(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Independent Auditors' Reports contained in this document have also been translated by the Company. KPMG AZSA LLC, the Accounting Auditor, has never been involved in this translation and therefore assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

NOTICE OF CONVOCATION OF THE 119TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Konica Minolta, Inc.

Message from the President

I would like to express my sincere gratitude to all our shareholders for their exceptional support.
I would like to present the financial results for the Company in the fiscal year ended March 31, 2023 (hereinafter, “the current fiscal year”). Earnings from business grew significantly, with increases in revenue on a consolidated basis, along with gross profit and business contribution profit.* I believe that our reality-based management approach for steadily increasing earnings through business and recovering confidence is starting to produce results.
In the process of finalizing our financial results at the end of the current fiscal year, we undertook a review of our assets, mainly looking at our acquisitions of companies in the past. We conducted impairment testing, considering our future plans conservatively and taking into account recent increases in the interest rate. As a result, we recorded impairment losses in the fourth quarter on assets where we recognized that it would be difficult to recover the investment amount in the initially envisaged period.
This resulted in a significant decrease in operating profit and profit attributable to owners of the Company for the current fiscal year.
Giving comprehensive consideration to the above performance and our management environment, we have decided to forego the year-end dividend for the fiscal year ended March 31, 2023, leaving an annual dividend of ¥10 per share (interim dividend of ¥10 per share, no year-end dividend). I would like to apologize sincerely to our shareholders for any concern and inconvenience that this may cause.
From April 2023, we have embarked on a new medium-term business plan. Aiming to return to being a highly profitable company, we will work on selection and concentration of businesses. We will concentrate allocation of management resources in strengthening businesses, such as the Industry Business. Furthermore, our office unit, which focuses mainly on sales of multi-functional peripherals, will be positioned as a maintaining profit business, where we will manage by restraining investment while steadily generating earnings. At the same time, we will implement cost structure reforms and reinforce our financial foundation, aiming to achieve ROE of 5% in the fiscal year ending March 31, 2026.
I ask for your continued and further support and encouragement going forward.

* Business contribution profit: an original indicator used by the Company, representing profit calculated by subtracting sales cost and SG&A expenses from revenue.

Toshimitsu Taiko
President and CEO
Representative Executive Officer
Konica Minolta, Inc.

Konica Minolta Philosophy

Konica Minolta has formulated “Imaging to the People,” a long-term management vision that looks forward to 2030. In concert with these initiatives, we redeveloped our philosophy. Now, Konica Minolta Philosophy comprises Our Philosophy, unchanged since its formulation in 2003, Our Vision, which defines our aspirations for 2030, and 6 Values that guide the development of Konica Minolta’s corporate culture as the wellspring of our value creation.

Our Philosophy

The Creation of New Value

Our Vision

Imaging to the People
A global company that is vital to society, bringing vision to reality.

A robust and innovative company, continually evolving and contributing to the sustainable growth of the society and individuals.

6 Values

Open and honest
Customer-centric
Innovative
Passionate
Inclusive and collaborative
Accountable

Brand Proposition

Giving Shape to Ideas

Securities Code: 4902
May 29, 2023

To Our Shareholders

Toshimitsu Taiko
Director, President and CEO
Representative Executive Officer
Konica Minolta, Inc.
2-7-2 Marunouchi, Chiyoda-ku, Tokyo

NOTICE OF CONVOCATION OF THE 119TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

KONICA MINOLTA, INC. ("the Company") hereby announces that the 119th Ordinary General Meeting of Shareholders ("the Meeting") will be held as detailed below.

The General Meeting of Shareholders is an important opportunity for communication between the Company and its shareholders. However, **the Company requests that shareholders take the COVID-19 situation and their own health into consideration and refrain from attending the Meeting if not in top physical condition. The proceedings of the Meeting will be live-streamed on the Internet, and shareholders who do not attend in person are encouraged to watch the broadcast of the Meeting.**
If you are unable to attend the Meeting, you may exercise your voting rights by indicating your approval or disapproval on the enclosed voting form and return it so it reaches us by 5:40 p.m., Monday, June 19, 2023, or vote on the website for exercising voting rights designated by the Company (https://evote.tr.mufg.jp/) no later than the above-mentioned deadline. **To ensure shareholders' opinions to be reflected in management, please exercise your voting rights.**

1. Date and Time: Tuesday, June 20, 2023 at 10.00 a.m.

2. Place: Tokyo Marriott Hotel, B1F "The GOTENYAMA Ballroom"
4-7-36, Kitashinagawa, Shinagawa-ku, Tokyo, Japan

3. Objectives:

Matters to be Reported:

1. Reports on the Business Report, the Consolidated Financial Statements for the 119th Fiscal Year (from April 1, 2022 to March 31, 2023); and Audit Reports by the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements
2. Reports on the Non-consolidated Financial Statements for the 119th Fiscal Year (from April 1, 2022 to March 31, 2023)

Matters to be Resolved:

Agenda Item: Election of Nine (9) Directors

4. Guide to the Exercise of Voting Rights, etc.

Please refer to "Guide to the Exercise of Voting Rights, etc."

- Measures for Providing Information in Electronic Format and Omission of Certain Information from this Notice of Convocation

In convening this General Meeting, the Company has taken measures to provide the Business Report and other information in electronic format in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation. The Company posts this information on the Company's website as the "Notice of Convocation of the 119th Ordinary General Meeting of Shareholders." **The paper-based documents are sent to all shareholders, regardless of whether shareholders have requested their delivery in accordance with the Companies Act.**

[The Company's Website "Shareholders' Meeting" page]
Please access the "The 119th Ordinary General Meeting of Shareholders <June 20, 2023>" page at the following URL.
https://www.konicaminolta.com/jp-ja/investors/event/stock/meeting.html (in Japanese)

The "Notice of Convocation of the 119th Ordinary General Meeting of Shareholders" is also posted on the Tokyo Stock Exchange's website. Access the page at the following URL, enter "Konica Minolta" or "4902" in the issue name (company name) or securities code, and click "Search." The documents can be found by selecting "Basic information," followed by "Documents for public inspection/PR information," followed by "Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting."

[Tokyo Stock Exchange Website (Listed Company Search)]
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)

- Method of Publication in the Event of Revisions to the Reference Documents, Business Report, Consolidated Financial Statements and the Non-consolidated Financial Statements

In case of any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, the details of the matters before and after the revisions will be posted on the Company's website.
https://www.konicaminolta.com/jp-ja/investors/event/stock/meeting.html (in Japanese)

<u>Guide to the Exercise of Voting Rights, etc.</u>

You may exercise your voting rights in the following three ways.
Please examine the attached Reference Documents for the General Meeting of Shareholders and indicate your approval or disapproval.

Attending Meeting to exercise voting rights

Please bring the enclosed voting form and submit at the reception desk. Meeting will be held at 10:00 a.m., Tuesday, June 20, 2023.

Using mail to exercise voting rights

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it so it reaches us by 5:40 p.m., Monday, June 19, 2023.

Using the Internet to exercise voting rights

Please use the Company's designated voting website (https://evote.tr.mufg.jp/) to submit votes concerning the proposals. Votes can be submitted until 5:40 p.m., Monday, June 19, 2023.

About the exercise of voting rights

1. Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
2. If any voting right is exercised more than once by mail, the latest exercise will be upheld as a valid exercise of the voting right.
3. Shareholders are respectfully requested to notify the Company of any diverse exercising of voting rights and the reason therefore not later than three days before the Meeting.
4. If any voting right is exercised both by mail and by the Internet, the exercise via the Internet will be upheld as valid exercise of the voting right.
5. If any voting right is exercised more than once via the Internet, the latest exercise will be upheld as a valid exercise of the voting right.
6. If you intend to attend the Meeting in person, voting in writing or using the Internet is unnecessary.

How to exercise your voting rights via the Internet
Although the exercise of voting rights via the Internet will be acceptable until 5:40 p.m. on Monday, June 19, 2023, we recommend that you exercise your voting rights earlier. If you have any enquiries, please contact the helpdesk shown below.

Exercise of voting rights by scanning QR Code:
You can log in the voting website without entering your "Login ID" and "Temporary Password" described on the side slip of the voting form.

1 Please scan the QR Code on the side slip (right side) of the voting form.
  * "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.
2 Please follow the instructions on the screen thereafter and enter approval or disapproval.

Exercise of voting rights by entering Login ID and Temporary Password:
Voting website: https://evote.tr.mufg.jp/

1 Please access the voting website.
2 Please enter your "Login ID" and "Temporary Password" described on the voting form and click "Log in."
3 Please register a new password and click "Send."
4 Please follow the instructions on the screen thereafter, and enter approval or disapproval.

For enquiries with respect to the system, including how to use the devices, please call: Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department **(helpdesk)** Telephone: 0120-173-027 (Operating Hours: 9.00 to 21.00, toll-free number) (Japanese language only)

To Institutional Investors

As an additional method for exercising your voting rights via the Internet described above, any trust management bank or other nominal shareholders (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ, Inc. subject to prior request for the use of the platform. The exercise deadline may be set earlier than the voting right exercise period designated by the Company in the voting rights exercise system which institutional investors contracted separately. Please check and we recommend that you exercise your voting rights earlier.

Note in exercising voting rights via the Internet:

- You may only exercise voting rights via the Internet by accessing the website for exercising voting rights designated by the Company (https://evote.tr.mufg.jp/) through a personal computer or smartphone or scanning the "QR code for log-in" on the side slip (right side) of the voting form. Please note that you will not be able to access the above URL from 2.00 a.m. to 5.00 a.m. each day during the exercise period.
- In some network environments (including, but not limited to, the case in which you use firewall, etc. antivirus programs or a Proxy Server for Internet access), you may not be able to exercise voting rights.
- Please note that if you wish to exercise your voting rights via the Internet, you will be asked to change your "Temporary Password" on the website for exercising voting rights in order to prevent unauthorized access (web spoofing) or alteration of the voting by any other person than you.
- The "Login ID" and the "Temporary Password" will be renewed and sent to you for each general meeting of shareholders to be held in the future.
- Any costs arising from access to the website for exercising voting rights (the Internet connection fees, communication fees, etc.) shall be paid by you.

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

AGENDA ITEM
Election of Nine (9) Directors

Upon the close of this Ordinary General Meeting of Shareholders ("the Meeting") of Konica Minolta, Inc. ("the Company"), the terms of office of all the nine (9) Directors will expire.

Accordingly, shareholders are requested to elect nine (9) Directors based on the nominations of the Nominating Committee.

If approved as originally proposed, the majority of the Board of Directors will be Outside Directors (5 out of 9). In addition, an Outside Director is expected to be elected as the Chairman of the Board of Directors. We will continue to pursue a highly transparent corporate governance system based on the same approach as in the previous fiscal year.

At the same time, Independent Outside Directors with diverse management experience will play a central role in the Board of Directors and three committees and supervise the development of important measures to ensure the Company's sustainable growth and increase its corporate value over the medium to long term.

The candidates for the position of Director are as follows. For career histories, please refer to pages 14 through 27. Please refer to pages 11 through 13 for information on the policies regarding the nomination of Director candidates, procedures and other items.

No.	Name	Current Position and Responsibilities at the Company		Board of Directors meeting attendance	Term of office	Committee the candidate is scheduled to join (◎ to serve as committee chairperson) Nominating Committee Audit Committee Compensation Committee
1	Toshimitsu Taiko	Director, President and CEO, Representative Executive Officer	Re-election	13/13 (100%)	5 years	– – –
2	Chikatomo Kenneth Hodo	Director Chairman of Board of Directors Member of Nominating Committee	Re-election Outside Independent	13/13 (100%)	5 years	○ – –
3	Soichiro Sakuma	Director Chairperson of Audit Committee Member of Compensation Committee	Re-election Outside Independent	13/13 (100%)	3 years	– ◎ ○
4	Akira Ichikawa	Director Chairperson of Nominating Committee Member of Audit Committee	Re-election Outside Independent	13/13 (100%)	2 years	◎ ○ –
5	Masumi Minegishi	Director Member of Nominating Committee, Audit Committee and Compensation Committee	Re-election Outside Independent	10/10 (100%)	1 year	○ – ◎
6	Takuko Sawada		First-time candidate Outside Independent	–	–	○ ○ ○
7	Hiroyuki Suzuki	Director Member of Audit Committee and Compensation Committee	Re-election Non-executive	13/13 (100%)	4 years	○ ○ ○
8	Noriyasu Kuzuhara	Executive Vice President and Executive Officer	First-time candidate	–	–	– – –
9	Yoshihiro Hirai	Executive Vice President and Executive Officer	First-time candidate	–	–	– – –

No.	Name	Expertise and experience expected of candidates for Directors							
		Corporate executive experience in listed company	Global executive management experience (Note 3)	R&D and manufacturing	Sales and marketing	Finance and accounting, and understanding of investor perspective	HR management	Governance, internal control, legal affairs	Business transformations and new business development (DX)
1	Toshimitsu Taiko	●	●		●				●
2	Chikatomo Kenneth Hodo		●			●			●
3	Soichiro Sakuma		●				●	●	●
4	Akira Ichikawa	●	●		●				
5	Masumi Minegishi	●	●		●		●		●
6	Takuko Sawada		●	●	●				●
7	Hiroyuki Suzuki				●			●	
8	Noriyasu Kuzuhara			●	●				●
9	Yoshihiro Hirai		●		●	●			

Notes:
1. "Re-election" means a candidate for Director to be reelected, "First-time candidate" means a candidate for Director to be newly elected, "Outside" means a candidate for Outside Director, "Non-executive" means a candidate for (Inside) Director who does not concurrently serve as Executive Officer, and "Independent" refers to a candidate reported to the stock exchange as Independent Director.
2. As Mr. Masumi Minegishi was newly elected as a Director at the previous Ordinary General Meeting of Shareholders (held on June 17, 2022), the numbers of his Board of Directors meeting attendance and committee meeting attendance are different.
3. "Global executive management experience" includes both actual experience at a global business and experience relating to overseas business operation.

Policies and Procedures for the Nomination of Director Candidates

The basic concept for the Company's corporate governance is outlined on pages 76 through 78. The Nominating Committee has formulated Director election standards and independence standards for Outside Directors, which are shown on pages 28 through 29

The Nominating Committee makes it its policy to enhance the selection of Director candidates by starting each year by reviewing the composition and election standards of the Board of Directors and committees as well as examining them from the standpoints of balance of knowledge, experience and capabilities, and diversity. The following process is used to make selections.

<Overview of the Board of Directors >

a. The composition of the Board of Directors shall be reviewed and then a proposal for the total number of the Board of Directors, the number of Outside Directors, and the number of Internal Directors who do and do not concurrently serve as Executive Officers shall be confirmed.
b. Directors who will retire due to standards for the number of years as a Director or age shall be confirmed and the number of new Outside Director and Internal Director candidates shall be assumed.

This fiscal year, the following matters were mainly discussed carefully, opinions were exchanged, and responses were confirmed.

[Chairman of the Board of Directors]

The Chairman of the Board of Directors shall be appointed from among Directors who do not concurrently serve as Executive Officers as stipulated in the Articles of Incorporation of the Company. In the previous fiscal year, the Company appointed an Outside Director as the Chairman of the Board of Directors, who had a wealth of experience as an Outside Director of companies, as well as that of other companies, a deep understanding of the Company's governance, and was deemed appropriate as a leader in managing the Board of Directors based on aptitude. For the same reason, an Outside Director is expected to be appointed as the Chairman of the Board of Directors.

[Total number and ratio of Directors]

In accordance with the following provisions of the Basic Policy on Corporate Governance, the Company decided to continue with the previous fiscal year's composition (total of nine (9) Directors, of which five (5) are Outside Directors, four (4) are Internal Directors, six (6) are Non-Executive Directors, and three (3) Executive Directors), which has been confirmed by the Nominating Committee.

- The Board of Directors is composed of a number of Directors within the scope provided in the Articles of Incorporation, taking into account the management issues the Board of Directors is required to address.
- To ensure management transparency and supervisory objectivity, one-third or more of the total number of Directors are Independent Outside Directors, and Directors who do not concurrently serve as Executive Officers constitute the majority of the total Directors.
- To further enhance deliberations on making important management decisions, in addition to the President & CEO, Representative Executive Officer, several Executive Officers in charge of principal duties shall be appointed as Directors.

The Company believes that the number of Outside Directors should be five (5) to six (6) to enable both diversity of discussion and speed of decision-making.

[Number of Internal Directors who do not concurrently serve as Executive Officers]

Likewise, in order to comply with the following provisions of the Basic Policy on Corporate Governance and to ensure a certain level of audit quality as a full-time Members of the Audit Committee, the Company has decided to maintain the same composition (one (1) member) as in the previous fiscal year.

- To enhance the management supervision function and to strengthen cooperation with the Independent Outside Directors as well as communication and coordination with Executive Officers, more than one Inside Director who do not concurrently serve as Executive Officer will be appointed.

<Selection of Outside Director Candidates>

a. To select Outside Director candidates, after the Nominating Committee confirms the selection process, the knowledge, experience, and capabilities that will be required of new Outside Directors is determined in order to enable them to be a good match with Outside Directors to be reelected. The purpose is to receive useful supervision and advice concerning management issues at the Company.
b. The Chairperson of the Nominating Committee asks for a broad range of recommendations for candidates, based on information from the Nominating Committee members, other Outside Directors, and the President & CEO, Representative Executive Officer. To provide reference information, the Secretariat creates a database of candidates centered on the chairperson of excellent enterprises, containing information such as

independence, age, and the status of concurrent positions, and this is distributed to the Nominating Committee members, etc.

c. The Nominating Committee takes into consideration the items listed below in order to narrow down the candidates from the recommended individuals gathered from the preceding process in order to determine an order of priority.
   - Director election standards
   - Independence standards for Outside Directors
   - Balance of knowledge, experience, and capabilities required for Outside Directors and diversity (skills matrix)

d. Using the order of priority for candidates, the Chairperson of the Nominating Committee and Committee members appointed by the Chairperson as necessary visit and approach the candidates to serve as an Outside Director.

Based on the above, this fiscal year, the Company has nominated candidates who have abundant expertise in R&D, management strategy formulation, new business development, and DX promotion on a global level and can be expected to provide useful supervision and advice on our management issues.

<Selection of Inside Director Candidates>

a. Candidates for Inside Director are jointly proposed with the Nominating Committee following discussions between the President & CEO, Representative Executive Officer and the internal Nominating Committee members concerning proposed candidates for Directors who do not concurrently serve as Executive Officers and Directors who concurrently serve as Executive Officers based on the President & CEO, Representative Executive Officer sharing his plan on the executive system for the next fiscal year with the internal Nominating Committee members, with emphasis placed on the following points.
   - Director election standards
   - Roles of Directors who do and do not concurrently serve as Executive Officers
   - Policies on required capabilities, experience, and other characteristics of Directors who do and do not concurrently serve as Executive Officers (skills matrix)

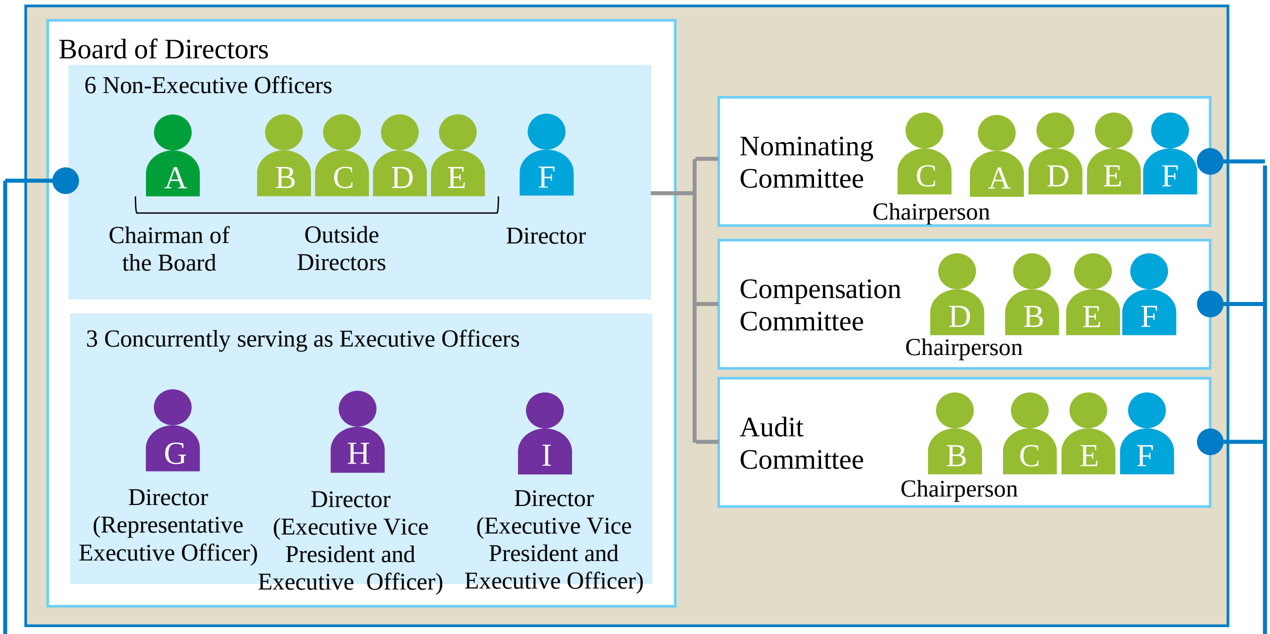
b. The Nominating Committee uses the draft proposals to examine the candidates.

This fiscal year, for the position of Director who does not concurrently serve as Executive Officer, we have nominated a candidate who has a wealth of experience in internal auditing and is expected to improve the effectiveness of the Audit Committee as a full-time Audit Committee Member.

In addition to the President and CEO, Representative Executive Officer, two candidates have been nominated for the position of Director who concurrently serve as Executive Officer, one for Executive Officer in charge of corporate planning and corporate strategy, and one for Executive Officer in charge of accounting and finance.

The expertise and experience expected of each candidate for Director is described on page 10.

Proposed Composition of the Board of Directors and Three Committees (to be resolved by the Board of Directors and three committees held on the same day after the approval of this proposal)



Key characteristics of the Board of Directors

- All Outside Directors are Independent Directors
- Outside Directors comprise the majority
- Chairman is Outside Director
- At least one Inside Director not concurrently serving as Executive Officer

Key characteristics of the three committees

- All Outside Directors are Independent Directors
- Outside Directors comprise the majority
- Chairman is Outside Director
- At least one Inside Director not concurrently serving as Executive Officer

Please refer to page 29 for the (planned) members of three committees.

No. 1

Toshimitsu Taiko

(November 30,1962)

Re-election

・Number of shares of the Company held: **50,631 shares**

・Board of Directors meeting attendance: **13 / 13 times (100%)**

・Term of office: **five years**

Career history, position and responsibilities at the Company

April 1986	Joined Minolta Camera Co., Ltd.
June 2012	Director, General Manager, Corporate Planning Division, General Manager, Business Innovation Division of Konica Minolta Business Technologies, Inc.
April 2013	Group Executive of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.
April 2015	Executive Officer of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.
April 2017	Executive Officer, General Manager, Professional Printing Business Headquarters of the Company
June 2018	Director and Executive Vice President and Executive Officer, Lead Officer responsible for Business Technologies Business, General Manager, Office Business Headquarters of the Company
April 2020	Director and Senior Vice President and Executive Officer, Lead Officer responsible for Business Technologies, and responsible for Corporate Planning, Investor Relations, Corporate Communications and DX Branding of the Company
April 2022	Director, President and CEO, Representative Executive Officer of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  Mr. Toshimitsu Taiko took charge of the Business Technologies Business, the mainstay business of the Company, with the positions of CEO of the US sales subsidiaries, General Manager of each business headquarters, and the Lead Officer responsible for Business Technologies Business, followed by an Executive Officer responsible for Corporate Planning, Investor Relations, etc., to strive to enhance the corporate value of the Group through the formulation and promotion of the Medium-Term Business Plan “DX2022.”
  Since assuming the position of President and CEO, Representative Executive Officer in April 2022, he has united the executive team and worked towards sustainable growth, drawing on lessons learned to date. At the same time, he has established a new Mid-term Business Plan, with the core policies of “business selection and concentration,” “thorough cost reduction,” and “optimizing management assets.” He aims to convert the Group into a structure that displays high corporate value by fiscal 2025 by fulfilling the integrated efforts of all executives toward the optimal solution for the Group. The Company’s current management challenges are steadily delivery of results in the strengthening businesses and stable revenue businesses, and to change the direction of other businesses and radically revise them.
  In his President’s Policy for fiscal 2023, Mr. Taiko has declared he will oversee the company’s strong return to profitability and opening up of its future. He is currently providing strong leadership for the entire Company with a view to achieving the targets of the Mid-term Business Plan by engaging in bold initiatives to tackle difficult management issues. Therefore,

given that this will be his second year as President and CEO, Representative Executive Officer, the Nominating Committee has nominated Mr. Taiko as a candidate for Director.
The Company expects that Mr. Taiko can contribute to effective discussions on important management decisions while fulfilling his accountability as the Director, President and CEO, Representative Executive Officer at the Board of Directors' meetings, and requests that shareholders elect him as a Director.

No. 2 **Chikatomo Kenneth Hodo**
(July 31,1960)

Re-election
Outside
Independent

- Number of shares of the Company held: **0 shares**
- Board of Directors meeting attendance: **13 / 13 times (100%)**
- Nominating Committee attendance: **10 / 10 times (100%)**
- Term of office: **five years**

Career history, position and responsibilities at the Company

September 1982	Joined Accenture Japan Ltd
September 2005	Representative Director of Accenture Japan Ltd
April 2006	Representative Director and President of Accenture Japan Ltd
September 2015	Director and Chairman of Accenture Japan Ltd
September 2017	Director and Senior Corporate Advisor of Accenture Japan Ltd
July 2018	Senior Corporate Advisor of Accenture Japan Ltd
June 2021	Retired from Senior Corporate Advisor of Accenture Japan Ltd
July 2021	Representative Director of Bayhills Co., Ltd. (position which he continues to hold)
June 2018	Director of the Company (position which he continues to hold)
June 2022	Director, Chairman of the Board of Directors of the Company (position which he continues to hold)

Important position concurrently held

*Officer of a listed company under the Companies Act

Representative Director of Bayhills Co., Ltd.
Outside Director of Sumitomo Mitsui DS Asset Management Company, Limited (scheduled to assume office in June 2023)
Outside Director of Mynavi Corporation
*Outside Director of Mitsubishi Chemical Group Corporation
*Outside Director of ORIX Corporation
Outside Director of Sumitomo Mitsui Banking Corporation (scheduled to assume office in June 2023)

- Reasons for selecting the candidate for Outside Director and expected roles

  Mr. Chikatomo Kenneth Hodo has been in management of a company providing business consulting and IT services for years at Accenture Japan Ltd. He has extensive experience and a broad range of knowledge on digital business as a corporate executive. In addition, Mr. Hodo has a high degree of independence from the Company as stated below.

  Following his election as a Director in June 2018, Mr. Hodo has performed well as a member of the Board of Directors and other committees, and was selected to become the Company's first Outside Director to serve as Chairman of the Board of Directors in June 2022. As Chairman of the Board of Directors, he has formulated the Operations Policy of the Board of Directors, where he clarifies the key points of the Board of Directors' initiatives, and leads the implementation of the policy. In addition, a third-party organization was used for the evaluation of the effectiveness of the Board of Directors this fiscal year to re-examine the Company's corporate governance, including the operation of the Board of Directors under the new structure.

  Fiscal 2022 activities are listed in "Primary activities of Outside Directors and a summary of the tasks performed on the expected roles" in the business report (page 65). Mr. Hodo has been in charge of the duty, securing sufficient time.

  The Company expects that Mr. Hodo can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests that shareholders elect him as an Outside Director.
- Information concerning independence

The Company’s business relationships with Accenture Japan Ltd and Bayhills Co., Ltd. account for less than 1% of consolidated net sales, and the two companies fall under neither the category of major business partners nor the category of major shareholders.
Mr. Hodo meets the independence standards for Outside Directors established by the Company’s Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No.
3

Soichiro Sakuma

(February 15, 1956)

Re-election

Outside

Independent

・Number of shares of the Company held:
9,700 shares

・Board of Directors meeting attendance:
13 / 13 times (100%)

・Audit Committee attendance:
13 / 13 times (100%)

・Compensation Committee attendance:
8 / 8 times (100%)

・Term of office:
three years

Career history, position and responsibilities at the Company

April 1978	Joined Nippon Steel Corporation
April 2009	Director (under the Executive Management System) of Nippon Steel Corporation
April 2012	Managing Director (under the Executive Management System) of Nippon Steel Corporation
June 2012	Managing Director (Member of the Board) of Nippon Steel Corporation
October 2012	Managing Director, Member of the Board of Nippon Steel & Sumitomo Metal Corporation
April 2014	Representative Director and Executive Vice President (in charge of General Administration, Legal, Internal Control & Audit, Business Process Innovation, Human Resources, Environment, and Overseas Offices) of Nippon Steel & Sumitomo Metal Corporation
April 2018	Director of Nippon Steel & Sumitomo Metal Corporation
June 2018	Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
April 2019	Senior Advisor of Nippon Steel Corporation
July 2020	Advisor of Nippon Steel Corporation (position which he continues to hold)
June 2020	Director of the Company (position which he continues to hold)

Important position concurrently held

Advisor of Nippon Steel Corporation
Outside Director of JX Nippon Mining & Metals Corporation
President of Japan International Dispute Resolution Center

- Reasons for selecting the candidate for Outside Director and expected roles

  At Nippon Steel Corporation and Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation), Mr. Soichiro Sakuma was involved for many years in management in the manufacturing sector and was in charge of main head office functions, including general administration, human resources, environment and IT, mainly in legal and internal control & audit. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Sakuma has a high degree of independence from the Company as stated below.

  Following his election as a Director in June 2020, Mr. Sakuma has performed well as a member of the Board of Directors and other committees. Fiscal 2022 activities are listed in "Primary activities of Outside Directors and a summary of the tasks performed on the expected roles" in the business report (page 65). Mr. Sakuma has been in charge of the duty, securing sufficient time.

  Therefore, the Company expects that Mr. Sakuma can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests that shareholders elect him as an Outside Director.

- Information concerning independence

  Nippon Steel Corporation and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net

sales of each company. Furthermore, the two companies are not major shareholders of each other.
Mr. Sakuma meets the independence standards for Outside Directors established by the Company’s Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No.
4

Akira Ichikawa

(November 12, 1954)

Re-election

Outside

Independent

・Number of shares of the Company held:
3,700 shares

・Board of Directors meeting attendance:
13 / 13 times (100%)

・Nominating Committee attendance:
10 / 10 times (100%)

・Audit Committee attendance:
13 / 13 times (100%)

・Compensation Committee attendance:
1 / 1 times (100%)

・Term of office:
two years

Career history, position and responsibilities at the Company

April 1978	Joined Sumitomo Forestry Co., Ltd.
June 2007	Executive Officer, General Manager of Corporate Planning Division of Sumitomo Forestry Co., Ltd.
June 2008	Director, Managing Executive Officer of Sumitomo Forestry Co., Ltd.
April 2010	President and Representative Director of Sumitomo Forestry Co., Ltd.
April 2020	Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd. (position which he continues to hold)
June 2021	Director of the Company (position which he continues to hold)

Important position concurrently held

*Officer of a listed company under the Companies Act

*Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd.

*Outside Director of SUMITOMO CHEMICAL COMPANY, LIMITED

Representative Supervisory Officer and Chairman of Wooden Home Builders Association of Japan

- Reasons for selecting the candidate for Outside Director and expected roles
  Mr. Akira Ichikawa has been a senior executive at Sumitomo Forestry Co., Ltd., which operates various businesses, including those related to lumber and building materials, housing and construction, and overseas housing and real estate, where he promoted sustainability management, and raised that company’s corporate value over the medium- to long-term. In addition to such extensive management experience and broad-ranging insight as a corporate executive, he has a high degree of independence with respect to the Company as described below.
  Following his election as a Director in June 2021, Mr. Ichikawa has performed well as a member of the Board of Directors and other committees. Fiscal 2022 activities are listed in “Primary activities of Outside Directors and a summary of the tasks performed on the expected roles” in the business report (page 66). Mr. Ichikawa has been in charge of the duty, securing sufficient time.
  Therefore, the Company expects that Mr. Ichikawa can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests that shareholders elect him as an Outside Director.
- Information concerning independence
  Sumitomo Forestry Co., Ltd. and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.

Mr. Ichikawa meets the independence standards for Outside Directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

- Other

  Mr. Akira Ichikawa is primarily tasked with overseeing management as the Chairman of the Board at Sumitomo Forestry Co., Ltd. He has no area of responsibility, and his involvement in decision-making on day-to-day business operations is limited.

No. 5

Masumi Minegishi

(January 24,1964)

Re-election

Outside

Independent

Career history, position and responsibilities at the Company

April 1987	Joined Recruit Co., Ltd.
April 2003	Corporate Executive Officer of Recruit Co., Ltd.
April 2004	Managing Corporate Executive Officer of Recruit Co., Ltd.
June 2009	Managing Corporate Executive Officer, and Director of the Board of Recruit Co., Ltd.
April 2011	Senior Managing Corporate Executive Officer, and Director of the Board of Recruit Co., Ltd.
April 2012	President, CEO, and Representative Director of the Board of Recruit Co., Ltd.
October 2012	President, CEO, and Representative Director of the Board of Recruit Holdings Co., Ltd.
April 2021	Chairperson and Representative Director of the Board of Recruit Holdings Co., Ltd. (position which he continues to hold)
June 2022	Director of the Company (position which he continues to hold)

・Number of shares of the Company held:
0 shares

・Board of Directors meeting attendance:
10 / 10 times (100%)

・Nominating Committee attendance:
9 / 9 times (100%)

・Audit Committee attendance:
10 / 10 times (100%)

・Compensation Committee attendance:
6 / 7 times (86%)

・Term of office:
one year

Important position concurrently held

*Officer of a listed company under the Companies Act

*Chairperson and Representative Director of the Board of Recruit Holdings Co., Ltd.

*Independent Outside Director of ANA HOLDINGS INC.

- Reasons for selecting the candidate for Outside Director and expected roles

  Mr. Masumi Minegishi has led the transformation of Recruit Holdings Co., Ltd. into a global tech company through the expansion of the human resources business into the information business and digitalization and globalization. In addition to his wealth of management experience and broad insights as a top leader of companies with DNA related to the commercialization of IT services and business development capabilities, he has a high degree of independence, as follows, for the Company.

  Following his election as a Director in June 2022, Mr. Minegishi has performed well as a member of the Board of Directors and other committees. Activities from June 2022 onward are listed in “Primary activities of Outside Directors and a summary of the tasks performed on the expected roles” in the business report (page 66). Mr. Ichikawa has been in charge of the duty, securing sufficient time.

  Therefore, the Company expects that Mr. Minegishi can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests that shareholders elect him as an Outside Director.

- Information concerning independence

  Recruit Holdings Co., Ltd. and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.

  Mr. Minegishi meets the independence standards for Outside Directors established by the Company’s Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing

Regulations of Tokyo Stock Exchange, Inc.

- Other

  Mr. Masumi Minegishi is primarily tasked with overseeing management as the Chairperson at Recruit Holdings Co., Ltd. He has no area of responsibility, and his involvement in decision-making on day-to-day business operations is limited.

No. 6

Takuko Sawada

(March 11, 1955)

First-time candidate

Outside

Independent

・Number of shares of the Company held:
0 shares

Career history, position and responsibilities at the Company

April 1977	Joined Shionogi & Co., Ltd.
April 2007	Officer, Executive General Manager, Pharmaceutical Development Division of Shionogi & Co., Ltd.
April 2010	Executive Officer, Executive General Manager, Pharmaceutical Development Division of Shionogi & Co., Ltd.
April 2011	Senior Executive Officer, Executive General Manager, Global Development Office of Shionogi & Co., Ltd.
June 2015	Director of the Board, Senior Executive Officer, Senior Vice President, Corporate Strategy Division of Shionogi & Co., Ltd.
April 2017	Director of the Board, Senior Executive Officer, Senior Vice President, Corporate Strategy Division of Shionogi & Co., Ltd.
April 2018	Director of the Board, Executive Vice President of Shionogi & Co., Ltd.
July 2022	Director and Vice Chairperson of the Board of Shionogi & Co., Ltd. (position which she continues to hold)

Important position concurrently held

*Officer of a listed company under the Companies Act

*Director and Vice Chairperson of the Board of Shionogi & Co., Ltd.

- Reasons for selecting the candidate for Outside Director and expected roles

  Ms. Takuko Sawada has played a central role in promoting the previous and current medium-term business plans at Shionogi & Co., Ltd., and has also focused on establishing global functions and collaborating with industry, government, and academia in Japan and overseas.

  In addition to her extensive global experience and insight in R&D, management strategy formulation, new business development DX promotion, and more, she has a high degree of independence, as follows, for the Company.

  Therefore, the Company expects that Ms. Sawada can contribute to the maintenance and improvement of the Company's governance by monitoring and offering advice from a global perspective based on her experience in management, and requests that shareholders elect her as an Outside Director.
- Information concerning independence

  Shionogi & Co., Ltd. and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.

  Ms. Sawada meets the independence standards for Outside Directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No. 7

Hiroyuki Suzuki

(March 16, 1957)

Re-election

Non-executive

・Number of shares of the Company held: **61,289 shares**

・Board of Directors meeting attendance: **13 / 13 times (100%)**

・Audit Committee attendance: **13 / 13 times (100%)**

・Compensation Committee attendance: **8 / 8 times (100%)**

・Term of office: **four years**

Career history, position and responsibilities at the Company

April 1979	Joined Minolta Camera Co., Ltd.
July 1997	Senior Managing Director, Minolta MBK Digital Studio, Inc.
April 2004	General Manager, China Sales Promotion Office, MFP Overseas Sales Department, Konica Minolta Business Technologies, Inc.
June 2006	General Manager in charge of Audit Committee Office of the Company
June 2009	General Manager, Corporate Audit Division of the Company
April 2012	Executive Officer, General Manager, Corporate Audit Division of the Company
June 2019	Director of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director

  The Company believes that it is important for the Audit Committee to include a full-time Inside Director who has extensive business management experience and expertise involving the collection of information.

  Mr. Hiroyuki Suzuki will attend management meetings of Executive Officers as a Member of the Audit Committee. He will work to optimize the quality and quantity of information for the audit by the Committee as he will grasp and confirm validity of the determination process about operations, which are commissioned to the Executive Officers by the Board of Directors, as well as the operational status of the internal control system and will provide the Audit Committee with feedback on such information.

  After engaging in the secretariat duties to support the Audit Committee at the Audit Committee Office of the Company, Mr. Suzuki has also overseen internal audit as the General Manager of the Company's Corporate Audit Division. Mr. Suzuki has extensive experience and considerable expertise related to internal control. Since 2019, Mr. Suzuki has engaged in supervising management as an Inside Director at the Company not concurrently serving as Executive Officer and properly fulfilled his duties at the Audit Committee and the Compensation Committee as an Inside Member.

  Therefore, the Company believes that Mr. Suzuki can continue enhancing corporate value by securing the effective operation of its corporate governance, and requests that shareholders elect for him to continue.

No.
8

Noriyasu Kuzuhara

(January 6, 1966)

First-time candidate

・Number of shares of the Company held:
37,408 shares

Career history, position and responsibilities at the Company

April 1990	Joined Konica Corporation
April 2009	General Manager, R&D Department, Performance Materials Headquarters of KONICA MINOLTA OPTO, INC.
October 2012	Deputy General Manager, Performance Materials Headquarters of KONICA MINOLTA ADVANCED LAYERS, INC.
April 2014	General Manager, Performance Materials Business Unit, Advanced Layers Company of the Company
April 2015	Executive Officer, General Manager, Performance Materials Headquarters of the Company
April 2016	Executive Vice President and Executive Officer, General Manager, Performance Materials Headquarters, responsible for OLED Business of the Company
April 2017	Executive Vice President and Executive Officer, Division President, Material & Component Business Headquarters of the Company
April 2018	Executive Vice President and Executive Officer, Division President, Material & Component Business Headquarters, General Manager, Corporate R&D Headquarters of the Company
April 2022	Executive Vice President and Executive Officer, responsible for Corporate Planning, Lead Officer for Material & Component Business of the Company
April 2023	Executive Vice President and Executive Officer, General Manager, Corporate Planning Headquarters of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director

  The Company believes that it is important to select Executive Officers in title who are in charge of primary duties so that they can engage in active and essential discussions at meetings of the Board of Directors.

  Mr. Noriyasu Kuzuhara has realized continuous business growth as the officer responsible for technology development and business in the Company’s core performance materials business, and as Division President of the Material & Component Business Headquarters.

  In addition, as Executive Vice President and Executive Officer responsible for corporate planning, he has worked to enhance the corporate value of the Group by utilizing his extensive knowledge of technology, R&D, and manufacturing particularly to formulate strategies for areas to be strengthened in the transformation of the business portfolio.

  The Company believes Mr. Kuzuhara can demonstrate accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him as a Director.

No.
9

Yoshihiro Hirai

(December 5, 1967)

First-time candidate

・Number of shares of the Company held:
7,300 shares

Career history, position and responsibilities at the Company

April 1991	Joined the Mitsubishi Bank, Ltd.
June 2019	Resigned the Bank of Tokyo-Mitsubishi UFJ, Ltd.
July 2019	Joined the Company, General Manager, Corporate Finance Division of the Company
April 2021	Corporate Senior Vice President, General Manager, Corporate Finance Division, responsible for managing Business Technologies Business of the Company
April 2022	Corporate Senior Vice President, General Manager, Corporate Finance Division, responsible for Corporate Accounting of the Company
April 2023	Executive Vice President and Executive Officer, responsible for Corporate Accounting, Corporate Finance and Risk Management of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director

  The Company believes that it is important to select Executive Officers in title who are in charge of primary duties so that they can engage in active and essential discussions at meetings of the Board of Directors.

  Mr. Yoshihiro Hirai has a high level of expertise and extensive experience in finance and accounting, as well as knowledge of financial strategy from a global perspective. In addition, as Executive Vice President and Executive Officer, he has been in responsible for accounting, finance, and risk management since April of this year, and has worked to enhance the corporate value of the Group by promoting the new Medium-Term Business Plan.

  The Company believes Mr. Hirai can demonstrate accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him as a Director.

Notes: 1. No conflicts of interest exist between the Company and the Director candidates.
2. The Company has entered into liability limitation agreements with Outside Directors Mr. Chikatomo Kenneth Hodo, Mr. Soichiro Sakuma, Mr. Akira Ichikawa and Mr. Masumi Minegishi, the content of which is summarized in “Liability limitation agreements” on page 66 of the Business Report. The Company will enter into similar agreements with them if they are re-elected, and with Ms. Takuko Sawada, the first-time candidate for Outside Director, if she is elected.
3. The Company has entered into an indemnity agreement, with each of the Directors who currently holds office, as provided for in Article 430-2, Paragraph 1 of the Companies Act. The outline of the content is as stated in “Matters related to indemnity agreement” (page 56) under the Business Report. The Company will enter into a similar agreement with Ms. Takuko Sawada, the first-time candidate for Outside Director, if she is elected.
4. The Company has entered into a directors and officers liability insurance contract, in which the Directors of the Company are the insured, with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The outline of its content is as stated in “Matters related to directors and officers liability insurance contract” (page 56) under the Business Report. Upon their election, all of the candidates for Director will be included as insured persons under this directors and officers liability insurance contract. Furthermore, the insurance contract is scheduled to be renewed in October 2023, which is during the terms of office of the candidates for Director.

[Director election standards]

The Nominating Committee has selected candidates who satisfy the following standards as being suitable Directors for achieving good corporate governance i.e. ensuring the transparency, soundness and efficiency of the Company’s operations.

(1) Good physical and mental health
(2) A person that is well liked, dignified, and ethical
(3) Completely law-abiding
(4) In addition to having objective decision-making abilities for management, the person must have good foresight and insight
(5) Someone with no possible conflict of interest or outside business relations that may affect management decisions in the Company’s main business areas, and who has organizational management experience in the business, academic, or governmental sectors. Otherwise, someone with specialized knowledge in technology, accounting, law, or other fields
(6) For Outside Directors, a candidate with a history of performance and insight in that person’s field, someone with sufficient time to fulfill the duties of a Director, and who has the ability to execute required duties as a member of the three relevant committees
(7) The Nominating Committee has separately set forth points for consideration in the re-election of Directors and requirements concerning the number of terms of office, age and other factors. Especially, existing terms of office for Outside Directors are up to six years. Specifically, the term of office is four years, in principle, and it may be extended up to one time for a further two years based on a resolution of the Nominating Committee.
(8) Gender, nationality, country of origin, cultural background, race, ethnicity, etc., shall not be the reasoning for excluding the candidates for Directors from the candidacy.
(9) In addition, the candidate must have the abilities necessary for a Director running and building a public corporation that is transparent, sound, and efficient

[Independence standards for Outside Directors]

Regarding standards for the independence of Outside Directors, the Company’s Nominating Committee selects Outside Director candidates, provided that none of the following criteria apply.

(1) Person affiliated with Konica Minolta
- Former employee of the Group
- Having a family member (spouse, child, or any blood or marital relative twice removed or less) that has served as a Director, executive officer, auditor or top manager in the Group during the past five years

(2) Person affiliated with a major supplier/client
- Currently serving as a managing director, executive officer, or employee of a major supplier/client company/group that receives 2% or more of its consolidated sales from the Group or vice versa

(3) Specialized service provider (lawyer, accountant, consultant, etc.)

- Specialized service provider that received annual compensation of ¥5 million or more from the Group for the past two years

(4) Other

- A shareholder holding 10% or more of the voting rights in the Company (executive director, executive officer, or employee in the case of a corporate body)
- A director taking part in a director exchange
- A director, executive officer, auditor or equivalent position-holder of a company that competes with the Group, or a person holding 3% or more of the shares of a competing company
- Having some other significant conflict of interest with the Group

[The members of each of the committees (planned)]

If the nine (9) Directors are elected at the Meeting, the members of each of the committees under the company with three committees provided for in Article 2, Item 12 of the Companies Act will be appointed from among five (5) Outside Directors and Inside Director, Mr. Hiroyuki Suzuki.

The Company appoints the Chairperson of committees from among Outside Directors. The Representative Executive Officer and President serves as neither member of the committees. Thus, the Company continues to strive to ensure the transparency of the administration of three committees. In addition, each committee is composed of three to four Outside Directors and one Inside Director to effectively operate the committee, and consideration is given to cooperation among the committees and between the individual committees and the senior management.

Nominating Committee	Akira Ichikawa (Chairperson), Chikatomo Kenneth Hodo, Masumi Minegishi, Takuko Sawada, Hiroyuki Suzuki
Audit Committee	Soichiro Sakuma (Chairperson), Akira Ichikawa, Takuko Sawada, Hiroyuki Suzuki
Compensation Committee	Masumi Minegishi (Chairperson), Soichiro Sakuma, Takuko Sawada, Hiroyuki Suzuki

[Frequently Asked Questions]

Q: What do you think about opinions on the importance of diversity, including gender, internationality, work experience and age which should be needed for the Board of Directors?
A: While the Company fully recognizes the importance of diversity, including gender, internationality, work experience and age in selecting candidates, in order to composing a Board of Directors of an appropriate size, the Company places the highest priority on matching requirements for the overall balance of knowledge, experience and capabilities, and appropriate supervisors for the Company's management issues.

Q: Isn't there any problem that an Inside Director becomes a Member of the Audit Committee?
A: The Company does not believe that the Audit Committee comprised of only Outside Directors can secure the quality of audits. In order to secure the auditing quality, Inside Directors become full-time members of the Audit Committee and are in charge of investigation under the Companies Act. Due to collection of information by the Inside Members, the committee not only fulfills its own auditing function, but also enhances information brought to the committee, where Outside Directors account for a majority, and secures the quality of its auditing function.

Q: Is there any impact of concurrent positions served by Directors on their duties as the Company's Directors?
A: In selecting candidates for Directors, the Company makes deliberate consideration from the standpoint of whether they are able to secure sufficient time for the duties at the Board of Directors and each committee. They make sufficient contribution to the Company's governance as we showed attendance and comments at Board of Directors meetings and each committee meetings of the Outside Directors in fiscal 2022 on pages 65 through 66 of the business report and attendance at Board of Directors meetings and each committee meetings of 6 candidates for re-election on the page of each candidate in this proposal.

[Provided Documents]

BUSINESS REPORT

From April 1, 2022 to March 31, 2023

1. Overview of Konica Minolta Group business activities

(1) Developments and results of business activities

Looking back on the economic situation during the fiscal year ended March 31, 2023 (“the current fiscal year”), economic activities were on a recovery track from the period of the spread of COVID-19 in the fiscal year ended March 31, 2022 (the “previous fiscal year”); however, the recovery has been at a slow pace due to the global rising costs of living and monetary tightening policies in various countries, particularly in Europe and the United States. In Europe, the economic slowdown came to the surface as energy prices soared because of the situation in Ukraine. Furthermore, in the United States, uncertainty increased and economic recession continued to be concerned with the bankruptcies of some financial institutions in March 2023, although the United States remained strong with solid consumer spending and the employment environment. In China, while the ongoing economic growth slowed down due to local restrictions on activities associated with the Zero Corona policy, economic activities have resumed as a result of the easing of activity restrictions following the lifting of the policy. In Japan, consumer prices are rising, but the economy is on a gradual pickup trend as restrained demand continued to recover against the backdrop of normalization of economic activities.

Under such a business environment, the Group’s revenue on a consolidated basis came in at ¥1,130.3 billion (up 24.0% year on year) for the current fiscal year, the highest ever since the business integration of Konica and Minolta in 2003. Looking by regions, the growth in revenue was seen in all areas as North America, Europe, China, and Japan recorded increases of approximately 44%, 27%, 13%, and 1% of the year-before levels, respectively. Looking by business units, the Digital Workplace Business and the Professional Print Business posted year-on-year increases both in the hardware and non-hardware revenues as a result of the clearance of backlog orders and an uplift in sales volume. In the Healthcare Business, sales to Japan and the United States in the healthcare field remained strong, and revenue in the precision medicine field went up by 83.1% from the previous fiscal year, led by an increase in the number of genetic tests. In the Industry Business, the performance materials unit saw a decline in revenue due to the impact of the adjustments in surplus stock in the market; however, revenue in the sensing field reached a record high. As a result, the overall revenue in the Industry Business declined slightly. In the current fiscal year, the Company put up a reality-based management policy and aimed to achieve the performance forecasts as we continued to curb selling, general and administrative expenses while increasing gross profit through revenue growth, and implemented structural reforms mainly in the Digital Workplace Business and Professional Print Business.

With the medium-term business plan in mind, which will accelerate selection and concentration on the businesses, the Company examined their investments, particularly past acquisitions, and performed impairment testing in accordance with International Financial Reporting Standards (IFRS); as a result, the Company recognized ¥116.6 billion of impairment losses of goodwill mainly related to the precision medicine field of the Healthcare Business and the imaging-IoT solutions unit of the Industry Business in the fourth quarter of the current fiscal year ended March 31, 2022 (the “fourth quarter”). On the other hand, the office unit of the Digital Workplace Business, the Professional Print Business, the healthcare field of the Healthcare Business, and the IJ components unit and optical components unit of the Industry Business saw an increase in their profits from the previous fiscal year. Operating profit excluding impairment losses was ¥21.5 billion, exceeding the forecast of ¥15.0 billion, indicating that the earning power of the business is steadily recovering.

As a result, the Group recorded consolidated operating loss of ¥95.1 billion in the current fiscal year (compared with operating loss of ¥22.2 billion in the previous fiscal year). Loss before tax came in at ¥101.8 billion (loss before tax of ¥23.6 billion in the previous fiscal year), while loss attributable to owners of the Company amounted to ¥103.1 billion (loss attributable to owners of the Company of ¥26.1 billion in the previous fiscal year).

Business conditions in each segment during the current fiscal year are as follows.

(Hundred millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Increase (Decrease)	
Digital Workplace Business				
Revenue	6,002	4,654	1,348	29.0%
Operating profit	92	(62)	154	―
Professional Print Business				
Revenue	2,526	1,947	578	29.7%
Operating profit	166	10	156	―
Healthcare Business				
Revenue	1,378	1,099	279	25.4%
Operating profit	(1,122)	(203)	(919)	―
Industry Business				
Revenue	1,375	1,392	(16)	(1.2)%
Operating profit	108	185	(77)	(41.7)%
Subtotal				
Revenue	11,282	9,093	2,189	24.1%
Operating profit	(755)	(69)	(685)	―
Others and adjustments				
Revenue	21	21	0	1.0%
Operating profit	(196)	(153)	(42)	―
Total				
Revenue	11,303	9,114	2,189	24.0%
Operating profit	(951)	(222)	(728)	―

Notes:

1. Business conditions have been prepared on the basis of International Financial Reporting Standards (“IFRS”).
2. “Revenue” refers to revenue from external customers.
3. “Increase (Decrease)” in “Operating profit” in the Professional Print Business is shown as “―” because the increase is more than 1,000%.

Regarding the dividend at the end of the current fiscal year, we have very regrettably decided not to pay a dividend, after considering the results for the current fiscal year and business environment comprehensively. The full-year dividend will be ¥10 per share, including the dividend distributed to shareholders as of record date, September 30, 2022.

i. Digital Workplace Business

Business Details

Development, manufacture, and sale of multifunctional peripherals and related supplies, and provision of related service solutions and IT service solutions

Business report for the current fiscal year

In the office unit, although the factory utilization rates declined as a result of the activity restrictions by the Zero Corona policy in China during the three months ended June 30, 2022 (the “first quarter”), the Company has put an effort to recover by boosting the production capacity since June 2022 after restrictions were lifted. There was also an improvement in the prolonged transportation period of products. The sales volume of A3 multi-functional peripherals (MFPs) increased among major regions, including Europe, the United States, and Japan, and the sales volumes of color models, monochrome models, and all models turned out to be at 138%, 99%, and 122% year-on-year, respectively. Also, the backlog of orders decreased from ¥53.7 billion at the end of the previous fiscal year and ¥36.4 billion at the end of December 2022 to ¥15.8 billion at the end of the current fiscal year (converted to the prevailing exchange rate). The non-hardware revenue, such as consumables and services, saw an overall increase in revenue, led by recovery of the print volume in client companies which resumed working at the office sites, although there were regional differences. As a result of these factors, the overall revenue in the office unit improved year-on-year.

In the DW-DX unit, which focuses on offering IT services, the Managed IT Services, which is entrusted with the management of the entire IT platform of customers, enjoyed expanded sales volume by the growing number of orders received in Europe and the United States and increased recurring revenue, resulting in revenue growth year-on-year.

Based on the above, the Digital Workplace Business segment experienced increased revenue and profit by marking a revenue of ¥600.2 billion, an increase of 29.0 % year-on-year, and an operating profit of ¥9.2 billion (an operating loss of ¥6.2 billion for the previous fiscal year) contributed by the increase in gross profit resulting from the improvement of the hardware sales volume and production volume of MFPs in the office unit.

ii. Professional Print Business

Business Details

Development, manufacture, and sale of digital printing systems and related supplies, and provision of various printing service and solution services

Business report for the current fiscal year

In the production print unit, the demand for digital printing presses remained steady and production and shipping recovered after the lifting of activity restrictions by the Zero Corona policy in China, similarly to the office unit. The sales volumes of digital printing systems for color models, monochrome models, and all models in the current fiscal year were at 130%, 115% and 125% year-on-year, respectively. Also, the backlog of orders decreased from ¥8.7 billion at the end of the previous fiscal year and ¥9.0 billion at the end of December 2022 to ¥3.4 billion at the end of the current fiscal year (converted to the prevailing exchange rate). As for the non-hardware revenue, such as consumables and services, the print volume among commercial printing companies was on a recovery trend mainly in Europe and the United States, and the demand in India and Asia also increased.

In the industrial print unit, the sales volume of inkjet press (AccurioJET KM-1e) increased in Europe and Japan. The non-hardware revenue rose in all areas of general commercial press (inkjet press), label press, embellishment press* and textile press, contributed by an increase in the demand for short delivery time to printing companies, a wide variety of products, and small lots.

In the marketing services unit, revenue increased because of the acceleration of the sales promotion activities of major customers in Europe and the United States, as well as the expanded on-demand printing in Japan and South Korea.

Based on the above, the Professional Print Business segment recorded an increase both in revenue and profit by marking a revenue of ¥252.6 billion, an increase of 29.7% year-on-year, and an operating profit of ¥16.6 billion (an operating profit of ¥1.0 billion for the previous fiscal year) led by the increase in gross profit resulting from the growth in revenue in the production print unit and the industrial print unit.

(Company-business related glossary)

* Embellishment

This refers to a type of printing that adds values to printed materials, such as creating a 3D effect by partially varying the thickness of varnish or creating a sense of luxury by using gold or silver foil stamping.

iii. Healthcare Business

Business Details

<Healthcare>

Development, manufacture, and sale of medical diagnostic imaging systems (such as X-ray photography and ultrasonic diagnostic imaging system), provision of services related to those systems, and other solution services for digitizing and networking medical treatment

<Precision medicine>

Genetic testing; provision of services related to primary care; and provision of drug discovery support services

Business report for the current fiscal year

In the healthcare field, the Company expanded the sales volume of digital radiography (DR)[*1], used for X-ray diagnosis in the market of clinics in Japan, and the solid growth of sales volume mainly for X-ray systems was seen in the hospital market in the United States as well. The sales volume of the system of Dynamic Digital Radiography made steady progress primarily in university hospitals in Japan and the United States. The sales volume of diagnostic ultrasound systems for dialysis in Japan went up and that for orthopedics and obstetrics remained strong. For medical IT, sales of "Informity," an IT service supporting medical image management, telemedicine, and collaboration between hospitals and clinics, expanded in Japan; furthermore, sales of the Picture Archiving and Communication System (PACS)[*2] went up in Japan and the United States. As a result of the above, revenue from the healthcare field increased year-on-year.

In the precision medicine field, genetic testing services saw an uplift in the number of genetic tests, mainly in ribonucleic acid (RNA) testing[*3], an assessment of germline mutations that represents one of the Company's focus areas among genetic tests. For the Company's drug discovery support service, clinical studies conducted by pharmaceutical companies have been partially delayed due to the effects of shortages of medical staff members during and after the spread of COVID-19 in the United States, but they are on a gradual recovery trend. Revenue from the genetic testing services and the Company's drug discovery support service surpassed the level before the spread of COVID-19. Consequently, the revenue of the whole precision medicine field increased year-on-year. In addition, at the beginning of the current fiscal year, the Company shifted its business policy for the business to focus on profitability, and put efforts into headcount optimization and expense reduction, mainly in the first quarter, leading to the recognition of a quarterly profit surplus in Ambry Genetics Corporation and Invicro, LLC on a stand-alone basis in the fourth quarter. However, the Company has reviewed its business plans in light of the following factors: changes in the competitive environment, the significantly-lower-than-expected demand growth for genetic tests in diagnostics and health screenings at hospitals due to a sharp decline in visits for preventive genetic testing during the spread of COVID-19 in the United States and subsequent shortages of medical staff members, and excessive delays in clinical studies conducted by pharmaceutical companies ever since the acquisition in 2017, as well as current market changes, including delays in proceeding with corporate strategies, such as alliances with other companies. In addition, an increase in the discount rate following the recent rise in interest rates resulted in a significant decrease in the recoverable amount. As a result, the Company recorded ¥103.5 billion of an impairment loss on goodwill and other assets in the fourth quarter.

As a result, the Healthcare Business segment recorded an increase in revenue and a decrease in profit by marking a revenue of ¥137.8 billion, an increase of 25.4% year-on-year, and an operating loss of ¥112.2 billion (an operating loss of ¥20.3 billion for the previous fiscal year) due to the aforementioned recognition of impairment losses, while the profit in the healthcare field was firmly secured and the precision medicine field successfully reduced its losses through the improvement in the collection rate of accounts receivable, personnel optimization, and expense reduction.

(Company-business related glossary)

*[1] DR (Digital Radiography)

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

*[2] PACS (Picture Archiving and Communication System)

PACS is an image archiving and communication system for medical treatments. It manages a huge amount of images including photos taken by DR and other X-ray photography, CT, MRI and other methods.

*[3] RNA testing

In genetic diagnosis, this test captures changes in messenger RNA (mRNA) structure, the primary transcript of DNA (deoxyribonucleic acid). For DNA variants that have been classified as unknown clinical significance by conventional DNA testing, analysis of mRNA transcripts can provide more accurate test results.

iv. Industry Business

Business Details

<Sensing>

Development, manufacture, and sale of measuring instruments

<Materials and components>

Development, manufacture, and sale of products, such as functional films used for liquid-crystal displays, inkjet heads for industrial use, and lenses for industrial and professional uses

<Imaging-IoT Solutions>

Development, manufacture, and sale of instruments related to imaging-IoT and visual; provision of related solution services

Business report for the current fiscal year

In the sensing field, revenue of light source color measurement instruments went up year-on-year by steadily capturing the demand for the full year, despite the impact of display investments entering the early stage of the transitional period in the fourth quarter. The demand for object color measurement instruments across North America and Asia contributed to maintaining an upward trend in revenue. The number of new orders of visual inspections and testing instruments available to utilize hyper-spectral imaging* technology expanded steadily, and as a result, the sales volume increased. Based on the above, the field revenue increased year-on-year.

In the materials and components field, while the performance materials unit has continuously made adjustments in stock in the downstream of supply chains since the current fiscal year as a rebound from stay-at-home demand due to the spread of COVID-19 in the previous fiscal year, the sales of phase difference films for TV Vertical Alignment (VA) panels, which are one of the Company’s main products, remained strong. On the other hand, the sales of phase difference films for In Plane Switching (IPS) panels and thin films for IT devices and smartphones have been continuously affected by the aforementioned stock adjustments in the market. As a result, the performance materials unit experienced an overall decline in sales volumes of films and saw a decline in revenue year-on-year. The inkjet (IJ) components unit captured the demand generated from the customers’ expectation of the market recovery ahead as economic activities in China, a major market, resumed due to the easing of restrictions on activities following the lifting of the Zero Corona policy. The strong sales of printheads for high-definition printers in Europe and the United States also supported the increase in revenue year-on-year. In the optical components unit, the sales of lenses for industrial uses were affected by the negative impact from declines in production in the automotive industry resulting from the shortage of semiconductors; however, the overall revenue of the unit went up year-on-year thanks to the increased number of sales in lenses for semiconductor inspection equipment and the steady trend of sales due to the recovery in the market of lenses for projectors and interchangeable lenses. As a result of the above, the materials and components field saw an overall decrease in revenue year-on-year.

In the imaging-IoT solutions field, supply constraints on semiconductors and other materials had affected the imaging-IoT solutions unit since the previous fiscal year, but they improved in the fourth quarter. In addition, MOBOTIX AG (“MOBOTIX”) and sales companies in Europe and the United States in the Group worked together to establish a sales promotion system and secured large-scale orders through the packaging of monitoring cameras, applications, and services. In addition, the strong sales of the car number verification software of VAXTOR Technologies. S.L., which MOBOTIX acquired during the first quarter, contributed to the increase in revenue of the unit year-on-year. The visual solutions unit continued to enjoy growth in sales, contributed mainly by a stream of visitors at the directly operated planetariums in Nagoya and Yokohama, which opened in October 2021 and March 2022, respectively. The increase in sales at the planetariums contributed to growth in revenue of the unit year-on-year. Based on the above, the imaging-IoT solutions field as a whole enjoyed an improvement in revenue year-on-year.

Due to the supply constraints of semiconductors and other materials and the effects of the economic stagnation in our main market, Europe, the carrying amount of goodwill was reduced to its recoverable amount in consideration of recoverability. As a result, an impairment loss of ¥7.1 billion on goodwill arising from the acquisition of MOBOTIX was recorded in the fourth quarter (an impairment loss of ¥3.7 billion on goodwill allocated to a group of cash generating units comprised of MOBOTIX and its subsidiaries, an impairment loss of ¥2.2 billion on goodwill allocated to the imaging-IoT solutions field, and an impairment loss of ¥1.1 billion on goodwill allocated to the QOL solutions.) In addition, an impairment loss of ¥0.9 billion on property, plant and equipment and intangible assets was recorded in the imaging-IoT solutions field. In the visual solutions unit, an impairment loss of ¥0.4 billion on the property, plant and equipment of planetariums was recorded.

As a result, the Industry Business segment recorded a decrease both in revenue and profit by marking a revenue of ¥137.5 billion, a decrease of 1.2% year-on-year, and an operating profit of ¥10.8 billion, a decrease of 41.7% year-on-year, mainly due to the decrease in gross profit by lower sales in the performance materials unit, and the impact of soaring raw material prices and energy costs, and increasing costs because of unfavorable exchange rates.

(Company-business related glossary)

* HSI (hyper spectral imaging)

HSI is a multi-wavelength measurement technology for the visible to non-visible light range. This technology makes it possible not only to inspect the color and appearance of an object’s surface, but also to inspect its internal composition.

(2) Financing, etc.

a. Financing

Balance of bonds and borrowings at the end of the current fiscal year increased by ¥114.7 billion from the end of the previous fiscal year to ¥469.0 billion, due to negative cash flows caused by increased working capital and capital expenditures, as well as a policy of increasing cash balances to address the ongoing risk of financial instability that occurred in March 2023. Cash and cash equivalents at the end of the current fiscal year increased by ¥62.9 billion from the end of the previous fiscal year to ¥180.5 billion.

b. Capital expenditure

The capital expenditure of the Group during the current fiscal year totaled ¥43.8 billion, with the emphasis on expenditure for the development and manufacture of new products mainly in the Digital Workplace Business, the Professional Print Business, and the Industry Business.

(3) Business results

		116th Term Fiscal Year Ended March 31, 2020	117th Term Fiscal Year Ended March 31, 2021	118th Term Fiscal Year Ended March 31, 2022	119th Term Fiscal Year Ended March 31, 2023 (current fiscal year)
Revenue	(Hundred millions of yen)	9,961	8,633	9,114	11,303
Operating profit (loss)	(Hundred millions of yen)	82	(162)	(222)	(951)
Profit (loss) for the year attributable to owners of the Company	(Hundred millions of yen)	(30)	(152)	(261)	(1,031)
Basic earnings (loss) per share (Note 2)	(yen)	(6.21)	(30.75)	(52.93)	(208.89)
Equity attributable to owners of the Company	(Hundred millions of yen)	5,237	5,398	5,498	4,874
Total assets	(Hundred millions of yen)	12,767	12,997	13,381	14,137
Equity per share attributable to owners of the Company (Note 2)	(yen)	1,058.29	1,093.98	1,113.71	986.87
Dividend per share [of which, interim dividend per share]	(yen)	25 [15]	25 [10]	30 [15]	10 [10]
ROE (Note 3)	(%)	(0.6)	(2.9)	(4.8)	(19.9)

Notes: 1. Business results have been prepared on the basis of International Financial Reporting Standards (“IFRS”).

2. Treasury shares, on which basic earnings per share and equity per share attributable to owners of the Company are based, include the Company’s shares held by trust accounts related to the BIP (Board Incentive Plan) trust for compensation for Directors.

3. The following methods are used to calculate the return on equity.
Profit attributable to owners of the Company divided by equity attributable to owners of the Company (average of equities at beginning and end of fiscal year)

(4) Issues to be addressed

In 2023 and beyond, which marks 150 years since our founding and 20 years since the business integration, under our management vision toward 2030, “Imaging to the People,” we will continue to pursue the creation of values that help solving social issues with the foundation of imaging technology.

During the period of the Medium-Term Business Plan DX2022 (from fiscal 2020 to fiscal 2022), the external environment surrounding the Company continued to be challenging. In fiscal 2023, we expect the business environment to remain uncertain, including a decline in print volume due to lower office attendance rates, concerns about an economic slowdown mainly in Europe and the United States, and soaring material and energy costs. As for the internal environment, although the toner factory accidents at our domestic group company that occurred in fiscal 2021 continued to cause supply shortage against demand, we are now maintaining stable production and supply with safety ensured. The businesses that we position as the drivers of our growth (the sensing field and the materials and components field in the Industry Business, the production print unit, the industrial print unit, and the healthcare field), as a whole, achieved the profit targets of the Medium-term Business Plan for the DX2022 period. On the other hand, earnings improvement in strategic new businesses (the precision medicine field, the imaging-IoT solutions field, and the DW-DX unit) fell far short of the plan, and we recognize this as an important issue.

Under the new management structure, which started in April 2022, we have been striving to achieve our performance forecasts under a reality-based management approach. Business profitability is steadily improving, especially in the office unit and the Professional Print Business. However, as a result of a careful examination of investments, particularly past acquisitions, and impairment testing based on International Financial Reporting Standards (IFRS), an impairment loss of ¥116.6 billion was recorded in the fourth quarter of the current fiscal year. Taking the results of three consecutive fiscal years of operating loss and four consecutive fiscal years of loss for the year very seriously, we will strive to improve corporate value by comprehensively evaluating the measures we have developed to date, inheriting those that contribute to improving corporate value, and promptly making decisions on those areas that need to be reformed.

We have formulated a new medium-term business plan that ends in fiscal 2025, based on this situation and recognition of the challenges we face. The policy has the following three points.

1. We will execute business selection and concentration. In the Industry Business, which is the core of the businesses to be strengthened, an organization will be established to implement cross-business development and accelerate growth of existing businesses and development of new businesses in the target areas.
2. We will thoroughly reduce costs through structural reforms, sorting of back-office functions, and reduction of selling, general and administrative expenses. We will also optimize management assets and improve the efficiency of business activities.
3. We will reorganize cross-company functions to clarify the performance of each business and accelerate ongoing business selection and concentration.

With regard to 1., we have newly positioned each business as a business to be strengthened, a business to maintain profitability, a non-focus business, or a business to change direction. We will focus on allocating management resources to the Industry Business, the Professional Print Business, and the healthcare field, which we have positioned as businesses to be strengthened, in order to improve profit margins and achieve further growth. In the Industry Business in particular, we have set our target areas, which are displays, mobility, semiconductors, etc. We will strengthen our core technologies such as materials, optics, nano-fabrication, and imaging, which are our strengths, by utilizing AI and integrating technologies across businesses, and implement co-creation with customers to further strengthen existing businesses and develop new businesses. The office unit of the Digital Workplace Business, which we have positioned as a business to maintain profitability, will be responsible for continuous cash generation by lowering the break-even point and maximizing business value in anticipation of a shrinking market over the medium term. The precision medicine field, which we have positioned as a non-focus business based on its strategic fit with the Company, has great social value and is an area with long-term growth potential. However, recognizing the need for continued investment in growth and considering our current financial situation, we will move on to considering strategic options that include a business transfer to another company to accelerate the growth of this business, in addition to a listing on the US stock market, for which we have been preparing. For businesses to change direction, such as the DW-DX unit and the imaging-IoT solutions field, we will redefine the strategic direction for each business in light of the challenges we have faced to date, and work to change the business structure.

With regard to 2., we will reduce expenses, mainly selling, general and administrative expenses, to improve profitability by reviewing R&D themes, how to utilize human resources, the functions and structure of sites, etc. In addition, we aim to improve asset efficiency by strengthening the management of inventory and trade receivables, as well as through carefully selected capital investments and the consolidation and elimination of sites. We will strengthen our financial base through these measures.

With regard to 3., we will visualize and rigorously evaluate the results of each business with respect to the capital invested, and make decisions on the selection and concentration of management resources on a continual basis. By improving the total asset turnover ratio and increasing capital, we aim to establish a business structure that is resilient to changes in the business environment and a management base capable of sustainable profit growth. Through the above, having set a ROE of 5% or more as a financial indicator to achieve in fiscal 2025, we will improvement our corporate value.

We will continue to place “sustainability” at the core of our management. We believe that contributing to the realization of a sustainable society, or a society where everyone can live with a sense of purpose, is the very way to achieve the sustainable growth of a company. Based on this long-term perspective, the Company will create values in our five material issues, “Improving fulfillment in work and corporate dynamism,” “Supporting healthy, high-quality living,” “Ensuring social safety and security,” “Using limited resources effectively,” and “Addressing climate change” through our businesses, and recognize long-term returns to our stakeholders.

(5) Network of the Group (as of the fiscal year end)

a. Main business offices, plants, etc.

The Group is comprised of the Company, 168 consolidated subsidiaries, and three affiliated companies accounted for by the equity method. The Group has product and technology development, manufacturing, and sales bases worldwide.

Main business offices in Japan

The Company

(1) Head Office (Chiyoda-ku, Tokyo)
(2) Kansai Branch (Osaka City, Osaka)

Other domestic offices

a) Hino City (Tokyo), Hachioji City (Tokyo), b) Chuo City (Yamanashi Prefecture),
c) Toyokawa City (Aichi Prefecture), d) Sakai City (Osaka), Osakasayama City (Osaka),
e) Kobe City (Hyogo Prefecture)

Subsidiaries

(1) Konica Minolta Japan, Inc. (Minato-ku, Tokyo)
(2) Konica Minolta Supplies Manufacturing Co., Ltd. (Kofu City, Yamanashi Prefecture)
(3) Konica Minolta Mechatronics Co., Ltd. (Toyokawa City, Aichi Prefecture)

Main business offices overseas

Subsidiaries

U.S.A.

(1) Konica Minolta Business Solutions U.S.A., Inc.
Konica Minolta Healthcare Americas, Inc.
(2) Ambry Genetics Corporation

Europe

(3) Konica Minolta Business Solutions Europe GmbH (Germany)
Konica Minolta Business Solutions Deutschland GmbH (Germany)
Instrument Systems GmbH (Germany)
(4) Konica Minolta Business Solutions France S.A.S. (France)
(5) Konica Minolta Business Solutions (UK) Limited (U.K.)
Konica Minolta Marketing Services EMEA Limited (U.K.)
(6) Konica Minolta Sensing Europe B.V. (Netherlands)

Asia, etc.

(7) Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)
(8) Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong)
(9) Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)
(10) Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China)
(11) Konica Minolta Business Solutions Asia Pte. Ltd. (Singapore)
(12) Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. (Malaysia)
(13) Konica Minolta Business Solutions India Private Ltd. (India）
(14) Konica Minolta Business Solutions Australia Pty. Ltd. (Australia)

(Reference)

External revenue by Region (the fiscal year under review)

External revenue of the fiscal year by geographical area is as follows.

Region	Revenue (Hundred millions of yen)	Sales proportion of each region
Japan	1,791	15.9%
U.S.A.	3,340	29.5%
Europe	3,306	29.3%
China	1,084	9.6%
Asia	988	8.7%
Other	793	7.0%
Total	11,303	100%

Note: Revenue classifications are based on customers' countries. When there are no key countries for customers in any of the regions above, they are classified into the respective regions.

b. Employees of the Group

Number of employees	Compared with end of previous fiscal year
39,775	Increase of 654

Note: The number of employees indicates the number of employees currently on duty.

(6) Significant subsidiaries (as of the fiscal year end)

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Japan, Inc.	Millions of yen 397	100%	Sale of multi-functional peripherals, digital printing systems, healthcare equipment, industrial measuring equipment and related supplies in Japan, and providing related service solutions and IT service solutions
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 200	100%	Manufacturing and sale of supplies for multi-functional peripherals and digital printing systems
Konica Minolta Mechatronics Co., Ltd.	Millions of yen 90	100%	Manufacturing and sale of supplies for multi-functional peripherals and optical devices (Pickup-lens and lens-unit etc.)
Konica Minolta Business Solutions U.S.A., Inc.	Thousand US dollar 40,000	*100%	Sale of multi-functional peripherals, digital printing systems and related supplies in the U.S., and providing related service solutions and IT service solutions
Konica Minolta Business Solutions Europe GmbH	Thousand euro 88,111	100%	Sale of multi-functional peripherals, digital printing systems, medical imaging systems and related supplies in Europe and others, and providing related service solutions and IT service solutions
Konica Minolta Business Solutions Deutschland GmbH	Thousand euro 10,035	*100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Germany, and providing related service solutions and IT service solutions
Konica Minolta Business Solutions France S.A.S.	Thousand euro 46,290	*100%	Sale of multi-functional peripherals, digital printing systems and related supplies in France, and providing related service solutions and IT service solutions
Konica Minolta Business Solutions (UK) Limited	Thousand British pound 21,000	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in the U.K., and providing related service solutions and IT service solutions
Konica Minolta Marketing Services EMEA Limited	Thousand British pound 440	*100%	Print management service providers in Europe, supporting sales promotion activities and providing consulting services

Note: The ratio of voting rights marked with * include those held by subsidiaries.

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Solutions (CHINA) Co., Ltd.	Thousand RMB 96,958	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in China, and providing related service solutions and IT service solutions
Konica Minolta Business Technologies Manufacturing (HK) Limited	Thousand HK dollar 195,800	100%	Manufacturing and sale of multi-functional peripherals and related supplies
Konica Minolta Business Technologies (WUXI) Co., Ltd.	Thousand RMB 289,678	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems and related supplies
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.	Thousand RMB 141,201	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems and related supplies
Konica Minolta Business Solutions Asia Pte. Ltd.	Thousand US dollar 56,064	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Southeast Asia, and providing related service solutions and IT service solutions
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	Thousand Malaysian ringgit 135,000	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems and related supplies
Konica Minolta Business Solutions India Private Ltd	Thousand Indian rupees 1,686,000	*100%	Sale of multi-functional peripherals, digital printing systems and related supplies in India, and providing related service solutions and IT service solutions
Konica Minolta Business Solutions Australia Pty Ltd	Thousand Australian dollar 58,950	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Australia, and providing related service solutions and IT service solutions
Konica Minolta Healthcare Americas, Inc.	Thousand US dollar 5,300	*100%	Sale of medical imaging systems and other products in the United States and other countries
Konica Minolta Sensing Europe B.V.	Thousand euro 41,960	100%	Sale of industrial measuring instruments and other products in Europe
Instrument Systems GmbH	Thousand euro 600	100%	Manufacturing of LED light sources, light measurement systems and other products, and sale of these products in Europe and Asia
Ambry Genetics Corporation	US dollar 102	*75.6%	Providing genetic testing service centering on cancer area

Notes: 1. The ratio of voting rights marked with * includes those held by subsidiaries.
Notes: 2. From the perspective of materiality, the Company reviews the significant subsidiaries to be listed.
Notes: 3. On April 3, 2023, Konica Minolta Mechatronics Co., Ltd. carried out an incorporation-type company split that was succeeded to by Konica Minolta IJ Products Co., Ltd. and Konica Minolta Advanced Optics Co., Ltd. Konica Minolta IJ Products Co., Ltd. succeeded to businesses related to plastic lens processing and ultraprecision metal processing. Konica Minolta Advanced Optics Co., Ltd. succeeded to businesses related to glass lens processing, optical system assembly, and precision mold processing.

(7) Principal lenders and the amount of loans of the Group (as of the fiscal year end)

(Hundred millions of yen)

Lender	Outstanding amount of loan
MUFG Bank, Ltd.	1,652
Sumitomo Mitsui Banking Corporation	717
Resona Bank, Limited.	452
The Norinchukin Bank	203
Mizuho Bank, Ltd.	196

(8) Policy on exercise of authority if Articles of Incorporation allow distribution of dividends from retained earnings by the resolution of the Board of Directors (Article 459, Paragraph 1 of the Companies Act)

The policy regarding the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance, investments in growth fields and cash flows while striving to enhance shareholder returns based on the payment of dividends. With regard to acquisition of the treasury shares, the Company will make an appropriate decision as one of the measures to return profit to shareholders, taking into consideration the Company’s financial condition, stock price trends and other factors.

(9) Other significant matters of the Group

a. Significant events regarding premise of going concern

The Group recorded a significant impairment loss for the current fiscal year, which resulted in three consecutive fiscal years of operating loss. As of the end of the current fiscal year, the Company breached financial covenants that require the Group “not to record operating loss for two consecutive fiscal years,” stipulated in some of the syndicated loan agreements and other agreements executed between the Company and multiple financial institutions. The Company has obtained, after the fiscal year end, the consent from all relevant financial institutions not to request the Company to forfeit the benefit of time due to this breach, thus, we believe there is no significant uncertainties regarding the premise of going concern.

2. State of shares (as of the fiscal year end)

(1) Total number of shares authorized to be issued ······· 1,200,000,000 shares

(2) Total number of shares issued ···························· 502,664,337 shares
(of which, treasury shares 6,185,006 shares)

(3) Number of shareholders ··································· 130,821

(4) Major shareholders (the top ten shareholders)

Name of shareholder	Number of shares held (thousand shares)	Ratio of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	85,059	17.13
Custody Bank of Japan, Ltd. (Trust account)	39,879	8.03
MUFG Bank, Ltd.	12,000	2.42
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.39
Nippon Life Insurance Company	10,809	2.18
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for MUFG Bank, Ltd.)	10,801	2.18
DFA INTL SMALL CAP VALUE PORTFOLIO	7,557	1.52
Konica Minolta Employee Shareholding Association	6,931	1.40
STATE STREET BANK AND TRUST COMPANY 505103	5,973	1.20
MSCO CUSTOMER SECURITIES	5,620	1.13

Note: While the Company has 6,185,006 shares of treasury share in its possession, it is excluded from the shareholders in the above list. Ratio of shares held is calculated by deducting treasury shares. Treasury shares do not include the Company's shares held by trust accounts related to the BIP (Board Incentive Plan) trust for compensation for Directors (2,567,818 shares).

(5) Status of the shares distributed to Directors and Executive Officers of the Company as compensation for the execution of duties during the fiscal year under review

Name of shareholder	Number of shares distributed (shares)	Number of persons to whom shares are distributed
Directors (excluding Outside Directors) and Executive Officers	150,894	3
Outside Directors	0	0

(6) Other significant matters regarding shares

With regard to the "Matters regarding the determination policy for amount of Director or Executive Officer compensation or for method of calculating them," the Company has adopted a system called the BIP (Board Incentive Plan) trust for compensation for Directors in distributing shares to Directors as a "medium-term stock bonus (non-performance-based)" as well as "long-term stock bonus" and to Executive Officers as a "medium-term stock bonus (performance-based) as well as "long-term stock bonus." As of March 31, 2023, the trust accounts related to the BIP trust for compensation for Directors held 2,567,818 shares of the Company.

3. Share acquisition rights, etc. of the Company

Summary of share acquisition rights, etc., issued to/held by Directors and Executive Officers of the Company as compensation for the execution of duties (as of the fiscal year end)

Starting in fiscal 2005, the Company began issuing share acquisition rights to Directors (excludes Outside Directors) and Executive Officers in the form of a compensation-type stock option plan, in accordance with its compensation determination policy.

Upon the exercise of share acquisition rights, treasury shares owned by the Company will be transferred.

		First Series Fiscal Year Ended March 31, 2006	Second Series Fiscal Year Ended March 31, 2007	Third Series Fiscal Year Ended March 31, 2008
Number of share acquisition rights		389	211	226
Type and number of shares under share acquisition rights		Ordinary shares 194,500 shares	Ordinary shares 105,500 shares	Ordinary shares 113,000 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 23, 2005 - June 30, 2025	September 2, 2006 - June 30, 2026	August 23, 2007 - June 30, 2027
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director, Executive Officer and Corporate Vice President of the Company up until five (5) years from that starting date.		
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.		
Holdings of Directors and Executive Officers	Number of holders	1	1	1
	Number of rights	14	11	10
	Number of shares	7,000 shares	5,500 shares	5,000 shares

		Fourth Series Fiscal Year Ended March 31, 2009	Fifth Series Fiscal Year Ended March 31, 2010	Sixth Series Fiscal Year Ended March 31, 2011
Number of share acquisition rights		256	399	376
Type and number of shares under share acquisition rights		Ordinary shares 128,000 shares	Ordinary shares 199,500 shares	Ordinary shares 188,000 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 19, 2008 - June 30, 2028	August 20, 2009 - June 30, 2029	August 28, 2010 - June 30, 2030
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director, Executive Officer and Corporate Vice President of the Company up until five (5) years from that starting date.		
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.		
Holdings of Directors and Executive Officers	Number of holders	1	1	1
	Number of rights	11	17	17
	Number of shares	5,500 shares	8,500 shares	8,500 shares

<table>
<tr><td colspan="2"></td><td>Seventh Series
Fiscal Year Ended
March 31, 2012</td><td>Eighth Series
Fiscal Year Ended
March 31, 2013</td></tr>
<tr><td colspan="2">Number of share acquisition rights</td><td>479</td><td>571</td></tr>
<tr><td colspan="2">Type and number of shares under share acquisition rights</td><td>Ordinary shares
239,500 shares</td><td>Ordinary shares
285,500 shares</td></tr>
<tr><td colspan="2">Amount to be paid upon exercise of the share acquisition rights</td><td>One (1) yen per share</td><td>One (1) yen per share</td></tr>
<tr><td colspan="2">Exercise period of share acquisition rights</td><td>August 24, 2011 -
June 30, 2031</td><td>August 23, 2012 -
June 30, 2032</td></tr>
<tr><td colspan="2">Primary condition for exercise of share acquisition rights</td><td colspan="2">The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director, Executive Officer and Corporate Vice President of the Company up until five (5) years from that starting date.</td></tr>
<tr><td colspan="2">Primary events and conditions for acquisition of share acquisition rights</td><td colspan="2">The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.</td></tr>
<tr><td rowspan="3">Holdings of Directors and Executive Officers</td><td>Number of holders</td><td>1</td><td>2</td></tr>
<tr><td>Number of rights</td><td>21</td><td>43</td></tr>
<tr><td>Number of shares</td><td>10,500 shares</td><td>21,500 shares</td></tr>
</table>

<table>
<tr><th colspan="2"></th><th>Ninth Series
Fiscal Year Ended
March 31, 2014</th><th>Tenth Series
Fiscal Year Ended
March 31, 2015</th></tr>
<tr><td colspan="2">Number of share acquisition rights</td><td>515</td><td>1,596</td></tr>
<tr><td colspan="2">Type and number of shares under share acquisition rights</td><td>Ordinary shares
257,500 shares</td><td>Ordinary shares
159,600 shares</td></tr>
<tr><td colspan="2">Amount to be paid upon exercise of the share acquisition rights</td><td>One (1) yen per share</td><td>One (1) yen per share</td></tr>
<tr><td colspan="2">Exercise period of share acquisition rights</td><td>August 23, 2013 -
June 30, 2043</td><td>September 12, 2014 -
June 30, 2044</td></tr>
<tr><td colspan="2">Primary condition for exercise of share acquisition rights</td><td colspan="2">The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director, Executive Officer and Corporate Vice President of the Company up until ten (10) years from that starting date.</td></tr>
<tr><td colspan="2">Primary events and conditions for acquisition of share acquisition rights</td><td colspan="2">The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.</td></tr>
<tr><td rowspan="3">Holdings of Directors and Executive Officers</td><td>Number of holders</td><td>3</td><td>3</td></tr>
<tr><td>Number of rights</td><td>53</td><td>301</td></tr>
<tr><td>Number of shares</td><td>26,500 shares</td><td>30,100 shares</td></tr>
</table>

		11th Series Fiscal Year Ended March 31, 2016	12th Series Fiscal Year Ended March 31, 2017
Number of share acquisition rights		1,101	1,714
Type and number of shares under share acquisition rights		Ordinary shares 110,100 shares	Ordinary shares 171,400 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 19, 2015 - June 30, 2045	September 1, 2016 - June 30, 2046
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director, Executive Officer and Corporate Vice President of the Company up until ten (10) years from that starting date.	
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.	
Holdings of Directors and Executive Officers	Number of holders	4	6
	Number of rights	237	517
	Number of shares	23,700 shares	51,700 shares

Notes: 1 The number of shares issued upon the exercise of each share acquisition right was 500 from the first to the ninth series and is 100 from the tenth series.

2. The stock compensation-type stock option plan was abolished with the twelfth issue.

4. Status of the Company's management members

(1) Names, etc. of Directors and Executive Officers

a. Directors (as of the fiscal year end)

Position	Name	Responsibilities	Important positions concurrently held
Director	Toshimitsu Taiko	(President & CEO, Representative Executive Officer)	
Outside Director	Chikatomo Kenneth Hodo	Chairman of the Board Member of Nominating Committee	Representative Director of Bayhills Co., Ltd. Outside Director of Sumitomo Mitsui DS Asset Management Company, Limited Outside Director of Mynavi Corporation Outside Director of Mitsubishi Chemical Group Corporation. Outside Director of ORIX Corporation
Outside Director	Sakie Tachibana Fukushima	Member of Compensation Committee (Chairperson) Member of Nominating Committee	President & Representative Director of G&S Global Advisors Inc. Outside Director of USHIO INC. Outside Director of Kyushu Electric Power Company, Incorporated Outside Director of Aozora Bank, Ltd.
Outside Director	Soichiro Sakuma	Member of Audit Committee (Chairperson) Member of Compensation Committee	Senior Advisor of Nippon Steel Corporation Outside Director of JX Nippon Mining & Metals Corporation President of Japan International Dispute Resolution Center
Outside Director	Akira Ichikawa	Member of Nominating Committee (Chairperson) Member of Audit Committee	Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd Chairman of Wooden Home Builders Association of Japan
Outside Director	Masumi Minegishi	Member of Audit Committee Member of Audit Committee Member of Compensation Committee	Chairperson and Representative Director of the Board of Recruit Holdings Co., Ltd. Independent Outside Director of ANA HOLDINGS INC.
Director	Hiroyuki Suzuki	Member of Audit Committee Member of Compensation Committee	
Director	Shoei Yamana	Member of Nominating Committee (Executive Chairman & Executive Officer)	Outside Director of TDK Corporation
Director	Seiji Hatano	(Executive Vice President & Executive Officer)	

Notes: 1. The five Directors Mr. Chikatomo Kenneth Hodo, Ms. Sakie Fukushima Tachibana, Mr. Soichiro Sakuma, Mr. Akira Ichikawa and Mr. Masumi Minegishi are Outside Directors, as provided for in Article 2, Item 15 of the Companies Act and Independent Directors, as provided for under Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

2. At the 118th Ordinary General Meeting of Shareholders held on June 17, 2022, the terms of office of all 11 Directors expired. The following 8 Directors were reelected: Mr. Toshimitsu Taiko, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Tachibana Fukushima, Mr. Soichiro Sakuma, Mr. Akira Ichikawa, Mr. Hiroyuki Suzuki, Mr. Shoei Yamana and Mr. Seiji Hatano and one Director: Masumi Minegishi was newly elected and assumed office the same day.

3. Upon the close of the 118th Ordinary General Meeting of Shareholders held on June 17, 2022, the terms of office of Mr. Masatoshi Matsuzaki, Mr. Taketsugu Fujiwara and Mr. Toyotsugu Itoh expired and they retired from the office of Director.

4. Mr. Hiroyuki Suzuki is full-time member of the Audit Committee. In this role, he constantly collects information, receives periodic reports from business units, visits business sites to perform inspections, and conducts other activities. Sharing information acquired from these activities with all members of the Audit

Committee allows this committee to perform effective examinations of various subjects and issues.

b. Executive Officers (as of the fiscal year end)

Position	Name	Responsibilities and important positions concurrently held
* President & CEO, Representative Executive Officer	Toshimitsu Taiko	
* Executive Chairman & Executive Officer	Shoei Yamana	
Senior Executive Vice President & Executive Officer	Kiyotaka Fujii	Responsible for Precision Medicine Business and Chairman of REALM IDx, Inc.
* Senior Executive Vice President and Executive Officer	Seiji Hatano	Assistant to the CEO Lead officer for Accounting, Finance and Risk Management
Executive Vice President & Executive Officer	Noriyasu Kuzuhara	Responsible for Corporate Planning Lead Officer for Material & Component Business
Executive Vice President & Executive Officer	Toshiya Eguchi	Responsible for Technologies, Imaging-IoT Solution Business and Visual Solutions Business
Executive Vice President & Executive Officer	Shinichiro Oka	Responsible for Human Resources and Diversity Enhancement

Notes: 1. Executive officers marked with * hold concurrent Director positions.

2. The above Executive Officers were, after the close of the 118th Ordinary General Meeting of Shareholders held on June 17, 2022, elected at the meeting of the board of Directors held on the same day.

3. Mr. Hitoshi Kamezawa and Mr. Yoshihiro Hirai took office of Executive Vice President & Executive Officer as of April 1, 2023. Executive Officers and their responsibilities changed as of April 1, 2023 as follows.

Executive Officer as of April 1, 2023

Position	Name	Responsibilities and important positions concurrently held
President & CEO, Representative Executive Officer	Toshimitsu Taiko	
Executive Chairman & Executive Officer	Shoei Yamana	
Senior Executive Vice President & Executive Officer	Kiyotaka Fujii	Responsible for Precision Medicine Business and Chairman of REALM IDx, Inc.
Senior Executive Vice President & Executive Officer	Seiji Hatano	Responsible for Strategic Project
Executive Vice President & Executive Officer	Noriyasu Kuzuhara	General Manager, Corporate Planning Headquarters
Executive Vice President & Executive Officer	Toshiya Eguchi	Responsible for Technologies, Imaging-IoT Solution Business and Visual Solutions Business
Executive Vice President & Executive Officer	Shinichiro Oka	Responsible for Corporate Human Resources, Corporate General Affairs, Corporate Secretary, Crisis Management and Diversity
Executive Vice President & Executive Officer	Hitoshi Kamezawa	Responsible for Industrial Business Development, Sensing Business, Optical Component Business, IJ Component Business and Performance Materials Business
Executive Vice President & Executive Officer	Yoshihiro Hirai	Responsible for Corporate Accounting, Corporate Finance and Risk Management

Notes: After this Ordinary General Meeting of Shareholders, Executive Chairman and Executive Officer, Mr. Shoei Yamana is scheduled to retire from the position of Executive Chairman and Executive Officer at the Board of Directors meeting to be held on the same day, and to become Senior Advisor.

(2) Matters related to an indemnity agreement

The Company has entered into an indemnity agreement as provided for in Article 430-2, Paragraph 1 of the Companies Act with 9 Directors Mr. Toshimitsu Taiko, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Fukushima Tachibana, Mr. Soichiro Sakuma, Mr. Akira Ichikawa, Mr. Masumi Minegishi, Mr. Hiroyuki Suzuki, Mr. Shoei Yamana, and Mr. Seiji Hatano and 7 Executive Officers Mr. Toshimitsu Taiko, Mr. Shoei Yamana, Mr. Kiyotaka Fujii, Mr. Seiji Hatano, Mr. Noriyasu Kuzuhara, Mr. Toshiya Eguchi and Mr. Shinichiro Oka. Under this agreement, the Company provides indemnity for expenses under Item 1 of the same paragraph and losses under Item 2 of the same paragraph within the scope stipulated by law. In order to ensure that such indemnity agreement does not impair the appropriateness of the execution of duties, the Company does not provide any indemnity such as in case when each Director and Executive Officer performs his/her duties despite being aware of violation of laws or regulations.

(3) Matters related to a directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract, in which the Directors, Executive Officers, Corporate Vice Presidents, Technology Fellows of the Company and officers of all subsidiaries except North America, etc. (hereinafter, “the Directors and Officers, etc.”) are the insured, with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The policy covers the insured for any litigation expenses, etc. or damages due to receiving claims for damages arising from action carried out in accordance with their position as the Directors and Officers, etc. and the Company bears the full amount of insurance premiums. In order to ensure that such insurance contract does not impair the appropriateness of the execution of duties, the policy does not cover the Directors and Officers, etc. for any expenses, etc. such as in case when the Director and Officer, etc. perform his/her duties despite being aware of violation of laws or regulations. The insurance period of this policy is one year.

(4) Total compensation to Directors and Executive Officers

		Compensation (Millions of yen)						
		Total	Base salary		Performance-based cash bonus		Stock bonus	
			Persons	Amount	Persons	Amount	Persons	Amount
Directors	Outside	79	6	79	-	-	-	-
	Inside	74	3	55	-	-	3	18
	Total	153	9	134	-	-	3	18
Executive Officers		338	7	291	7	35	7	11

Notes: 1. The number above includes one (1) Outside Director and two (2) Executive Officers who resigned at the date of the 118th Ordinary General Meeting of Shareholders held on June 17, 2022. At the end of the period (March 31, 2023), the Company has five (5) Outside Directors, one (1) Inside Director (not concurrently holding Executive Officer posts) and seven (7) Executive Officers.

2. In addition to the three (3) Inside Directors shown above, the Company has another three (3) Inside Directors who concurrently hold Executive Officer posts, and the compensation to these Directors is included in compensation to Executive Officers.

3. Regarding the performance-based cash bonus, the amounts which were recorded as expense in the period are stated.

4. Regarding the stock bonus, the amounts which were recorded as expense in the period are stated, based on a calculation of estimated amount of stock bonus of the Company in the future according to estimated points to be allotted to Directors (excluding Outside Directors) and Executive Officers as part of their compensation.
The amount includes medium-term stock bonus (performance-based) to be distributed according to the target attainment rate in the period of the medium-term business plan.

5. In addition to the above remuneration, the conventional retirement remuneration, which was abolished in June 2005, was paid during the fiscal year under review based on the resolution of the Compensation Committee made in 2005.
・Director (1) 1 million of yen (retired on June 17, 2022)

(5) Matters related to performance-based compensation

a. Details of the performance indicators selected as the basis for calculating the amount or number of performance-based compensation and the reasons for selecting these indicators.

1) Annual performance-based cash bonus

<Detail of performance indicators>

<table>
<tr><td>Item</td><td>Portion according to performance level</td><td colspan="5">Portion according to attainment of performance targets</td><td>Portion according to personal appraisal</td></tr>
<tr><td rowspan="3">Assessment index and others</td><td rowspan="2">Operating profit</td><td colspan="4">Corporate divisions/core business divisions</td><td>New business divisions</td><td rowspan="3">Reflects progress of each Executive Officer’s key measures</td></tr>
<tr><td>Operating Profit 25%</td><td>Operating profit ratio 25%</td><td>Operating cash flow 25%</td><td>KMCC-ROIC 25%</td><td>Individual divisions targets</td></tr>
<tr><td>Linked with Group consolidated performance result level</td><td colspan="4">Linked with Annual performance target achievement rate</td><td>Linked with individual target attainment rate</td></tr>
</table>

Notes: 1. The corporate divisions include management affairs divisions of Konica Minolta, Inc. and those with group-wide horizontal functions.
2. KMCC-ROIC is the ROIC for calculating the performance-based cash bonus for the fiscal year, and the invested capital is the assets that can be individually controlled and improved by each business division.

<Reason for selection of these performance indicators>

The indicator for the portion according to performance level is the amount of Group consolidated operating profit. It was judged that operating profit is one of the most appropriate indicators for determining the responsibility for performance that should be taken on by Executive Officers with the aim of realizing sustainable growth and enhanced corporate value by achieving higher levels of operating profit.

For corporate departments and core business departments, operating profit, operating profit ratio, operating cash flows, and KMCC-ROIC are the indicators used to calculate the portion according to attainment of performance targets. These indicators attach strong significance to the Company’s sustainable growth and the enhancement of medium- to long-term corporate value. Operating profit amounts are determined with the goal of strengthening the earning power of the core business, operating profit ratio for realizing a shift to a highly profitable system, operating cash flows for allowing timely and appropriate development of strategies and procurement of underlying capital, and KMCC-ROIC for improving the efficiency of invested capital.

Each indicator is evenly weighted at 25%.

For new business departments, the indicators are individual targets set by each business unit in light of the business’s characteristics and fiscal key measures.

For the portion according to personal appraisal, factors such as progress of each Executive Officer’s key operational measures are used as indicators. Matters are evaluated from a different perspective from the portion according to performance level and the portion according to attainment of performance targets.

2) Medium-term stock bonus (performance-based)

<Detail of performance indicators>

<table>
<tr><td>Item</td><td colspan="3">Medium-term stock bonus (performance-based)</td></tr>
<tr><td rowspan="4">Assessment index</td><td>Group consolidated operating profit</td><td>Group consolidated operating cash flow</td><td>Group consolidated ROIC</td></tr>
<tr><td colspan="2">(Cumulative total for 3 years from FY2020 to FY2022)</td><td>(3-year average from FY2020 to FY2022)</td></tr>
<tr><td>40%</td><td>30%</td><td>30%</td></tr>
<tr><td colspan="3">Linked with attainment rate of medium-term business plan targets</td></tr>
</table>

<Reasons for the selection of these indicators>

Operating profit, operating cash flows, and ROIC are set as the indicators (all on a Group consolidated basis) with the aim of sustainable growth and enhancement of medium- to long-term corporate value.

Operating profit is determined with the goal of strengthening the earning power of the core business, operating cash flows for allowing timely and appropriate development of strategies and procuring the underlying capital, and ROIC for improving the efficiency of invested capital over the medium to long term.

These indicators have been weighted at 40%, 30% and 30%, respectively.

b. Method of calculating the amount or number of performance-based compensation.

1) Annual performance-based cash bonus

The amount paid for the portion according to performance level is calculated by multiplying a value determined according to the amount of Group consolidated operating profit in the fiscal year by a number of points set for each position. Said value is decided in accordance with a table formulated in advance.

For corporate departments and core business departments, the amount paid for the portion according to attainment of performance targets is calculated by multiplying the payment rate calculated from the annual performance target attainment rate (calculated based on the weighting of each indicator) by a set amount according to position. The respective business's consolidated performance is factored into the payment for Executive Officers responsible for the core business department, and the Group's consolidated performance is factored into the payment for those responsible for the corporate department.

In addition, payment for Executive Officers responsible for new business departments is calculated by multiplying the payment rate calculated from that business department's individual target attainment rate by a set amount according to position.

The payment rate varies from 0% to 200% depending on target attainment level.

The amount paid for the portion according to personal appraisal is calculated by multiplying the total of the standard amounts determined for the portion according to performance level and portion according to attainment of performance targets by an appraisal value (value in the range of -30% to +30%) for each Executive Officer stipulated in a proposal drafted by the President & CEO.

The payment amounts in the three items listed above are discussed and settled by the Compensation Committee.

2) Medium-term stock bonus (performance-based)

The number of stock to be distributed is determined by multiplying the payment rate calculated from the target attainment rate in the period of the medium-term business plan, reflected with the weighting of the indicator, by the number of points set for the position accumulated over the same period, with one point equaling one share that will be transferred as compensation.

The payment rate varies from 0% to 200% depending on target attainment rate.

Points set for the position is calculated by dividing the amount of resources allocated for the position by a reference stock price.

The reference stock price is the average price paid by the trustee entrusted by the Company, the trustor, when purchasing the number of shares of the Company required to pay the stock bonus on the stock market in the period of the medium-term business plan or at the time of start of the period of the medium-term business plan or medium-term strategy plan.

The number of shares transferred listed above are discussed and settled by the Compensation Committee.

c. Performance pertaining to the performance indicators in above paragraph a., used to calculate the amount or number of performance-based compensation.

1) Annual performance-based cash bonus

	Operating profit	Operating profit ratio	Operating cash flow	KMCC-ROIC
Attainment rate	87%	80%	12%	84%

* The attainment rate used for calculating "the performance-based cash bonus (the amounts to be recorded as expense in the period)" in "(2) Total compensation to Directors and Executive Officers" is stated. However, the final remuneration amount was calculated based on the achievement rate based on the confirmed performance results and will be paid.

2) Medium-term stock bonus (performance-based)

	Operating profit	Operating cash flow	ROIC
Attainment rate	6%	51%	12%

* The attainment rate used for calculating "the stock bonus (the amounts to be recorded as expense in the period)" in "(2) Total compensation to Directors and Executive Officers" is stated. However, the final remuneration amount was calculated based on the achievement rate based on the confirmed performance results and will be paid.

(6) Matters related to non-monetary compensation

The Company distributes stock bonus as non-monetary compensation.

Name	Type of shares	Method of calculating number of stock to distribute	Accessory conditions
Medium-term stock bonus (performance-based)	Ordinary shares of the Company	As described in (5) b 2) above.	The shares to be distributed shall be held in principle for one (1) year after the date of retirement
Medium-term stock bonus (non-performance-based)		The number of shares to be distributed is calculated at one share equals one point basis, based on the cumulative total of number of points set for the position accumulated over the period of the medium-term business plan. Other matters are as described in (5) b 2) above.	
Long-term stock bonus		The number of shares to be distributed is calculated as one share equals one point basis, by multiplying the points set for the position by the period they are in office. Other matters are as described in (5) b 2) above.	

(7) Matters regarding the determination policy for amount of Director or Executive Officer compensation or for method of calculating them

a. Method of determining the policy

These policies are resolved by the Compensation Committee.

The Company, which has adopted the company with three committees system, has established a Compensation Committee. Outside Directors account for the majority of members of the committee and the committee is chaired by an Outside Director to ensure transparency and to determine compensation in a fair and appropriate manner.

The Company's Directors' compensation system is intended to strengthen the motivation of Directors and Executive Officers to strive for the continuous medium- to long-term improvement of the Group performance in line with management policies to meet shareholder expectations, and to contribute to the enhancement of the value of the Group as a whole. The Company aims for a level of compensation that enables it to attract and retain talented people to take responsibility for the Company's development.

In keeping with these aims, the Compensation Committee has established a policy for determining the individual compensation entitlement of Directors and Executive Officers as follows, and determines the amount of individual compensation entitlement of Directors and Executive Officers in line with this policy.

b. Summary of detail of the policy

1) Compensation system
   a) Compensation packages for Directors (inside, not concurrently holding Executive Officer posts) exclude a short-term performance-based cash bonus because Directors have a supervisory role, and consist of a "base salary" component in the form of a "base salary" and "stock bonus." "Stock bonus" shall consist of "medium-term stock bonus (non-performance-based)" and "long-term stock bonus."
   Outside Directors receive base salary only which includes remuneration based on their roles.
   b) Compensation packages for Executive Officers consist of "base salary," "annual performance-based cash bonus" which reflects business performance, and "stock bonus." "Stock bonus" shall consist of "medium-term stock bonus (performance based)" and "long-term stock bonus."
2) The total amount of individual compensation entitlement and "base salary" are set at an appropriate level with each position and its value taken into account, based upon objective data, evaluation data and other data collected at regular intervals, etc.
3) The amount of the "annual performance-based cash bonus" is determined based on the level of performance result for the fiscal year (consolidated operating profit) and the degree of attainment of annual performance targets and according to progress of each Executive Officer's key operational measures. The amount based on the degree of attainment of annual performance targets is determined in the 0% to 200% range of the standard amount of compensation. The targets are major consolidated performance indicators (operating profit, operating profit ratio, operating cash flow and KMCC-ROIC*) associated with results of operations. Executive Officers' key operational measures include those related to non-financial indicators, such as ESG (environmental, social and governance).
   *KM-ROIC is ROIC for calculating "Annual performance-based cash bonus," defining invested capital as assets that can be separately managed and improved by each business segment.
4) Details of the stock bonus plan are as follows.
   a) In the "medium-term stock bonus (non-performance-based)" plan to Directors (inside, not concurrently holding Executive Officer posts), the Company's shares are distributed to Directors after the end of the Medium Term Business Plan, according to their roles and years they are in office. The plan is aimed to enhance their motivation toward contribution to improvement of the shareholder value in medium term and promote holdings of the Company's own shares.
   b) In the "medium-term stock bonus (performance-based)" plan to Executive Officers, the Company's shares are distributed to Executive Officers after the end of the Medium Term Business Plan in the 0% to 200% range, according to their attainment of performance target. The plan is aimed to enhance their incentives toward attainment of the targets in the Medium Term Business Plan and promote holdings of the Company's own shares. The medium-term targets are major consolidated performance indicators (operating profit, operating cash flow and ROIC) associated with the medium term management policy.
   c) In the "long-term stock bonus" plan to Directors (inside, not concurrently holding Executive Officer posts) and Executive Officers, the Company's shares are distributed to Directors and Executive Officers after their retirement, according to their positions or roles and years they are in office. The plan is aimed to enhance their motivation toward contribution to improvement of the shareholder value in long term.
   d) The standard number of shares is set by the position of each Director or Executive Officer in the first year of the Medium Term Business Plan.
   e) Certain portions of shares are distributed in cash on assumption that they are exchanged

for cash.

f) Shares of the Company obtained as stock bonus shall be held in principle for one (1) year after the date of retirement from the post of each Director or Executive Officer.

5) The standard for compensation to the President and Chief Executive Officer is a 50:25:25 mix of "base salary," "annual performance-based cash bonus" and "stock bonus." For the other Executive Officers, the "base salary" ratio is set higher than that for the President. "Stock bonus" is approximately a 60:40 mix of "medium-term stock bonus (performance-based)" and "long-term stock bonus."
6) Compensation for non-Japan residents may be handled in different ways from the treatment said above according to legal and other circumstances.
7) When the Board of Directors resolved a correction to financial statements after the announcement due to a material accounting error or fraud, the Compensation Committee considers corrections to performance-based bonuses and limit payment or request return of the bonuses when necessary.
8) The Company reviews levels, composition and others of compensation in a timely and proper manner in accordance with changes in the management environment. Regarding the conventional retirement benefit system abolished in June 2005, the Compensation Committee has determined individual entitlements within reason based upon certain criteria established by the Company, and will pay such entitlement upon the retirement of each Director or Executive Officer in office prior to the abolition of this system.

c. Reasons for the Compensation Committee's determination that the individual compensation for the Directors and Executive Officers for the fiscal year under review is in line with the policy

The Compensation Committee determines the policy as described in (7) b above and the committee has confirmed that it follows such policy when it makes resolutions over the details of compensation for each individual Director and Executive Officer for the fiscal year.

d. Compensation structure

Director

Inside (Not concurrently holding Executive Officer posts)	Base salary	Medium-term stock bonus (non-performance-based)	Long-term stock bonus
Outside	Base salary		

Executive Officer

President and Chief Executive Officer	Base salary 50%	Annual performance-based cash bonus 25%	Medium term performance-based stock bonus 15%	Long-term stock bonus 10%
Senior Executive Vice President and Executive Officer Executive Vice President and Executive Officer Executive Officer	Base salary 51-55%	Annual performance-based cash bonus 29-25%	Medium term performance-based stock bonus 12%	Long-term stock bonus 8%

(8) Matters regarding Outside Directors

a. Persons serving as Executive Officers at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Chikatomo Kenneth Hodo	Bayhills Co., Ltd.	Representative Director
Sakie Tachibana Fukushima	G&S Global Advisors Inc.	President and Representative Director
Soichiro Sakuma	Japan International Dispute Resolution Center	President
Akira Ichikawa	Sumitomo Forestry Co., Ltd.	Chairman of the Board and Representative Director
	Wooden Home Builders Association of Japan	Chairman
Masumi Minegishi	Recruit Holdings Co., Ltd.	Chairperson and Representative Director of the Board

There is no material transaction with the Company.

b. Persons serving as Outside Directors at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Chikatomo Kenneth Hodo	Sumitomo Mitsui DS Asset Management Company, Limited Mynavi Corporation Mitsubishi Chemical Group Corporation ORIX Corporation	Outside Director Outside Director Outside Director Outside Director
Sakie Tachibana Fukushima	USHIO INC. Kyushu Electric Power Company, Incorporated Aozora Bank, Ltd.	Outside Director Outside Director Outside Director
Soichiro Sakuma	JX Nippon Mining & Metals Corporation	Outside Director
Akira Ichikawa	SUMITOMO CHEMICAL COMPANY, LIMITED	Outside Director
Masumi Minegishi	ANA HOLDINGS INC.	Outside Director

There is no material transaction with the Company.

c. Family relationship with an Executive Officer, etc. of the Company or of a specified related business operator of the Company

Not applicable.

d. Primary activities of Outside Directors and summary of duties performed with respect to the role they are expected to fulfill

Outside Directors of the Company participate in Board of Directors meetings by making constructive statements on the decision-making and supervision of management, and they are also in charge of duties of the three committees: the Nominating Committee, the Audit Committee and the Compensation Committee, as stated in "(1) Names, etc. of Directors and Executive Officers." Also, Outside Directors attend internal presentations on the latest R&D, business development and other themes, gather information and exchange opinions with human resources in the business sites, as well as provide advice where appropriate. In addition, in order to formulate the next medium-term business plan, Outside Directors attended Directors' roundtable meetings for the purpose of providing information and discussion from the executive team prior to the deliberations of the Board of Directors. Outside Directors hold meetings for only Outside Directors after the Board of Directors meetings, for the exchange of opinions and the sharing of awareness from an independent and objective perspective. Through these opportunities, Outside Directors contribute to improving the effectiveness of the governance of the Company. The principal activities of Outside Directors are as follows.

1) Mr. Chikatomo Kenneth Hodo

Mr. Hodo became the first Outside Director of the Company to be elected as Chairman of the Board of Directors at the Board of Directors meeting held after the Ordinary General Meeting of Shareholders in June 2022. In the operations policy for the Board of Directors, he raised the following major points to be addressed in fiscal 2022: (i) narrow down the strategic domains to be focused on by the Board of Directors as a monitoring board for fiscal 2022, and execute a PDCA cycle continuously, (ii) further strengthen the governance structure by increasing the weight of the perspective of shareholders and investors, and (iii) further improve teamwork by fostering an evolved sense of distance between the supervisory and executive sides. In addition, with regard to the evaluation of the effectiveness of the Board of Directors conducted this year, an external evaluation was conducted, utilizing a third-party organization, and the Company's corporate governance, including the operation of the Board of Directors under the new structure, was re-examined.

Mr. Hodo attended all 13 meetings of the Board of Directors and all ten meetings of the Nominating Committee that were held during the fiscal year under review, and all three meetings of the Audit Committee that were held when he was a committee member until June 2022. At the Board of Directors, Mr. Hodo set agendas and facilitated the meetings as the Chairman, and also used his experience as a corporate executive, primarily from perspective of stakeholders, to provide supervision and advice concerning the way of supervising the formulation and execution of the next medium-term business plan, global standard management, engagements with investors, and other subjects.

2) Ms. Sakie Tachibana Fukushima

Ms. Fukushima attended all 13 meetings of the Board of Directors, all ten meetings of the Nominating Committee and all eight meetings of the Compensation Committee that were held during the fiscal year under review. At the Board of Directors, Ms. Fukushima used her experience as a corporate executive to provide supervision and advice concerning human resources management strategies, promotion of diversity, risk management, and other subjects. In addition, as Chairperson of the Compensation Committee, Ms. Fukushima made efforts for the management of the committee with objectivity and transparency in discussions of compensation system for Directors as well as in determining individual compensation amount by holding interviews with the President & CEO, Representative Executive Officer.

3) Mr. Soichiro Sakuma

Mr. Sakuma attended all 13 meetings of the Board of Directors, all 13 meetings of the Audit Committee and all eight meetings of the Compensation Committee that were held during the fiscal year under review. At the Board of Directors, Mr. Sakuma used his corporate legal perspective and experience as a corporate executive to provide supervision and advice concerning monitoring based on management environment and market environment, regional strategies based on business opportunities and risks, the internal control system including compliance, and other subjects. In addition, at the Audit Committee, Mr. Sakuma used his experience and knowledge to make statements contributing to maintenance and enhancement of the integrity and efficiency of the Company's management. As Chairperson of the Audit Committee, Mr. Sakuma expressed opinions on risk management and crisis management, and made efforts for the management of the committee contributing to improving the effectiveness of the internal control system.

4) Mr. Akira Ichikawa
Mr. Ichikawa attended all 13 meetings of the Board of Directors, all ten meetings of the Nominating Committee and all 13 meetings of the Audit Committee that were held during the fiscal year under review, and one meeting of the Compensation Committee that was held when he was a committee member until June 2022. At the Board of Directors, Mr. Ichikawa used his experience as a corporate executive to provide supervision and advice concerning transformation of business portfolio based on technology and manufacturing, site-oriented management, and other subjects. In addition, as Chairperson of the Nominating Committee, Mr. Ichikawa engaged in supervising determination of candidates for Directors and a succession plan formulated by the President & CEO, Representative Executive Officer, and made efforts for the management of the committee with objectivity and transparency. Furthermore, at the Audit Committee, Mr. Ichikawa used his experience and knowledge to make statements contributing to maintenance and enhancement of the integrity and efficiency of the Company's management.

5) Mr. Masumi Minegishi (elected at the Ordinary General Meeting of Shareholders held June 2022)
Mr. Minegishi attended all ten meetings of the Board of Directors, all nine meetings of the Nominating Committee, all ten meetings of the Audit Committee and six out of seven meetings of the Compensation Committee that were held after his appointment as Director during the fiscal year. At the Board of Directors, Mr. Minegishi used his experience as a corporate executive to provide supervision and advice concerning the Board of Directors' oversight role, including the logic to the allocation of resources in transformation of business portfolio, management goal settings tailored to business characteristics, and other subjects. In addition, at the Audit Committee, Mr. Minegishi used his experience and knowledge to make statements contributing to maintenance and enhancement of the integrity and efficiency of the Company's management.

e. Liability limitation agreements

To attract skillful people as Outside Directors and to enable them to fully demonstrate their expected role, the Company stipulates in its current Articles of Incorporation that the Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Outside Directors which limits their liabilities for payment of damages with respect to the acts mentioned in Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations. Based on these stipulations, the five (5) Outside Directors Mr. Chikatomo Kenneth Hodo, Ms. Sakie Tachibana Fukushima, Mr. Soichiro Sakuma, Mr. Akira Ichikawa and Mr. Masumi Minegishi have entered into an agreement with the Company limiting their liabilities for payment of damages, and the content of this agreement is summarized as follows.

The maximum amount of liability of an Outside Director who, with the best of intentions and without gross negligence, fails to execute his or her duties while in office and causes damage to the Company shall be limited to the aggregate sum of the amounts prescribed in Article 113 of the Companies Act Enforcement Regulations multiplied by two (Article 425, Paragraph 1, Item 1 (c) of the Companies Act).

5. Status of Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Compensation to the Accounting Auditor

a. Compensation paid by the Company to the Accounting Auditor during the fiscal year under review

Compensation for audit certification in accordance with Article 2, Section 1 of the Certified Public Accountants Act	¥299 million
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Act	¥－ million
Total	¥299 million

Notes: 1. Under an audit contract between the Company and the Accounting Auditor, compensation is the total of compensation for the Accounting Auditor’s audit under the Companies Act and audit compensation under the Financial Instruments and Exchange Act, as there is no clear separation between the two.

2. The Audit Committee has determined that the estimated amount of compensation was appropriate and agreed on the amount of compensation to be paid to the Accounting Auditor as well as other items related to the Accounting Auditor’s duties under Article 2, Paragraph 1 of the Certified Public Accountants Act after the committee examined the fiscal year auditing plan, number of audit days, assignment of personnel and other items as explained by the Accounting Auditor and Executive Officer for accounting and finance. The committee also confirmed and assessed audits performed in the previous fiscal year, checked the status and suitability of audits by the Accounting Auditor, and examined the basis used for calculations of estimates used as the premise for determining compensation.

b. Total amount of other property benefits paid by the Company and its subsidiaries

¥363 million

(3) Policy regarding decisions to dismiss or deny reappointment to Accounting Auditor

The Audit Committee will examine dismissing or denying reappointment of the Accounting Auditor if the Accounting Auditor has committed a serious violation or infringement of the Companies Act, the Certified Public Accountants Act or other relevant laws or regulations, if the Accounting Auditor is deemed to have difficulty in properly conducting audits or if the Audit Committee determines that a more appropriate audit system needs to be developed. If, as a result of this examination, it is deemed appropriate to dismiss the Accounting Auditor or deny reappointment of the Accounting Auditor, a proposition calling for the dismissal or denial of reappointment of the Accounting Auditor will be submitted to the General Meeting of Shareholders.

The Audit Committee also examines the status of the performance of the Accounting Auditor and decides the reappointment or denial every fiscal year.

(4) Matters regarding audits of subsidiaries

Of the Company’s significant subsidiaries, overseas subsidiaries are subject to audits of other accounting auditors than the Accounting Auditor above.

6. Establishment of system to ensure appropriate business operations

The Board of Directors of the Company adopted resolutions on the matters prescribed by the applicable Ordinance of the Ministry of Justice as those necessary for the execution of the duties of the Audit Committee (Article 416, Paragraph 1, Item 1 (b) of the Companies Act), and on the establishment of systems necessary to ensure that the execution of duties by Executive Officers complies with laws and regulations and the Articles of Incorporation, and other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a stock company and its subsidiaries (Article 416, Paragraph 1, Item 1 (e) of the Companies Act). A summary of the resolutions is as follows.

<I. Requirements for the execution of duties by the Audit Committee>

a. The Company set up the Audit Committee Office with a full-time staff to support the Audit Committee and, besides being the secretariat of the Audit Committee, the Audit Committee Office shall perform its duties in accordance with the instructions of the Audit Committee. Furthermore, this principle is to be clearly specified in Company rules and made common knowledge.
b. To ensure the independence of the above Audit Committee Office from Executive Officers and Corporate Vice Presidents and the effectiveness of instructions received from the Audit Committee, personnel matters regarding the Audit Committee Office including appointment, personnel changes and disciplinary action, shall be approved in advance by the Audit Committee.
c. The Company's Executive Officers or Corporate Vice Presidents in charge of the Group's internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee, shall report on the status of operation to the Audit Committee on a regular basis and without delay if an urgent situation that must be reported has arisen or if requested to make a report by the Audit Committee. The subsidiaries' internal audit division, risk management division, compliance division and auditors shall report on the status of operation to the Audit Committee without delay if requested to make a report by the Company's Audit Committee.
d. The Company will secure and manage a budget that is necessary and appropriate for paying expenses arising from the execution of work duties by the Audit Committee members.
e. The Company will provide opportunity for Audit Committee members elected by the Audit Committee to attend management consultation committee and other important meetings. The Executive Officers or Corporate Vice Presidents in charge of internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee shall report without delay if requested to make investigations, reports, etc. by the Audit Committee members.

<II. Systems for ensuring compliance of execution of duties by Executive Officers with laws, regulations and the Articles of Incorporation and other required systems of the Group for ensuring the properness of business operations>

f. Each Executive Officer and Corporate Vice President shall manage the minutes of management consultation committee and other important meetings, documents requesting formal approval and other information concerning the performance of their duties to ensure that documents are preserved in an appropriate manner and made available for inspection in accordance with the provisions of the Executive Officer document management rules and internal rules concerning the management of other documents.
g. The Company set up the Risk Management Committee which is in charge of managing the various risks that arise in connection with the Group's business activities, and the

Executive Officer or Corporate Vice President appointed by the Board of Directors shall be responsible for the development of risk management systems including the following, in accordance with the Risk Management Committee Regulations.

1) With respect to management of the business risks and operational risks, each Executive Officer and Corporate Vice President shall be responsible in accordance with respective assigned area. The Risk Management Committee shall provide support to each Executive Officer and Corporate Vice President. Further, the Risk Management Committee shall periodically conduct selection, assessment and review of risks material to Group management, develop measures, and confirm management status.
2) The Executive Officer or Corporate Vice President in charge of risk management appointed by the Board of Directors shall be responsible for establishing the contingency plans and countermeasures to minimize the damages by a crisis which is supposed to adversely affect the corporate value.
3) Provide support to the development and strengthening of risk management systems at each group company.

h. The Company set up a Corporate Audit Division which is in charge of the internal auditing of the Group to evaluate and improve the status of execution of business operations in all business activities from the viewpoint of legality and rationality, and which shall be responsible for establishing and operating internal auditing systems in accordance with the Internal Auditing Regulations.

i. The Company shall be responsible for establishing and operating a system of internal control over financial reporting in the Group and a system for evaluating the efficacy of their operation.

j. The Company has established its universal action guidelines for employees, "Konica Minolta Group Charter of Behavior" as a principle of action to embody the Konica Minolta Philosophy, which consists of our philosophy and management vision, and will disseminate it throughout the Group.

k. The Company set up the Compliance Committee which is in charge of establishing and operating the Group's compliance systems, and the Executive Officer or Corporate Vice President appointed by the Board of Directors shall be responsible for establishing and operating the compliance systems including the following, in accordance with the Compliance Committee Regulations.

1) Defining compliance in the Group as the observance of laws and regulations applicable to corporate activities, corporate ethics and internal regulations and policies, and making this known to every individual working for the Group.
2) Establishing and operating systems to promote compliance at each group company. Specifically, preventing fraud at each group company by establishing the function to supervise each company's president.
3) Establishing and operating a whistle blowing system that allows employees to report any compliance violations that are discovered or anticipated. Make this system clear common knowledge in Company rules to halt unfair treatment through the reporting of infractions. Specifically, preventing the concealment of fraud by taking measures like the Company's direct accepting whistle blowing notifications from each group company. Furthermore, the department in charge of the whistle blowing system will regularly inform the Audit Committee of report details and status.

l. The Company shall be responsible for establishing a system to ensure the effectiveness of each group company's internal control, promote the awareness and understanding of internal control of the president at each group company, and support the establishment and operation of an internal control system that meets each company's characteristics. The Company shall establish a dedicated organization, which shall help each group company to strengthen its internal controls. The Company shall also establish an organization, as necessary, which shall help share management issues as early as possible and support the implementation of measures as a group, to deal with these issues.

m. The Company established the Corporate Organization Basic Regulations, and shall develop the corporate governance mechanisms of the Company and the Group, including the foregoing systems. The Company shall also work to establish and operate a system for ensuring the appropriateness of business operation through the management consultation committee and other meeting bodies, authority regulations and other internal regulations, and shall endeavor to ensure the legality, rationality and efficiency of business execution by reviewing as necessary systems for management and administration across all the business activities of the Group. Furthermore, based on internal rules, etc. such as Authorization Regulations, the Company will make subsidiaries regularly report and seek preapproval on matters concerning the execution of important work duties, accounting, financial execution, human resources and other important information pertaining to such subsidiaries through management consultation committee and other meetings.

7. Framework for ensuring appropriate business operations and status

The Company has established the framework described in “Establishment of system to ensure appropriate business operations” and has the following activities in accordance with the goals of this system.

Executive Officers, Corporate Vice Presidents and employees at the Corporate Audit Division, Risk Management Committee, Compliance Committee and other units responsible for the Group’s internal controls submit reports every month in writing or at periodic meetings to the Audit Committee concerning business operations. Furthermore, explanations are given as needed concerning important subjects and issues involving internal controls.

Members of the Audit Committee, who is responsible for performing examinations, attended all meetings of the management consultation committee during the fiscal year as well as operations meetings of business units and other important meetings. Audit Committee members used these activities to confirm decision-making processes and how Executive Officers, Corporate Vice Presidents and employees are doing their jobs.

<Risk management>

The Risk Management Committee meets twice each year and at other times as needed. The committee identifies risks associated with business operations and determines measures to deal with these risks. In addition, committee members confirm that the risk management system is functioning effectively and evaluate this system. In fiscal 2022, the Risk Management Committee held two meetings. The committee regularly monitored issues that have impacts on the Company’s business, such as the issues with procurement of parts and materials, international logistics disruption, and suspension of operation at production sites, mostly stemming from the US-China trade frictions, the situation in Ukraine, and China’s Zero Corona policy. In addition, under the circumstances of frequent cyber-attacks targeting companies, the committee also regularly monitored impacts on the Company’s business from confidential information leak and checked the status of response to information security.

As represented in a fact that the Financial Services Agency selected the descriptions of business risks in the Company’s Securities Report, the Company is working actively on information disclosing.

Furthermore, the Company has reporting rules for the purpose of responding to a crisis in a rapid and suitable manner. Crisis reporting rules are well known to Executive Officers, Corporate Vice Presidents, executives of subsidiaries and others. Based on these rules, the Corporate Vice President in charge of crisis management performs the management of all information involving a natural disaster, accident or other crisis that has occurred anywhere in the world. In fiscal 2022, several incidents related to information security occurred, and the Company immediately established the Crisis Management Committee, chaired by the Corporate Vice President in charge of crisis management, and took actions for the incidents.

<Initiatives to reduce quality risks and prevent fraud concerning quality>

The Company has established the Quality Headquarters as a company-wide organization for the maintenance of product and service quality, prevention of market outflow of defective products and services, prevention of fraud, and strengthening of governance in connection with quality such as responses to incidents. In fiscal 2022, continuing from fiscal 2021, the Company ensured thorough compliance with the “Guideline for evaluation of safety,” “Guideline for product security,” “Guideline for prevention of quality-related fraud,” and others and made efforts for securing the quality of products and services, strengthening security, and preventing quality-related fraud.

<Internal audits>

The Corporate Audit Division is responsible for internal audits for the entire Group. Overseen directly by the Representative Executive Officer, this division performs internal audits of the Company and its subsidiaries. Audits use the risk approach for efficiency from the standpoint of the reliability of financial reports, the efficiency and effectiveness of business operations, and compliance with laws and regulations. There are also follow-up audits to confirm that actions have been taken concerning items requiring improvements that were identified during audits. Major subsidiaries also have their own internal audit departments. These departments strengthen the internal audit function of the entire Group while working with the Konica Minolta Corporate Audit Division. In fiscal 2022, the Company updated the mid-term and annual audit plans formulated based on a risk approach, to reflect changes in the business environment as appropriate, and performed internal audits.

<Internal control over financial reporting>

To prevent fraudulent accounting activities, the Company prepares an internal controls report that is based on internal evaluations that cover the entire Group of 145 consolidated companies inside and outside Japan. This report is prepared in accordance with the Financial Instruments and Exchange Act for the purpose of ensuring the reliability of financial reports. After an audit by the Accounting Auditor, the report is submitted with the Securities Report. In fiscal 2022, the Company introduced its internal controls assessment at newly established or acquired 5 companies.

<Charter of corporate behavior>

The Company has established its universal action guidelines for employees, “Konica Minolta Group Charter of Corporate Behavior.” Approximately 20 years have passed since its establishment, and in order to promote the medium-term business vision that looks forward to 2030, the Company has made a total revision in fiscal 2022. The major characteristic of the revision is that the charter is clearly positioned as “action guidelines” to embody the Konica Minolta Philosophy containing our philosophy and management vision. In addition to the compliance factor, it is revised to make sure that an intention toward the future that the Company is aiming for will lead to actions. Furthermore, the charter has been translated into six languages, and there were efforts to make the code well known to the employees within the Group in Japan and overseas.

<Compliance>

The Corporate Vice President in charge of compliance (“the Compliance Vice President ”), who is appointed by the Board of Directors under the oversight of the Representative Executive Officer, determines important issues involving Group compliance activities and oversees compliance activities. The Group Compliance Committee, which consists of Executive Officers and Corporate Vice Presidents for a variety of business and corporate functions, serves as an advisory body to the Compliance Vice President. The Committee held one meeting in fiscal 2022. There are regional compliance coordinators for Europe, North America, China and Southeast Asia, who are appointed by the Compliance Vice President. This framework allows those coordinators, together with the subsidiary presidents, to perform compliance activities that match the characteristics and needs of each overseas region. In fiscal 2022, under the new executive system, compliance was positioned as an “asset” expected to bring profits to companies in the future, and the President and CEO of the Company sent a message to the employees within the Group in Japan and overseas that we would “place the top priority on compliance in all aspects of corporate activities.”

<Whistle blowing system>

The Company has a whistle blowing system for compliance and is always seeking ways to improve this system. In Japan, Executive Officers, Corporate Vice Presidents and employees of the Group can use a telephone call, e-mail, letter or other method to contact general manager of the Corporate Legal Division or an external attorney about a compliance problem or for a consultation. Reported claim is considered for necessity of investigation in fair and sincere manner and the reporter is informed of the actions to be taken. The information obtained from the whistleblowing are shared only among the persons involved in the investigation so to ensure that there will be no negative consequences for the individual who submitted the whistleblowing report. The Compliance Vice President submits reports to the Audit Committee about these whistle blowings on a regular basis. The Group has established contacts for notification and consultation with the full regional coverage in North America, Europe, China and Southeast Asia. In addition, in fiscal 2022, in response to the amendments of the Whistleblower Protection Act (effective from June 2022), the Company clarified persons engaged in dealing with whistleblowing at each company, and improved internal rules and regulations. There were 11 notifications in Japan and 38 overseas, but there was no issue falling under a serious violation of laws and regulations.

<Administration of group companies>

The Company has established an organization dedicated to supporting internal controls at its subsidiaries in Japan and overseas. The organization supports the preparation and improvement of the internal controls system at each subsidiary in cooperation with related departments. In fiscal 2022, it continued initiative for each subsidiary to diagnose the situation and improve it on its own (the fourth time). New items on self-diagnosis were incorporated, such as prevention measures based on the incident of improper acquisition of expenses that occurred at its overseas subsidiary in fiscal 2021, and making the revised charter of corporate behavior well-known to subsidiaries. The group-wide average of scores exceeded the fiscal 2021 level, confirming that the improvement is smoothly in progress.

8. Basic policy for the way of being of those who control the Company's financial and business policy decisions

Under the corporate philosophy "The Creation of New Value," the Company aims to be a global company that is vital to society, bringing vision to reality and to be a robust and innovative company, continually evolving and contributing to the sustainable growth of society and individuals, thereby working to meet shareholder expectations. The Company believes that the final decision as to whether or not to accept a proposal for a large-scale purchase, etc. of the Company's shares should ultimately be left to the shareholders.

Among large-scale purchases, etc., there may be cases where the shareholders are forced to sell their shares, where sufficient information necessary for the shareholders to make an appropriate decision is not provided or where there is a risk of infringement on corporate value and the common interests of the shareholders.

At present, the Company does not prescribe specific measures to defend against hostile takeover in advance in the event that a party attempts to make a large-scale purchase, etc. of the Company's shares. However, the Company will request such purchaser to provide necessary and sufficient information for the shareholders to make an appropriate decision as to whether the large-scale purchase is appropriate, and will endeavor to ensure that the shareholders have time and information to consider the large-scale purchase. If the Company reasonably determines that a large-scale purchase, etc. may damage corporate value and the common interests of the shareholders, the Company will promptly take appropriate measures to the extent permitted by relevant laws and regulations, and will continue to make its efforts to ensure and enhance corporate value and the common interests of the shareholders.

*Amounts and numbers of shares shown in this business report are rounded down to the nearest whole unit.
Graphs and charts shown in this business report are only for your reference.

Reference: Corporate Governance

(1) Basic Concept for Corporate Governance

The Company has established a corporate governance framework from the standpoint of supervision. This is based on the conviction that corporate governance that contributes to medium and long-term corporate value growth must encourage suitable risk-taking in business operations and have a highly effective supervisory function for business operations. In 2003, the "company with committees" (currently "company with three committees") structure was selected as the organizational structure in accordance with the Companies Act. In addition, to maintain a governance system devoid of personal characteristics, there have been measures to operate a governance system in a distinctive Konica Minolta style. The followings are our basic policies for corporate governance concept:

- Ensure management oversight for corporate value growth by separating the roles of management oversight and operation of business activities;
- Election of independent Outside Directors who can perform supervision from the standpoint of shareholders; and
- Using these measures for improving the transparency, integrity and efficiency of management

The diagram on page 79 shows the structure of this corporate governance system centered on the Board of Directors and three committees.

(2) Board of Directors

The Company believes that determining strategic goals is the primary role of the Board of Directors. The Board of Directors makes decisions about basic management policies and other matters that must be decided by the Board of Directors in accordance with laws and regulations. In addition, the Board of Directors make decisions for expenditures only for matters of at least a certain amount or other items that may have a significant effect on the operations of the Group. Furthermore, there are Outside Directors and Inside Directors who do not concurrently serve as Executive Officers for the purpose of performing highly effective oversight of business operations exercised by Executive Officers from an objective perspective.

(3) Executive Officers

Executive Officers make decisions and conduct business activities in the business sectors designated for each Executive Officer by the Board of Directors. The Company grants Executive Officers considerable autonomy by the Board of Directors within the legally permitted limit for a Company with three committee management structure. This authority allows them to speed up the decision-making process.

(4) Nominating Committee

This committee makes decisions about proposals submitted at General Meeting of Shareholders meetings about the election and termination of Directors. Committee members also receive reports about the Representative Executive Officer's succession plan and oversee this plan as needed.

(5) Audit Committee

This committee audits the performance of Directors and Executive Officers, prepares audit reports, and makes decisions about proposals submitted at General Meeting of Shareholders for the election, termination or reappointment denial of the Accounting Auditor.

(6) Compensation Committee

This committee makes decisions about the compensation of individual Directors and Executive Officers. To reach these decisions, this committee determines suitable compensation structures for each role of the Directors and Executive Officers. This committee also establishes a

Compensation Policy for Directors and Executive Officers that takes into account linking compensation with the Company's medium to long-term performance and combining cash and stock compensation.

(7) Analysis and Assessment of Effectiveness of Governance

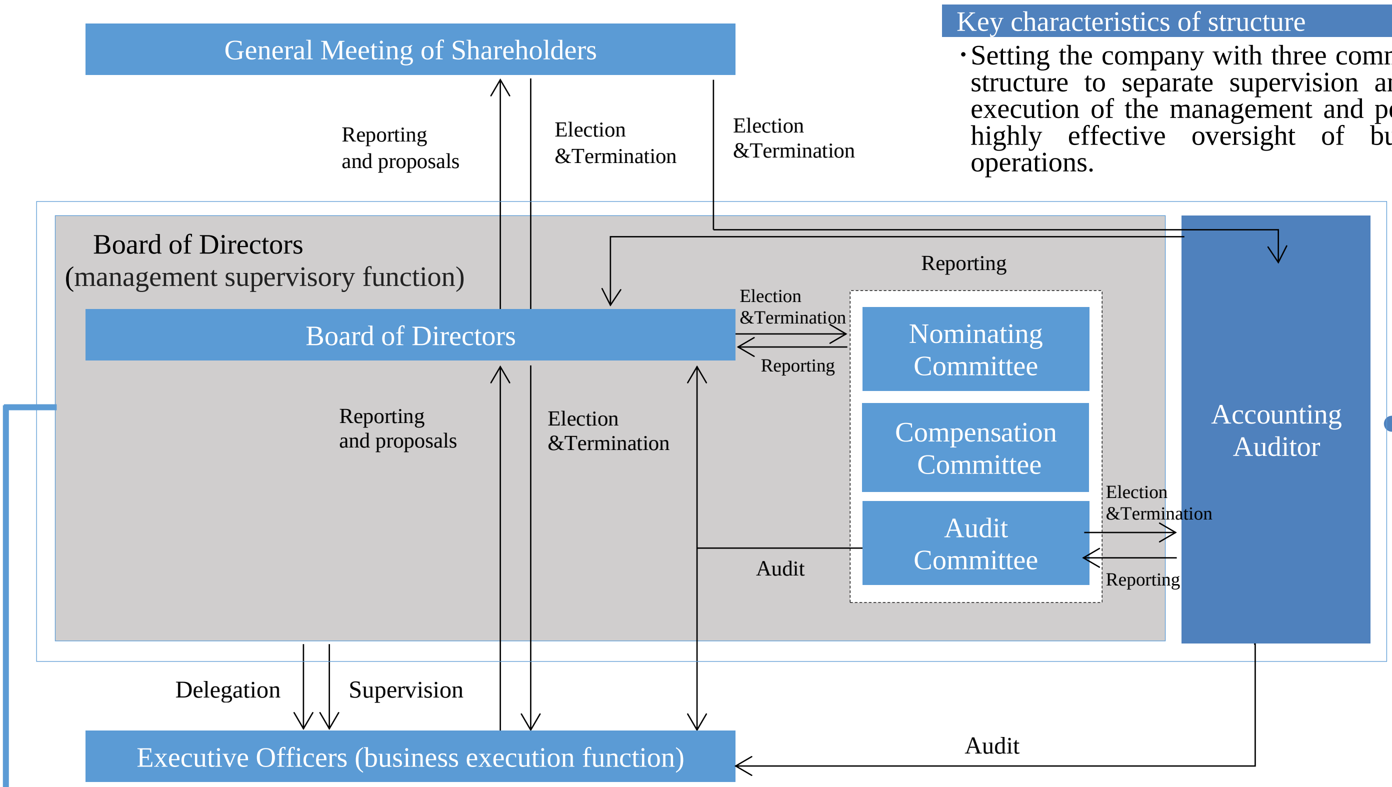
The Company has evaluated the effectiveness of the Board of Directors since 2004.

Each year, the Company reflects on the activities for the past one year and self-evaluates the effectiveness of the Board of Directors and three committees, with the aim of confirming whether the corporate governance system has been established and the system has been operated to contribute to the purposes of the Company's corporate governance, which are sustainable growth and realization of corporate value for the medium and long term. Based on the results, the Company finds out matters to be tackled in the next fiscal year and reflects them on the operations policy for the Board of Directors. Through initiatives by the Corporate Governance Committee[Note] which was resolved at the Board of Directors meeting held in February 2023 to establish, the Company will continue to evolve the effectiveness of its corporate governance.

Note: Establishment is planned to take place after this Ordinary General Meeting of Shareholders.

Distinctive Characteristics of Governance at Konica Minolta

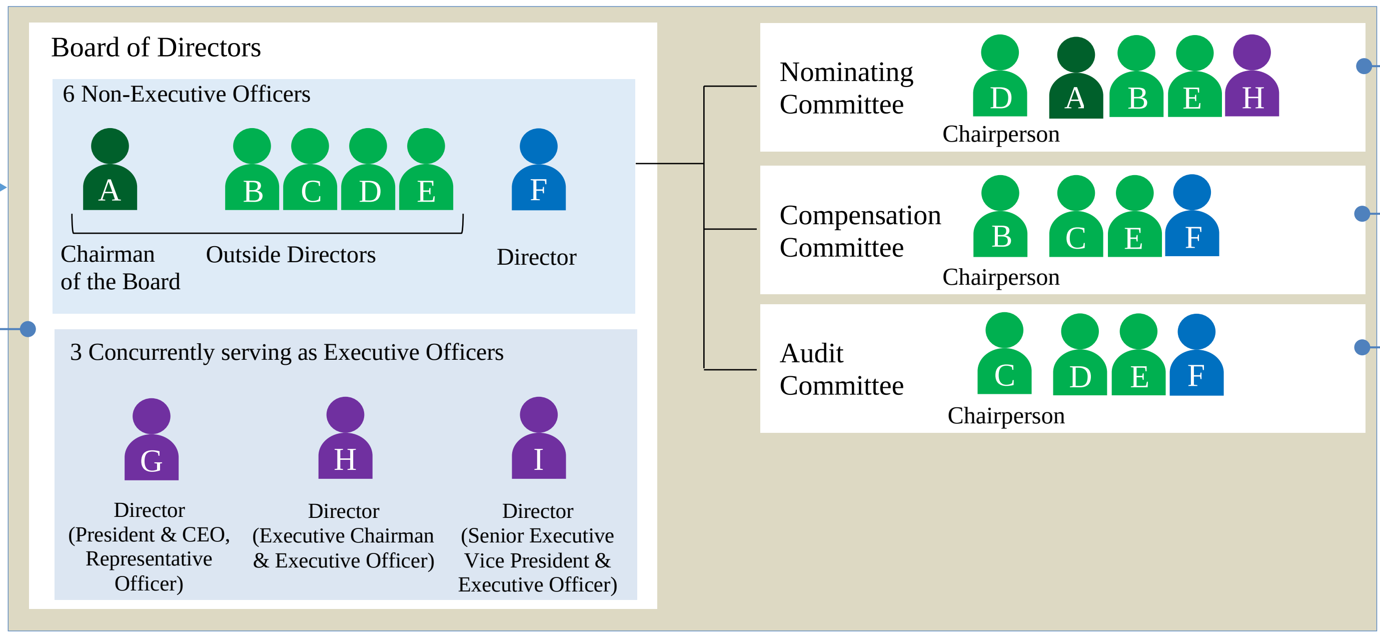
Structure of Corporate Governance Systems



Key characteristics of structure

- Setting the company with three committees structure to separate supervision and the execution of the management and perform highly effective oversight of business operations.

Board of Directors and three Committees (as of March 31, 2023)



Key characteristics of the Board of Directors

- All Outside Directors are Independent Directors
- Outside Directors comprise the majority
- Chairman is Outside Director
- At least one Inside Director not concurrently serving as Executive Officer

Key characteristics of the three committees

- Chairpersons are Outside Directors
- Directors who are concurrently Representative Officers are not allowed to be committee members

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

(As of March 31, 2023)

(Millions of yen)

Item	Amount
Assets	
Current assets	
Cash and cash equivalents	180,574
Trade and other receivables	313,494
Inventories	242,108
Income tax receivables	4,444
Other financial assets	2,481
Other current assets	34,487
Total current assets	**777,590**
Non-current assets	
Property, plant and equipment	289,127
Goodwill and intangible assets	258,886
Investments accounted for using the equity method	391
Other financial assets	21,444
Deferred tax assets	32,648
Other non-current assets	33,688
Total non-current assets	**636,187**
Total assets	**1,413,777**

(Millions of yen)

Item	Amount
Liabilities	
Current liabilities	
Trade and other payables	200,508
Bonds and borrowings	284,220
Lease liabilities	17,985
Income tax payables	3,323
Provisions	14,910
Other financial liabilities	39,079
Other current liabilities	59,661
Total current liabilities	**619,688**
Non-current liabilities	
Bonds and borrowings	184,874
Lease liabilities	81,211
Retirement benefit liabilities	8,839
Provisions	7,456
Other financial liabilities	1,533
Deferred tax liabilities	4,960
Other non-current liabilities	5,335
Total non-current liabilities	**294,211**
Total liabilities	**913,899**
Equity	
Share capital	37,519
Share premium	204,154
Retained earnings	164,682
Treasury shares	(9,358)
Share acquisition rights	427
Other components of equity	89,999
Equity attributable to owners of the Company	487,424
Non-controlling interests	12,453
Total equity	**499,877**
Total liabilities and equity	**1,413,777**

Consolidated Statement of Profit or Loss

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Item	Amount
Revenue	**1,130,397**
Cost of sales	644,453
Gross profit	**485,943**
Other income	6,533
Selling, general and administrative expenses	456,204
Other expenses	131,398
Operating profit (loss)	**(95,125)**
Finance income	4,024
Finance costs	10,675
Share of loss of investments accounted for using the equity method	(96)
Profit (loss) before tax	**(101,872)**
Income tax expense (income)	1,944
Profit (loss) for the year	**(103,816)**
Profit (loss) attributable to:	
Profit (loss) attributable to owners of the Company	(103,153)
Profit (loss) attributable to non-controlling interests	(663)

Consolidated Statement of Changes in Equity

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Equity attributable to owners of the Company						
						Other components of equity	
	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit pension plans	Net gain (loss) on revaluation of financial assets measured at fair value
Balance as of April 1, 2022	37,519	194,060	269,461	(9,517)	464	-	2,308
Profit (loss) for the year	-	-	(103,153)	-	-	-	-
Other comprehensive income	-	-	-	-	-	9,466	(335)
Total comprehensive income (loss)	-	-	(103,153)	-	-	9,466	(335)
Dividends	-	-	(12,343)	-	-	-	-
Acquisition and disposal of treasury shares	-	-	(28)	158	-	-	-
Share-based payments	-	(90)	-	-	(36)	-	-
Changes in ownership interest in subsidiaries	-	187	-	-	-	-	-
Equity and other transactions with non-controlling shareholders	-	(20)	-	-	-	-	-
Put options written on non-controlling interests	-	10,016	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	10,747	-	-	(9,466)	(1,281)
Total transactions with owners	-	10,093	(1,624)	158	(36)	(9,466)	(1,281)
Balance as of March 31, 2023	37,519	204,154	164,682	(9,358)	427	-	691

(Millions of yen)

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2022	169	55,345	57,822	549,810	11,690	561,500
Profit (loss) for the year	-	-	-	(103,153)	(663)	(103,816)
Other comprehensive income	(21)	33,815	42,924	42,924	1,079	44,003
Total comprehensive income (loss)	(21)	33,815	42,924	(60,228)	415	(59,812)
Dividends	-	-	-	(12,343)	-	(12,343)
Acquisition and disposal of treasury shares	-	-	-	130	-	130
Share-based payments	-	-	-	(126)	-	(126)
Changes in ownership interest in subsidiaries	-	-	-	187	347	534
Equity and other transactions with non-controlling shareholders	-	-	-	(20)	-	(20)
Put options written on non-controlling interests	-	-	-	10,016	-	10,016
Transfer from other components of equity to retained earnings	-	-	(10,747)	-	-	-
Total transactions with owners	-	-	(10,747)	(2,156)	347	(1,809)
Balance as of March 31, 2023	147	89,160	89,999	487,424	12,453	499,877

Notes to Consolidated Financial Statements

<NOTES TO BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS>

1. Basis for the preparation of consolidated financial statements

   The consolidated financial statements for the Group are prepared in accordance with International Financial Reporting Standards (hereinafter, "IFRS") as provided by Article 120-1 of the Ordinance on Company Accounting. Part of the descriptions and notes required under IFRS have been omitted, in accordance with the provisions in the latter part of this item.

2. Scope of Consolidation

   Number of consolidated subsidiaries and names of principal consolidated subsidiaries

   Number of consolidated subsidiaries: 168 companies

   The names of principal consolidated subsidiaries are omitted because they are described in "Business Report 1. Overview of Konica Minolta Group business activities (6) Significant subsidiaries (as of the fiscal year end)."

3. Scope of the Use of Equity Accounting

   Number of associates and jointly controlled entities accounted for using the equity method (hereinafter "companies accounted for using the equity method")

   Number of companies accounted for using the equity method: 3 companies

4. Accounting policies

(1) Asset valuation standards and methods

a. Financial instruments

1) Non-derivative financial assets

At the time of initial recognition, the Group classifies and holds non-derivative financial assets as financial assets measured at amortized cost, those measured at fair value through other comprehensive income (FVTOCI) (debt instruments and equity instruments), and those measured at fair value through profit or loss (FVTPL).

i) Financial assets measured at amortized cost

The Group classifies financial assets as those measured at amortized cost only if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at particular dates. Of those financial assets, trade receivables that include no significant financial factors are measured at transaction prices initially. Other financial assets are measured at fair value plus transaction costs initially. After initial recognition, these financial assets are measured at amortized cost using the effective interest method.

ii) Financial assets measured at FVTOCI

Upon initial recognition, the Group elects to recognize the valuation differences of equity instruments held to expand its revenue base by maintaining or strengthening relations with business partners in other comprehensive income. In case equity instruments are recognized for accounting by the FVTOCI method, the method is applied consistently assuming that the election is irrevocable.

The Group recognizes financial assets as debt instruments and classifies them as financial assets measured at FVTOCI only if the financial asset is held within a business model whose objective is achieved by both collection and sale of contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at particular dates.

Financial assets measured at FVTOCI are initially recognized at their fair value plus transaction costs. After initial recognition, the financial assets are sequentially measured at fair value, and any changes in fair value are recognized in other comprehensive income. Upon derecognition of these financial assets or when their fair values fall substantially, the cumulative gains or losses recognized in other comprehensive income are transferred to retained earnings.

The Group recognizes dividends from financial assets measured at FVTOCI as financial income in the profit and loss account.

iii) Financial assets measured at FVTPL

The Group measures all financial assets, which are not classified as those measured at fair value through amortized cost or at FVTOCI, at fair value and recognizes changes in those assets as profit or loss.

Transaction costs associated with financial assets measured at FVTPL are recognized in profit or loss as they occur.

iv) Impairment on financial assets

The Group recognizes allowances for doubtful accounts on expected credit losses associated with impairment on financial assets measured at amortized cost, lease receivables, contract assets, and debt instruments measured at FVTOCI. As of each term end date, the Group assesses whether credit risks associated with financial assets to be measured have sharply increased or not since initial recognition. If the credit risks have not increased sharply since the initial recognition, the Group recognizes an amount equal to expected credit losses for 12 months as an allowance for doubtful accounts. If the credit risks have sharply increased since the initial recognition, the Group recognizes an amount equal to expected credit losses for the entire period as an allowance for doubtful accounts. For trade receivables and lease receivables and contract assets not including significant financial factors, however, the Group does not assess whether the credit risks have sharply increased since initial recognition and does always recognize an amount equal to expected credit risks for the entire period as an allowance for doubtful accounts. On a quarterly basis, the Group assesses whether there is any objective evidence of impairment, such as significant worsening in the financial condition of the borrower or a group of borrowers, a default or delinquency in payments, and bankruptcy of the borrower.

For individually significant financial assets, expected credit losses are assessed individually. Expected credit losses for financial assets that are not individually significant are collectively assessed by grouping together financial assets with similar risk characteristics. As a result, the expected credit losses are measured as a whole. The expected credit losses are measured at the difference between all cash flows to be paid to the Group according to contracts and all cash flows expected by the companies to receive, discounted at the initial effective interest rate. The expected credit losses are recognized in profit or loss through an allowance for doubtful accounts. The carrying amount of these financial assets is directly reduced when they are expected to become non-recoverable due to situations like the worsening of financial position at trading partners, offsetting the carrying amount by the allowance for doubtful accounts.

2) Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognized at fair value less transaction costs. After initial recognition, these liabilities are measured at amortized cost using the effective interest method. However, the Company remeasures contingent consideration, which is financial liability, at a fair value and recognizes a change in the value as profit or loss.

3) Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognized at fair value, with any attributable transaction costs recognized in profit or loss as they occur. After initial recognition, fair value is remeasured, and the following accounting policies are applied for changes depending on whether derivative financial instruments designated as hedging instruments satisfy the conditions for hedge accounting. The Group designates those derivative financial instruments that satisfy the conditions for hedge accounting as hedging instruments, and applies hedge accounting to those instruments.

i) Derivative financial instruments that do not satisfy the conditions for hedge accounting

Changes in fair value are recognized in profit or loss. However, changes in the fair value of put options granted to non-controlling shareholders are recognized as share premium.

ii) Derivative financial instruments that satisfy the conditions for hedge accounting

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, and the objectives and strategies of risk management for undertaking the hedge, as well as the method for assessing the effectiveness of the hedge. At the inception of the hedge and on an ongoing basis thereafter, the hedging instruments are assessed as to whether they are highly effective in offsetting changes in the cash flows of the hedged item.

As to cash flow hedge, the effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income (hereafter, “OCI”), while the ineffective portion is recognized immediately in profit or loss. The cumulative gains or losses recognized through OCI are reclassified from OCI to profit or loss in the consolidated statement of comprehensive income in the same period during which the cash flow of the hedged item affects profit and loss.

If the hedging instrument no longer satisfy the conditions for hedge accounting, expires or is sold, terminated or exercised, or if the forecast transaction is no longer expected to occur, then hedge accounting is discontinued prospectively.

b. Inventories

The cost of inventories includes purchase costs, processing costs and all other costs incurred to bring inventories to their present location and condition.

Inventories are measured at the lower of cost or net realizable value after the initial recognitions. If net realizable value is less than the purchase cost, that difference is accounted for as a write off and recognized as an expense. The weighted average method is used to calculate cost. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and estimated costs necessary to make the sale.

c. Property, plant and equipment (excluding right-of-use assets)

The cost of property, plant and equipment includes any costs directly attributable to the acquisition of the asset and dismantlement, removal and restoration costs, as well as borrowing costs that satisfy the conditions for capitalization.

After the initial recognition, property, plant and equipment is measured using the cost model that is, at cost less accumulated depreciation and accumulated impairment losses.

d. Right-of-use assets

Excluding short-term leases and leases of small assets, the Group recognizes right-of-use assets and lease liabilities at the commencement dates of leases.

Right-of-use assets are measured at the initial measurements of lease liabilities adjusted by initial direct costs and other items, plus costs to restore the original conditions and others.

After the initial measurement, the right-of-use assets are measured using the cost model that is, at cost less accumulated depreciation and accumulated impairment losses, and presented in property, plant and equipment in the consolidated statement of financial position.

Lease liabilities are measured at present value of the unpaid lease fees at the commencement dates discounted by the interest rates implicit in the leases. If the interest rates cannot be calculated easily, the lessee’s incremental borrowing rates are used. Interest expenses are distributed at fixed rates in the lease liability balances over the lease terms and recognized as costs during the terms.
Lease fees associated with short-term leases and leases of small amounts are recognized as costs using the straight-line method over their lease terms.

e. Intangible assets
Intangible assets acquired separately are measured at cost at the initial recognition, and the cost of intangible assets acquired through business combinations are recognized at fair value at the acquisition date.
Expenses on internally generated intangible assets are recognized as expense in the period when incurred, except for those that satisfy the criteria for recognition as assets. Internally generated intangible assets that satisfy the criteria for recognition as assets are stated at cost in the total amount of spending that is incurred after the assets first met recognition standards.
Intangible assets are subsequently measured using the cost model that is, at cost less accumulated amortization and accumulated impairment losses.

f. Impairment of non-financial assets and investments accounted for using the equity method
The Group assesses at each fiscal year-end whether there is any indication that a non-financial asset (excluding inventories, deferred tax assets and post-retirement benefit plan assets) and investments accounted for using the equity method may be impaired. If any such indication exists, then an impairment test is performed. For goodwill and intangible assets with indefinite useful lives or that are not yet in use, an impairment test is performed each year and whenever there is any indication of impairment.
In an impairment test, the recoverable amount is estimated, and the carrying amount and recoverable amount are compared. The recoverable amount of an asset, Cash generating unit (hereafter, “CGU”) or group of CGUs is determined at the higher of its fair value less costs of disposal or its value in use. In determining the value in use, estimated future cash flows are discounted to the present value, using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset. In calculating the fair value less costs of disposal, the Group uses an appropriate valuation model based on available fair value indicators.
If as the result of the impairment test, the recoverable amount of an asset, CGU or group of CGUs is below its carrying amount, an impairment loss is recognized. In recognizing impairment losses on CGUs, including goodwill, first the carrying amount of goodwill allocated to the CGUs is reduced. Next, the carrying amounts of other assets within the CGUs are reduced proportionally.
If there is any indication that an impairment loss recognized in previous periods may be reversed, the impairment loss is reversed if the recoverable amount exceeds the carrying amount as a result of estimating the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed a carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Impairment losses on goodwill are not reversed.
Goodwill contained in the book value of investments accounted for using the equity method is not recognized separately, whereby investments accounted for using the equity method are treated for impairment as a single asset.

(2) Depreciation method for depreciable assets and amortization method for amortizable assets
a. Property, plant and equipment (excluding right-of-use assets)
The historical costs less residual values of property, plant and equipment other than land (excluding some portions) and those in the construction in progress account are depreciated using the straight-line method over their estimated useful lives.

b. Right-of-use assets
Right-of-use assets are depreciated under the straight-line method over their estimated useful lives or lease terms, whichever is shorter.

c. Intangible assets
1) Intangible assets with finite useful lives
Intangible assets for which useful life can be determined are amortized on a straight-line method over their estimated useful lives from the date the assets are available for use.
2) Intangible assets with indefinite useful lives and those not yet available for use
Intangible assets with indefinite useful lives and those not yet available for use are not amortized. These assets are tested for impairment each fiscal year or when signs of impairment are recognized.

(3) Accounting standards for provisions

The Group has present legal or constructive obligations resulting from past events and recognizes provisions when it is probable that the obligations are required to be settled and the amount of the obligations can be estimated reliably.

Where the effect of the time value of money is material to the provisions, the amount of provisions is measured at the present value, which is the estimated future cash flows discounted using the pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount associated with the passage of time is recognized as a financial cost.

(4) Accounting methods related to post-retirement benefits

The Group employs defined benefit plans and defined contribution plans as post-retirement benefit plans for employees.

a. Defined benefit plans

The Group calculates the present value of the defined benefit obligations, related current service cost and past service cost using the projected unit credit method.

For discount rates, a discount period is determined based on the period until the expected date of benefit payment in each fiscal year, and each discount rate is determined by reference to market yields for the period corresponding to the discount period at the end of each fiscal year on high-quality corporate bonds.

Assets and liabilities related to the post-retirement benefit plans are calculated by the present value of the defined benefit obligation, deducting the fair value of any plan assets, and their amounts are recognized in the consolidated statement of financial position. The net amount of interest income related to plan assets in the post-retirement benefit plans, interest costs related to defined benefit obligation, and current service cost is recognized as profit or loss.

Remeasurements of defined benefit plans are recognized in full in OCI in the period when they are incurred and transferred immediately from other components of equity to retained earnings. The entire amount of past service costs is recognized as profit or loss in the period when incurred.

b. Defined contribution plans

The cost for defined-contribution’s post-retirement benefit is recognized as an expense at the time when related services are provided by employees.

(5) Criteria for revenue recognition

The Group recognizes revenue by applying the following five steps.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

Revenue from sales of goods is recognized when control of the goods is transferred to a customer, and revenue is measured at an amount of the consideration promised in a contract with a customer less returns, discounts, rebates, and other similar items.

Revenue from providing services is recognized upon completion of providing services when the performance obligation is satisfied at a point in time, and it is recognized over the term of a contract depending on the progress at the end of each reporting period when the performance obligation is satisfied over time.

The incremental costs of obtaining a contract with a customer, and the costs incurred to fulfill a contract with a customer, are capitalized if they are expected to be recovered. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Assets recognized from contract costs are amortized over the customer’s estimated contract terms using the straight-line method.

(6) Foreign currency translation

a. Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company. The foreign operations of the Group principally use local currencies as their functional currencies. However, if the currency of the primary economic environment in which an entity operates is other than its local currency, the functional currency other than the local currency is used.

b. Foreign currency transactions

Foreign currency transactions, or transactions that occur in currencies other than entities' functional currencies, are translated to the respective functional currencies of the Group entities at exchange rates on the transaction dates or approximate rates. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate on the fiscal year-end date, and foreign currency differences are recognized in profit or loss.

However, foreign currency differences resulting from financial instruments measured at FVTOCI, cash flow hedges and a hedge of the net investment in a foreign operation are recognized in OCI. Items denominated in foreign currencies due to their measurement at historical cost are translated using the exchange rate on their acquisition dates.

c. Foreign operations

The assets and liabilities of foreign operations employing functional currencies other than Japanese yen are translated to Japanese yen at the exchange rates as of the fiscal year-end date, while income, expenses and cash flows are translated to Japanese yen at the exchange rates on their transaction dates or at the average exchange rates for the fiscal period that approximates the exchange rates on their transaction dates. Resulting foreign currency differences are recognized in OCI, and their cumulative amounts are presented in other components of equity.

In the event all interests in a foreign operation are disposed or a portion of the interest is disposed such that the control is lost, these cumulative amounts in the other components of equity are reclassified in whole or in part, from other comprehensive income to profit or loss.

<Note Concerning Changes in Accounting Policy>

Not applicable.

<Note Concerning Accounting Estimates>

Amounts that are reported as accounting estimates on consolidated financial statements for the fiscal year under review, and that have the potential for having a material impact on consolidated financial statements for the following fiscal year, are as follows.

1. Impairment of non-financial assets

Amount recorded in the consolidated financial statements for the fiscal year under review

Property, plant and equipment	¥289,127 million
Goodwill and intangible assets	¥258,886 million

The Group conducts impairment tests whenever there is any indication that the recoverable amount of a non-financial asset (excluding inventories, deferred tax assets and post-retirement benefit plan assets) may fall below its carrying amount. For goodwill and intangible assets with indefinite useful lives or that are not yet in use, an impairment test is performed each year and whenever there is any indication of impairment.

When conducting an impairment test, principal factors indicating that impairment may have occurred include a substantial worsening of business performance compared with past or estimated operating performance, significant changes in the uses of acquired assets or changes in overall strategy, or a substantial worsening of industry or economic trends.

Goodwill is allocated to an asset, CGU or group of CGUs based on the region where business is conducted and business category, and impairment tests are conducted on goodwill once each year or when there is an indication of impairment.

Calculations of recoverable amounts used in impairment tests are based on assumptions set using such factors as an asset's useful life, future cash flows, the pre-tax discount rates that reflect the risks specific to the asset, and long-term growth rates. These assumptions are based on the best estimates and judgments made by management. However, these assumptions may be affected by changes in uncertain future economic conditions, which may have a material impact on the consolidated financial statements in the next fiscal year.

2. Provisions

Amount recorded in the consolidated financial statements for the fiscal year under review

Provisions	¥22,366 million

The Group records various provisions in the consolidated statement of financial position, including provision for product warranties and provision for restructuring.

These provisions are recognized based on the best estimates of the expenditures required to settle the obligations taking into consideration of risks and the uncertainty related to the obligations as of the fiscal year-end date. Expenditures required to settle the obligations are calculated by taking possible results into account comprehensively. However, they may be affected by the occurrence of unexpected events or changes in conditions which may have a material impact on the consolidated financial statements in the next fiscal year.

3. Post-retirement benefits

Amount recorded in the consolidated financial statements for the fiscal year under review

Prepaid pension costs	¥29,200 million
Retirement benefit liabilities	¥8,839 million

The Group has in place various post-retirement benefit plans, including defined benefits plans. The present value of defined benefit obligations on each of these plans and the service costs are calculated based on actuarial assumptions. These actuarial assumptions require estimates and judgments on variables, such as discount rates. The Group obtains advice from external pension actuaries with respect to the appropriateness of these actuarial assumptions including these variables.

The actuarial assumptions are determined based on the best estimates and judgments made by management. However, there is the possibility that these assumptions may be affected by changes in uncertain future economic conditions, or by the publication or the amendment of related laws, which may have a material impact on the consolidated financial statements in the next fiscal year.

4. Recoverability of deferred tax assets

Amount recorded in the consolidated financial statements for the fiscal year under review

Deferred tax assets	¥32,648 million

In recognizing deferred tax assets, when judging the possibility of the future taxable income, the Group estimates the timing and amount of future taxable income based on the business plan.

The timing when taxable income arises and the amount of such income may be affected by changes in uncertain future economic conditions. Therefore, this may have a material impact on the consolidated financial statements in the next fiscal year.

5. Fair value of financial instruments

Amount recorded in the consolidated financial statements for the fiscal year under review

Other financial assets	¥4,620 million
Other financial liabilities	¥32,539 million

To assess fair value of certain financial instruments, the Group uses valuation techniques using inputs that are not based on observable market data. Inputs that are not based on observable market data may be affected by the result of changes in uncertain future economic conditions, and may have significant impact on amounts reported in the consolidated financial statements when the inputs need to be reviewed.

<Notes to Consolidated Statement of Financial Position>

1. Allowances for doubtful accounts deducted directly from assets

Trade and other receivables	¥8,739 million
Other financial assets	¥535 million

2. Accumulated depreciation on assets (including accumulated impairment losses)

Accumulated depreciation on property, plant and equipment	¥648,451 million

3. Balance of guaranteed obligations

Guaranteed obligations	¥163 million

(The Group guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.)

4. Debt covenant

Debt covenant applies to certain syndicated loan agreements, etc. with the Company as a borrower. The agreements and the major debt covenant related to the agreements are as follows.

a. One term loan agreement and three syndicated loan agreements
   Balance of borrowings: ¥46,280 million
   Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

b. Revolving credit facility agreement

Aggregate borrowing limit: ¥50,000 million
Balance of borrowings: ¥50,000 million
Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

c. Global credit facility agreement
Aggregate borrowing limit: ¥50,000 million
Balance of borrowings: ¥50,000 million
Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

d. Revolving facility (multicurrency type) agreement
Aggregate borrowing limit: ¥50,000 million
Balance of borrowings: ¥0 million
Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

e. Bilateral type commitment line agreement
Aggregate borrowing limit: ¥5,000 million
Balance of borrowings: ¥5,000 million
Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

At the end of the fiscal year under review, the Company was in breach of the debt covenant under the aforementioned agreements. However, all financial institutions concerned have agreed not to demand acceleration on account of such breach after the end of the fiscal year.
In addition, the consent was obtained after the end of the fiscal year under review, the borrowings related to the breach is presented as current liabilities on the consolidated statement of financial position, including ¥23,000 million of borrowings with a repayment period exceeding one year.

<Notes to Consolidated Statement of Changes in Equity>

1. Issued shares and treasury shares (shares)

	Number of authorized shares	Number of issued shares (Note 1) (Note 2)	Number of treasury shares (Note 3)
Balance as of April 1, 2022	1,200,000,000	502,664,337	8,991,342
Increase	-	-	2,904
Decrease	-	-	241,422
Balance as of March 31, 2023	1,200,000,000	502,664,337	8,752,824

Notes: 1. Shares issued by the Company are non-par value ordinary shares.
2. Issued shares have been fully paid.
3. The number of treasury shares held by trust accounts related to the BIP trust for compensation for Directors included in each of the figures in the table are as follows: Balance as of April 1, 2022: 2,759,516 shares, Decrease in the period: 191,698 shares, and Balance as of March 31, 2023: 2,567,818 shares.

2. Dividends

(1) Dividend payments

Resolution Date	Class of shares	Amount of dividends (millions of yen) (Note 1) (Note 2)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Board of Directors' meeting held on May 12, 2022	Ordinary shares	7,446	15.00	March 31, 2022	May 27, 2022	Retained earnings
Board of Directors' meeting held on November 2, 2022	Ordinary shares	4,964	10.00	September 30, 2022	November 29, 2022	Retained earnings

Notes: 1. The total dividend payment according to the resolution at the Board of Directors' meeting held on May 12, 2022 includes dividends of ¥41 million to shares of the Company held by trust accounts related to the BIP trust for compensation for Directors.

2. The total dividend payment according to the resolution at the Board of Directors' meeting held on November 2, 2022 includes dividends of ¥25 million to shares of the Company held by trust accounts related to the BIP trust for compensation for Directors.

(2) Of dividends with record dates during the fiscal year, those whose effective periods start after the fiscal year-end date

Not applicable.

3. Share acquisition rights

Type and number of shares under share acquisition rights at the end of FY2022

Breakdown of share acquisition rights	Type of shares under share acquisition rights	Number of shares under share acquisition rights
First issue of stock compensation-type stock options for 2005	Ordinary shares	12,500 shares
Second issue of stock compensation-type stock options for 2006	Ordinary shares	10,000 shares
Third issue of stock compensation-type stock options for 2007	Ordinary shares	10,000 shares
Fourth issue of stock compensation-type stock options for 2008	Ordinary shares	11,000 shares
Fifth issue of stock compensation-type stock options for 2009	Ordinary shares	26,500 shares
Sixth issue of stock compensation-type stock options for 2010	Ordinary shares	26,500 shares
Seventh issue of stock compensation-type stock options for 2011	Ordinary shares	34,000 shares
Eighth issue of stock compensation-type stock options for 2012	Ordinary shares	55,000 shares
Ninth issue of stock compensation-type stock options for 2013	Ordinary shares	83,500 shares
Tenth issue of stock compensation-type stock options for 2014	Ordinary shares	84,200 shares
11th issue of stock compensation-type stock options for 2015	Ordinary shares	62,800 shares
12th issue of stock compensation-type stock options for 2016	Ordinary shares	119,600 shares
Total		535,600 shares

<Notes on Revenue Recognition>

1. Disaggregation of revenue

Operating segments of the Group are the constituent business units of the Group 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 establishes business segments 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 category. Since the Group comprises segments organized by product and service category, the Group has established four reportable segments as the “Digital Workplace Business”, “Professional Print Business”, “Healthcare Business”, and “Industry Business” after taking into account the primary usage of products of the respective businesses in the markets and their similarities.

The Group presents revenue recognized from contracts with customers and other sources as revenue.

Disaggregated revenue is as follows.

(Millions of yen)

Digital Workplace Business		600,279
Professional Print Business		252,604
Healthcare Business	Healthcare	94,585
	Precision medicine	43,256
	Subtotal	137,841
Industry Business	Sensing	46,910
	Materials and components	76,043
	Imaging-IoT solutions	14,592
	Subtotal	137,547
Others		2,124
Total		1,130,397
Revenue recognized from contracts with customers		1,095,587
Revenue recognized from other sources (Note)		34,809

Note: Revenue recognized from other sources includes lease income under IFRS 16.

2. Information that provides a basis for understanding revenue

(Digital Workplace Business and Professional Print Business)

The Digital Workplace Business and the Professional Printing Business principally engage in sales of multi-functional peripherals, digital printing systems and related supplies, provision of services incidental to them, and provision of solution services.

For sales of multi-functional peripherals, digital printing systems and related supplies, revenue is recognized at the time of shipment or delivery of products, which is when control of the products is considered to be transferred to customers. If acceptance inspection by customers is required for performance of products, revenue is recognized at the time of acceptance inspection by customers.

Because services incidental to sales of multi-functional peripherals and digital printing systems are mainly maintenance contracts based on pay-as-you-go fees in accordance with the usage of the products, and performance obligations are satisfied as the products are used, revenue is recognized based on the amount specified in the contract in accordance with the usage.

For solution services, revenue is recognized at the time of completion of the provision of services, which is when performance obligations are satisfied.

Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component. For services incidental to sales, charges are principally made and received on a monthly basis.

(Healthcare Business)

The Healthcare Business mainly engages in sales of medical equipment including diagnostic imaging systems and related supplies, provision of services incidental to them, and provision of medical IT services, genetic testing services, and drug discovery support services.

Control of products is considered to be transferred to customers at the time of acceptance inspection by customers for sales of medical equipment, and at the time of delivery of products for sales of supplies, and revenue is recognized at that time.
Since services incidental to sales of medical equipment mainly consist of maintenance contracts for products and performance obligations are satisfied over time, revenue is recognized equally over the contract period based on the amount specified in the contract.
For medical IT services, revenue is recognized at the time of completion of the provision of services, which is when performance obligations are satisfied.
For genetic testing services, revenue is recognized at the time of completion of report on the testing results, which is when performance obligations are satisfied.
For drug discovery support services, revenue is recognized in accordance with the progress in the provision of services.
Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component. For services incidental to sales, consideration is received in lump sum at the time of signing the contract or expiry of the contract period, or in installments monthly.

(Industry Business)
The Industry Business principally engages in sales of products, such as TAC films, lenses for industrial and professional use and measuring instruments. Revenue is recognized when control of products is transferred to customers, that is, at the time of shipment or delivery of products. Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component.

3. Information for understanding the amount of revenue in the fiscal year under review and the following fiscal years
(1) Contract balance
Balances of receivables arising from contracts with customers, contract assets and contract liabilities are as follows.

(Millions of yen)

Receivables arising from contracts with customers	261,547
Contract assets	9
Contract liabilities	21,692

Notes: 1. In the consolidated statement of financial position, receivables arising from contracts with customers and contract assets are included in trade and other receivables, and contract liabilities are included in other current liabilities. Contract liabilities are mainly related to advances received from customers.
2. Of revenue recognized, the amount included in the balance of contract liabilities at the beginning of the year is ¥6,398 million. The amount of revenue recognized from performance obligations that were satisfied (or partially satisfied) in prior periods is not significant.

(2) Transaction price allocated to the remaining performance obligations
The amount of transaction price allocated to the remaining performance obligations of which the original expected period exceeds one year by timing of satisfaction is as follows. The transaction price is mainly related to service contracts in the Digital Workplace Business and the Professional Print Business.
The Group has applied a practical expedient and does not provide information on the remaining performance obligations of which the original expected period is one year or less and that are based on pay-as-you-go fees.
In addition, among consideration arising from contracts with customers, there is no significant amount that is not included in transaction price.

(Millions of yen)

1 year or less	7,934
More than 1 year, 2 years or less	1,716
More than 2 years, 3 years or less	1,405
More than 3 years	1,904
Total	12,960

(3) Contract costs

Capitalized contract costs are as follows.

(Millions of yen)

Assets recognized from contract acquisition costs	267
Assets recognized from contract fulfillment costs	-
Total	267

Note: Amortization expenses arising from assets recognized from contract costs were ¥166 million.

<Notes to Financial Instruments>

1. Matters relating to the status of financial instruments

The Group actively monitors and manages its capital and debt structure in relation to economic conditions and current company circumstances, and raises necessary funds for working capital, capital expenditure, investment and loans and other items.

The Group works to reduce credit risk on trade and other receivables through credit management based on regulations.

The Group uses forward exchange contracts and currency swap transactions to reduce foreign exchange risk on claims and obligations denominated in foreign currencies. The Group also uses interest rate swap transactions to reduce interest rate fluctuation risk on certain borrowings. Derivative transactions are conducted only to hedge foreign exchange risk and interest rate fluctuation risk, and are not engaged in for speculative purposes.

The Group reduces liquidity risk related to procuring funds through borrowing by maintaining and securing appropriate on-hand liquidity.

The Company decreases fluctuation risks of its shareholdings by regularly observing their market prices and the financial positions of the issuers.

2. Fair value of financial instruments

The classification of the Group's financial instruments and amounts stated in the consolidated statement of financial position at the end of FY2022 are as follows.

(Millions of yen)

	Book value
<Financial assets>	
Financial assets measured at amortized cost	
Cash and cash equivalents	180,574
Trade and other receivables	269,911
Other financial assets	11,669
Financial assets measured at fair value through other comprehensive income	
Other financial assets	7,924
Financial assets measured at fair value through profit or loss	
Other financial assets	4,330
<Financial liabilities>	
Financial liabilities measured at amortized cost	
Trade and other payables	200,508
Bonds and borrowings	469,095
Other financial liabilities	3,188
Financial liabilities measured at fair value through profit or loss	
Other financial liabilities	5,497

Other than the above, there are finance lease receivables worth ¥43,574 million, contract assets worth ¥9 million, and put options vested in non-controlling shareholders worth ¥31,927 million.

The fair value of financial assets and financial liabilities is calculated as described below. Information about defining the level of the hierarchy is described in "3. Matters regarding the breakdown of financial instruments by level of fair value."

(1) Derivative financial assets and liabilities

Fair value of currency derivatives is based on forward quotations and prices quoted by financial institutions that enter into these contracts. Fair value of interest rate derivatives is based on prices quoted by financial institutions that enter into these contracts, and both are classified in level 2.

Fair value of put options written on non-controlling interests is calculated by forecasting the future exercise price using Monte Carlo simulation with expected earnings of the acquired company group in the expected exercise period and other data used as inputs, and discounting the amount paid to the counterparty according to that forecast at an appropriate discount rate. The fair value is classified in level 3 because inputs that are not based on observable market data are used in the calculation. If expected earnings of the acquired company group increase (decrease), the fair value increases (decreases).

(2) Investment securities

Where market prices are available, fair value is based on market prices and classified in level 1. For financial instruments whose market prices are not available, fair value is calculated by discounting future cash flows or using other appropriate valuation methods and classified in level 3, taking into account the individual nature, characteristics and risks of the assets.

(3) Borrowings

As short-term loans payable are to be settled in a short period of time, their fair value is assumed to be equivalent to the carrying amounts.

For long-term borrowings with fixed interest rates, fair value is calculated by discounting the total amount of principal and interest using assumed interest rate of a new similar borrowing and classified in level 3. As the interest rate of long-term borrowings with variable interest rates is revised periodically and their fair value is approximate to carrying amounts, their fair value is assumed to be equivalent to carrying amounts.

(4) Bonds

Fair value is calculated on the basis of market value and classified in level 2.

(5) Contingent consideration

Fair value is calculated based on estimation of amounts of possible additional payments in the future using a proper evaluation method and classified in level 3.

(6) Financial instruments other than those indicated above

Financial instruments other than those indicated above are mainly settled in the short term, so fair value is assumed to be equivalent to their carrying amounts.

The book value and fair value of major financial instruments measured at amortized cost at the end of the fiscal year under review are as follows.

(Millions of yen)

	Book value	Fair value
Long-term borrowings	207,116	199,596
Bonds	29,944	29,893
Total	237,061	229,489

Notes: 1. Long-term borrowings and bonds include balances redeemable within one year.
2. Financial instruments that are to be settled in a short period of time are not included in the above table because their fair value is assumed to be equivalent to the book value.

3. Matters regarding the breakdown of financial instruments by level of fair value

Financial instruments which are measured at fair value are classified according to fair value hierarchy. The fair value hierarchy comprises levels 1 through 3, defined as follows.

Level 1: Fair value measured at the quoted price in the active market

Level 2: Fair value that is calculated using the observable market inputs other than quoted price directly or indirectly

Level 3: Fair value that is calculated based on valuation techniques which include inputs that are not based on observable market data

Transfers between fair value hierarchy levels are recognized on the date the event or condition prompting the transfer occurred.

Financial assets and financial liabilities measured at fair value in the fiscal year under review, by fair value hierarchy are as follows.

(Millions of yen)

	Level 1	Level 2	Level 3	Total
<Financial assets>				
Investment securities	5,673	-	2,694	8,367
Derivative financial assets	-	1,490	-	1,490
Others	471	-	1,925	2,396
Total	6,144	1,490	4,620	12,255
<Financial liabilities>				
Derivative financial liabilities	-	4,885	31,927	36,812
Others	-	-	612	612
Total	-	4,885	32,539	37,424

Note: Transfer was made from Level 3 to Level 1 for some of the stocks held by the Company following their listing.

Increases or decreases in financial instruments classified as level 3

Increases or decreases in financial instruments classified as level 3 in the fiscal year under review are as follows.

(Millions of yen)

	Financial assets	Financial liabilities
Balance as of April 1, 2022	6,073	42,121
Gains (losses) (Note 1)		
Profit for the year	(79)	-
Other comprehensive income	(804)	-
Acquisitions	150	-
Business combination	-	599
Disposals and settlements	(3)	(184)
Transfer from Level 3 (Note 2)	(745)	-
Others (Note 3)	(0)	(10,016)
Effects of changes in foreign exchange rates	29	19
Balance as of March 31, 2023	4,620	32,539

Notes: 1. Gains or losses recognized in profit for the year are presented in the consolidated statement of profit or loss as “finance income” or “finance costs.” Gains or losses recognized in other comprehensive income are presented in the consolidated statement of comprehensive income as “net gain (loss) on revaluation of financial assets measured at fair value.”
2. Transfer was made from Level 3 to Level 1 for some of the stocks held by the Company following their listing.
3. “Others” in financial liabilities represent the difference in change arising from subsequently measuring fair value of put options written on non-controlling interests. The difference in change was recorded as share premium.

<Notes on Per-Share Information>

1. Equity per share attributable to owners of the company ¥986.87
2. Basic loss per share ¥208.89

Note: In calculating per-share information, 2,567,818 shares and 2,639,073 shares are deducted from the numbers of shares at the end of the fiscal year and those averaged during the fiscal year, respectively, as the shares of the Company held by trust accounts related to the BIP trust for compensation for Directors are treated as treasury shares.

<Note Concerning Significant Subsequent Events>
Not applicable.

<Other Notes>

1. Other income

Other income is mainly insurance payment income of ¥2,084 million.

2. Other expenses

Other expenses are mainly comprised of impairment loss of ¥116,668 million, business restructuring improvement expenses of ¥4,453 million, litigation settlement of ¥3,223 million, and loss on sales and disposals of property, plant and equipment and intangible assets of ¥1,108 million. The impairment loss was mainly due to a reduction in the carrying amount of CGU or group of CGUs, including goodwill, to its recoverable amount.

The lower-then-expected demand growth on genetic testing, excessive delays in clinical trials conducted by pharmaceutical companies, delays in proceeding with corporate strategies, such as alliances with other companies, and other factors have continuously caused the revision of the business plans. These circumstances as well as the increase in the discount rate used for impairment testing because of the rise in interest rates led to the recognition of an impairment loss of 103,568 million yen on goodwill and related non-current assets in the precision medicine field as a result of reducing the carrying amounts to the recoverable amounts in consideration of the recoverability (the impairment losses of goodwill and intangible assets of 99,058 million yen and 4,509 million yen, respectively).

Of the goodwill arose from the acquisition of MOBOTIX (including goodwill arose from the acquisition by MOBOTIX, after the acquisition of MOBOTIX by the Company; the same shall apply hereinafter) which belongs to the Industry Business, an impairment loss of 3,722 million yen was recorded on goodwill allocated to the MOBOTIX Group (a group of cash-generating units comprised of MOBOTIX and its subsidiaries) as a result of reducing the carrying amounts to the recoverable amounts in consideration of the recoverability mainly due to the restriction on the supply of semiconductors and other materials and the impact of the economic downturn in Europe, which is a major market.

Of the goodwill arose from the acquisition of MOBOTIX which belongs to the Industry Business, an impairment loss of 3,156 million yen was recorded on goodwill allocated to the imaging- IoT solutions field and related non-current assets (the impairment losses of goodwill, intangible assets, property, plant and equipment, and other non-current assets of 2,249 million yen, 776 million yen, 124 million yen, and 5 million yen, respectively) as a result of reducing the carrying amounts to the recoverable amounts in consideration of the recoverability mainly due to the time required to achieve results in North America where we focus our efforts on sales, and the geopolitical impacts in Eastern Europe.

Of the goodwill arose from the acquisition of MOBOTIX, an impairment loss of 1,202 million yen was recorded on goodwill allocated to the business related to QOL solutions and related noncurrent assets (the impairment losses of goodwill, intangible assets, and property, plant and equipment of 1,135 million yen, 62 million yen, and 5 million yen, respectively) as a result of reducing the carrying amounts to the recoverable amounts due to the revision of the business plans amid continued operating losses since the commencement of the business.

3. Figures given in the text have been rounded down to the nearest millions of Yen.

NON-CONSOLIDATED FINANCIAL STATEMENTS
Balance Sheet
(As of March 31, 2023)

(Millions of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**378,241**	**Current liabilities**	**397,797**
Cash and deposits	106,526	Notes payable - trade	8,679
Notes receivable - trade	1,600	Accounts payable - trade	60,353
Accounts receivable – trade	63,149	Short-term borrowings	252,820
Inventories	62,732	Current portion of long-term borrowings	28,280
Prepaid expenses	3,411	Lease liabilities	35
Short-term loans receivable	125,417	Accounts payable - other	26,786
Accounts receivable – other	8,816	Accrued expenses	8,099
Income taxes receivable	413	Income taxes payable	492
Other current assets	6,177	Advances received	885
Allowance for doubtful accounts	(4)	Provision for bonuses	4,845
		Provision for bonuses for directors (and other officers)	48
Non-current assets	**565,610**		
Property, plant and equipment	**108,082**	Provision for product warranties	113
Buildings, net	41,749	Other current liabilities	6,355
Structures, net	1,528	**Non-current liabilities**	**226,488**
Machinery and equipment, net	11,331	Bonds payable	30,000
Vehicles, net	21	Long-term borrowings	179,700
Tools, furniture and fixtures, net	6,390	Lease liabilities	118
Land	39,437	Deferred tax liabilities for land revaluation	3,019
Leased assets	270	Provision for retirement benefits	7,807
Construction in progress	7,353	Provision for stock bonuses	231
		Asset retirement obligations	5,402
Intangible assets	**22,044**	Other noncurrent liabilities	210
Software	9,655	**Total liabilities**	**624,286**
Other intangible assets	12,389		
		Net assets	
Investments and other assets	**435,483**	**Shareholders' equity**	**311,403**
Investment securities	6,482	**Share capital**	**37,519**
Shares of subsidiaries and associates	271,354	**Capital surplus**	**135,592**
Investments in capital of subsidiaries and associates	84,943	Legal capital surplus	135,592
		Retained earnings	**147,650**
Long-term loans receivable	48,456	Other retained earnings	147,650
Long-term prepaid expenses	2,261	Retained earnings brought forward	147,650
Prepaid pension costs	4,200	**Treasury shares**	**(9,358)**
Deferred tax assets	11,753		
Other investment	6,048	**Valuation and translation adjustments**	**7,733**
Allowance for doubtful accounts	(17)	Valuation difference on available-for-sale securities	1,471
		Deferred gains or losses on hedges	(568)
		Revaluation reserve for land	6,830
		Share acquisition rights	**427**
		Total net assets	**319,565**
Total assets	**943,851**	**Total liabilities and net assets**	**943,851**

Statement of Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Item	Amount	
Revenue		**467,328**
Cost of sales		345,841
Gross profit		**121,487**
Selling, general and administrative expenses		117,169
Operating profit (loss)		**4,317**
Non-operating income		
Interest and dividend income	9,466	
Miscellaneous revenue	1,770	11,237
Non-operating expenses		
Interest expenses	2,845	
Commission for syndicate loan	1,034	
Foreign exchange losses	269	
Miscellaneous expenses	2,346	6,495
Ordinary profit		**9,059**
Extraordinary income		
Gain on sales of non-current assets	5	
Gain on sales of investment securities	2,639	
Gain on sales of shares of subsidiaries and associates	23	2,668
Extraordinary losses		
Loss on sales and retirement of non-current assets	565	
Loss on sales of investment securities	390	
Loss on valuation of investment securities	493	
Loss on valuation of shares of subsidiaries and associates	5,197	
Impairment loss	2,176	8,823
Profit before income taxes		**2,904**
Income taxes-current	(531)	
Income taxes-deferred	1,865	1,334
Profit		**1,570**

Statement of Changes in Equity

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at April 1, 2022	37,519	135,592	135,592	158,520	158,520	(9,517)	322,114
Changes of items during period							
Dividends of surplus	-	-	-	(12,411)	(12,411)	-	(12,411)
Profit	-	-	-	1,570	1,570	-	1,570
Purchase of treasury shares	-	-	-	-	-	(1)	(1)
Disposal of treasury shares	-	-	-	(28)	(28)	160	131
Reversal of revaluation reserve for land	-	-	-	0	0	-	0
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-
Total changes of items during period	-	-	-	(10,869)	(10,869)	158	(10,710)
Balance at March 31, 2023	37,519	135,592	135,592	147,650	147,650	(9,358)	311,403

	Valuation and translation adjustments				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at April 1, 2022	2,637	540	6,830	10,009	464	332,587
Changes of items during period						
Dividends of surplus	-	-	-	-	-	(12,411)
Profit	-	-	-	-	-	1,570
Purchase of treasury shares	-	-	-	-	-	(1)
Disposal of treasury shares	-	-	-	-	-	131
Reversal of revaluation reserve for land	-	-	-	-	-	0
Net changes of items other than shareholders' equity	(1,166)	(1,108)	(0)	(2,275)	(36)	(2,311)
Total changes of items during period	(1,166)	(1,108)	(0)	(2,275)	(36)	(13,022)
Balance at March 31, 2023	1,471	(568)	6,830	7,733	427	319,565

Notes to Financial Statements

<NOTES TO BASIS OF SIGNIFICANT ACCOUNTING POLICIES>

1. Valuation Standards and Methods for Securities
   (1) Shares of subsidiaries and associates
   Shares of subsidiaries and associates are recorded at cost using the moving-average method.
   (2) Other securities
   Securities other than shares, etc. that do not have a market price are recorded using the mark-to-market method. (Valuation difference is directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.)
   Shares, etc. that do not have a market price are primarily recorded at cost using the moving-average method.

2. Valuation Standards and Methods for Derivatives
   Derivatives are recorded using the mark-to-market method.

3. Valuation Standards and Methods for Inventories
   The value of inventories is determined by using the cost method based on the gross-average method (book values are reduced to reflect declines in profitability).

4. Amortization Method for Non-current Assets
   (1) Property, plant and equipment (excluding leased assets)
   The straight-line method is used.
   (2) Intangible assets (excluding leased assets)
   The straight-line method is used.
   We have adopted the straight-line method based on an estimated in-house working life of five years for the software we use.
   (3) Leased assets
   Leased assets arising from finance lease transactions that do not transfer ownership
   Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

5. Standards for allowances
   (1) Allowance for doubtful accounts
   To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectability. For specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.
   (2) Provision for bonuses
   To prepare for the payment of employee bonuses, an amount corresponding to the current portion of estimated bonus payments to employees for the fiscal year is recorded.
   (3) Provision for Directors' bonuses
   To prepare for the payment of Directors' bonuses, an amount corresponding to the current portion of estimated bonus payments to Directors for the fiscal year is recorded.
   (4) Provision for product warranty
   The provisioning of free after-sales service for products is recorded based on past after-sales service expenses as a percentage of net sales.

(5) Provision for retirement benefits

In order to provide employee retirement benefits, the amount recorded by the Company is based on projected benefit obligations and pension assets at the end of the fiscal year. In determining retirement benefit obligations, the Group attributes the expected amount of retirement benefit to the period until this fiscal year-end based on the benefit formula. If the amount of pension assets is found to be in excess of the amount of projected benefit obligations, such excess is recorded as prepaid pension costs.

Past service cost is being amortized as incurred by the straight-line method over periods (10 years), which are shorter than the average remaining years of service of the employees.

Actuarial gains and losses are amortized from the year following the year in which the gains or losses are recognized, primarily by the straight-line method over periods (10 years) which are shorter than the average remaining years of service of the employees.

The accounting method for undisposed unrecognized past service expenses and unrecognized actuarial gains and losses is different from the accounting method used for the consolidated financial statements.

(6) Provision for stock bonuses

To prepare for future share allocations to Directors and others, the Company basically records the amount of payments according to estimated points to be allotted to Directors and others under the share allocation regulations.

6. Accounting standards for revenue and expenses

The Group recognizes revenue by applying the following five steps.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation in the contract
Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The Company engages mainly in manufacturing and sales of products and provision of IT services in the Digital Workplace Business, the Professional Print Business, the Healthcare Business and the Industry Business. Major performance obligations and an ordinary point in time to recognize revenue are as follows.

Revenue from sales of products is recognized at the time of delivery of the products, which is when control of the products is normally transferred to customers, and performance obligations are satisfied.

Revenue from providing services is recognized upon completion of providing services when the performance obligation is satisfied at a point in time, and it is recognized over the term of a contract depending on the progress at the end of each reporting period when the performance obligation is satisfied over time.

7. Accounting methods for hedge transactions

(1) Hedge accounting methods

The deferred hedge method is mainly used. Deferral hedge accounting is used for currency swaps that meet the conditions, and special accounting methods are used for interest rate swaps that meet certain conditions, respectively.

(2) Hedging methods and hedging targets

The hedge methods used are forward exchange contracts, currency option transactions, currency swaps and interest rate swaps.

The hedge targets are scheduled foreign currency denominated transactions, loans and borrowings.

(3) Hedge policy

The Company and consolidated subsidiaries enter into forward foreign exchange contracts and currency option transactions as hedging instruments only, not for trading purpose to make profits, within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates.

In addition, the Company and consolidated subsidiaries enter into currency swaps and interest rate swaps to make interest rates on borrowings stable, to reduce the risk of cost fluctuations for future capital procurement, not for speculation purpose, within the limit of actual financial or operating transactions.

(4) Methods for evaluating the effectiveness of hedges

Verification is made to ascertain a high correlation between value fluctuations of hedged items, cash flows and hedge instruments.

8. Consumption tax

Asset-related consumption tax that cannot be excluded is accounted for as deferred consumption taxes, etc., in the long-term prepaid expenses item and amortized over a five-year period by the straight-line method.

9. Application of the group tax sharing system

The Company has applied the group tax sharing system.

<**Notes on Revenue Recognition**>
Information that provides a basis for understanding revenue arising from contracts with customers is as follows.
(Digital Workplace Business and Professional Print Business)
The Digital Workplace Business and the Professional Printing Business principally engage in sales of multi-functional peripherals, digital printing systems and related supplies.
For sales of multi-functional peripherals, digital printing systems and related supplies, revenue is recognized at the time of shipment or delivery of products, which is when control of the products is considered to be transferred to customers. If acceptance inspection by customers is required for performance of products, revenue is recognized at the time of acceptance inspection by customers.
Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component.

(Healthcare Business)
The Healthcare Business mainly engages in sales of medical equipment including diagnostic imaging systems and related supplies, provision of services incidental to them, and provision of medical IT services.
Control of products is considered to be transferred to customers at the time of acceptance inspection by customers for sales of medical equipment, and at the time of delivery of products for sales of supplies, and revenue is recognized at that time.
Since services incidental to sales of medical equipment mainly consist of maintenance contracts for products and performance obligations are satisfied over time, revenue is recognized equally over the contract period based on the amount specified in the contract.
For medical IT services, revenue is recognized at the time of completion of the provision of services, which is when performance obligations are satisfied.
Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component. For services incidental to sales, consideration is received in lump sum at the time of signing the contract or expiry of the contract period, or in installments monthly.

(Industry Business)
The Industry Business principally engages in sales of products, such as TAC films, lenses for industrial and professional use and measuring instruments. Revenue is recognized when control of products is transferred to customers, that is, at the time of shipment or delivery of products. Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component.

<Note Concerning Accounting Estimates>
1. Valuation of property, plant and equipment, and intangible assets

Amount recorded in the financial statements for the fiscal year under review

Property, plant and equipment	¥108,082 million
Intangible assets	¥22,044 million

The calculation methods and calculation assumptions for amounts reported on financial statements for the fiscal year under review, as well as the impact on financial statements for the following fiscal year, are given in “1. Impairment of non-financial assets” under Note Concerning Accounting Estimates, within Notes to Consolidated Financial Statements.

2. Valuation of shares of subsidiaries and associates, and investments in capital of subsidiaries and associates

Amount recorded in the financial statements for the fiscal year under review

Shares of subsidiaries and associates	¥271,354 million
Investments in capital of subsidiaries and associates	¥84,943 million

The Company recognizes impairment loss if the Company deems that the actual value of the shares of subsidiaries and associates that do not have market prices, or investments in capital of subsidiaries and associates, is markedly below their book value, and that the decline in the actual value is not temporary. The duration and degree of the decline, as well the financial position and the outlook for operating results, are included in criteria for judging whether or not the decline in actual value is temporary.
While the Company believes that its criteria for judging impairment loss are reasonable, there is the possibility of a significant impact on the valuation of shares of subsidiaries and associates, and investments in capital of subsidiaries and associates in the financial statements for the following fiscal year, if there have been changes to the circumstances surrounding individual investments due to market changes, or unforeseeable changes to the economic or business-related assumptions.

With respect to the shares of subsidiaries and associates as well as investments in capital of subsidiaries and associates other than shares, etc. that do not have a market price, the Company recognizes impairment loss when their market price decreases significantly.

3. Recoverability of deferred tax assets

Amount recorded in the financial statements for the fiscal year under review

Deferred tax assets	¥11,753 million

The Company has applied the group tax sharing system. The recoverability of deferred tax assets is estimated based on the taxable income in accordance with future business plans of a company with a consolidated tax payment system. The Company estimates said taxable income, in particular, using our business plans as the basis for estimates. However, said plans entail uncertainty with regard to predictions of future revenue and we rely considerably on the estimates and judgments of managers. Said estimates may be impacted by factors including future fluctuations in uncertain economic conditions. If the periods and amounts of actual taxable income differ from estimates, there is the possibility of a material impact on the amount of deferred tax assets in the following fiscal year's financial statements.

4. Provision for retirement benefits

Amount recorded in the financial statements for the fiscal year under review

Prepaid pension costs	¥4,200 million
Provision for retirement benefits	¥7,807 million

The calculation methods and calculation assumptions for amounts reported on financial statements for the fiscal year under review, as well as the impact on financial statements for the following fiscal year, are given in "3. Post-retirement benefits" under Note Concerning Accounting Estimates, within Notes to Consolidated Financial Statements, and in "(5) Provision for retirement benefits" under 5. Standards for allowances, under Notes to Basis of Significant Accounting Policies, within Notes to Financial Statements.

<**Notes to Balance Sheet**>

1. Accumulated depreciation of property, plant and equipment ¥310,590 million

2. Balance of guaranteed obligations

The Company guarantees obligations for lease contracts of affiliated companies.

Konica Minolta Business Solutions U.S.A., Inc.	¥8,623 million

The Company guarantees tariffs payable by affiliated companies.

Konica Minolta (Xiamen) Medical Products Co., Ltd.	¥971 million

The Company guarantees obligations for contributing to pension funds at affiliated companies.

Konica Minolta Business Solutions (UK) Limited	¥1,536 million

3. Receivables from and payables to subsidiaries and associates

Short-term receivables	¥174,818 million
Long-term receivables	¥48,456 million
Short-term payables	¥75,480 million

4. Inventories

Merchandise and finished goods	¥38,722 million
Work in process	¥14,500 million
Raw materials and supplies	¥9,509 million

5. Land revaluation

Land for industrial purposes that had been revaluated based on the Law Concerning Land Revaluation (Law No. 34 promulgated on March 31, 1998) was received from Minolta Co., Ltd. on October 1, 2003, at the time of the merger. The amount corresponding to taxes on the amount of the land revaluation is included under the item deferred tax liabilities for land revaluation. An amount equivalent to the amount of the revaluation less the deferred tax liability has been entered in shareholders' equity as the revaluation reserve for land.

(1) Method of revaluation

The value of the land has been evaluated according to the value appraisal method for land fronting major roads, as provided for in Article 2−4 of the Enforcement Orders for the Law Concerning Land Revaluation (Enforcement Orders No. 119, promulgated on March 31, 1998) or the method for valuation of non-current assets provided for in Article 2−3 of the Enforcement Orders.

(2) Date of revaluation March 31, 2002

(3) The difference between the market value of the revalued land at the end of the fiscal year under review and the book value following revaluation ¥(6,596) million

6. Loan commitment

The Company has loan agreements with subsidiaries concerning financial matters for group companies and has established credit lines for eighteen of these subsidiaries. The available loan balance at the end of the fiscal year under review under these agreements is as follows.

Total loan limit	¥259,575 million
Disbursed loan balance	¥166,344 million
Available loan balance	¥93,231 million

7. Debt covenant

At the end of the fiscal year under review, the Company was in breach of the debt covenant stipulated under certain syndicated loan agreements, etc., which the Company has entered into with multiple financial institutions. However, all of the financial institutions have agreed not to demand acceleration on account of such breach after the end of the fiscal year under review. The details are as described in "4. Debt covenant" under Notes to Consolidated Statement of Financial Position, within Notes to Consolidated Financial Statements.

<Notes to Statement of Income>

Transactions with subsidiaries and associates

Operating revenue	¥354,123 million
Operating expense	¥294,536 million
Other operating transactions	¥38,051 million
Other non-operating transactions	¥10,012 million

<Notes to Statement of Changes in Equity>

Type and number of treasury shares at end of period

Ordinary shares	8,752,824 shares

Note: The number of treasury shares includes those held by trust accounts related to the BIP trust for compensation for Directors.

<Notes on Tax Effect Accounting>

1. Breakdown by cause of deferred tax assets and liabilities

Deferred tax assets	
Loss on valuation of shares of subsidiaries and associates	¥19,244 million
Net operating tax loss carried forward	¥5,937 million
Provision for retirement benefits	¥3,214 million
Depreciation and amortization	¥1,914 million
Asset retirement obligations	¥1,654 million
Provision for bonuses	¥1,489 million
Loss on valuation	¥1,019 million
Other	¥4,975 million
Deferred tax assets subtotal	¥39,448 million
Valuation allowance for operating loss carryforwards	¥(718) million
Valuation allowance for total of deductible temporary differences and others	¥(23,987) million
Subtotal of valuation allowances	¥(24,705) million
Total deferred tax assets	¥14,742 million
Deferred tax liabilities	
Loss (gain) on transfer of business	¥(1,384) million
Retirement costs corresponding to asset retirement obligations	¥(1,259) million
Valuation difference on available-for-sale securities	¥(259) million
Other	¥(85) million
Total deferred tax liabilities	¥(2,989) million
Net deferred tax assets	¥11,753 million

2. Deferred tax liabilities related to revaluation

Deferred tax liabilities for land revaluation	¥(3,019) million

3. Accounting treatment of income taxes and local income tax or accounting treatment of tax effect accounting related thereto

The Company has transitioned from the consolidated taxation system to the group tax sharing system from the fiscal year under review. Following this changeover, the Company has applied the “Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System” (ASBJ Practical Issues Task Force No. 42, August 12, 2021, (hereinafter the “ASBJ PITF No.42”)) with respect to the accounting treatment and disclosure of income taxes, local income taxes and tax effect accounting.

Meanwhile, the change of the accounting policies following the application of ASBJ PITF No.42 is considered to have nil impact on our financial statements based on Paragraph 32-(1) of ASBJ PITF No.42.

<Notes on Related-Party Transactions>

Subsidiaries, etc.

(Millions of yen)

Attribute	Name of company, etc.	Equity ownership percentage	Relationship	Description of transactions	Transaction amount	Account item	Ending balance
Subsidiary	Konica Minolta Business Solutions Europe GmbH	(Ownership) Direct 100%	Sales of the Company's products Lending of cash	Sales of products (Note 1)	109,715	Accounts receivable - trade	12,114
				Lending of funds (Note 2)	65,281	Short-term loans receivable	79,086
Subsidiary	Konica Minolta Business Solutions U.S.A., Inc.	(Ownership) Indirect 100%	Sales of the Company's products Guarantees	Sales of products (Note 1)	87,035	Accounts receivable - trade	6,658
Subsidiary	Konica Minolta Business Technologies Manufacturing (HK) Ltd.	(Ownership) Direct 100%	Manufacturing of the Company's products	Purchases of products (Note 1)	78,782	Accounts payable - trade	12,060
Subsidiary	Konica Minolta Business Technologies (WUXI) Co., Ltd.	(Ownership) Direct 15% Indirect 85%	Manufacturing of the Company's products	Purchases of products (Note 1)	55,839	Accounts payable - trade	7,379
Subsidiary	Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	(Ownership) Indirect 100%	Manufacturing of the Company's products	Purchases of products (Note 1)	64,850	Accounts payable - trade	6,373
Subsidiary	Konica Minolta Japan, Inc.	(Ownership) Direct 100%	Sales of the Company's products	Sales of products (Note 1)	42,613	Accounts receivable - trade	14,678
Subsidiary	REALM IDx, Inc.	(Ownership) Indirect 75.6%	Lending of cash Concurrent director(s)	Lending of funds (Note 2)	36,430	Long-term loans receivable	45,148
				Receipt of interest	1,443	Accrued interest	18
Subsidiary	Konica Minolta Holdings U.S.A., Inc.	(Ownership) Direct 100%	Lending and borrowing of cash Concurrent director(s)	Lending of funds (Note 2)	18,106	Short-term loans receivable	22,304

(Notes) Transaction terms and policy for determining transaction terms

1. Terms for purchases and sales of products and other items are determined by price negotiations in each fiscal year that take into account market prices and the cost of sales.
2. Regarding the lending and borrowing of funds, the Company enters into loan agreements concerning group financing with subsidiaries, setting a limit. The interest rate is determined based on market rates.
   The transaction amount is the average loan balance over the period under review.

<Notes on Per Share Information>

Net assets per share ¥646.14

Earnings per share ¥3.18

Note: In calculating per-share information, 2,567,818 shares and 2,639,073 shares are deducted from the numbers of shares at the end of the fiscal year and those during the fiscal year, respectively, as the shares of the Company held by trust accounts related to the BIP trust for compensation for Directors are treated as treasury shares.

<Note Concerning Significant Subsequent Events>

Not applicable.

<Other Notes>

1. The stock bonus program linked with medium-term performance, which we call the BIP trust for compensation for Directors, was adopted from FY2017 to FY2019. We have decided to continue this program in FY2020 and beyond, with the trust period extending to August 31, 2023 (tentatively). Accompanying the continuation of the program, "stock bonus linked with medium-term performance" will now be described as "medium-term stock bonus (performance-linked)," and "medium-term stock bonus" will now be described as "medium-term stock bonus (non-performance linked)." Additionally, we have newly established a "long-term stock bonus" for executive officers and others, with this new program granting shares, etc. according to officers' roles and number of years in service.
   As accounting treatment of the trust, the Company applies "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. Through Trusts" (Practical Issues Task Force No. 30; March 26, 2015) and includes the Company's shares outstanding in the trust as treasury shares, based on their book values (excluding the amount of incidental expenses).
2. Loss on valuation of shares of subsidiaries and associates is concerning the shares of MOBOTIX AG (Germany).
3. The Company recorded impairment losses with respect to the following asset groups.

(Millions of yen)

Use	Type	Location	Amount
Business asset for Digital Workplace Business	Software and others	Minato-ku, Tokyo, etc.	496
Business asset for Industry Business	Machinery and equipment, software and others	Yamanashi Prefecture, etc.	1,680
Total			2,176

(Millions of yen)

Type	Amount
Machinery and equipment	760
Tools, furniture and fixtures	132
Software	1,053
Other	230
Total	2,176

The Company groups its assets based on the management accounting segmentation that enables rational profit/loss control.

Book value of a business asset indicating declining profitability is reduced to recoverable amount and such reduction is recorded as impairment loss under extraordinary losses. Since recoverable amount of an asset is calculated based on its value in use, for an asset with declining profitability to the extent that its value in use based on future cash flows is negative, its recoverable amount is valued at nil.

4. Figures given in the text have been rounded down to the nearest millions of Yen.

AUDITOR'S REPORTS

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

May 19, 2023

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Otani Akihiro
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yosuke Sato
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Auditor's Opinion

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to consolidated financial statements of Konica Minolta, Inc. ("the Company") as at March 31, 2023 and for the year from April 1, 2022 to March 31, 2023 in accordance with Article 444 (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period in accordance with accounting standards that omit certain items required to be disclosed by the International Financial Reporting Standards, as provided in the latter part of Article 120-1 of the Ordinance on Company Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in those standards is stated in "Auditor's Responsibility in Audit of the Consolidated Financial Statements." In accordance with the provisions for professional ethics in Japan, we are independent from the Company and its consolidated subsidiaries and fulfill other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Statements

Other statements consist of the business report and accompanying schedules. Management is responsible for the preparation and disclosure of the other statements. The Audit Committee is

responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the reporting processes of the other statements.
The other statements are not included within the scope of our audit opinion on the consolidated financial statements, and we do not indicate our opinion on the other statements.
Our responsibility with regard to the auditing of the consolidated financial statements is to read through the other statements, and in the process of reading through them, consider if there are any material differences between the other statements and the consolidated financial statements or the knowledge that we have obtained through our auditing process, and pay attention to whether or not there are signs of material errors in other statements, in addition to such material differences.
When we determine that there are material errors in other statements based on the taskes we have performed, we are required to report such fact.
We have found no matters to report regarding the other statements.

Management's and Audit Committee's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards that omit certain items required to be disclosed by the International Financial Reporting Standards, as provided in the latter part of Article 120-1 of the Ordinance on Company Accounting. Management is also responsible for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare those statements based on the going concern assumption. Management is also responsible for disclosing matters regarding the going concern, in accordance with accounting standards that omit certain items required to be disclosed by the International Financial Reporting Standards, as provided in the latter part of Article 120-1 of the Ordinance on Company Accounting, if it is necessary to do so.

The Audit Committee is responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the financial reporting processes.

Auditor's Responsibility in Audit of the Consolidated Financial Statements

Our responsibility is to express as independent auditor an opinion on the financial statements based on our audit in the Auditor's Report, after we obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Misstatements may occur due to fraud or error. They are recognized as being important when they are reasonably expected to have an effect, separately or in total, on decision making of users of the consolidated financial statements.

In accordance with the accounting principles generally accepted in Japan, the auditor shall conduct the following with professional judgment and professional skepticism during the process of audit:

・Identify and assess risks of material misstatements, whether due to fraud or error. Plan and conduct audit procedure responding to the risks of material misstatements. The choice and application of the audit procedure is based on the auditor's judgment. Moreover, obtain satisfactory and appropriate audit evidence on which the auditor's opinion will be based.

・The purpose of audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control. However, the auditor shall consider the internal control associated with audit in order to plan the appropriate audit procedure suitable for the situation in conducting risk assessment.

・Assess the appropriateness of management‘s accounting policy and its application method, the reasonableness of accounting estimates made by management and the validity of related notes.

・Conclude whether management’s preparing the consolidated financial statements on the going concern assumption is appropriate and whether there are significant uncertainties related to events or conditions that may cast significant doubt upon the going concern assumption, based on obtained audit evidence. It is requested that the auditor draw attention to the notes to the consolidated financial statements in the auditor’s report when there are significant uncertainties related to the going concern assumption or that the auditor express a qualified opinion on the consolidated financial statements when the notes to significant uncertainties in the consolidated financial statements are inappropriate. Though the auditor’s conclusion is based on the audit evidence the auditor had obtained by the date of the audit report, the Company may not be able to survive as a going concern depending on future events and conditions.

・Assess whether the presentation and notes in the consolidated financial statements comply with accounting standards that omit certain items required to be disclosed by the International Financial Reporting Standards, as provided in the latter part of Article 120-1 of the Ordinance on Company Accounting. Assess the presentation, configuration and contents of the consolidated financial statements, including the related notes, and whether the consolidated financial statements appropriately present underlying transactions and accounting events.

・Obtain satisfactory and appropriate audit evidence on financial information of the Company and its consolidated subsidiaries to express an opinion about the consolidated financial statements. The auditor is responsible for the instruction, supervision and exercise in association with audit of the consolidated financial statements. The auditor assumes independent responsibility for its audit opinion.

The auditor reports to the Audit Committee on the scope of its planned audit and schedule of implementation, material findings on audit that were recognized in the implementation process of audit, including significant deficiencies in internal control, and other matters required by the audit standards.

The auditor reports to the Audit Committee that it complied with the code of professional ethics for independence in Japan. The auditor also reports to the Audit Committee on matters that are reasonably considered affecting the auditor’s independence and, if applicable, on safeguards to remove or mitigate impeding factors.

Interest

There is no interest between the Company and its consolidated subsidiaries and our auditing firm or executive officers which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor’s Report:
The Independent Auditor’s Report herein is the English translation of the Independent Auditor’s Report as required by the Companies Act

AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Independent Auditor's Report

May 19, 2023

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Otani Akihiro
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yosuke Sato
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Auditor's Opinion

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in equity and the notes to financial statements, and the supporting schedules ("the Financial Statements") of Konica Minolta, Inc. ("the Company") as at March 31, 2023 and for the 119th business year from April 1, 2022 to March 31, 2023 in accordance with Article 436 (2) (i) of the Companies Act.

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the Financial Statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in those standards is stated in "Auditor's Responsibility in Audit of the Financial Statements." In accordance with the provisions for professional ethics in Japan, we are independent from the Company and fulfill other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Statements

Other statements consist of the business report and accompanying schedules. Management is responsible for the preparation and disclosure of the other statements. The Audit Committee is responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the reporting processes of the other statements.
The other statements are not included within the scope of our audit opinion on the Financial

Statements, and we do not indicate our opinion on the other statements.
Our responsibility with regard to the auditing of the Financial Statements is to read through the other statements, and in the process of reading through them, consider if there are any material differences between the other statements and the Financial Statements or the knowledge that we have obtained through our auditing process, and pay attention to whether or not there are signs of material errors in other statements, in addition to such material differences.
When we determine that there are material errors in other statements based on the taskes we have performed, we are required to report such fact.
We have found no matters to report regarding the other statements.

Management's and Audit Committee's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the accounting principles generally accepted in Japan. Management is also responsible for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of the Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Financial Statements based on the going concern assumption and, if it is necessary to do so, disclose matters regarding the going concern in accordance with the accounting principles generally accepted in Japan.

The Audit Committee is responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the financial reporting processes.

Auditor's Responsibility in Audit of the Financial Statements

Our responsibility is to express as independent auditor an opinion on the financial statements based on our audit in the Auditor's Report, after we obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Misstatements may occur due to fraud or error. They are recognized as being important when they are reasonably expected to have an effect, separately or in total, on decision making of users of the financial statements.

In accordance with the accounting principles generally accepted in Japan, the auditor shall conduct the following with professional judgment and professional skepticism during the process of audit:

・Identify and assess risks of material misstatements, whether due to fraud or error. Plan and conduct audit procedure responding to the risks of material misstatements. The choice and application of the audit procedure is based on the auditor's judgment. Moreover, obtain satisfactory and appropriate audit evidence on which the auditor's opinion will be based.

・The purpose of audit of the financial statements is not to express an opinion on the effectiveness of internal control. However, the auditor shall consider the internal control associated with audit in order to plan the appropriate audit procedure suitable for the situation in conducting risk assessment.

・Assess the appropriateness of management's accounting policy and its application method, the reasonableness of accounting estimates made by management and the validity of related notes.

・Conclude whether management's preparing the financial statements on the going concern assumption is appropriate and whether there are significant uncertainties related to events or conditions that may cast significant doubt upon the going concern assumption, based on obtained audit evidence. It is requested that the auditor draw attention to the notes to the financial statements in the auditor’s report when there are significant uncertainties related to the going concern assumption or that the auditor express a qualified opinion on the financial statements when the notes to significant uncertainties in the financial statements are inappropriate. Though the auditor’s conclusion is based on the audit evidence the auditor had obtained by the date of the audit report, the Company may not be able to survive as a going concern depending on future events and conditions.

・Assess whether the presentation and notes in the Financial Statements comply with the accounting principles generally accepted in Japan. Assess the presentation, configuration and contents of the Financial Statements, including the related notes, and whether the Financial Statements appropriately present underlying transactions and accounting events.

The auditor reports to the Audit Committee on the scope of its planned audit and schedule of implementation, material findings on audit that were recognized in the implementation process of audit, including significant deficiencies in internal control, and other matters required by the audit standards.

The auditor reports to the Audit Committee that it complied with the code of professional ethics for independence in Japan. The auditor also reports to the Audit Committee on matters that are reasonably considered affecting the auditor’s independence and, if applicable, on safeguards to remove or mitigate impeding factors.

Interest

There is no interest between the Company and our auditing firm or executive officers which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor’s Report:
The Independent Auditor’s Report herein is the English translation of the Independent Auditor’s Report as required by the Companies Act.

AUDIT COMMITTEE’S REPORT

AUDIT REPORT

We, the Audit Committee of Konica Minolta, Inc. (“the Company”), have audited the performance of duties by Directors and Executive Officers during the 119th business year from April 1, 2022 to March 31, 2023. We report the method and results as follows.

1. Method and details of audit

We, the Audit Committee, have received reports from the Executive Officers and employees on a regularly basis on the details of the board resolutions with respect to items prescribed in Article 416, Paragraph 1, Item 1, b) and e) of the Companies Act, and the status of the establishment and operation of the system established based on such board resolutions (internal control system), sought explanations, whenever the necessity arose, expressed our opinions, and conducted audits through the methods as described below.

i) In accordance with the audit standards, audit policy, audit plan, assignment of duties, etc. determined by the Audit Committee, in cooperation with the internal audit division and other internal control divisions of the Company we verified the process and details of decision-making at important meetings, etc., the details of the primary decision documents and other important documents, etc. related to business execution, as well as the status of the performance of duties by Directors, Executive Officers and others, and the status of business operations and assets of the Company. With respect to subsidiaries, we confirmed the status of their business and management by communicating and exchanging information with Directors and corporate auditors of the subsidiaries, visiting and attending important meetings, and inspecting important decision documents, etc., whenever the necessity arose.

ii) With regard to the basic policy for the way of being of those who control the Company’s financial and business policy decisions stated in the business report, we examined the contents based on factors such as the status of deliberations at the Board of Directors and other meetings.

iii) In addition to monitoring and examining whether the Accounting Auditor maintained an independent position and performed auditing appropriately, we received reports from the Accounting Auditor on the performance of its duties and requested explanations when necessary. In addition, we received notice from the Accounting Auditor that “The systems for ensuring the proper performance of duties” (set forth in each item of Article 131 of the Regulations of Corporate Financial Calculation) are organized in accordance with the “Standards for Quality Control of Audit” (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined the business report, financial statements (balance sheet, statement of income, statement of changes in equity, notes to financial statements), supporting schedules, and the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, notes to consolidated financial statements, which were prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards, pursuant to the latter part of Article 120-1 of the Ordinance on Company Accounting) for the fiscal year under review.

2. Results of audit

(1) Results of audit of business report, etc.

i) In our opinion, the business report and accompanying schedules fairly represent the condition of the Company in accordance with the laws, regulations and Articles of Incorporation of the Company.

ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws, regulations or the Company's Articles of Incorporation by any Directors or Executive Officers in carrying out their duties.

iii) We believe the details of resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters of note with respect to the execution of duties of Executive Officers regarding the internal control system.

iv) We have determined that the basic policy for the way of being of those who control the Company's financial and business policy decisions stated in the business report is appropriate.

(2) Results of audit of financial statements and accompanying schedules

In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA LLC are appropriate.

(3) Results of audit of consolidated financial statements

In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA LLC are appropriate.

May 19, 2023

Audit Committee of Konica Minolta, Inc.

Audit Committee Member	Soichiro Sakuma	(Seal)
Audit Committee Member	Akira Ichikawa	(Seal)
Audit Committee Member	Masumi Minegishi	(Seal)
Audit Committee Member (Full-time)	Hiroyuki Suzuki	(Seal)

Notes to the Reader of Audit Report:

1. The Audit Report herein is the English translation of the Audit Report as required by the Companies Act.
2. Mr. Soichiro Sakuma, Mr. Akira Ichikawa and Mr. Masumi Minegishi are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.