” films for large TVs in particular, resulting in an increase in revenue year-on-year.

The inkjet components unit saw year-on-year growth, thanks to the recovery from the impact of activity restrictions due to the China’s Zero corona policy in the previous fiscal year and an uplift in sales of printheads for printers for sign graphics to customers in China.

In the optical components unit, sales of interchangeable lenses saw an upward trend and sales of products for semiconductor manufacturing equipment as industrial application remained strong, despite stagnation in sales of lenses for projectors due to market conditions in China, Europe, and the United States; as a result, the revenue increased year-on-year.

The revenue in the imaging-IoT solutions unit improved year-on-year as sales of the monitoring camera solution progressed steadily in Europe and the United States. Moreover, as the Company acquired Force Security Solutions, LLC (headquartered in the United States), a systems integrator, the unit is strengthening its proposal and delivery capabilities to further expand the value provided to the customers in the video solutions service area, which is expected to achieve high growth.

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 still sluggish.

As a result, the Industry Business recorded a revenue of 69.3 billion yen (an increase of 3.0% from a year earlier), a business contribution profit of 6.0 billion yen (a decrease of 50.7% year-on-year) due to a decrease in gross profit resulting from a decrease in revenue in the sensing unit and a decrease in gross profit caused by soaring raw material and energy prices in the performance materials unit, and an operating profit of 5.5 billion yen (a decrease of 54.5% year-on-year).

(Reference) Overview of the quarterly consolidated accounting period

	Three months ended September 30, 2022	Three months ended September 30, 2023	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	282.8	286.3	3.4	1.2
Gross profit	121.2	125.3	4.0	3.4
Business contribution profit (Note)	6.6	6.3	(0.2)	- 4.2
Operating profit (loss)	5.8	5.1	(0.6)	- 11.5
Profit (loss) before tax	4.4	2.0	(2.4)	- 54.5
Profit (loss) attributable to owners of the Company	1.9	1.0	(0.9)	- 46.0
	Yen	Yen	Yen	%
Basic earnings (loss) per share	4.03	2.17	(1.86)	-
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	9.5	11.0	1.5	16.3
Depreciation and amortization expenses	18.8	19.2	0.3	1.8
Research and development expenses	15.8	16.4	0.5	3.5
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	(0.5)	20.2	20.7	-
Foreign exchange rates	Yen	Yen	Yen	%
U.S. dollar	138.37	144.62	6.25	4.5
Euro	139.34	157.30	17.96	12.9

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

## Overview of major segments

		Three months ended September 30, 2022	Three months ended September 30, 2023	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	149.5	151.2	1.6	1.1
	Business contribution profit	7.4	8.3	0.9	12.4
	Operating profit	6.9	8.0	1.0	15.1
Professional Print Business	Revenue	64.7	63.8	(0.9)	- 1.5
	Business contribution profit	3.6	2.8	(0.8)	- 22.4
	Operating profit	3.5	2.7	(0.8)	- 23.6
Healthcare Business	Revenue	35.3	34.5	(0.7)	- 2.3
	Business contribution profit	(2.0)	(0.7)	1.3	-
	Operating profit	(2.2)	(0.8)	1.4	-
Industry Business	Revenue	32.4	36.1	3.7	11.4
	Business contribution profit	5.2	3.4	(1.7)	- 34.3
	Operating profit	5.1	2.8	(2.3)	- 44.7
Subtotal	Revenue	282.1	285.7	3.6	1.3
	Business contribution profit	14.2	13.8	(0.3)	- 2.6
	Operating profit	13.4	12.7	(0.7)	- 5.2
"Others" and adjustments (Note 2)	Revenue	0.7	0.6	(0.1)	- 18.9
	Business contribution profit	(7.5)	(7.4)	0.0	-
	Operating profit	(7.6)	(7.5)	0.0	-
Amount reported in the Condensed Consolidated Statements of Profit or Loss	Revenue	282.8	286.3	3.4	1.2
	Business contribution profit	6.6	6.3	(0.2)	- 4.2
	Operating profit	5.8	5.1	(0.6)	- 11.5

### (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 the "Digital Workplace Business" and the "Professional Print Business" has been modified. The segment information for the three months ended September 30, 2022, is also disclosed based on the figures after reflecting these changes.

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

### a. Analysis of Consolidated Financial Position

	As of March 31, 2023	As of September 30, 2023	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	1,413.7	1,377.8	(35.9)
Total liabilities	913.8	843.3	(70.5)
Total equity	499.8	534.4	34.5
Equity attributable to owners of the Company	487.4	520.3	32.9
	%	%	%
Equity ratio attributable to owners of the Company	34.5	37.8	3.3

Total assets as of September 30, 2023, were 1,377.8 billion yen, a decrease of 35.9 billion yen (2.5%) from March 31, 2023. This is primarily attributed to a decrease of 69.5 billion yen in cash and cash equivalents, an increase of 18.7 billion yen in goodwill and intangible assets, an increase of 5.1 billion yen in property, plant, and equipment, and an increase of 5.7 billion yen in deferred tax asset.

Total liabilities as of September 30, 2023, were 843.3 billion yen, a decrease of 70.5 billion yen (7.7%) from March 31, 2023. This is primarily attributed to a decrease of 72.6 billion yen in bonds and borrowings, a decrease of 9.5 billion yen in trade and other payables, and an increase of 5.2 billion yen in other financial liabilities.

Total equity as of September 30, 2023, was 534.4 billion yen, an increase of 34.5 billion yen (6.9%) from March 31, 2023.

Equity attributable to owners of the Company was 520.3 billion yen as of September 30, 2023, an increase of 32.9 billion yen (6.8%) from March 31, 2023. This is primarily attributed to an increase of 40.5 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 4.4 billion yen.

As a result of the above, the equity ratio attributable to owners of the Company increased by 3.3 percentage points to 37.8%.

## b. Analysis of Cash Flows

	Six months ended September 30, 2022	Six months ended September 30, 2023	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Cash flows from operating activities	(7.8)	32.0	39.8
Cash flows from investing activities	(17.5)	(22.6)	(5.0)
Total (Free cash flows)	(25.3)	9.4	34.7
Cash flows from financing activities	18.8	(84.8)	(103.6)

For the six months ended September 30, 2023, net cash provided by operating activities was 32.0 billion yen, and net cash used in investing activities totaled 22.6 billion yen. As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an inflow of 9.4 billion yen for the current period.

Net cash used in financing activities was 84.8 billion yen.

In addition, cash and cash equivalents as of September 30, 2023, decreased by 69.5 billion yen from March 31, 2023, to 110.9 billion yen, reflecting the effect of exchange rate fluctuations on cash and cash equivalents.

### Cash flows from operating activities

Net cash provided by operating activities was 32.0 billion yen. On top of the loss before tax of 3.7 billion yen, this is attributable to the net effects of cash inflows mainly due to depreciation and amortization expenses of 37.7 billion yen and a decrease in trade and other receivables of 28.5 billion yen, and cash outflows mainly due to a decrease in trade and other payables of 25.6 billion yen.

### Cash flows from investing activities

Net cash used in investing activities was 22.6 billion yen, mainly due to the purchase of the property, plant, and equipment of 11.5 billion yen and the purchase of intangible assets of 8.9 billion yen.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an inflow of 9.4 billion yen (an outflow of 25.3 billion yen for the same period in the previous fiscal year).

### Cash flows from financing activities

Net cash used in financing activities was 84.8 billion yen (net cash inflows of 18.8 billion yen for the same period in the previous fiscal year), reflecting cash outflows of a net decrease in short-term loans payable of 64.1 billion yen, 10.5 billion yen in repayments of lease liabilities, and 10.3 billion yen in the redemption of bonds and repayments of long-term loans payable.

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

The Company has revised full-year forecast as described below, taking into account the progress made during the current period and the impact on revenue and profit or loss of the revised exchange rate of 140 yen to the U.S. dollar for the rest of the fiscal year, which is the assumptions for the forecast. The exchange rate of 140 yen to the euro is retained.

Revision of consolidated financial forecast for the fiscal year ending March 31, 2024  
(April 1, 2023 – March 31, 2024)

	Revenue	Business contribution profit (Note)	Operating profit (loss)	Profit (loss) attributable to owners of the Company	Basic earnings (loss) per share
	Billions of Yen	Billions of Yen	Billions of Yen	Billions of Yen	Yen
Previous forecast (A)	1,140.0	24.0	18.0	4.0	8.09
Revised forecast (B)	1,150.0	24.0	18.0	4.0	8.09
Change (B-A)	10.0	-	-	-	-
Percentage change (%)	0.9	-	-	-	-
(Reference) Actual results for the previous period (Year ended March 31, 2023)	1,130.3	29.7	(95.1)	(103.1)	(208.89)

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

\* 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 SIX MONTHS ENDED SEPTEMBER 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 September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	180,574	110,977
Trade and other receivables	313,494	316,005
Inventories	242,108	241,897
Income tax receivables	4,444	4,615
Other financial assets	2,481	1,365
Other current assets	34,487	38,521
<b>Total current assets</b>	<b>777,590</b>	<b>713,382</b>
<b>Non-current assets</b>		
Property, plant and equipment	289,127	294,265
Goodwill and intangible assets	258,886	277,599
Investments accounted for using the equity method	391	225
Other financial assets	21,444	24,801
Deferred tax assets	32,648	38,403
Other non-current assets	33,688	29,125
<b>Total non-current assets</b>	<b>636,187</b>	<b>664,421</b>
<b>Total assets</b>	<b>1,413,777</b>	<b>1,377,803</b>



(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	200,508	190,967
Bonds and borrowings	284,220	189,360
Lease liabilities	17,985	19,690
Income tax payables	3,323	4,029
Provisions	14,910	14,535
Other financial liabilities	39,079	44,428
Other current liabilities	59,661	61,364
<b>Total current liabilities</b>	<b>619,688</b>	<b>524,376</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	184,874	207,072
Lease liabilities	81,211	83,296
Retirement benefit liabilities	8,839	9,040
Provisions	7,456	7,597
Other financial liabilities	1,533	1,387
Deferred tax liabilities	4,960	5,291
Other non-current liabilities	5,335	5,318
<b>Total non-current liabilities</b>	<b>294,211</b>	<b>319,004</b>
<b>Total liabilities</b>	<b>913,899</b>	<b>843,380</b>
<b>Equity</b>		
Share capital	37,519	37,519
Share premium	204,154	204,350
Retained earnings	164,682	156,601
Treasury shares	(9,358)	(8,991)
Share acquisition rights	427	313
Other components of equity	89,999	130,596
<b>Equity attributable to owners of the Company</b>	<b>487,424</b>	<b>520,389</b>
Non-controlling interests	12,453	14,033
<b>Total equity</b>	<b>499,877</b>	<b>534,422</b>
<b>Total liabilities and equity</b>	<b>1,413,777</b>	<b>1,377,803</b>

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

Six months ended September 30, 2022 and 2023

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Revenue	530,743	552,763
Cost of sales	304,726	315,523
Gross profit	226,016	237,240
Other income	2,886	2,791
Selling, general and administrative expenses	225,281	234,952
Other expenses	8,759	4,294
Operating profit (loss)	(5,138)	785
Finance income	6,459	2,527
Finance costs	4,308	6,894
Share of profit (loss) of investments accounted for using the equity method	(124)	(165)
Profit (loss) before tax	(3,111)	(3,746)
Income tax expense (income)	3,923	750
Profit (loss) for the period	(7,035)	(4,496)
Profit (loss) attributable to:		
Owners of the Company	(6,742)	(4,492)
Non-controlling interests	(292)	(4)
Earnings (loss) per share	Yen	Yen
Basic	(13.66)	(9.09)
Diluted	(13.66)	(9.09)

Three months ended September 30, 2022 and 2023

(Millions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Revenue	282,894	286,355
Cost of sales	161,635	161,014
Gross profit	121,258	125,340
Other income	1,134	1,336
Selling, general and administrative expenses	114,606	118,965
Other expenses	1,921	2,519
Operating profit (loss)	5,864	5,191
Finance income	931	980
Finance costs	2,257	4,091
Share of profit (loss) of investments accounted for using the equity method	(51)	(39)
Profit (loss) before tax	4,486	2,041
Income tax expense (income)	2,506	795
Profit (loss) for the period	1,979	1,246
Profit (loss) attributable to:		
Owners of the Company	1,989	1,073
Non-controlling interests	(9)	172
Earnings (loss) per share	Yen	Yen
Basic	4.03	2.17
Diluted	4.02	2.17

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

Six months ended September 30, 2022 and 2023

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit (loss) for the period	(7,035)	(4,496)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	2,703	(3,597)
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	(292)	1,978
Total items that will not be reclassified to profit or loss	2,410	(1,619)
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	6	(447)
Exchange differences on translation of foreign operations (net of tax)	63,499	40,741
Total items that may be subsequently reclassified to profit or loss	63,505	40,293
Total other comprehensive income (loss)	65,916	38,674
Total comprehensive income (loss)	58,881	34,177
Total comprehensive income (loss) attributable to:		
Owners of the Company	57,851	32,597
Non-controlling interests	1,029	1,580

Three months ended September 30, 2022 and 2023

(Millions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Profit (loss) for the period	1,979	1,246
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	2,703	35
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	(310)	529
Total items that will not be reclassified to profit or loss	2,392	564
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	119	(24)
Exchange differences on translation of foreign operations (net of tax)	21,545	12,371
Total items that may be subsequently reclassified to profit or loss	21,664	12,347
Total other comprehensive income (loss)	24,057	12,911
Total comprehensive income (loss)	26,036	14,158
Total comprehensive income (loss) attributable to:		
Owners of the Company	25,518	12,935
Non-controlling interests	518	1,222

#### (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	-	-	(6,742)	-	-	-	(6,742)	(292)	(7,035)
Other comprehensive income (loss)	-	-	-	-	-	64,593	64,593	1,322	65,916
Total comprehensive income (loss)	-	-	(6,742)	-	-	64,593	57,851	1,029	58,881
Dividends	-	-	(7,405)	-	-	-	(7,405)	-	(7,405)
Acquisition and disposal of treasury shares	-	-	(13)	127	-	-	114	-	114
Share-based payments	-	(89)	-	-	(19)	-	(109)	-	(109)
Changes in ownership interests in subsidiaries	-	196	-	-	-	-	196	336	533
Equity and other transactions with non-controlling shareholders	-	(16)	-	-	-	-	(16)	-	(16)
Put options written on non-controlling interests	-	(7,683)	-	-	-	-	(7,683)	-	(7,683)
Transfer from other components of equity to retained earnings	-	-	4,043	-	-	(4,043)	-	-	-
Total transactions with owners	-	(7,593)	(3,374)	127	(19)	(4,043)	(14,903)	336	(14,566)
Balance as of September 30, 2022	37,519	186,467	259,343	(9,389)	444	118,372	592,757	13,056	605,814

(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	-	-	(4,492)	-	-	-	(4,492)	(4)	(4,496)
Other comprehensive income (loss)	-	-	-	-	-	37,089	37,089	1,584	38,674
Total comprehensive income (loss)	-	-	(4,492)	-	-	37,089	32,597	1,580	34,177
Acquisition and disposal of treasury shares	-	-	(81)	367	-	-	285	-	285
Share-based payments	-	(136)	-	-	(114)	-	(251)	-	(251)
Equity and other transactions with non-controlling shareholders	-	0	-	-	-	-	0	-	0
Put options written on non-controlling interests	-	333	-	-	-	-	333	-	333
Transfer from other components of equity to retained earnings	-	-	(3,507)	-	-	3,507	-	-	-
Total transactions with owners	-	196	(3,589)	367	(114)	3,507	367	-	367
Balance as of September 30, 2023	37,519	204,350	156,601	(8,991)	313	130,596	520,389	14,033	534,422

## (5) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit (loss) before tax	(3,111)	(3,746)
Depreciation and amortization expenses	37,715	37,786
Share of (profit) loss of investments accounted for using the equity method	124	165
Interest and dividends income	(1,686)	(1,409)
Interest expenses	3,964	6,376
(Gain) loss on sales and disposals of property, plant and equipment, and intangible assets	358	1,028
(Increase) decrease in trade and other receivables	1,135	28,506
(Increase) decrease in inventories	(39,219)	16,855
Increase (decrease) in trade and other payables	6,588	(25,675)
Decrease due to transfer of rental assets	(1,973)	(3,265)
Increase (decrease) in retirement benefit liabilities	(160)	1,797
Others	(6,158)	(19,740)
Subtotal	(2,422)	38,678
Dividends received	254	464
Interest received	1,383	1,462
Interest paid	(3,860)	(6,420)
Income taxes (paid) refunded	(3,178)	(2,157)
Net cash provided by (used in) operating activities	(7,823)	32,026



(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,604)	(11,545)
Purchase of intangible assets	(8,828)	(8,966)
Proceeds from sales of property, plant and equipment, and intangible assets	558	314
Purchase of investments in subsidiaries	(662)	(1,409)
Proceeds from sales of investment securities	2,563	248
Payments for transfer of business	(89)	(112)
Others	(509)	(1,155)
Net cash provided by (used in) investing activities	(17,573)	(22,625)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	36,745	(64,189)
Proceeds from bonds issuance and long-term loans payable	544	282
Redemption of bonds and repayments of long-term loans payable	(1,581)	(10,358)
Repayments of lease liabilities	(9,959)	(10,571)
Cash dividends paid	(7,450)	(7)
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	18,847	(84,845)
Effect of exchange rate changes on cash and cash equivalents	6,184	5,855
Net increase (decrease) in cash and cash equivalents	(367)	(69,596)
Cash and cash equivalents at the beginning of the period	117,670	180,574
Cash and cash equivalents at the end of the period	117,303	110,977

**(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)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Insurance income	1,178	347
Others	1,707	2,443
Total	2,886	2,791

**[Other Expenses]**

Components of other expenses are as follows:

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Loss on sales and disposals of property, plant and equipment, and intangible assets	390	1,090
Business structure improvement expenses	3,649	779
Settlement payments	1,587	-
Others	3,132	2,425
Total	8,759	4,294

## [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 decided not to 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 six months ended September 30, 2022, increased by 4,611 million yen, 465 million yen, and 749 million yen, respectively, and "Adjustments" decreased by 5,826 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 six months ended September 30, 2022, increased by 1,530 million yen in the "Digital Workplace Business" and decreased by the same amount in the "Professional Print Business." The segment information for the six months ended September 30, 2022 and three months ended September 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 (IJ) 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.

Six months ended September 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	278,471	119,853	63,997	67,328	529,650	1,092	-	530,743
Intersegment (Note 1)	1,916	40	317	2,803	5,079	7,742	(12,821)	-
Total	280,388	119,894	64,315	70,131	534,729	8,834	(12,821)	530,743
Segment profit (loss)	2,742	3,486	(8,566)	12,139	9,803	(1,874)	(13,067)	(5,138)

Six months ended September 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	294,507	124,004	63,887	69,357	551,756	1,007	-	552,763
Intersegment (Note 1)	1,901	29	312	2,621	4,864	8,040	(12,905)	-
Total	296,408	124,033	64,199	71,979	556,621	9,047	(12,905)	552,763
Segment profit (loss)	10,037	3,672	(4,250)	5,523	14,982	(1,422)	(12,774)	785

(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.

Three months ended September 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	149,559	64,774	35,345	32,464	282,144	749	-	282,894
Intersegment (Note 1)	1,209	24	177	1,450	2,861	4,125	(6,986)	-
Total	150,768	64,799	35,522	33,915	285,005	4,874	(6,986)	282,894
Segment profit (loss)	6,993	3,577	(2,270)	5,187	13,488	(848)	(6,775)	5,864

Three months ended September 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	151,220	63,807	34,546	36,172	285,747	607	-	286,355
Intersegment (Note 1)	1,022	17	184	1,359	2,583	4,508	(7,092)	-
Total	152,243	63,825	34,730	37,532	288,330	5,116	(7,092)	286,355
Segment profit (loss)	8,046	2,734	(868)	2,870	12,782	(618)	(6,971)	5,191

(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]

### (Conclusion of agreement on the transfer of equity interests in consolidated subsidiaries)

The Company, in its optical components unit, has entered into an agreement on October 20, 2023, to transfer 80% of the equity interests of two of its Chinese manufacturing subsidiaries, Konica Minolta Opto (Dalian) Co., Ltd. (Head Office: Dalian, Liaoning province, China) and Konica Minolta Optical Products (Shanghai) Co., Ltd. (Head Office: Shanghai, China), to Guangzhou Luxvisions Innovation Technology Limited (Head Office: Guangzhou, Guangdong Province, China; "Luxvisions"), a major electronic components company. As a result, the Company lost control of the two Chinese manufacturing subsidiaries, and they become affiliated companies accounted for using the equity method.

#### (1) Reason for the transfer of equity interests

Through this strategic business alliance accompanied by this transfer of equity interests, the Company will optimize its structure in the field of optical assembled products for industrial use, represented by the growing mobility field. At the same time, the Company will provide new value tailored to the evolution and diversity of its customers by feeding the information obtained from Luxvisions' globally wide-ranging customer contact points back to the Company's materials and processing technological developments. By doing so, the Company will realize growth in the field of optical components for industrial use and promote the transition to a sustainable and highly profitable business.

#### (2) Schedule of the transfer of equity interests

Date of conclusion of the agreement on the transfer of equity interests: October 20, 2023

Scheduled date of execution of transfer of equity interests: After January 2024 (Note)

Note: The execution of this transfer of equity interests is subject to the approval of the relevant authorities and fulfillment of other prerequisites for the execution of the transaction.

#### (3) Company names, business overview, and transaction details of subsidiaries transferred

(1) Company name	Konica Minolta Opto (Dalian) Co., Ltd.
(2) Business overview	Manufacture and sales of optical device
(3) Transaction details	The Company has a business relationship with Konica Minolta Opto (Dalian) Co., Ltd., including the purchase of products and raw materials.

(1) Company name	Konica Minolta Optical Products (Shanghai) Co., Ltd.
(2) Business overview	Manufacture and sales of optical device
(3) Transaction details	The Company has a business relationship with Konica Minolta Optical Products (Shanghai) Co., Ltd., including the purchase of products and raw materials.

#### (4) Ownership percentage of the Company before and after the transfer

Konica Minolta Opto (Dalian) Co., Ltd. and Konica Minolta Optical Products (Shanghai) Co., Ltd.

Ownership percentage before the transfer	100%
Percentage of transfer	80%
Ownership percentage after the transfer	20%

#### (5) Transfer price and gain or loss on transfer

The transfer price of the transfer of equity interests will be determined by making adjustments to the base price of 9.5 billion yen for factors, including working capital.

Gain or loss on the transfer of equity interests is currently yet to be determined due to the facts that the amount of net assets as of the date of execution of the transfer of equity interests has not yet been determined, there will be an impact of fluctuations in exchange rates until the date of execution of the transfer of equity interests, and the transfer price will be adjusted for factors, including working capital.

**[Additional Information]**

At the Compensation Committee meeting held on May 11, 2017, a resolution was approved to introduce a share-based payment plan (or the “Plan”) by utilizing a trust as an incentive plan for the Company’s Directors and Executive Officers (excluding Outside Directors). Further, Group Executives (current Corporate Vice Presidents) as well as Technology Fellows were also included as beneficiaries of the Plan as approved by the Representative Executive Officer.

The Plan adopts a scheme called “Board Incentive Plan Trust” (or the “Trust”), under which the trust period was originally set forth from August 7, 2017, to August 31, 2023. As the Compensation Committee resolved to continue the Plan, the trust period is now extended to August 31, 2026.

The shares owned by the trust account related to this Trust are accounted for as treasury shares in the Consolidated Statements of Financial Position.

As of September 30, 2023, the carrying amount and the number of shares of the treasury shares are 1,105 million yen and 2,223,585 shares, respectively.

### **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 September 30, 2023, and thus, there are no significant uncertainties regarding the premise of going concern.