

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 [IFRS]

Company name:	Konica Minolta, Inc.
Stock exchange listings:	Tokyo (First Section)
Securities code number:	4902
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Scheduled date for submission of securities report:	November 10, 2020
Scheduled date for dividends payment:	November 27, 2020
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, 2020 (from April 1, 2020 to September 30, 2020)

(1) Consolidated results of operations

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

Six months ended	Revenue		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2020	384,659	-22.7	(27,876)	-	(30,899)	-
September 30, 2019	497,488	-3.8	5,433	-84.3	1,561	-95.3

Six months ended	Profit for the period		Profit attributable to owners of the Company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2020	(22,085)	-	(22,249)	-	(25,428)	-
September 30, 2019	11	-100.0	106	-99.5	(22,725)	-

Six months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2020	(44.93)	(44.93)
September 30, 2019	0.21	0.21

(Note) 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, 2020	1,274,585	504,199	494,225	38.8
March 31, 2020	1,276,768	533,766	523,745	41.0

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, 2020	—	15.00	—	10.00	25.00
Fiscal year ending March 31, 2021	—	10.00			
Fiscal year ending March 31, 2021 (forecast)			—	15.00	25.00

(Note) Changes from the latest dividend forecasts: Yes

3. Consolidated forecasts for the fiscal year ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

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

Fiscal year ending	Revenue		Operating profit		Profit attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	
March 31, 2021	870,000	-12.7	(13,000)	—	18,000	—	-36.33

(Note) Changes from the latest consolidated forecasts: Yes

■ Notes

- (1) Changes in significant subsidiaries for the six months ended September 30, 2020 (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, 2020: 502,664,337 shares
 - As of March 31, 2020: 502,664,337 shares
 - b. Number of treasury shares
 - As of September 30, 2020: 7,066,664 shares
 - As of March 31, 2020: 7,764,241 shares
 - c. Average number of issued and outstanding shares during the period
 - The six months ended September 30, 2020: 495,243,161 shares
 - The six months ended September 30, 2019: 494,735,526 shares

(Note) The Company has established the Board Incentive Plan in which beneficiaries include Directors, Executive Officers, Group Executives, and Technology Fellows. The shares owned by the trust account relating to this trust are accounted for as treasury shares (647,137 shares as of September 30, 2020, and 1,184,094 shares as of March 31, 2020).

■ 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 achievement of the Group’s operations. Actual results may differ significantly from the forecasts due to various factors. For further details of the assumptions and other factors considered by the Company in preparing the forecasts, refer to “1. QUALITATIVE INFORMATION ON FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020, (3) Explanation Regarding the Forecasts for the Consolidated Financial Results” in the attached Supplementary Information on page 11.

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, October 29, 2020. 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, 2020

(1) Qualitative Information on the Consolidated Operating Results

a. Overview

	Six months ended September 30, 2019	Six months ended September 30, 2020	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	497.4	384.6	(112.8)	-22.7
Gross profit	236.8	160.9	(75.8)	-32.0
Operating profit (loss)	5.4	(27.8)	(33.3)	—
Profit (loss) before tax	1.5	(30.8)	(32.4)	—
Profit (loss) attributable to owners of the Company	0.1	(22.2)	(22.3)	—
	Yen	Yen	Yen	%
Basic earnings (loss) per share	(0.21)	(44.93)	(45.14)	—
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	24.2	21.3	(2.8)	-11.9
Depreciation and amortization expenses	37.9	38.9	0.9	2.6
Research and development expenses	38.6	32.6	(6.0)	-15.7
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	(18.5)	(7.0)	11.5	—
	Number	Number	Number	%
Number of employees in the Group	44,971	42,055	(2,916)	-6.5
	Yen	Yen	Yen	%
Foreign exchange rates				
U.S. dollar	108.63	106.92	(1.71)	-1.6
Euro	121.42	121.30	(0.12)	-0.1

In the six months ended September 30, 2020 (the “current period”), the Group recorded revenue of 384.6 billion yen, a decrease of 22.7% year-on-year. Although economic activities were hit hard across geographies due to the spread of the COVID-19 pandemic, the Group revenue gradually showed signs of recovery after bottoming out in May 2020. As a result, the decrease ratio of quarterly revenue year-on-year improved to 17% in the second quarter ended September 30, 2020, from 28% in the first quarter ended June 30, 2020. Looking by Business units, revenue in the Workplace Hub unit, the industrial print unit, the measuring instruments unit, and the imaging-IoT solutions unit saw an increase year-on-year during the current period. By region, although revenue decrease in the first quarter ended June 30, 2020, was seen across regions year-on-year, the situation improved in the second quarter ended September 30, 2020, in which China saw an increase, whereas Europe recovered to a little under 90% as well as Japan and the United States to slightly under 80%, respectively, of the level compared to the previous year.

Operating loss during the current period was 27.8 billion yen, whereas operating profit of 5.4 billion yen was marked in the same period of the previous year. Sluggish gross profit continued in the current period because of the deterioration of sales-mix and production adjustments that led to lower profitability. However, thanks to the Company’s continuous effort to significantly reduce selling and administrative expenses during the current period, which was achieved partly through the structure reform that had been implemented since the previous year, operating loss marked 5.2 billion yen during the second quarter and even turned into the black in the month of September 2020.

Loss before tax of 30.8 billion yen was marked in the current period, whereas profit before tax of 1.5 billion yen was recorded in the same period of the previous year. Loss attributable to owners of

the Company was 22.2 billion yen, whereas profit attributable to owners of the Company was 0.1 billion yen in the same period of the previous year.

The Company continued to secure its capital efficiency and liquidity on hand by reducing the level of inventory, which tentatively increased amid a dramatic plunge in sales volume in the current period, and by tightening the capital spending. Also, the Company successfully repaid 30.0 billion yen of the 85.0 billion yen of borrowings, which was originally financed at the beginning of the current period.

The Company has developed a new medium-term business strategy “DX2022,” which is introduced from the current period. “DX2022” mainly focuses on executing and achieving positive results for projects and plans implemented or still continuing under “SHINKA 2019,” the previous Medium-term Business Plan. The basic policy of “DX2022” is to “leap to highly profitable businesses through DX and to “evolve into a company clearly committed to solving social issues.” In order to enhance customers’ value, the Company has reassessed the classification of the original three business lines, namely Core Business, Growth Business, and New Business, and also reviewed the existing reportable segments in accordance with the new strategy under DX2022.

Segment information for the previous period, which is presented below for comparative analysis purposes, is reclassified based on the new reportable segment. For further detail, refer to “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, 2019	Six months ended September 30, 2020	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	274.1	211.2	(62.8)	-22.9
	Operating profit	13.2	(9.3)	(22.5)	–
Professional Print Business	Revenue	103.2	73.4	(29.8)	-28.9
	Operating profit	2.0	(8.7)	(10.8)	–
Healthcare Business	Revenue	59.6	45.4	(14.2)	-23.9
	Operating profit	(3.3)	(6.5)	(3.2)	–
Industry Business	Revenue	59.8	53.9	(5.9)	-9.9
	Operating profit	6.9	5.0	(1.8)	-27.2
Subtotal	Revenue	496.9	384.1	(112.8)	-22.7
	Operating profit	18.9	(19.5)	(38.5)	–
Others and adjustments (Note 2)	Revenue	0.5	0.5	0.0	4.0
	Operating profit	(13.5)	(8.3)	5.2	–
Amount reported in the Condensed Consolidated Statement of Profit or Loss	Revenue	497.4	384.6	(112.8)	-22.7
	Operating profit	5.4	(27.8)	(33.3)	–

(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. The classification of reportable segment is changed from the second quarter ended September 30, 2020. For further detail, refer to “2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES, (6) Notes to the Condensed Consolidated Financial Statements [Segment Information].” Note that the results for the same period last year presented for comparative purposes are reclassified based on this new reportable segment.

i. Digital Workplace Business

In the office unit, the sales volume of A3 MFPs in the current period recovered to 81% of the level compared to the same period last year and even to 94% in the month of September 2020. However, as economic activities in the United States, representing the main market for the Company’s profitable high-speed models, were lagging behind other countries (although showing steady signs of recovery), the balance of sales-mix deteriorated resulting in sluggish revenue. Revenue decrease ratios for the current period of both hardware revenue, such as equipment body, and non-hardware revenue, such as consumables and services, remained the same level year-on-year. Further, the Company successfully reduced the level of inventory ahead of schedule, which contributed to an improvement in cash flows, while manufacturing costs tentatively increased during the period as the production level decreased in response to sluggish demand.

In the IT services solutions unit, revenue in the second quarter ended September 30, 2020, almost recovered to the same level from a year earlier despite the fact that 90% of its revenue was derived from the United States and Europe, which were significantly impacted by the COVID-19 outbreak. This was mainly due to increasing demand in services, including managed IT service, which takes care of the entire IT platform of customers, and security service, which includes vulnerability assessment, as well as digital workflow solution service. Also, online sales

negotiations and implementation activities as well as collaboration with the office unit to increase potential customers successfully contributed to the unit's sales recovery.

In the Workplace Hub unit, revenue increased during the current period because a successor model based on the MFP "bizhub-i series," which was released as the first full model change in past seven years, contributed to steady sales in Japan (as "Workplace Hub Smart" released in May 2020) as well as in the United States and Europe (as "Workplace Hub Pro" released in September 2020). In addition, as part of the DX support service provided in Japan for local governments, the Company is currently conducting research on workload for 21 local governments and preparing proposals to support their digital transformation initiatives.

As a result of the above, the Digital Workplace Business segment recorded revenue of 211.2 billion yen, a decrease of 22.9% year-on-year. Operating loss was 9.3 billion yen (operating profit of 13.2 billion yen for the same period in the previous year).

ii. Professional Print Business

In general, the production print unit has a time lag in sales because commercial printing demand usually recovers only after people come back to their office and business activities return to normal. Thus, the recovery was slow compared to the office unit. However, "AccurioPress C14000" series, the Company's first heavy production model launched in February 2020, successfully received orders from medium- and large-sized printing companies mainly through online demonstrations, contributing to an increase in sales volume. Amid a decline in overall printing demand, including analog printing, the Company expects that the demand for its digital printing service will continue to grow in the future.

In the industrial print unit, although the Company continued to hold major share in its targeted markets, hardware revenue, such as equipment body, saw a decline as sales volume decreased under limited opportunities to install equipment for customers. On the other hand, non-hardware revenue, such as consumables and services, turned to an increase in the second quarter ended September 2020, in spite of the spread of COVID-19 pandemic, and the revenue is expected to expand going forward.

In the marketing services unit, revenue from marketing production management service offered in the United States and Europe was negatively affected during the current period due to a decline in marketing-related printing demand among companies. In Japan, the number of customers visiting Kinko's stores, which offer on-demand printing services, continued to decline due to postponement or cancellation of events.

As a result of the above, the Professional Print Business segment recorded revenue of 73.4 billion yen, a decrease of 28.9% year-on-year. Operating loss was 8.7 billion yen (operating profit of 2.0 billion yen for the same period in the previous year).

iii. Healthcare Business

In the healthcare unit, sales volume of digital radiography (DR) declined in Japan compared to the same period last year, in which a last-minute rise in demand was seen before the consumption tax hike. On the other hand, sales volume in the Americas and Europe remained the same level year-on-year. Overall sales volume of diagnostic ultrasound systems decreased in the current period mainly because sales in Japan were sluggish, although sales expanded in North America and China. For medical IT, although sales of "Informity," an IT service supporting medical image management and collaboration between medical institutions, went up steadily in Japan, sales of the Picture Archiving and Communication System (PACS) were slow in North America under the ongoing restrictive environment of sales activities amid the spread of COVID-19 pandemic. As such, revenue in the healthcare unit fell in the current period from a year earlier.

In the precision medicine unit, the number of genetic testing services decreased in the United States during the current period due to a drop in the number of patients coming into hospitals as the pandemic unfolded; however, the number of testing on a monthly basis started picking up after hitting the lowest in April 2020. The number of testing also saw an increase in both ribonucleic acid (RNA) testing, representing one of the Company's focus areas that assesses germline mutations, and "CARE Program," a full-scale service for imaging centers newly launched in the current period. In particular, "CARE Program" succeeded in responding to the increasing demand from customers under the COVID-19 outbreak, as the service allows medical interviews,

medical exams, and follow-ups to be conducted remotely. Revenue from the Company's drug discovery support service gradually came back during the current period; however, the number of clinical trial volunteers kept decreasing under the pandemic, causing delays in the commencement of clinical trials to be conducted by pharmaceutical companies. This led to an increase in the Company's backlog without being recognized as revenue. As a result, revenue in the precision medicine unit declined in the current period from a year earlier.

Based on above, the Healthcare Business segment recorded revenue of 45.4 billion yen, a decrease of 23.9% year-on-year. Operating loss was 6.5 billion yen (operating loss of 3.3 billion yen for the same period in the previous year).

iv. Industry Business

In the measuring instruments unit of the sensing field, revenue from object color measurement instruments increased during the second quarter ended September 2020 as the pandemic crisis gradually saw signs of improvement mainly in China. Also sales remained stable for light source color measurement instruments due to increasing demand from major customers and steady flow of investment from customers in China. As a result, overall revenue in the measuring instruments unit went up year-on-year.

In the materials and components field, revenue in the performance materials unit fell in the current period from a year earlier; however sales volume turned into an increase in the second quarter ended September 2020 for high value-added products for LCD TVs and ultra-thin films for smartphones. The optical components unit also saw an overall decline in revenue year-on-year due to sluggish sales of projector lenses, mainly because restrictions continued to exist at movie theaters and events, especially in the United States and Europe, although the situation became better in China. In the Inkjet (I) components unit, sales activities gradually recovered during the current period, including the reopening of postponed exhibits; however, export destinations of customers' products continued to be hit hard by the spread of COVID-19, dragging down the overall revenue from a year earlier.

In the imaging-IoT solutions field, the imaging-IoT solutions unit, which specializes in imaging input device and imaging analysis system, saw an increase in revenue year-on-year thanks to healthy sales of thermal camera developed by MOBOTIX AG. This solution enables contact-less measurement of body surface temperature, and is expected as a solution to curb the spread of COVID-19. The Company also accelerated new business partnerships with multiple companies in the solution area, including measurement of body surface temperature, mask-wearing auto monitoring, face recognition solution, and video monitoring system. Revenue in the visual solutions unit fell from a year earlier, although positive signs of recovery from the COVID-19 outbreak were seen in the current period such as through the reopening of the directly owned planetariums and the launch of distribution business. Based on above, overall revenue in the imaging-IoT solutions field went up year-on-year.

As a result, the Industry Business segment recorded revenue of 53.9 billion yen, a decrease of 9.9% from a year earlier. Operating profit was 5.0 billion yen, a decrease of 27.5% year-on-year.

(Reference)

Overview of the quarterly consolidated accounting period

	Three months ended September 30, 2019	Three months ended September 30, 2020	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	%
Revenue	255.7	211.4	(44.2)	-17.3
Gross profit	120.1	89.2	(30.9)	-25.7
Operating profit (loss)	4.8	(5.2)	(10.1)	-
Profit (loss) before tax	2.9	(7.0)	(10.0)	-
Profit(loss) attributable to owners of the Company	1.3	(4.9)	(6.2)	-
	Yen	Yen	Yen	%
Basic earnings (loss) per share	2.66	(9.98)	(12.64)	-
	Billions of yen	Billions of yen	Billions of yen	%
Capital expenditures	14.5	15.0	0.4	3.0
Depreciation and amortization expenses	19.1	19.5	0.4	2.4
Research and development expenses	19.7	16.4	(3.2)	-16.6
	Billions of yen	Billions of yen	Billions of yen	%
Free cash flows	(3.5)	6.8	10.4	-
	Yen	Yen	Yen	%
Foreign exchange rates				
U.S. dollar	107.35	106.22	(1.13)	-1.1
Euro	119.34	124.11	4.77	4.0

Overview of major segments

		Three months ended September 30, 2019	Three months ended September 30, 2020	Increase (Decrease)	
		Billions of yen	Billions of yen	Billions of yen	%
Digital Workplace Business	Revenue	139.1	116.6	(22.4)	-16.1
	Operating profit	7.8	0.3	(7.4)	-96.0
Professional Print Business	Revenue	52.6	41.6	(10.9)	-20.9
	Operating profit	1.0	(1.6)	(2.7)	-
Healthcare Business	Revenue	33.8	24.9	(8.9)	-26.3
	Operating profit	(1.1)	(1.8)	(0.6)	-
Industry Business	Revenue	29.8	27.8	(1.9)	-6.5
	Operating profit	3.7	2.2	(1.5)	-40.8
Subtotal	Revenue	255.4	211.1	(44.3)	-17.3
	Operating profit	11.3	(0.9)	(12.3)	-
Others and adjustments (Note 2)	Revenue	0.2	0.3	0.0	22.9
	Operating profit	(6.5)	(4.2)	2.2	-
Amount reported in the Condensed Consolidated Statements of Profit or Loss	Revenue	255.7	211.4	(44.2)	-17.3
	Operating profit	4.8	(5.2)	(10.1)	-

(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. The classification of reportable segment is changed from the second quarter ended September 30, 2020. For further detail, refer to “2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES, (6) Notes to the Condensed Consolidated Financial Statements [Segment Information].” Note that the results for the same period last year presented for comparative purposes are reclassified based on this new reportable segment.

(2) Qualitative Information on the Consolidated Financial Position

a. Analysis of Consolidated Financial Position

	As of March 31, 2020	As of September 30, 2020	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	1,276.7	1,274.5	(2.1)
Total liabilities	743.0	770.3	27.3
Total equity	533.7	504.1	(29.5)
Equity attributable to owners of the Company	523.7	494.2	(29.5)
	%	%	%
Equity ratio attributable to owners of the Company	41.0	38.8	-2.2

Total assets as of September 30, 2020, were 1,274.5 billion yen, a decrease of 2.1 billion yen (0.2%) from March 31, 2020. This is primarily attributed to a decrease of 28.2 billion yen in trade and other receivables, a decrease of 9.2 billion yen in inventories, a decrease of 5.4 billion yen in property, plant and equipment, and a decrease of 4.8 billion yen in goodwill and intangible assets, which were offset by an increase of 33.3 billion yen in cash and cash equivalents and an increase of 12.1 billion yen in income tax receivables.

Total liabilities as of September 30, 2020, were 770.3 billion yen, an increase of 27.3 billion yen (3.7%) from March 31, 2020. This is primarily attributed to an increase of 59.2 billion yen in bonds and borrowings and a decrease of 29.6 billion yen in trade and other payables.

Total equity as of September 30, 2020, was 504.1 billion yen, a decrease of 29.5 billion yen (5.5%) from March 31, 2020.

Equity attributable to owners of the Company was 494.2 billion yen as of September 30, 2020, a decrease of 29.5 billion yen (5.6%) from March 31, 2020. This is primarily attributed to the recording of a loss attributable to owners of the Company of 22.2 billion yen and a decrease of 4.9 billion yen in retained earnings due to cash dividends.

As a result of the above, the equity ratio attributable to owners of the Company decreased 2.2 percentage points to 38.8%.

b. Analysis of Cash Flows

	Six months ended September 30, 2019	Six months ended September 30, 2020	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Cash flows from operating activities	7.9	9.7	1.7
Cash flows from investing activities	(26.5)	(16.7)	9.7
Total (Free cash flows)	(18.5)	(7.0)	11.5
Cash flows from financing activities	(14.9)	41.3	56.3

For the six months ended September 30, 2020, net cash provided by operating activities was 9.7 billion yen, and net cash used in investing activities totaled 16.7 billion yen. As a result, free cash flows (the sum of cash flows from operating activities and investing activities) were an outflow of 7.0 billion yen for the current period.

Net cash provided by financing activities was 41.3 billion yen.

In addition, cash and cash equivalents as of September 30, 2020, increased by 33.3 billion yen from March 31, 2020, to 123.2 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 9.7 billion yen. On top of the loss before tax of 30.8 billion yen, this is attributable to the net effects of cash inflows mainly due to depreciation and amortization expenses of 38.9 billion yen, a decrease in trade and other receivables of 29.8 billion yen and a decrease in inventories of 10.1 billion yen, and cash outflows mainly due to a decrease in trade and other payables of 32.4 billion yen.

Cash flows from investing activities

Net cash used in investing activities was 16.7 billion yen, mainly due to purchases of property, plant and equipment of 12.8 billion yen and purchases of intangible assets of 5.6 billion yen, which were offset by proceeds from sales of property, plant and equipment as well as intangible assets of 3.0 billion yen.

As a result, free cash flows (the sum of cash flows from operating and investing activities) were an outflow of 7.0 billion yen (an outflow of 18.5 billion yen for the same period in the previous fiscal year).

Cash flows from financing activities

Net cash provided by financing activities was 41.3 billion yen (net cash outflows of 14.9 billion yen for the same period in the previous fiscal year), reflecting proceeds from net increase in short-term loans payable of 59.9 billion yen and proceeds from bonds issuance and long-term loans payable of 10.2 billion yen, netted with redemption of bonds and repayments of long-term loans payable of 11.0 billion yen, repayments of lease liabilities of 10.1 billion yen, and cash dividends paid of 4.9 billion yen.

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

a. Forecast for the Consolidated Financial Results

The Company will provide a forecast for the consolidated financial results for the fiscal year ending March 31, 2021, which was formally described as “undetermined” in the “Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 [IFRS]” released on July 30, 2020, given that it was difficult to reasonably project business results at that time. Note that the cost of structure reform of 10.5 million yen is included in the forecasted operating loss of 13.0 million yen. Further, the exchange rate assumptions for the forecast are 105 yen to the U.S. dollar and 120 yen to the euro.

As the COVID-19 pandemic continues to unfold, a challenging situation persists in the current period where economic activities are restricted across geographies. At this time, it is uncertain as to when the outbreak will level off, and various risks and opportunities for businesses are still expected. Given such circumstances, the Company foresees that repeated waves of COVID-19 will continue to be seen around the world, restricting economic activities and people’s behavior in certain ways due to limited lockdowns. However, the Company has developed its forecast with an assumption that strict nationwide-level lockdowns that were seen in March and April this year will not be placed in the Company’s major markets. With such business environment assumptions in mind, the Company is ready to proactively enhance the earning power of each business and pursue structural reforms to improve its profitability, without relying too much on an upturn in the economic environment.

The Company foresees the risks and opportunities for the time being as follows:

In the Digital Workplace Business, although client companies across the globe will still have to deal with telecommuting and certain restrictions in their business activities, printing volume at offices in the fourth quarter ending March 31, 2021, is expected to return to around 90% of the level compared to the same period last year, and product sales will see a recovery. In addition, the Company’s IT service solution and “Workplace Hub,” which support people’s new working style such as telecommuting, will be able to respond to an increasing demand for document sharing as well as automated and digitalized operation processes under a secured environment. Particularly, sales opportunities will grow in the area of optical character recognition (OCR) and robotics process automation (RPA), which are supposed to contribute to operational reforms and workload reductions for the following: public sectors, such as the U.S. governmental organizations and Japanese local governments; and medical institutions and other businesses that are essential to the society.

In the Professional Print Business, the Company foresees that sales of digital printing equipment which enables automated, manpower-saving, and skill-less work will increase going forward given the following circumstances: the printing market will shift more towards medium- and large-sized printing companies, while central reprographics departments and small- and medium-sized printing companies will see a shrink in demand; digital printing in the area of label and packaging, whose printing volume keeps growing amid the pandemic, will keep expanding; and many client printing companies will continue to be forced to work remotely or conduct daily operation with less people.

In the Healthcare Business, the number of outpatients is supposed to return to about the same level before the COVID-19 outbreak by the end of the fiscal year ending March 31, 2021, except for the United States. It may take some more time for investments on diagnostic equipment to recover; however, the number of genetic testing will increase as the number of outpatients picks up. Moreover, the Company’s backlog will decrease and sales will increase in the area of drug discovery support service once clinical trials conducted by pharmaceutical companies restart. The Company plans to continue expanding businesses that support a sustainable medical environment, including infection control measures, in areas such as remote medical solutions, community collaboration solutions, dynamic X-ray systems and AI image reading support solutions, and nursing support solutions.

In the Industry Business, although client companies’ investment in flat panel display (FPD) production lines has stalled, more variety in types of FPDs will be seen in the market. Given such circumstances, the Company expects that the market will continue growing and sales opportunities will increase going forward for its measuring instruments and high-value-added functional films. In

addition, more sales are expected in measuring instruments that support labor saving at customers' production lines through automated inspection systems.

With regard to the financial foundation, the Company entered into another commitment line agreement in May 2020 in order to prepare for a possible deterioration in future cash flows amid the spread of COVID-19. The total balance of credit lines is 300 billion yen as of September 30, 2020, all of which remains untapped, securing the Company's liquidity on hand at a sufficient level. Moreover, the Company is committed to streamline its business operations through strictly tightening inventory at a minimum level, strengthening its cash flow management by sorting and reducing the level of capital spending as well as investment and lending transactions, and pursuing the cost-benefit mindset.

Revision of consolidated forecasts for the fiscal year ending March 31, 2021
(From April 1, 2020 to March 31, 2021)

	Revenue	Operating profit	Profit attributable to owners of the Company	Basic earnings per share
	Billions of yen	Billions of yen	Billions of yen	Yen
Forecasts previously announced (A)	TBD	TBD	TBD	TBD
Revised forecasts (B)	870.0	(13.0)	(18.0)	(36.33)
Increase/decrease (B-A)	-	-	-	-
Change (%)	-	-	-	-
(Reference) Results for the fiscal year ended March 31, 2020	996.1	8.2	(3.0)	(6.21)

b. Dividend Forecast

Dividend forecast also remained undetermined, given that the forecast for the consolidated financial results for the fiscal year ending March 31, 2021, were not determined yet. However, based on the forecasted results as announced above, the Company determines the interim dividend at September 30, 2020, to be 10 yen per share and year-end dividend forecast to be 15 yen per share.

	Annual dividend (Yen)		
	Interim	Year-end	Total
Previous forecast	TBD	TBD	TBD
Revised forecast	-	15.00	25.00
Payment for the current year (Fiscal year ending March 31, 2021)	10.00	-	-
Payment for the previous year (Fiscal year ended March 31, 2020)	15.00	10.00	25.00

The above forecasts for 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, 2020” section.

2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES

(1) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	89,901	123,280
Trade and other receivables	260,850	232,619
Inventories	162,575	153,351
Income tax receivables	4,775	16,902
Other financial assets	6,113	3,719
Other current assets	26,938	30,268
Total current assets	551,154	560,140
Non-current assets		
Property, plant and equipment	309,457	303,986
Goodwill and intangible assets	337,785	332,928
Investments accounted for using the equity method	644	100
Other financial assets	38,394	40,785
Deferred tax assets	34,562	31,931
Other non-current assets	4,770	4,711
Total non-current assets	725,614	714,444
Total assets	1,276,768	1,274,585

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Trade and other payables	162,886	133,221
Bonds and borrowings	59,267	134,931
Lease liabilities	18,456	13,855
Income tax payables	286	1,342
Provisions	12,028	11,184
Other financial liabilities	2,927	40,222
Other current liabilities	47,556	49,176
Total current liabilities	303,409	383,935
Non-current liabilities		
Bonds and borrowings	230,027	213,584
Lease liabilities	95,760	98,538
Retirement benefit liabilities	33,840	34,480
Provisions	15,205	15,460
Other financial liabilities	46,381	5,787
Deferred tax liabilities	11,973	11,398
Other non-current liabilities	6,404	7,200
Total non-current liabilities	439,593	386,450
Total liabilities	743,002	770,385
Equity		
Share capital	37,519	37,519
Share premium	196,135	196,745
Retained earnings	307,179	277,007
Treasury shares	(9,684)	(8,984)
Share acquisition rights	728	611
Other components of equity	(8,133)	(8,673)
Equity attributable to owners of the Company	523,745	494,225
Non-controlling interests	10,020	9,974
Total equity	533,766	504,199
Total liabilities and equity	1,276,768	1,274,585

(2) Condensed Consolidated Statements of Profit or Loss

Six months ended September 30, 2019 and 2020

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Revenue	497,488	384,659
Cost of sales	260,633	223,695
Gross profit	236,855	160,964
Other income	1,152	7,515
Selling, general and administrative expenses	224,554	190,931
Other expenses	8,020	5,424
Operating profit (loss)	5,433	(27,876)
Finance income	2,522	2,220
Finance costs	6,287	5,286
Share of profit (loss) of investments accounted for using the equity method	(106)	43
Profit (loss) before tax	1,561	(30,899)
Income tax expense (income)	1,550	(8,813)
Profit (loss) for the period	11	(22,085)
Profit (loss) attributable to:		
Owners of the Company	106	(22,249)
Non-controlling interests	(95)	163
Earnings (loss) per share	Yen	Yen
Basic	0.21	(44.93)
Diluted	0.21	(44.93)

Three months ended September 30, 2019 and 2020

(Millions of yen)

	Three months ended September 30, 2019	Three months ended September 30, 2020
Revenue	255,745	211,491
Cost of sales	135,571	122,226
Gross profit	120,174	89,264
Other income	613	4,402
Selling, general and administrative expenses	111,783	97,256
Other expenses	4,125	1,647
Operating profit (loss)	4,878	(5,237)
Finance income	1,057	813
Finance costs	2,948	2,647
Share of profit (loss) of investments accounted for using the equity method	(46)	(28)
Profit (loss) before tax	2,940	(7,098)
Income tax expense (income)	1,458	(2,458)
Profit (loss) for the period	1,482	(4,639)
Profit (loss) attributable to:		
Owners of the Company	1,315	(4,944)
Non-controlling interests	167	304
Earnings (loss) per share	Yen	Yen
Basic	2.66	(9.98)
Diluted	2.65	(9.98)

(3) Condensed Consolidated Statements of Comprehensive Income

Six months ended September 30, 2019 and 2020

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit (loss) for the period	11	(22,085)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	(407)	(1,658)
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	(298)	1,716
Total items that will not be reclassified to profit or loss	(705)	57
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	(1,116)	68
Exchange differences on translation of foreign operations (net of tax)	(20,899)	(3,484)
Share of other comprehensive income (loss) of investments accounted for using the equity method (net of tax)	(15)	15
Total items that may be subsequently reclassified to profit or loss	(22,031)	(3,400)
Total other comprehensive income (loss)	(22,736)	(3,342)
Total comprehensive income (loss)	(22,725)	(25,428)
Total comprehensive income (loss) attributable to:		
Owners of the Company	(22,219)	(25,382)
Non-controlling interests	(505)	(45)

Three months ended September 30, 2019 and 2020

(Millions of yen)

	Three months ended September 30, 2019	Three months ended September 30, 2020
Profit (loss) for the period	1,482	(4,639)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	(392)	(1,658)
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	231	596
Total items that will not be reclassified to profit or loss	(160)	(1,062)
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	(804)	(320)
Exchange differences on translation of foreign operations (net of tax)	(7,064)	(1,146)
Share of other comprehensive income (loss) of investments accounted for using the equity method (net of tax)	(12)	—
Total items that may be subsequently reclassified to profit or loss	(7,881)	(1,467)
Total other comprehensive income (loss)	(8,042)	(2,529)
Total comprehensive income (loss)	(6,559)	(7,169)
Total comprehensive income (loss) attributable to:		
Owners of the Company	(6,560)	(7,588)
Non-controlling interests	0	419

(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, 2019	37,519	188,333	324,628	(9,979)	836	14,350	555,689	10,294	565,983
Effect of changes in accounting policies	—	—	(744)	—	—	—	(744)	—	(744)
Restated balance as of April 1, 2019	37,519	188,333	323,884	(9,979)	836	14,350	554,944	10,294	565,238
Profit (loss) for the period	—	—	106	—	—	—	106	(95)	11
Other comprehensive income (loss)	—	—	—	—	—	(22,326)	(22,326)	(410)	(22,736)
Total comprehensive income (loss)	—	—	106	—	—	(22,326)	(22,219)	(505)	(22,725)
Dividends	—	—	(7,419)	—	—	—	(7,419)	—	(7,419)
Acquisition and disposal of treasury shares	—	—	(75)	195	—	—	120	—	120
Share-based payments	—	51	—	—	(63)	—	(12)	—	(12)
Equity and other transactions with non-controlling shareholders	—	(21)	—	—	—	—	(21)	(0)	(21)
Put options written on non-controlling interests	—	1,527	—	—	—	—	1,527	—	1,527
Transfer from other components of equity to retained earnings	—	—	(415)	—	—	415	—	—	—
Total transactions with owners	—	1,557	(7,910)	195	(63)	415	(5,805)	(0)	(5,805)
Balance as of September 30, 2019	37,519	189,891	316,080	(9,784)	772	(7,560)	526,918	9,788	536,707

(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, 2020	37,519	196,135	307,179	(9,684)	728	(8,133)	523,745	10,020	533,766
Profit (loss) for the period	—	—	(22,249)	—	—	—	(22,249)	163	(22,085)
Other comprehensive income (loss)	—	—	—	—	—	(3,132)	(3,132)	(209)	(3,342)
Total comprehensive income (loss)	—	—	(22,249)	—	—	(3,132)	(25,382)	(45)	(25,428)
Dividends	—	—	(4,949)	—	—	—	(4,949)	—	(4,949)
Acquisition and disposal of treasury shares	—	—	(381)	699	—	—	318	—	318
Share-based payments	—	(427)	—	—	(117)	—	(545)	—	(545)
Equity and other transactions with non-controlling shareholders	—	(102)	—	—	—	—	(102)	—	(102)
Put options written on non-controlling interests	—	1,139	—	—	—	—	1,139	—	1,139
Transfer from other components of equity to retained earnings	—	—	(2,592)	—	—	2,592	—	—	—
Total transactions with owners	—	610	(7,922)	699	(117)	2,592	(4,138)	—	(4,138)
Balance as of September 30, 2020	37,519	196,745	277,007	(8,984)	611	(8,673)	494,225	9,974	504,199

(5) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit (loss) before tax	1,561	(30,899)
Depreciation and amortization expenses	37,976	38,970
Impairment losses and reversal of impairment losses	525	31
Share of (profit) loss of investments accounted for using the equity method	106	(43)
Interest and dividends income	(2,354)	(2,246)
Interest expenses	4,421	4,232
(Gain) loss on sales and disposals of property, plant and equipment, and intangible assets	3,037	334
(Increase) decrease in trade and other receivables	(3,588)	29,844
(Increase) decrease in inventories	(15,953)	10,138
Increase (decrease) in trade and other payables	(2,209)	(32,438)
Decrease due to transfer of rental assets	(3,609)	(2,600)
Increase (decrease) in retirement benefit liabilities	938	(979)
Others	(2,554)	(264)
Subtotal	18,296	14,079
Dividends received	362	394
Interest received	1,990	1,933
Interest paid	(4,417)	(4,722)
Income taxes (paid) refunded	(8,272)	(1,951)
Net cash provided by (used in) operating activities	7,959	9,732

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,328)	(12,856)
Purchase of intangible assets	(5,764)	(5,662)
Proceeds from sales of property, plant and equipment, and intangible assets	732	3,019
Purchase of investments in subsidiaries	(3,324)	(244)
Proceeds from sales of investments accounted for using the equity method	—	601
Payments for transfer of business	(250)	(771)
Others	(602)	(872)
Net cash provided by (used in) investing activities	(26,537)	(16,786)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	3,384	59,990
Proceeds from bonds issuance and long-term loans payable	2,541	10,297
Redemption of bonds and repayments of long-term loans payable	(4,751)	(11,066)
Repayments of lease liabilities	(8,680)	(10,102)
Cash dividends paid	(7,434)	(4,957)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(2,786)
Others	(1)	(0)
Net cash provided by (used in) financing activities	(14,942)	41,373
Effect of exchange rate changes on cash and cash equivalents	(3,215)	(943)
Net increase (decrease) in cash and cash equivalents	(36,734)	33,378
Cash and cash equivalents at the beginning of the period	124,830	89,901
Cash and cash equivalents at the end of the period	88,096	123,280

(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, 2019	Six months ended September 30, 2020
Subsidy income including compensation for sustaining businesses	—	4,578
Gain on settlement of retirement benefit plans	—	1,218
Others	1,152	1,718
Total	1,152	7,515

[Other Expenses]

Components of other expenses are as follows:

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Business structure improvement expenses	1,252	2,727
Loss on sales and disposals of property, plant and equipment, and intangible assets	3,142	429
Others	3,626	2,268
Total	8,020	5,424

[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 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 determines reportable segments by taking into account the primary usage of products of the respective businesses in the markets and their similarities.

The Company has developed a new medium-term business strategy "DX2022," which is introduced from the current period. "DX2022" mainly focuses on executing and achieving positive results for projects and plans implemented or still continuing under "SHINKA 2019," the previous Medium-term Business Plan. The basic policy of "DX2022" is to "leap to highly profitable businesses through DX" and to "evolve into a company clearly committed to solving social issues." In order to enhance customers' value, the Company has reassessed the classification of the original three business lines, namely Core Business, Growth Business, and New Business, and also reviewed the existing reportable segments in accordance with the new strategy under "DX2022." The new reportable segments are as follows:

i. Digital Workplace Business

The former Office Business is now renamed as "Digital Workplace Business," which is dedicated to support customers' DX and value creation. In detail, the Company has combined MFPs and IT service solutions together with "Workplace Hub," which was originally classified into and reported as "Others," to offer valuable services to customers across different industries and businesses, including offices, hospitals, logistic companies, and manufacturing companies, with an aim to solve their day-to-day issues. All the related operating segments are accounted for under this reportable segment.

ii. Professional Print Business

Professional Print Business fully utilizes digital technology to achieve automation and manpower-saving and to support printing companies in their efforts to generate more value-added businesses. The segment plans to expand its business by shifting to the area of mass printing, including label and packaging printing as well as other industrial printing, given that the market is expected to grow going forward. There is no change for the Professional Print Business in its segment classification.

iii. Healthcare Business

Healthcare Business is comprised of original operating segments and new operating segments. The original operating segment is composed of diagnostic imaging, including X-ray and ultrasound, and medical IT services to support such diagnostic imaging. The new operating segment includes genetic diagnostic service and drug discovery support service, which were originally classified into and reported as "Others." By integrating new and original businesses, the Company is dedicated to provide valuable services, such as prevention of disease, early detection of disease, early diagnosis, and new drug development support.

iv. Industry Business

The former Industrial Business is renamed as "Industry Business." On top of the sensing business as well as the materials and components business, the segment now incorporates the imaging-IoT solutions business, including status monitoring solution using imaging-IoT technology, which was originally classified into and reported as "Others." By integrating these businesses, the Company aims to provide safety, security, and other values to people dedicated to manufacturing work across various industries.

Note that segment information for the six months ended September 30, 2019 and three months ended September 30, 2019, presented below is reclassified based on the new reportable segment.

Businesses of each reportable segment are described as follows:

	Business content
Digital Workplace Business	Development, manufacture, and sales of MFPs and related consumables; provision of related services; provision of related IT solution services
Professional Print Business	Development, manufacture, and sales of digital printing systems and related consumables; provision of various printing services, solutions, and services
Healthcare Business	Development, manufacture, and sales of, and provision of services for, diagnostic imaging systems (digital X-ray diagnostic imaging, diagnostic ultrasound systems, and others); provision of digitalization, networking, solutions, and services in the medical field; genetic testing; provision of services related to primary care; provision of drug discovery support services
Industry Business	<u>Sensing</u> Development, manufacture, and sales of measuring instruments
	<u>Materials and Components</u> Development, manufacture, and sales of products, such as functional film displays, OLED lighting, industrial inkjet printheads, and lenses for industrial and professional use
	<u>Imaging-IoT Solutions</u> Development, manufacture, and sales of instruments related to imaging-IoT and visual; provision of related solution services

(b) Information by reportable segment

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

Six months ended September 30, 2019

(Millions of yen)

	Reportable segments					Others	Adjustments (Note 2) (Note 3)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	274,103	103,298	59,695	59,856	496,954	534	–	497,488
Intersegment (Note 1)	930	329	295	1,831	3,386	8,062	(11,448)	–
Total	275,033	103,628	59,990	61,688	500,340	8,596	(11,448)	497,488
Segment profit (loss)	13,275	2,088	(3,342)	6,947	18,968	(1,234)	(12,300)	5,433

Six months ended September 30, 2020

(Millions of yen)

	Reportable segments					Others	Adjustments (Note 2) (Note 3)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	211,252	73,454	45,446	53,950	384,103	555	–	384,659
Intersegment (Note 1)	1,196	52	248	1,032	2,529	7,372	(9,901)	–
Total	212,449	73,506	45,694	54,982	386,632	7,928	(9,901)	384,659
Segment profit (loss)	(9,311)	(8,757)	(6,562)	5,057	(19,574)	(482)	(7,820)	(27,876)

(Notes)

1. Intersegment revenue is based on market prices and others.
2. Adjustments of revenue are elimination of intersegment transactions.
3. 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. They include other revenue and other expenses not attributable to any of the reportable segments or "Others."

Three months ended September 30, 2019

(Millions of yen)

	Reportable segments					Others	Adjustments (Note 2) (Note 3)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	139,126	52,692	33,831	29,841	255,491	254	–	255,745
Intersegment (Note 1)	450	191	123	911	1,677	4,332	(6,009)	–
Total	139,577	52,884	33,954	30,752	257,168	4,586	(6,009)	255,745
Segment profit (loss)	7,810	1,038	(1,194)	3,732	11,386	(610)	(5,897)	4,878

Three months ended September 30, 2020

(Millions of yen)

	Reportable segments					Others	Adjustments (Note 2) (Note 3)	Total
	Digital Workplace Business	Professional Print Business	Healthcare Business	Industry Business	Total			
Revenue								
External	116,672	41,697	24,918	27,890	211,178	312	–	211,491
Intersegment (Note 1)	654	37	133	448	1,273	3,968	(5,242)	–
Total	117,326	41,735	25,052	28,338	212,452	4,281	(5,242)	211,491
Segment profit (loss)	315	(1,695)	(1,827)	2,208	(999)	(231)	(4,005)	(5,237)

(Notes)

1. Intersegment revenue is based on market prices and others.
2. Adjustments of revenue are elimination of intersegment transactions.
3. 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. They include other revenue and other expenses not attributable to any of the reportable segments or “Others.”

[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 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, 2020. As the Compensation Committee resolved to continue the Plan, the trust period is now extended to August 31, 2023.

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, 2020, the carrying amount and the number of shares of the treasury shares are 588 million yen and 647,137 shares, respectively.