

February 1, 2024

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 [IFRS]

Company name: Konica Minolta, Inc.  
Stock exchange listings: Tokyo (Prime Market)  
Securities code number: 4902  
URL: <http://konicaminolta.com>  
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: February 8, 2024  
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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

#### (1) Consolidated results of operations

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

Nine months ended	Revenue		Business contribution profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	841,969	2.6	12,220	11.3	8,565	152.8
December 31, 2022	821,027	24.1	10,983	-	3,388	-

  

Nine 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	%
December 31, 2023	(1,649)	-	(4,435)	-	(4,148)	-
December 31, 2022	(848)	-	(3,543)	-	(3,256)	-

Nine months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	(8.39)	(8.39)
December 31, 2022	(6.60)	(6.60)

(Notes)

1. "Business contribution profit" is calculated by deducting the cost of sales and selling, general and administrative expenses from revenue.
2. Total comprehensive income for the nine months ended December 31, 2023 and 2022, was 21,518 million yen (a decrease of 32.1% year-on-year) and 31,696 million yen (an increase of 884.2% year-on-year).
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	%
December 31, 2023	1,343,230	521,257	507,668	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	%	
March 31, 2024	4,000	—	8.09

(Note) Changes from the latest consolidated forecasts: None

■ Notes

- (1) Changes in significant subsidiaries for the nine months ended December 31, 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 December 31, 2023: 502,664,337 shares
    - As of March 31, 2023: 502,664,337 shares
  - b. Number of treasury shares
    - As of December 31, 2023: 8,209,286 shares
    - As of March 31, 2023: 8,752,824 shares
  - c. Average number of issued and outstanding shares during the period
    - The nine months ended December 31, 2023: 494,243,888 shares
    - The nine months ended December 31, 2022: 493,788,161 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 December 31, 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 NINE MONTHS ENDED DECEMBER 31, 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, February 1, 2024. 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 NINE MONTHS ENDED DECEMBER 31, 2023

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

### a. Overview

	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	821.0	841.9	20.9	2.6
Gross profit	351.5	368.1	16.5	4.7
Business contribution profit (Note)	10.9	12.2	1.2	11.3
Operating profit (loss)	3.3	8.5	5.1	152.8
Profit (loss) before tax	(0.8)	(1.6)	(0.8)	—
Profit (loss) attributable to owners of the Company	(3.2)	(4.1)	(0.8)	—
	Yen	Yen	Yen	%
Basic earnings (loss) per share	(6.60)	(8.39)	(1.79)	—
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	26.9	30.4	3.5	13.0
Depreciation and amortization expenses	56.6	56.9	0.3	0.6
Research and development expenses	47.4	48.7	1.2	2.7
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	(42.7)	13.3	56.1	—
	Number	Number	Number	%
Number of employees in the Group	39,797	39,759	(38)	- 0.1
	Yen	Yen	Yen	%
Foreign exchange rates				
U.S. dollar	136.51	143.29	6.78	5.0
Euro	140.59	155.29	14.70	10.5

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

During the nine months ended December 31, 2023 (the "current period"), the Group's consolidated revenue amounted to 841.9 billion yen, an increase of 2.6% year-on-year. The Company saw an increase in revenue in all reportable segments. The Digital Workplace Business, the Professional Print Business, and the Healthcare Business maintained steady increases in revenue, with sales increasing in both the second and third quarters of the current consolidated accounting periods compared to the preceding period, partly due to the impact of foreign exchange rates, although the degree of the impact may vary depending on the region. By region, sales in Europe, Asia (excluding China), and North America increased by approximately 6%, 5%, and 1%, respectively, whereas revenue in China and Japan remained at the same level compared to the same period of the previous fiscal year.

Both business contribution profit and operating profit improved year-on-year due to an uplift of gross profit through revenue growth and cost savings in production while continuously curbing an increase in selling, general and administrative expenses.

By business segment, the Industry Business, which is positioned as a strengthening business in the medium-

term business plan starting from the current fiscal year, both business contribution profit and operating profit in the current period declined year-on-year mainly due to the impact of large customers' restrained capital investments in displays in the sensing unit, and recording of an impairment loss mainly since the stream of visitors at the directly managed planetariums in the visual solutions unit was sluggish. In the medium-term business plan, the Company has positioned growth areas, such as "display," "mobility," and "semiconductor manufacturing." In the optical components unit, with the aim of shifting to high value-added areas as industrial application, mainly for semiconductor manufacturing equipment, the Company entered into an agreement to transfer 80% of the shares of two of its Chinese manufacturing subsidiaries to Guangzhou Luxvisions Innovation Technology Limited. In addition, the Company is promoting the acceleration of new business development by taking orders for new projects through business development across the industry business centered on customers.

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 a reduction in logistics costs. In the precision medicine unit, the business contribution loss has been significantly reduced compared to the same period of the previous fiscal year mainly due to the market recovery in the United States for genetic testing services. The unit is considering strategic options such as the use of third-party capital, taking into account the strategic fit of the business in the Company, as well as the need for continued investment for the future growth.

As a result of the above, business contribution profit and operating profit for the current period amounted to 12.2 billion yen (an increase of 11.3% year-on-year) and 8.5 billion yen (an increase of 152.8% year-on-year), respectively, and thus, operating profit significantly improved year-on-year. On the other hand, net finance income/costs ended up minus 10.0 billion yen as a result of the impact of rising interest rates, foreign exchange rates, and other factors, and quarterly loss before income taxes marked 1.6 billion yen (quarterly loss before income taxes of 0.8 billion yen in the same period of the previous fiscal year) and quarterly loss attributable to owners of the Company was 4.1 billion yen (quarterly loss attributable to owners of the Company of 3.2 billion yen in the same period of the previous fiscal year), which led to an increase in loss year-on-year.

The reportable segments have been reclassified, effective from the three months ended June 30, 2023. In the year-on-year comparisons, the Company 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

		Nine months ended December 31, 2022	Nine months ended December 31, 2023	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	437.1	450.5	13.4	3.1
	Business contribution profit	16.6	20.4	3.7	22.7
	Operating profit	10.7	19.6	8.9	83.1
Professional Print Business	Revenue	184.9	189.7	4.7	2.6
	Business contribution profit	9.3	8.8	(0.5)	- 5.6
	Operating profit	8.8	8.7	(0.0)	- 0.8
Healthcare Business	Revenue	96.8	98.5	1.6	1.7
	Business contribution profit	(8.1)	(5.4)	2.6	—
	Operating profit	(9.0)	(5.8)	3.1	—
Industry Business	Revenue	100.4	101.5	1.1	1.2
	Business contribution profit	16.2	9.0	(7.1)	- 44.1
	Operating profit	16.1	6.9	(9.1)	- 57.1
Subtotal	Revenue	819.3	840.4	21.0	2.6
	Business contribution profit	34.1	32.9	(1.2)	- 3.6
	Operating profit	26.7	29.5	2.8	10.6
Others and adjustments (Note 2)	Revenue	1.6	1.5	(0.0)	- 5.9
	Business contribution profit	(23.1)	(20.7)	2.4	—
	Operating profit	(23.3)	(20.9)	2.3	—
Amount reported in the Condensed Consolidated Statement of Profit or Loss	Revenue	821.0	841.9	20.9	2.6
	Business contribution profit	10.9	12.2	1.2	11.3
	Operating profit	3.3	8.5	5.1	152.8

### (Notes)

- “Revenue” refers to revenue from external customers.
- “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.
- 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, the Company 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, the Company has 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 nine months ended December 31, 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 decreased with the color models, monochrome models, and all models turned out to be at 89%, 80%, and 86% year-on-year, respectively, mainly due to the worsening business conditions in China and a rebound to a temporary increase in sales in the same period of the previous fiscal year due to the elimination of backlog orders caused by semiconductor shortages in major regions such as Europe and the United States. 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. As a result of these factors, the office unit posted a year-on-year increase in revenue. In addition, strengthening direct sales business with relatively high profit margin, cost reductions mainly by reduction of fixed costs through optimization of personnel and expenses for equipment production and reduction of material costs, 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 IT services, the services to manage business content and operation processes were robust in Europe and the United States, while in Japan, in-house developed services, such as interpretation services using AI and office relocation/renewal services grew. These factors 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 saw an increase in revenue and profit and recorded a revenue of 450.5 billion yen (an increase of 3.1% year-on-year), a business contribution profit of 20.4 billion yen (an increase of 22.7% year-on-year), and an operating profit of 19.6 billion yen (an increase of 83.1% year-on-year).

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

In the production print unit, the sales volume of the digital printing presses decreased with the color models, monochrome models, and all models turned out to be at 95%, 87%, and 92% year-on-year, respectively, mainly due to the impact of restrained investments caused by economic slowdown in Europe and China. The revenue of the Heavy Production Print (HPP) segment of color digital printing presses that the Group focuses on, grew by 130% year-on-year. The revenue of non-hardware, such as consumables and services, increased due to the increased demand for printing in India and China, as well as the impact of foreign exchange rate. 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-1e), label press, embellishment press, and textile press. The non-hardware revenue went up in the areas of general commercial printing, label printing, and embellishment printing due to an increase in the proportion of digital printing among customers. As a result, revenue increased year-on-year.

In the marketing services unit, revenue decreased year-on-year due to the deconsolidation of a domestic sales subsidiary.

Based on the above, the Professional Print Business saw an increase in revenue and a decrease in profit due to an increase in selling, general and administrative expenses: a revenue of 189.7 billion yen (an increase of 2.6% year-on-year), a business contribution profit of 8.8 billion yen (a decrease of 5.6% year-on-year), and an operating profit of 8.7 billion yen (a decrease of 0.8% 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 affected by restraint in investments in the United States. The sales volume of the system of Dynamic Digital Radiography has made steady progress, primarily in the hospital market in the United States. The sales of diagnostic ultrasound systems grew in Asia including China, and the sales in Japan were solid mainly for orthopedics and obstetrics. In the medical IT, sales of "Informity," an ICT service supporting diagnostic imaging assistance, remote medical care, and collaboration between hospitals and medical clinics and 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. In addition, 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, Ambry Genetics Corporation, which provides genetic testing services in the United States, continued to stay profitable for four consecutive quarters, 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. Accordingly, the loss of the whole unit reduced during the current accounting period.

As a result, the Healthcare Business saw an increase in revenue and a decrease in loss and recorded a revenue of 98.5 billion yen (an increase of 1.7% year-on-year), a business contribution loss of 5.4 billion yen (business contribution loss of 8.1 billion yen for the same period in the previous fiscal year) and an operating loss of 5.8 billion yen (an operating loss of 9.0 billion yen for the same period in the previous fiscal year).

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

In the sensing unit, while the revenue of object color measurement instruments and testing equipment for automotive visual inspections increased steadily, the demand for light source color measurement instruments continued to decline mainly from major customers, due to the impact of restrained capital investments in displays. As such, the whole 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. In particular, sales of thin films for smartphones remained strong. Furthermore, although the demand for phase difference films for TV Vertical Alignment (VA), which are one of the Company's main products, was affected by the economic downturn, it remained steady, and the unit expanded sales of "SANUQI" films for large TVs in particular, resulting in an increase in revenue year-on-year. In addition, the Company approached ICT brand owners across the industry business, and received orders for and started production of functional films for next generation displays which are not intended for polarizing plates.

The inkjet components unit saw an increase in revenue year-on-year, thanks to strong sales of printheads for printers for sign graphics to customers in China and Europe.

In the optical components unit, sales of lenses for projectors were sluggish due to market conditions in China and Europe; however sales of products for semiconductor manufacturing equipment as industrial application remained steady; 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, and sales of the Automated License Plate Recognition solution of VAXTOR Technologies, S.L. (headquartered in Spain), which the Company acquired in the previous fiscal year, continued to remain strong.

The visual solutions unit saw an increase in revenue year-on-year as sales were strong, mainly in RSA Cosmos S.A. (headquartered in France), a global leading manufacturer of digital planetariums, which the Company acquired in 2019. On the other hand, an impairment loss of 1.7 billion yen was recorded mainly due to the fact that the number of visitors at the directly managed planetariums did not recover to the expected level before the spread of COVID-19.

As a result, the Industry Business saw an increase in revenue and a decrease in profit: a revenue of 101.5 billion yen (an increase of 1.2% year-on-year), a business contribution profit of 9.0 billion yen (a decrease of 44.1% year-on-year) due to a decrease in gross profit resulting from a decrease in revenue in the sensing unit and an increase in selling, general and administrative expenses due to the reinforcement of sales personnel for the imaging-IoT solutions unit, and an operating profit of 6.9 billion yen (a decrease of 57.1% year-on-year) mainly due to the recognition of impairment loss in the visual solutions unit.

(Reference) Overview of the quarterly consolidated accounting period

	Three months ended December 31, 2022	Three months ended December 31, 2023	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	290.2	289.2	(1.0)	- 0.4
Gross profit	125.5	130.8	5.3	4.2
Business contribution profit (Note)	10.2	9.9	(0.3)	- 3.1
Operating profit (loss)	8.5	7.7	(0.7)	- 8.8
Profit (loss) before tax	2.2	2.0	(0.1)	- 7.3
Profit (loss) attributable to owners of the Company	3.4	0.3	(3.1)	- 90.1
	Yen	Yen	Yen	%
Basic earnings (loss) per share	7.06	0.70	(6.36)	- 90.1
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	9.0	11.5	2.5	28.1
Depreciation and amortization expenses	18.8	19.1	0.2	1.6
Research and development expenses	16.3	16.2	(0.0)	- 0.5
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	(17.3)	3.9	21.3	—
Foreign exchange rates	Yen	Yen	Yen	%
U.S. dollar	141.59	147.89	6.30	4.4
Euro	144.30	159.11	14.81	10.3

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

## Overview of major segments

		Three months ended December 31, 2022	Three months ended December 31, 2023	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	158.6	156.0	(2.5)	- 1.6
	Business contribution profit	9.4	9.7	0.3	3.5
	Operating profit	7.9	9.6	1.6	20.4
Professional Print Business	Revenue	65.0	65.6	0.6	0.9
	Business contribution profit	5.4	5.1	(0.3)	- 5.7
	Operating profit	5.3	5.1	(0.2)	- 4.8
Healthcare Business	Revenue	32.9	34.6	1.7	5.3
	Business contribution profit	(0.3)	(1.4)	(1.0)	-
	Operating profit	(0.4)	(1.5)	(1.1)	-
Industry Business	Revenue	33.0	32.2	(0.8)	- 2.6
	Business contribution profit	4.0	3.0	(0.9)	- 24.3
	Operating profit	3.9	1.3	(2.5)	- 64.9
Subtotal	Revenue	289.7	288.6	(1.0)	- 0.4
	Business contribution profit	18.6	16.5	(2.0)	- 11.0
	Operating profit	16.9	14.5	(2.3)	- 13.9
"Others" and adjustments (Note 2)	Revenue	0.5	0.5	(0.0)	- 2.0
	Business contribution profit	(8.3)	(6.6)	1.7	-
	Operating profit	(8.3)	(6.7)	1.6	-
Amount reported in the Condensed Consolidated Statements of Profit or Loss	Revenue	290.2	289.2	(1.0)	- 0.4
	Business contribution profit	10.2	9.9	(0.3)	- 3.1
	Operating profit	8.5	7.7	(0.7)	- 8.8

### (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, the Company 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, the Company has 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 December 31, 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 December 31, 2023	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	1,413.7	1,343.2	(70.5)
Total liabilities	913.8	821.9	(91.9)
Total equity	499.8	521.2	21.3
Equity attributable to owners of the Company	487.4	507.6	20.2
	%	%	%
Equity ratio attributable to owners of the Company	34.5	37.8	3.3

Total assets as of December 31, 2023, were 1,343.2 billion yen, a decrease of 70.5 billion yen (5.0%) from March 31, 2023. This is primarily attributed to a decrease of 68.2 billion yen in cash and cash equivalents, a decrease of 14.3 billion yen in trade and other receivables, a decrease of 5.7 billion yen in property, plant, and equipment, a decrease of 5.4 billion yen in inventories, an increase of 12.0 billion yen in assets held for sale, and an increase of 9.5 billion yen in goodwill and intangible assets.

Total liabilities as of December 31, 2023, were 821.9 billion yen, a decrease of 91.9 billion yen (10.1%) from March 31, 2023. This is primarily attributed to a decrease of 67.5 billion yen in bonds and borrowings, a decrease of 16.5 billion yen in trade and other payables, and a decrease of 6.4 billion yen in other current liabilities.

Total equity as of December 31, 2023, was 521.2 billion yen, an increase of 21.3 billion yen (4.3%) from March 31, 2023.

Equity attributable to owners of the Company was 507.6 billion yen as of December 31, 2023, an increase of 20.2 billion yen (4.2%) from March 31, 2023. This is primarily attributed to an increase of 27.7 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 4.1 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

	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Cash flows from operating activities	(16.7)	46.5	63.3
Cash flows from investing activities	(25.9)	(33.2)	(7.2)
Total (Free cash flows)	(42.7)	13.3	56.1
Cash flows from financing activities	33.1	(83.7)	(116.9)

For the nine months ended December 31, 2023, net cash provided by operating activities was 46.5 billion yen and net cash used in investing activities totaled 33.2 billion yen. As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an inflow of 13.3 billion yen for the current period.

Net cash used in financing activities was 83.7 billion yen.

In addition, cash and cash equivalents as of December 31, 2023, decreased by 66.7 billion yen from March 31, 2023, to 113.8 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 46.5 billion yen. On top of the loss before tax of 1.6 billion yen, this is attributable to the net effects of cash inflows mainly due to depreciation and amortization expenses of 56.9 billion yen and a decrease in trade and other receivables of 36.1 billion yen, and cash outflows mainly due to a decrease in trade and other payables of 24.5 billion yen.

### Cash flows from investing activities

Net cash used in investing activities was 33.2 billion yen, mainly due to the purchase of the property, plant, and equipment of 19.3 billion yen and the purchase of intangible assets of 12.8 billion yen.

As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an inflow of 13.3 billion yen (an outflow of 42.7 billion yen for the same period in the previous fiscal year).

### Cash flows from financing activities

Net cash used in financing activities was 83.7 billion yen (net cash inflows of 33.1 billion yen for the same period in the previous fiscal year), reflecting cash outflows of a net decrease in short-term loans payable of 57.5 billion yen, 16.0 billion yen in repayments of lease liabilities, and 10.5 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 decided to leave its full-year forecasts unchanged from those announced on November 2, 2023, taking into account the progress made during the nine months period of the current fiscal year. The exchange rates for the fourth quarter of the current fiscal year, which are the assumptions for the forecasts, have also unchanged from the yen against the U.S. dollar to 140 yen and 140 yen to the euro announced on November 2, 2023.

\* 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 NINE MONTHS ENDED DECEMBER 31, 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 December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	180,574	112,360
Trade and other receivables	313,494	299,156
Inventories	242,108	236,646
Income tax receivables	4,444	3,312
Other financial assets	2,481	1,463
Other current assets	34,487	38,380
Subtotal	777,590	691,319
Assets held for sale	—	12,041
<b>Total current assets</b>	<b>777,590</b>	<b>703,360</b>
<b>Non-current assets</b>		
Property, plant and equipment	289,127	283,377
Goodwill and intangible assets	258,886	268,393
Investments accounted for using the equity method	391	182
Other financial assets	21,444	21,727
Deferred tax assets	32,648	37,033
Other non-current assets	33,688	29,155
<b>Total non-current assets</b>	<b>636,187</b>	<b>639,870</b>
<b>Total assets</b>	<b>1,413,777</b>	<b>1,343,230</b>



(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	200,508	183,962
Bonds and borrowings	284,220	209,463
Lease liabilities	17,985	18,954
Income tax payables	3,323	3,894
Provisions	14,910	10,774
Other financial liabilities	39,079	42,430
Other current liabilities	59,661	53,220
Subtotal	619,688	522,701
Liabilities directly associated with assets held for sale	—	1,895
Total current liabilities	619,688	524,596
<b>Non-current liabilities</b>		
Bonds and borrowings	184,874	192,124
Lease liabilities	81,211	79,958
Retirement benefit liabilities	8,839	9,033
Provisions	7,456	7,562
Other financial liabilities	1,533	820
Deferred tax liabilities	4,960	3,091
Other non-current liabilities	5,335	4,787
Total non-current liabilities	294,211	297,376
<b>Total liabilities</b>	<b>913,899</b>	<b>821,973</b>
<b>Equity</b>		
Share capital	37,519	37,519
Share premium	204,154	203,965
Retained earnings	164,682	157,068
Treasury shares	(9,358)	(8,925)
Share acquisition rights	427	276
Other components of equity	89,999	117,763
Equity attributable to owners of the Company	487,424	507,668
Non-controlling interests	12,453	13,589
<b>Total equity</b>	<b>499,877</b>	<b>521,257</b>
<b>Total liabilities and equity</b>	<b>1,413,777</b>	<b>1,343,230</b>

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

Nine months ended December 31, 2022 and 2023

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenue	821,027	841,969
Cost of sales	469,438	473,849
Gross profit	351,588	368,120
Other income	4,158	4,552
Selling, general and administrative expenses	340,605	355,900
Other expenses	11,753	8,206
Operating profit (loss)	3,388	8,565
Finance income	3,069	2,607
Finance costs	7,129	12,614
Share of profit (loss) of investments accounted for using the equity method	(177)	(208)
Profit (loss) before tax	(848)	(1,649)
Income tax expense (income)	2,694	2,786
Profit (loss) for the period	(3,543)	(4,435)
Profit (loss) attributable to:		
Owners of the Company	(3,256)	(4,148)
Non-controlling interests	(286)	(287)
Earnings (loss) per share	Yen	Yen
Basic	(6.60)	(8.39)
Diluted	(6.60)	(8.39)

Three months ended December 31, 2022 and 2023

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Revenue	290,283	289,205
Cost of sales	164,711	158,325
Gross profit	125,572	130,879
Other income	1,272	1,760
Selling, general and administrative expenses	115,323	120,947
Other expenses	2,993	3,912
Operating profit (loss)	8,526	7,780
Finance income	914	877
Finance costs	7,125	6,517
Share of profit (loss) of investments accounted for using the equity method	(52)	(43)
Profit (loss) before tax	2,262	2,096
Income tax expense (income)	(1,229)	2,035
Profit (loss) for the period	3,491	60
Profit (loss) attributable to:		
Owners of the Company	3,485	343
Non-controlling interests	6	(282)
Earnings (loss) per share	Yen	Yen
Basic	7.06	0.70
Diluted	7.04	0.69

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

Nine months ended December 31, 2022 and 2023

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss) for the period	(3,543)	(4,435)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	2,619	(3,597)
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	415	1,422
Total items that will not be reclassified to profit or loss	3,035	(2,174)
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	176	(232)
Exchange differences on translation of foreign operations (net of tax)	32,028	28,361
Total items that may be subsequently reclassified to profit or loss	32,204	28,128
Total other comprehensive income (loss)	35,239	25,954
Total comprehensive income (loss)	31,696	21,518
Total comprehensive income (loss) attributable to:		
Owners of the Company	30,828	20,262
Non-controlling interests	867	1,256

Three months ended December 31, 2022 and 2023

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit (loss) for the period	3,491	60
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	(83)	—
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	707	(555)
Total items that will not be reclassified to profit or loss	624	(555)
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	170	215
Exchange differences on translation of foreign operations (net of tax)	(31,471)	(12,380)
Total items that may be subsequently reclassified to profit or loss	(31,301)	(12,164)
Total other comprehensive income (loss)	(30,676)	(12,720)
Total comprehensive income (loss)	(27,184)	(12,659)
Total comprehensive income (loss) attributable to:		
Owners of the Company	(27,022)	(12,335)
Non-controlling interests	(162)	(324)

#### (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	—	—	(3,256)	—	—	—	(3,256)	(286)	(3,543)
Other comprehensive income (loss)	—	—	—	—	—	34,085	34,085	1,154	35,239
Total comprehensive income (loss)	—	—	(3,256)	—	—	34,085	30,828	867	31,696
Dividends	—	—	(12,343)	—	—	—	(12,343)	—	(12,343)
Acquisition and disposal of treasury shares	—	—	(13)	127	—	—	114	—	114
Share-based payments	—	(88)	—	—	(19)	—	(108)	—	(108)
Changes in ownership interests in subsidiaries	—	187	—	—	—	—	187	347	534
Equity and other transactions with non-controlling shareholders	—	(23)	—	—	—	—	(23)	—	(23)
Put options written on non-controlling interests	—	(3,533)	—	—	—	—	(3,533)	—	(3,533)
Transfer from other components of equity to retained earnings	—	—	3,627	—	—	(3,627)	—	—	—
Total transactions with owners	—	(3,457)	(8,730)	127	(19)	(3,627)	(15,707)	347	(15,359)
Balance as of December 31, 2022	37,519	190,602	257,474	(9,389)	444	88,280	564,931	12,904	577,836

(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	—	—	(4,148)	—	—	—	(4,148)	(287)	(4,435)
Other comprehensive income (loss)	—	—	—	—	—	24,410	24,410	1,543	25,954
Total comprehensive income (loss)	—	—	(4,148)	—	—	24,410	20,262	1,256	21,518
Dividends	—	—	—	—	—	—	—	(120)	(120)
Acquisition and disposal of treasury shares	—	—	(112)	433	—	—	321	—	321
Share-based payments	—	(58)	—	—	(151)	—	(209)	—	(209)
Changes in ownership interests in subsidiaries	—	—	—	—	—	—	—	—	—
Equity and other transactions with non-controlling shareholders	—	(21)	—	—	—	—	(21)	—	(21)
Put options written on non-controlling interests	—	(108)	—	—	—	—	(108)	—	(108)
Transfer from other components of equity to retained earnings	—	—	(3,353)	—	—	3,353	—	—	—
Total transactions with owners	—	(188)	(3,465)	433	(151)	3,353	(18)	(120)	(138)
Balance as of December 31, 2023	37,519	203,965	157,068	(8,925)	276	117,763	507,668	13,589	521,257

## (5) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit (loss) before tax	(848)	(1,649)
Depreciation and amortization expenses	56,604	56,971
Share of (profit) loss of investments accounted for using the equity method	177	208
Interest and dividends income	(2,686)	(2,271)
Interest expenses	6,441	9,570
(Gain) loss on sales and disposals of property, plant and equipment, and intangible assets	545	1,313
(Increase) decrease in trade and other receivables	(7,912)	36,157
(Increase) decrease in inventories	(62,497)	12,981
Increase (decrease) in trade and other payables	14,367	(24,529)
Decrease due to transfer of rental assets	(3,163)	(4,614)
Increase (decrease) in retirement benefit liabilities	126	1,953
Others	(7,906)	(28,444)
Subtotal	(6,752)	57,647
Dividends received	404	585
Interest received	2,295	2,105
Interest paid	(6,583)	(9,802)
Income taxes (paid) refunded	(6,151)	(3,992)
Net cash provided by (used in) operating activities	(16,787)	46,544



(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,716)	(19,376)
Purchase of intangible assets	(13,128)	(12,801)
Proceeds from sales of property, plant and equipment, and intangible assets	683	628
Purchase of investments in subsidiaries	(662)	(1,409)
Proceeds from sales of investment securities	3,777	1,541
Payments for transfer of business	(89)	(112)
Others	(862)	(1,686)
Net cash provided by (used in) investing activities	(25,999)	(33,216)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	61,260	(57,530)
Proceeds from bonds issuance and long-term loans payable	100,544	282
Redemption of bonds and repayments of long-term loans payable	(101,822)	(10,510)
Repayments of lease liabilities	(15,228)	(16,000)
Cash dividends paid	(12,156)	(9)
Proceeds from stock issuance to non-controlling interests	470	-
Proceeds from sales of investments in subsidiaries without loss of control	78	-
Others	(0)	(1)
Net cash provided by (used in) financing activities	33,146	(83,771)
Effect of exchange rate changes on cash and cash equivalents	1,996	3,726
Net increase (decrease) in cash and cash equivalents	(7,647)	(66,717)
Cash and cash equivalents at the beginning of the period	117,670	180,574
Cash and cash equivalents at the end of the period	110,022	113,856

**(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)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Insurance income	1,298	1,054
Others	2,859	3,497
Total	4,158	4,552

**[Other Expenses]**

Components of other expenses are as follows:

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Impairment loss	–	1,804
Loss on sales and disposals of property, plant, and equipment, and intangible assets	616	1,417
Business structure improvement expenses	3,825	976
Settlement payments	3,223	–
Others	4,087	4,008
Total	11,753	8,206

## [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, the Company 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, the Company has 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 nine months ended December 31, 2022, increased by 6,924 million yen, 574 million yen, and 1,116 million yen, respectively, and "Adjustments" decreased by 8,616 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 nine months ended December 31, 2022, increased by 2,329 million yen in the "Digital Workplace Business" and decreased by the same amount in the "Professional Print Business." The segment information for the nine months ended December 31, 2022 and three months ended December 31, 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.

Nine months ended December 31, 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	437,140	184,942	96,899	100,413	819,395	1,631	—	821,027
Intersegment (Note 1)	2,922	109	490	4,346	7,870	11,513	(19,383)	—
Total	440,063	185,051	97,390	104,759	827,265	13,145	(19,383)	821,027
Segment profit (loss)	10,735	8,866	(9,001)	16,117	26,717	(2,919)	(20,409)	3,388

Nine months ended December 31, 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	450,592	189,703	98,545	101,591	840,433	1,536	—	841,969
Intersegment (Note 1)	2,942	46	453	3,961	7,404	11,673	(19,078)	—
Total	453,534	189,750	98,999	105,553	847,838	13,209	(19,078)	841,969
Segment profit (loss)	19,659	8,792	(5,835)	6,920	29,537	(2,054)	(18,917)	8,565

(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 December 31, 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	158,668	65,088	32,901	33,085	289,744	539	—	290,283
Intersegment (Note 1)	1,006	69	173	1,542	2,790	3,771	(6,561)	—
Total	159,674	65,157	33,074	34,628	292,535	4,310	(6,561)	290,283
Segment profit (loss)	7,992	5,379	(435)	3,977	16,914	(1,044)	(7,342)	8,526

Three months ended December 31, 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	156,084	65,699	34,658	32,234	288,676	528	—	289,205
Intersegment (Note 1)	1,041	17	141	1,340	2,540	3,632	(6,173)	—
Total	157,126	65,716	34,800	33,574	291,217	4,161	(6,173)	289,205
Segment profit (loss)	9,621	5,120	(1,584)	1,396	14,554	(631)	(6,142)	7,780

(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.

### **[Cash and Cash equivalents]**

Cash and cash equivalents at the end of the period in the condensed consolidated statements of cash flows are as follows:

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash and cash equivalents in the condensed consolidated statements of financial position	110,022	112,360
Cash and cash equivalents included in assets held for sale	-	1,495
Cash and cash equivalents in the condensed consolidated statements of cash flows	110,022	113,856

### **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 December 31, 2023, and thus, there are no significant uncertainties regarding the premise of going concern.