



150
YEARS

KONICA MINOLTA, INC.

INTEGRATED REPORT **2023**

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Business Strategy

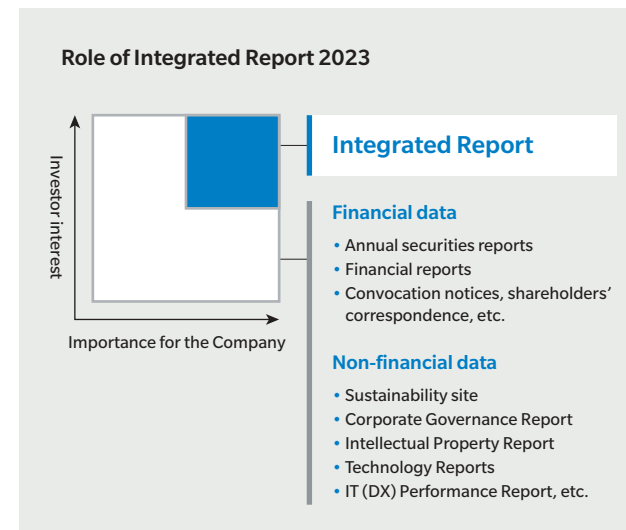
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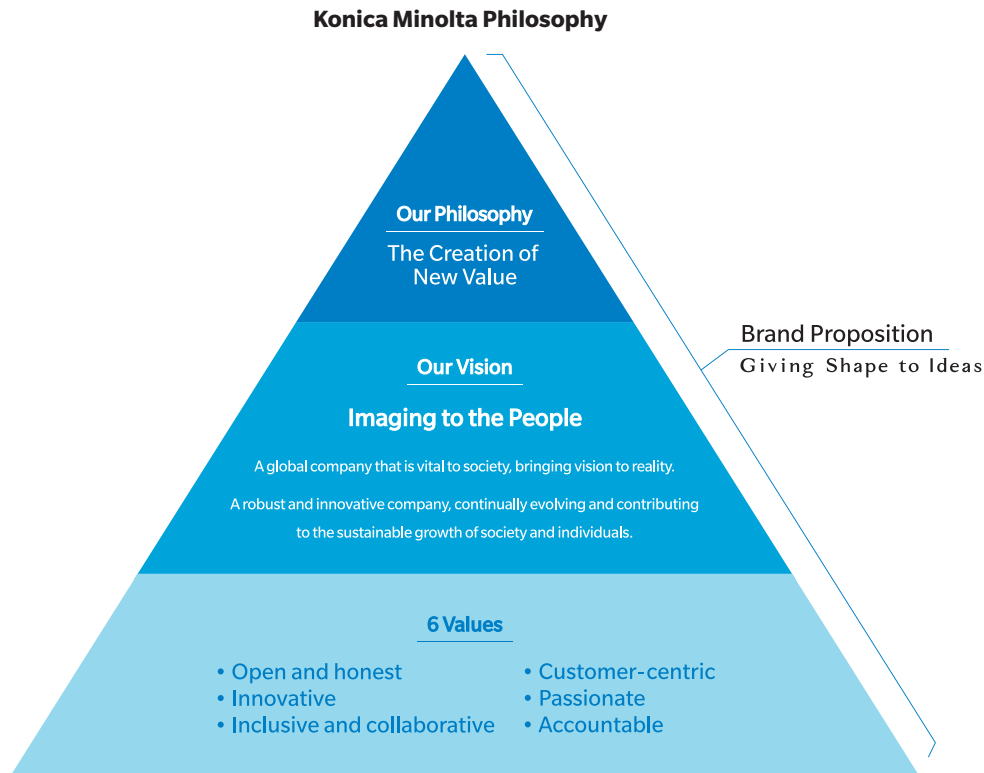


Notes on outlook for future results

The plans, strategies and statements related to the outlook for future results in this document are in accordance with assumptions and beliefs determined by our management based on currently available information, and include elements of risk and uncertainty. However, it should be noted that there is a possibility that actual results could differ significantly due to such factors as social and economic conditions.

Konica Minolta Philosophy

Responding to people's hopes and desires to "see" and drawing on our DNA that has always created new value, Konica Minolta has put forth "Imaging to the People" as our long-term management vision statement that looks forward to 2030. We have brought together this statement, Our Philosophy that has remained unchanged since the launch of Konica Minolta in 2003, our 6 Values that guide our corporate culture as a wellspring of value creation, and our Brand Proposition that is a promise to customers, to create the Konica Minolta Philosophy.

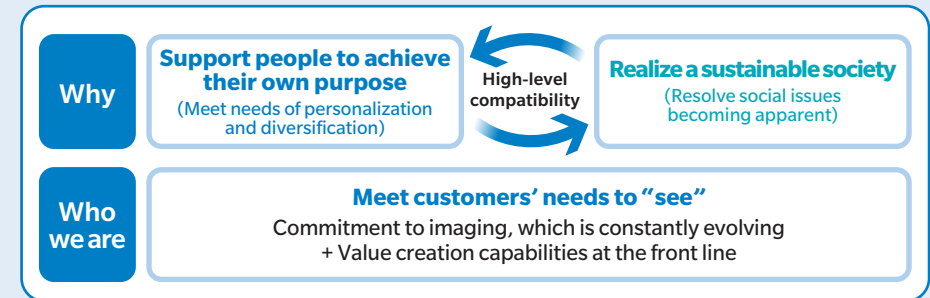


2030

Long-term Management 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 society and individuals



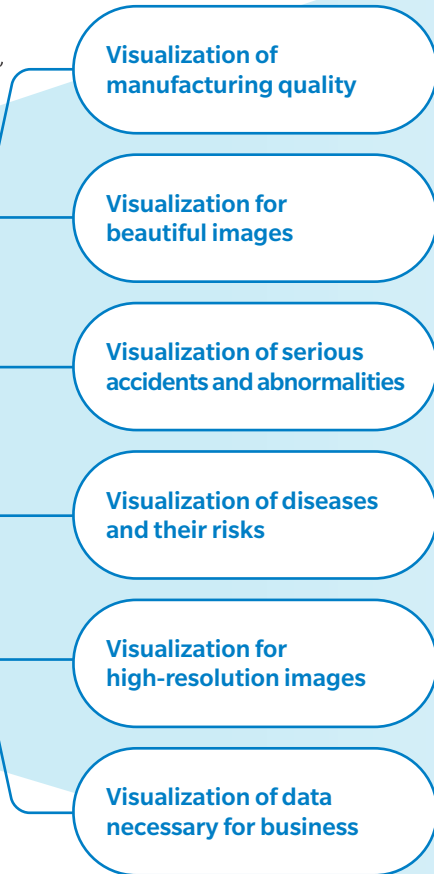
Material issues

- Improving fulfillment in work and corporate dynamism
- Supporting healthy, high-quality living
- Ensuring social safety and security
- Addressing climate change
- Using limited resources effectively

Fulfilling the desires of customers around the world to "see" and helping make society more fulfilling

Leveraging the imaging technologies that we have developed in the camera and film businesses over the 150 years since our founding, we have fulfilled the desires of customers around the world to "see", visualized life and business challenges and co-created value to solve them with our customers. Going forward, we will continue to make our customers' daily lives joyful and inspiring, and contribute to the success of their businesses, improving society and helping people achieve their own purpose.


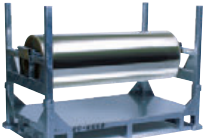




An evolving legacy of meeting individual's need to "see"



Value proposition

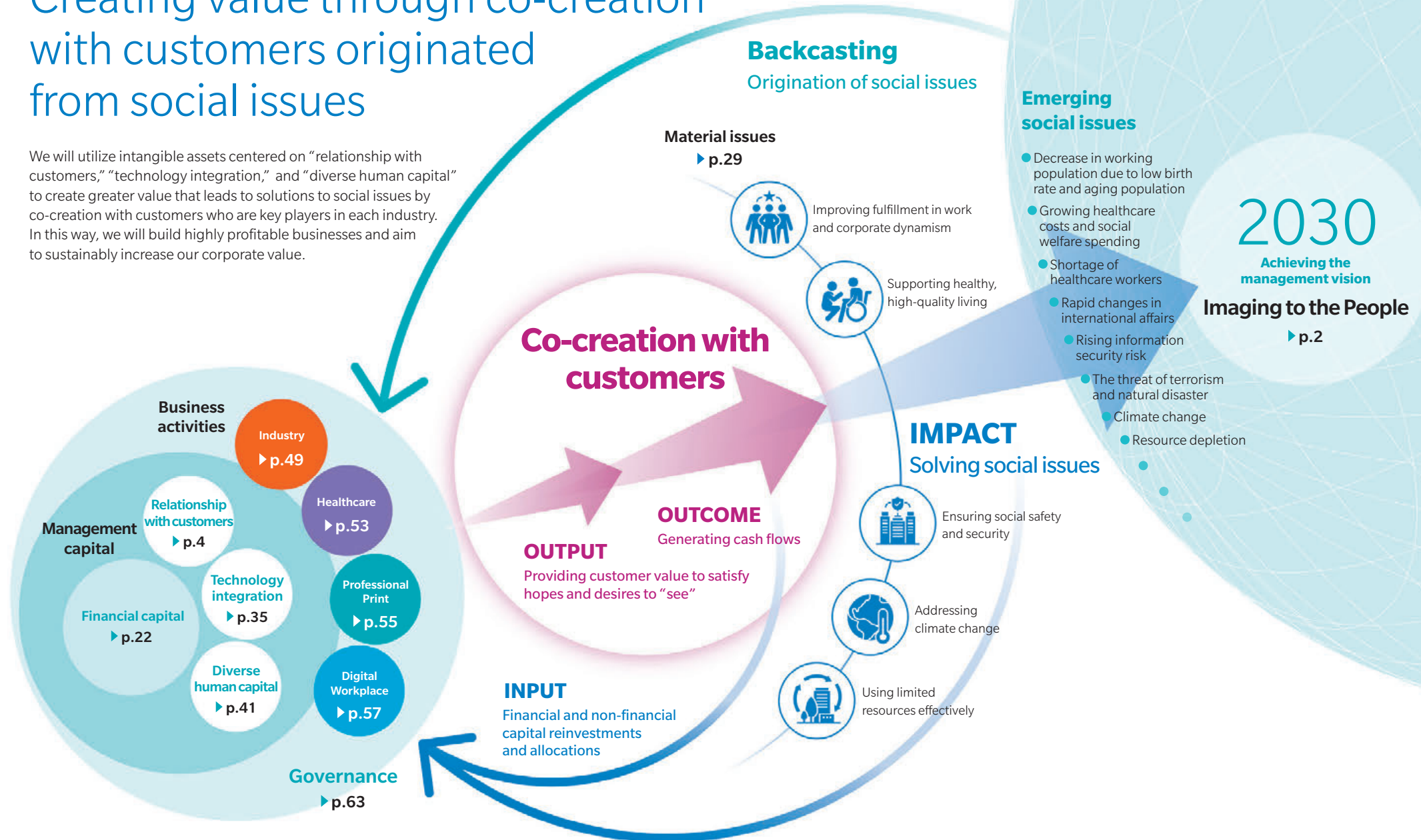


Driving genre-top strategies across four businesses

Industry Business	Healthcare Business	Professional Print Business	Digital Workplace Business
Business Description			
<ul style="list-style-type: none"> • Sensing Provision of various measuring devices such as light source color and object color measurement, visual inspections, etc. • Performance materials Provision of functional films for displays • Inkjet (IJ) components Provision of inkjet heads and ink • Optical components Provision of various lenses • Imaging-IoT solutions Provision of surveillance cameras and Gas Monitoring Solutions, development and provision of services using the imaging-IoT platform "FORXAI" • Visual solutions Development, production, and operation of planetariums 	<ul style="list-style-type: none"> • Medical imaging (Healthcare) Provision of digital X-ray diagnostic imaging systems, ultrasound diagnostic imaging systems, and medical IT services such as PACS • Precision medicine Provision of genetic testing services and drug discovery support services 	<ul style="list-style-type: none"> • Production print Provision of toner-based digital color printing presses and workflow solutions for printing sites • Industrial print Provision of B2 inkjet printing machines, label printing machines, embellishment press, and textile printing machines 	<ul style="list-style-type: none"> • Office Provision of color MFPs and input/output solutions for document workflows • DW-DX IT services and digitalization support for small and medium-sized enterprises, and video and image analysis services for offices
Target Customers/Industries			
<ul style="list-style-type: none"> • Display industry • Printing industry • Automotive industry • Electronic components and parts industry • Social infrastructure (plants, etc.) etc. 	<ul style="list-style-type: none"> • Hospitals/Clinics • Pharmaceutical companies etc. 	<ul style="list-style-type: none"> • Printing companies • Label/Packaging printing companies • Apparel manufacturers etc. 	<ul style="list-style-type: none"> • Private companies • Government agencies • Educational institutes etc.
Genre-top Products			
<p>Light source color measuring instruments More than 50% share in global measuring instruments for display</p> 	<p>VA-TAC film for LCD TVs Top market share in the world</p> 	<p>Cassette DR (Digital X-ray diagnostic imaging systems) Top share in the Japanese clinic market</p>  <p>Diagnostic ultrasound systems Top share in the Japanese orthopedic market</p> 	<p>Color digital printers Top share in about 40 countries around the world (No. 1 or 2)</p>  <p>A3 color MFPs Top share in about 40 countries around the world (No. 1 or 2)</p> 

Creating value through co-creation with customers originated from social issues

We will utilize intangible assets centered on "relationship with customers," "technology integration," and "diverse human capital" to create greater value that leads to solutions to social issues by co-creation with customers who are key players in each industry. In this way, we will build highly profitable businesses and aim to sustainably increase our corporate value.



Part 1

Medium- to Long-Term Management Strategy

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Selection and concentration of business to break from past traditions and return to a growth trajectory

Toshimitsu Taiko

Director, President and CEO, Representative Executive Officer



Reflection on progress

Recording impairment loss to confront risks now and provide a clean slate

Fiscal 2022 marks both the final year of the DX2022 Medium-term Business Plan and a year of record consolidated Group revenue, at ¥1,130.3 billion and a jump of 24% over the previous fiscal year. This marks our highest revenue since the 2003 integration that formed Konica Minolta as it exists today. However, amidst this success and a steady recovery of our business contribution profit* (measuring earning power) to ¥29.7 billion, we elected to post a significant impairment loss of ¥116.6 billion, driving our operating profit and profit attributable to owners of the Company into the red, at ¥95.1 billion and ¥103.1 billion, respectively. When viewed in isolation, these are undeniably severe results.

In closing our accounts for fiscal 2022, we tested several acquired assets, including technology assets, goodwill and other intangible assets, and fixed assets, for impairment in line with International Financial Reporting Standards (IFRS). This impairment testing resulted in a determination that it would be difficult to recover investments within originally expected timeframes in several business areas, including precision medicine. We therefore decided to process these as impairment losses so as not to postpone inevitable risks.

Another challenging decision that was made this year, in light of a total examination of our performance this fiscal year and the importance of investing in future business given the environment and the prospects therein, we have elected to suspend the payment of a year-end dividend for fiscal 2022, resulting in solely the ¥10 per share interim dividend for the fiscal year in total. I offer my sincerest apologies for this suspension of standard dividend payment. However, in light of this decision not to pay a year-end dividend, we have elected to voluntarily return a portion of executive compensation paid to executive officers as defined by Japan's Companies Act.

* Business contribution profit is a Konica Minolta-original index, defined as profit determined by subtracting sales cost and SG&A from revenue.

Message from the CEO

Despite falling short of targets, we have made three years of progress toward future growth

In the three fiscal years from 2020 to 2022, we have toiled to enhance our profitability and solidify our financial soundness per the direction of DX2022, our Medium-term Business Plan. Despite our best efforts, however, we ultimately failed to achieve any of the financial targets set therein, referring specifically to operating profit, operating profit ratio, equity ratio, and net Debt/EBITDA ratio. We particularly note that we still face challenges in three units defined as new strategic businesses that posted greater losses: precision medicine, DW-DX, and imaging-IoT solutions.

Even in our office business, traditionally a business with stable profits, we continued to face struggles due to a number of factors, including a prolonged COVID-19 pandemic, the global shortage of semiconductors, and a reduced toner supply capacity due to the accident at the Konica Minolta Supplies Manufacturing Tatsuno Factory. Still, despite these troubles, we were able to achieve significant improvements in profits during fiscal 2022 by

increasing production capacity and curbing the rise in fixed costs through structural reforms. Another positive note is the three years of profit growth nearly in line with targets in our other focus pillars of sensing, IJ (inkjet) components, production print, and medical imaging (healthcare).

Therefore, when we view the DX2022 three-year period from the lens of individual businesses, we can see results generated that will lead us to future success. Looking ahead to fiscal 2023, the first year of our new Medium-term Business Plan, we view these results as a major driving force and underlying foundation supporting new actions and further growth.

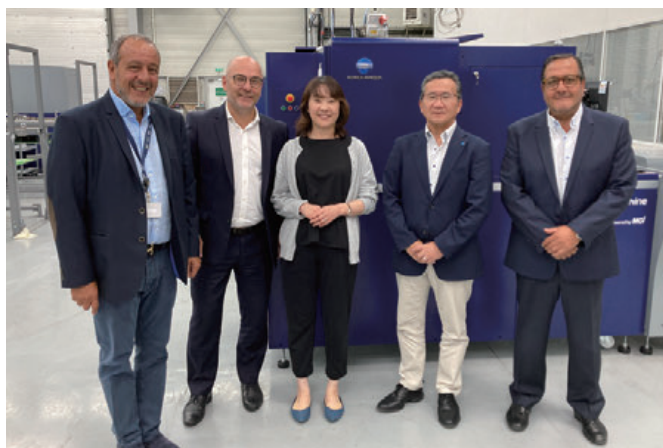
Regaining trust and confidence in fiscal 2022

Since assuming the post of President in 2022, I have sought to rebuild the trust with stakeholders both external and internal as well as the confidence of our employees. Therefore, in fiscal 2022 I worked with utmost priority to restore Konica Minolta to profitability. With the exception of fiscal 2022, the Company has for many years set lofty

annual goals at the outset that were dependent on the best possible conditions being in place. What is especially important in our new approach with respect to employee confidence is that our fiscal 2022 goals were tempered to represent a place we could reach if we all worked hard together, even without the best possible conditions and with absorbing some potential downsides. Achieving these goals was meant to remind Konica Minolta employees of our winning ways, and particularly to re-embolden them by turning a profit after a series of net losses since fiscal 2019.

I believe the truth is in the field—in the factories, offices, and all other places, in Japan and abroad, where our colleagues deliver Konica Minolta excellence. In order to convey my desire to rebuild confidence to my colleagues, I have spent a great deal of time meeting with nearly 5,000 Company employees around the world, listening to their concerns and discussing how we should move forward.

While our diligent work together makes it especially frustrating that we could not bring Konica Minolta back to the black by the end of fiscal 2022, there is no doubt in my mind that our Group's earning power is steadily recovering.



Dialogues with many employees around the world

Message from the CEO

This is evident in our business contribution profit (a unique Konica Minolta measure of earning power) for fiscal 2022 of ¥29.7 billion, jumping more than ¥40 billion from a loss of ¥12.2 billion in fiscal 2021. Not only that, but if we exclude the aforementioned impairment losses, operating profit was ¥21.5 billion, well exceeding the initial plan of ¥15 billion.

There is one more insight I would like to relay from my time traveling between sites in Japan and abroad in the last year. Spending this time on the front lines has reminded me of how well some of our Group businesses are steadily generating profits, even if they may not be so obvious in a summarized annual report. My time also revealed a great deal of new technologies and talented colleagues I had not

taken notice of before, something that has helped reform some of our new business policies and aided our ability to deploy best practices to other businesses. Though these revelations did not directly allow us to turn a profit in fiscal 2022, they underpin our determination in the coming year.

Future outlook

Selection and concentration of business at the core of our new Medium-term Business Plan

We are entering a new Medium-term Business Plan period as of fiscal 2023 (see page 18 for details). The most fundamental of our priority policies in this plan is

strengthening our balance sheet and ability to generate cash flow to extract ourselves from our present deficit. This policy is paired with a key focus on selection, concentration, and structural reforms in our businesses so as to establish a foundation for growth toward fiscal 2025 and beyond.

In the selection and concentration of business, we have recategorized all businesses to fit in one of the following four categories: strengthening businesses, maintaining profit businesses, non-focused businesses, and direction-changing businesses. This new categorization is designed to allow us to clearly indicate the roles and responsibilities of each business and the criteria

Business positioning in the new Medium-term Business Plan

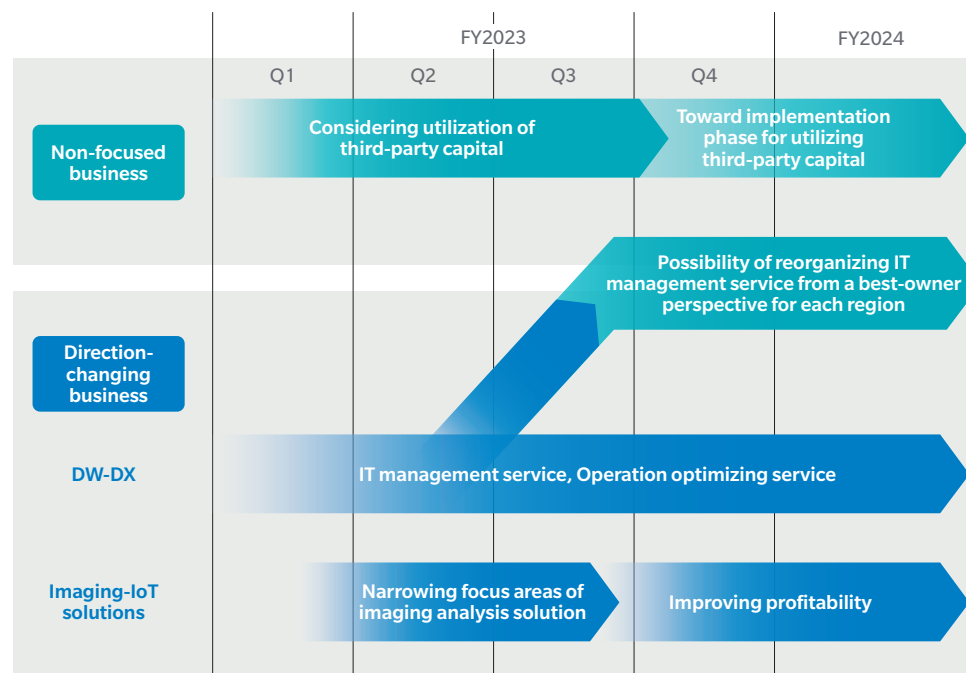
Industry Healthcare Professional Print Digital Workplace

	Direction	Relevant businesses
Strengthening business	Expanding businesses to drive greater corporate growth	<ul style="list-style-type: none"> Strengthening areas for Industry*1 Strengthening areas for Professional Print*2 Healthcare (Medical imaging)
Maintaining profit business	Stable generation of cash	Office
Non-focused business	Use of third-party capital, etc.	<ul style="list-style-type: none"> Marketing services Precision medicine Optical components (non-industrial applications)
Direction-changing business	Redesignation of strategic direction for growth	<ul style="list-style-type: none"> Imaging-IoT solutions DW-DX

*1 Strengthening areas for Industry: Sensing, performance materials, IJ components, and optical components (industrial applications)

*2 Strengthening areas for Professional Print: Production print and Industrial print

Milestones: non-focused and direction-changing businesses



Message from the CEO

for re-allocating resources to or from each, whereas our previous quadrant-based matrix was part of an omnidirectional growth policy.

What is most important to note here is that the new strategic businesses, as defined in the previous Medium-term Business Plan, have been reclassified to either non-focused businesses or direction-changing businesses since they have not been keeping up with the growth strategies laid out for them. More specifically, our precision medicine business, despite its presence in a promising growth field with significant potential contribution to society, has been classified as a non-focused business. Furthermore, an assessment of its compatibility with our growth strategy and the need for additional investment has resulted in a move to consider methods to raise third-party capital to support the business, including potential business transfer to another entity and/or public listing on a U.S. equity market. In addition, we decided to remove our domestic subsidiary within the marketing services business from the scope of consolidation in April 2023 through a third-party joint venture agreement.

Two businesses have been classified as direction-changing businesses: DW-DX and imaging-IoT solutions. Within DW-DX are our operation optimizing services and IT management businesses. We are examining potential regional changes in the latter, including as a best possible owner, given its limited synergy with our office business and development resources. As for imaging-IoT solutions, we will narrow our focus areas in image analysis solutions to outdoor and thermal utilization areas in Europe and North America. Through these activities in both businesses, we are accelerating our work toward greater overall profitability.

Driving growth through priority resource allocation to strengthening businesses

Our Industry, Professional Print, and medical imaging businesses have been defined as strengthening businesses, which are to drive growth for the Group. In

order to facilitate their role in our growth, we will focus our management resources in these areas to continue building strengths from the previous Medium-term Business Plan period and achieve further growth in revenue and profits.

Within the particularly profitable Industry Business, we are working to expand our business and achieve cross-domain technology synergies in a number of domains for strengthening, including sensing, performance materials, IJ components, and optical components. In growth areas such as displays, mobility, and semiconductor manufacturing, we believe that we can generate business that is more closely tied to our customers by maximizing our relationships with each and our technological assets across the entire business. We have already launched a dedicated organization for this purpose in April 2023, which is practicing cross-functional activities to achieve our goals in this area (see page 49 for details).

In the Professional Print Business, the digital printing market is enjoying steady expansion in both commercial and industrial applications as the pool of available skilled technicians shrinks around the world and as customers become increasingly mindful of the environment. Thanks to these favorable conditions, we are able to utilize our extensive network of contact, not only with printing companies but also with those ordering printed materials (brand owners), logistics companies, and other sites throughout the printing supply chain, to help customers go digital in their processes, providing additional value in automation, labor savings, and remote operations (see page 55 for details).

So too does the medical imaging business offer greater business opportunities going forward, and we will aim to capture this and achieve growth with a focus on high-value-added imaging and IT solutions, built on the foundations of our brand power and firm customer base cultivated since the days of X-ray films (see page 53 for details).

On the other hand, we must consider the accelerating shift away from printing as to how it affects our office business, classified as a maintaining profit business in the



new Medium-term Business Plan. This more rapid shift, accelerated beyond the gradual pace we anticipated by the COVID-19 pandemic, has forced us to assess the impact on this business from the shift to hybrid remote-office work systems going forward. Understanding this, we are working to restructure our business model in this area to ensure a certain profit level and cash flow even if print volume declines through broader use of our unique billing model, transformation in our sales and service operations, and reducing manufacturing costs (see page 57 for details).

Utmost focus on ROE for maximum corporate value

Our new Medium-term Business Plan adopts an approach of challenging and achievable management, establishing achievable plans incorporating a balance of risks and opportunities.

Message from the CEO

For our financial targets, these plans include Company-wide targets to achieve revenue of ¥1.2 trillion, business contribution profit ratio of 5% or more, and ROE of 5% or more in fiscal 2025.

While we do not intend to significantly grow our revenue in and of itself, we are planning to make significant changes to its composition. We expect a gradual decline in sales from the office business and given this we will expand our high-margin strengthening businesses, boosting their revenue to ¥500 billion by fiscal 2025 and making their share of total business contribution profit around 75%, thereby improving the profitability of the entire Company (see page 20 for details).

Among our financial targets in the Medium-term Business Plan, we are placing our utmost focus on ROE in the interest of maximizing corporate value. Given that we have recorded a loss attributable to the owners of the Company for the past several years, our priority is indeed to return to profitability in fiscal 2023, but within this

priority, we see ROE of 5% or more, our fiscal 2025 target, as the bare minimum. We will work to achieve the 5% level as soon as possible and work to reach an 8% ROE at an early stage within the next Medium-term Business Plan period at the latest.

In order to improve ROE, we believe it is necessary to go beyond revenue and profits to also improve financial soundness. Our targets in this area include a total asset turnover ratio of 1.0 and financial leverage of 2.0 times. To ensure a more effective policy, we have decided to incorporate ROE with a significant 80% weighting in evaluations for medium-term stock bonus for Directors and Executive Officers, which are linked to performance (see page 69 for details).

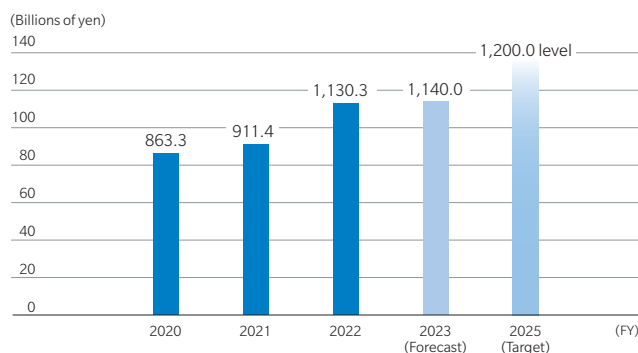
As for the future outlook in our new Medium-term Business Plan, the first year's performance is an area of great interest for us. In fiscal 2023, ¥18 billion is our operating profit target, and this is the absolute minimum level we need to achieve, even if there are some changes in

the environment around us. The key will be how far we can exceed this level. Overall, we are committed first to achieving a return to profitability, a goal we did not achieve in fiscal 2022, to restore confidence to the Group as a whole, and then to aim for a new growth trajectory. Furthermore, we are working to enhance our cash generation ability and offer more robust dividends and other shareholder returns.

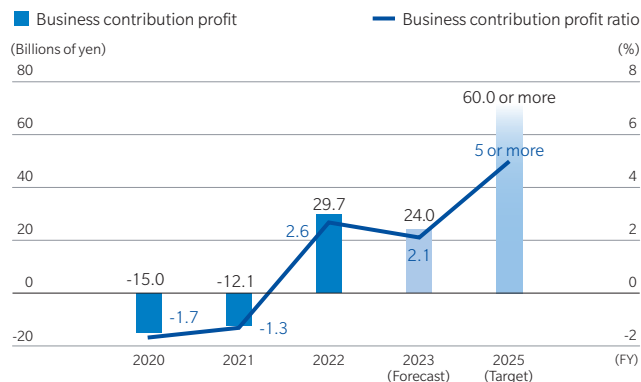
Sustainability at the heart of management

Since the 2003 management integration that created the Konica Minolta of today, sustainability has been at the heart of the Group's management. In 2020, when we envisioned what society would be like a decade later in 2030, we used this illustration to backcast and identify five material issues for the Group. Though there is an urgent need to restore our performance in the challenging business environment we face today, our management policy remains

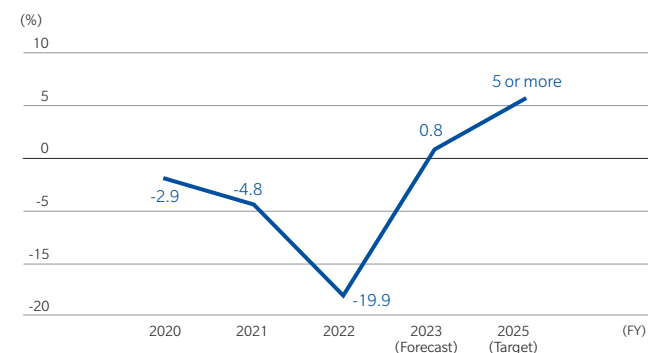
Revenue



Business contribution profit



ROE



Message from the CEO

unchanged: we will aim to enhance our corporate value over the medium-to long-term by contributing to solving social issues through our business activities based on the aforementioned five material issues.

In fiscal 2022, we established new environmental targets for addressing climate change, one of our material issues. Even before that and in advance of our peers, we established a bold target of reaching Carbon Minus status by fiscal 2030 in fiscal 2017, and have even moved forward this target's achievement year to fiscal 2025. Carbon Minus refers to the state of using our businesses to help reduce CO₂ emitted not only by us but also by our customers and society as a whole across Scopes 1, 2, and 3, and the goal of thereby reaching negative total CO₂ emissions. We will

achieve this, and simultaneously grow our earnings, through unprecedented work to pitch the emissions-reducing environmental value of our office, Professional Print, and other businesses. Also, we have set a target to achieve Net Zero CO₂ emissions across Scopes 1, 2, and 3 by fiscal 2050, and we are accelerating reductions in Konica Minolta product lifecycles. Separately, with regard to the material issue of using limited resources effectively, we have set a new target of reducing natural resource use in our products by 90% from fiscal 2019 levels by fiscal 2050, and have been taking measures to achieve the target (see page 25 for details).

One element not yet mentioned that is absolutely essential for sustainable corporate growth is human capital. Even the very best high-level strategies are nothing without the employees on the frontlines who actually implement them and make them work, and we are therefore committed to supporting and uplifting our talent to instill passion and pride in their work. Our global employee survey will absorb employee feedback for driving greater organizational capability, with a goal of achieving the industry average employee engagement score of 7.7 in fiscal 2025, and reaching the top 25% of industry peers in fiscal 2030 (see page 41 for details).

In order for our management to more profoundly commit to addressing climate change, and supporting and uplifting human capital, we have incorporated our CO₂ emissions reduction rate and employee engagement score in evaluations for medium-term stock bonuses (performance-linked) for Directors and Executive Officers as of fiscal 2023 (see page 69 for details). This will help make our officers more mindful not only of ROE and other financial targets, but also building greater non-financial capital, and will lead to further enhancement of corporate value.

Holding our new course toward reestablishing steady growth

Since assuming office as President, I have always been mindful of the need to engage in forward-looking discussions to pave the way for the future, and at the same time, to be resolute and make cool, collected decisions in the interest of the company's future based on the facts of the matter rather than be shackled by historic precedent. In my discussions with our executive management, I have asked them to also break with the past, focusing on building an organization with the dynamism to be resilient and adaptable in the face of environmental changes.

Our work to make the Board of Directors a place that fosters frank, interactive discussions, including not only our regular monthly meetings but also informal open discussions in the form of roundtable meetings, is also part of this effort. These environmental changes have resulted in more profound and preemptive discussions among board members, including outside directors, and consequently the raising of several helpful suggestions as to the Group's management. Discussions were especially insightful in shaping the decision to adjusting management policies in the new Medium-term Business Plan, as well as in record an impairment loss for fiscal 2022.

Fiscal 2023 marks not only the first year of our new Medium-term Business Plan, but also the 150th anniversary of our company's founding and the 20th anniversary of our management integration. My aim is to make this year one that is remembered as a major turning point toward a new beginning for Konica Minolta, and I am fully committed to using our past reflections and learning for the betterment of our management and steadily returning us to a growth trajectory under the guidance of the new Medium-term Business Plan.

As we take these steps forward, I humbly ask for your ongoing support and understanding, whether shareholder, investor, customer, or employee.





The directors and the executive team are working together to achieve the new Medium-term Business Plan

Soichiro Sakuma Independent Outside Director

Mr. Sakuma was involved in the management of the manufacturing industry for many years at Nippon Steel Corporation and Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation) and has extensive experience and knowledge as a corporate manager.

He became an Outside Director of the Company in June 2020 and Chairperson of the Corporate Governance Committee in June 2023.

Chikatomo Kenneth Hodo Independent Outside Director

Mr. Hodo has been involved in the management of Accenture Japan Ltd, which provides management consulting and IT services, for many years, and has extensive experience as a corporate manager and extensive knowledge of digital business.

He became an Outside Director of the Company in June 2018 and the Chairperson of the Board of Directors in June 2022.

Evaluation of the Previous Medium-term Business Plan

— How do you evaluate the results of the previous Medium-term Business Plan “DX2022”?

Hodo: In order to evaluate the results of “DX2022,” it is necessary to consider not only the three-year planning period, but also a long span going back to the previous plan. From such a big picture perspective, the big milestone for our company was “TRANSFORM 2016,” which started in fiscal 2014. Since then, for a total of nine years, through “SHINKA 2019” and “DX2022,” we have been working to shift away from a business portfolio that relied on the MFP business.

Sakuma: That’s right, we have consistently sought to transform our portfolio and establish the following pillars from new business areas.

Hodo: Under “DX2022,” it was the time to harvest concrete results in the precision medicine business, the imaging-IoT solution business, and the DW-DX business including the Workplace Hub as a completion of the portfolio transformation. However, we were exposed to headwinds such as the US-China trade friction and the spread of the COVID-19 pandemic, and we were unable to achieve the results we expected. In addition, there were internal factors such as the accident at the toner factory. As a result of these effects, we recorded a continued deficit.

Sakuma: Under “DX2022,” although we set an operating profit target of 55 billion yen for the final fiscal year, we finally posted an operating loss of 95.1 billion yen. Results are the most important thing for management, and this fiscal year we are in a situation where we absolutely cannot accept any result other than a positive operating profit. However, looking at the performance of the final fiscal year of 2022, the business contribution profit has improved significantly from the previous fiscal year, and it has turned a profit. In this way, while we are in a tight situation, I think we have shown in the final year of the plan that the earning power of the business is definitely improving and performance can be reversed in the future.

Discussion with Outside Directors

Hodo: Looking back, the US-China conflict intensified since around October 2018, and since then, the gap between planned values and actual results has begun to widen. Our response to the change in the situation ultimately caused us to miss the opportunity and affected the trust from the market and the confidence of employees. I feel that from the fiscal year 2022, when President Taiko took office, we have been able to achieve the committed measures and target figures.

Sakuma: President Taiko himself said, “We will strive to increase our ability to execute and to receive positive evaluations from stakeholders for our challenging and achievable management,” but I think it should be appreciated that the divergence between budget and performance has narrowed despite the impact of environmental changes.

Konica Minolta’s Strengths

— What do you think are the Company’s strengths for improving the competitiveness of the business in the future?

Sakuma: I think that it is in our “quality of manufacturing” backed by advanced and diverse technical skills. Even if you look around the world, it is very rare for a company to have advanced technology in both mechanical and chemical aspects. I am also from a manufacturing background, so I have met with various suppliers and peers, but I can’t think of many other companies with these qualities. This strength has led to the development of digital products such as a



mobile X-ray system featuring a wireless dynamic digital radiography function, as well as label printers and textile printers.

Hodo: The company I run also uses Konica Minolta MFPs, and I feel that it is a product that really combines various technologies such as mechanical, optical, electronics, network, chemical, and nanotechnology. In addition, when developing new materials, Konica Minolta is boldly challenging the cutting-edge fields of the era, such as using material informatics.

Sakuma: In addition, we have built a global sales and service network, mainly in Europe and the United States, and have contacts with customers in various industries around the world, which is a major strength that no other company has.

Hodo: As you said, it is also our strength that we can develop markets from a technological starting point and expand them globally. I think that one of our points of differentiation is that we can provide functions that meet the needs of the market in a timely manner by taking advantage of our software engineers stationed in various regions of the world, in addition to our sales and customer service staff.

Probability of the New Medium-term Business Plan

— What kind of discussions did the Board of Directors have when formulating the Medium-term Business Plan (Fiscal 2023-2025)?

Hodo: Under the traditional planning process, the executive side developed the content to a near-final state before presenting it to the Board of Directors, but this time the Outside Directors also joined the discussion from the draft stage and considered the contents. Discussions began around the end of the summer of 2022 and ultimately took until May 2023. The economic environment and the competitive environment changed along the way, and there were ups and downs, but I think that as a result, we were able to have a more profound and enriching discussion from a multifaceted perspective.

Sakuma: In the new Medium-term Business Plan, we will review the positioning of each business and first promote business selection and concentration in the two years of fiscal 2023 and

fiscal 2024. In particular, I think it was a big decision to change some of the businesses that have previously been positioned as strategic new businesses to “non-focused businesses” and “direction-changing businesses.” As a result of this review, it has become very clear what each business is aiming for.

Hodo: Although this Medium-term Business Plan has no title, we will make a new start after summarizing the nine years of efforts from “TRANSFORM 2016” to “DX2022,” and with the message of “making the most of past reflections and learning in management,” we have taken “break with the past” as a keyword.

Sakuma: I know it well because I have worked in companies for a long time, but “break with the past” is an extremely strong statement for business people. I think it was very courageous to use this phrase in the announcement materials of the Medium-term Business Plan. This phrase was incorporated in a way that encouraged us to make this decision.

Hodo: Looking back on our history so far, we have a track record of transforming our business portfolio even after withdrawing from our original camera and film business, and in fact, we are a company that is not too afraid of change. We believe that the next three years are a stage of preparation for a new journey to increase corporate value in the medium and long term.

— What is your opinion on the setting of the management goals?

Sakuma: In the current Medium-term Business Plan, restoring trust from stakeholders and restoring employee confidence are of paramount importance, and these are also the basis for setting the management goals. Although it may seem like a somewhat conservative goal setting from the market’s perspective, I think it is an appropriate goal given the current situation of our company.

Hodo: After a decline in performance, everyone hopes to have a V-shaped recovery, but even if you can turn a profit in 1-2 years, it takes time to become a leader in the industry. Therefore, I think that this Medium-term Business Plan is the first step to make a big jump in the future. I believe that the direction and goal setting of the plan have a good probability, but we must work with a sense of speed in their implementation.

Discussion with Outside Directors

Sakuma: Among our financial targets for fiscal 2025, scaling up the sales of the strengthening businesses to 500 billion yen and maintaining high profitability in these businesses is by no means an easy goal – it is very challenging. ROE of 5% or more will also be a great improvement, but it is true that some people still say that this is still not enough. Therefore, in order to regain the trust of stakeholders, we must do everything possible to achieve it, and by doing this, we should be able to restore the confidence of employees.

— Please tell us what your intention was to incorporate the non-financial targets of “CO₂ emission reduction rate” and “employee engagement score” into the evaluation criteria for executive compensation in the current plan.

Sakuma: Compared to the financial targets, for the non-financial targets the direct correlation between “management efforts” and “goal achievement” is weak, so various opinions were also expressed in the Compensation Committee. For example, although we are working to contribute to environmental issues through our business, our own CO₂ emissions will decrease if sales and production fall, even if management does not make efforts. However, this does not mean that you have really achieved your goal.

Hodo: If you achieve your non-financial goals well, but do not achieve your financial goals, in the end, it will not lead to an increase in corporate value.

Sakuma: So, this requires a decoupling perspective regarding CO₂ emissions. You must decouple your energy consumption from increased sales and production and have the Compensation Committee monitor whether the Company is achieving its goals through proactive management efforts.

Hodo: I am focusing on the “employee engagement score” in particular. I think this will be key for us to continue to achieve our financial goals in the future. This is because there is a big difference in final performance between a company that has highly motivated human capital and one that does not, given the same employee abilities. Thoroughly assessing each employee’s abilities while increasing engagement and bringing everyone’s strengths together to point in the same direction can lead to

stronger executive power. In other words, the realization of human capital transformation is a major issue for the future, and the Board of Directors will continue to monitor the progress of this aspect thoroughly.

Evolution of Corporate Governance

— Since fiscal 2022, an Outside Director has become the Chairperson of the Board of Directors. How has the Board of Directors changed in the past year?

Sakuma: Since Outside Director Hodo assumed the Chairperson, I feel that the awareness on the executive side of “Let’s discuss from the perspective of the Outside Directors” has become even stronger. As a result, I think we can have lively discussions from an even standpoint.

Hodo: As Mr. Sakuma said, in the past, there were many cases where Outside Directors asked questions and executives answered them, but recently, this has changed to a place where we can have more in-depth discussions beyond internal and external positions. As a result, I think that the style of formulating measures together with the executive side and the directors has become clear.

Sakuma: Isn’t it because the answer to the question “What does the President want from the Board of Directors discussions” has changed? Traditionally, the executive side finalized the policy and then the Board of Directors verified and approved it, but since last year, we have adopted a style where the executive side presents multiple options and we discuss them and determine the policy at the Board of Directors.

Hodo: In addition, since last year, we have held meetings only for Outside Directors once a month. If an Outside Director wants to ask “what about this point?” there may be a lack of information and accurate questions and opinions may not be possible on the spot. That’s why we share everyone’s questions and opinions at this meeting, and feed them back to the next board meeting to make the discussions even more lively.

Sakuma: Moreover, the decisive difference from two years ago is that the Board of Directors is now composed of a majority of Outside Directors. In other words, if the opinions of internal and



Outside Directors diverge, the outside opinions win. For the executive side, there is a sense of tension that agenda items that can convince the Outside Directors must be drafted and fully explained. Of course, the responsibilities of Outside Directors have become even heavier and we must be aware of this and face these responsibilities with a higher level of tension.

— Why did you establish a new Corporate Governance Committee?

Sakuma: Konica Minolta was one of the first companies in Japan to become a Company with Three Committees, and since last fiscal year, Outside Directors, including the Chairperson, have occupied a majority of the Board of Directors, which is an example of the way we have built an advanced and exemplary corporate governance system. However, currently this has not been accompanied by performance, and the problem awareness of what should be done to fill this gap was the starting point for the establishment of the committee. In addition, one of the reasons was that we had not discussed the form of governance itself for a while.

Hodo: Since the Company transitioned to the current institutional design in 2003, the Nominating, Audit, and Compensation Committees have continued their own rules of not appointing the President to the committee from the viewpoint of increasing independence. This fiscal year, there are no members who have the experience of being President of Konica Minolta,

Discussion with Outside Directors

and agenda items related to nomination and compensation are discussed by a majority of Outside Directors. Even for important proposals such as the approval of the Medium-term Business Plan, since last fiscal year, decisions have been made by a Board of Directors that consists of a majority of Outside Directors. It is no exaggeration to say that this is the frontier of corporate governance in Japan. However, as long as there is no example to follow, you need to verify for yourself whether this mechanism is really working. For example, there may be a variety of options regarding the balance of management and monitoring on the Board of Directors, and the skill set of the directors, but we must find out what is best for our company to achieve proper results.

Sakuma: Even in the OECD's Principles of Corporate Governance revised this year, only the broad concept is shown, and each company has to create a system that suits itself with regard to specific mechanisms. In short, there is no such thing as a definite "silver bullet" in corporate governance, so we must think about the system ourselves. I believe that it is the mission of the Committee to consider what kind of governance is best based on the situation we are in and our vision for the future.

Hodo: Of course, it is not written in the Japanese corporate governance code, so I would like us to become a company that can embody pioneering best practices.



Sakuma: In addition, the President is not a member in the Nominating, Audit, or Compensation Committees, but he does participate in the Corporate Governance Committee as a member. I think this is a very good mechanism. The committee also plays a role in filling certain gaps, such as discussing various themes that are difficult to discuss at the Board of Directors and other committees, so it is a good opportunity to deepen our understanding of the President's true feelings and execution side opinions on various topics that cannot be discussed elsewhere.

— How do you plan to work as an Outside Director to achieve the new Medium-term Business Plan?

Sakuma: The fiscal 2023 results are overwhelmingly important. Based on the fact that performance in the past two years was at a critical level, we must achieve an operating profit of 18 billion yen in fiscal 2023.

Hodo: We will monitor various KPIs set to achieve that goal, but the external environment and competitive environment will change rapidly during the planning period, so it is important to handle the situation flexibly. When there is a risk that the plan will be delayed due to environmental changes, it is necessary to take additional measures quickly and adjust the goals accordingly.

Sakuma: There will always be environmental changes in the future. Since you can't control the environmental change itself, it is important to thoroughly implement measures that can be done by your own efforts, such as cost management. To that end, I believe that we must clarify our responsibility for cost management and put in place a management system to execute this more efficiently as soon as possible.

Hodo: In order to get out of the current crisis mode, it is important that we securely expand the strengthening businesses. Regarding the Industry Business in particular, the basic policy and action items have been clarified, and we will enter a stage where we will incorporate specific measures such as how to develop and strengthen the business in the future. We will also closely monitor the formulation and implementation of these measures.



Sakuma: Although we did not achieve "DX2022", we believe that the Industry Business has the potential to grow into a pillar of our Company in the future. We would like to work together so that we can exceed our targets in these strengthening business areas and accumulate as much as possible regarding the final goals of the Medium-term Business Plan.

Hodo: To achieve this, it is important to strengthen the execution ability of the entire company. In addition to optimizing the allocation of human capital, we must firmly establish the associated internal investment allocation and circulation mechanism, and constantly revitalize the business organization. In order to grasp such an execution situation in detail, this fiscal year I would like to visit various business sites and reduce the sense of distance between Directors and the executive team. After correctly understanding the actual situation, I would like to thoroughly discuss the mechanism of corporate governance that directly leads to improving performance and measures to strengthen executive ability at the Board of Directors and each committee, and contribute to the achievement of the Medium-term Business Plan.

Review of DX2022

In the Medium-term Business Plan "DX2022", which began in fiscal 2020, we have been working to restore the profitability of the office business that was greatly affected by the spread of the COVID-19, and to promote the building of businesses that will be the next mainstay after the office business.

Results of fiscal 2022 financial targets

In fiscal 2022, due to significant operating losses caused by the recording of impairment losses, the decrease in cash generation capacity, and the damage to equity, the profitability (operating profit, operating profit margin) and financial health (equity ratio, net Debt/EBITDA) targets of DX2022 could not be achieved.

Results and factors of fiscal 2022 priority policies

In fiscal 2022, we were aiming to restore the operating profit of the office business to the level of fiscal 2018, but on the demand side, print volume decreased due to the spread of the COVID-19, and on the supply side, profit declined due to the shortage of semiconductors and the lengthening of the transportation period. Although the supply recovered in the second half of fiscal 2022, print volume did not return to the level before the COVID-19, and we were unable to meet the annual target. On the other hand, we were able to implement structural reforms and maintain the level of SG&A in fiscal 2020.

In terms of costs, we achieved our goal of maintaining total fixed costs at the level of fiscal 2020 (based on local currency) by shifting human capital to growth areas while maintaining the total number of personnel.

In terms of portfolio transformation, we planned to accelerate profit improvement for strategic new businesses and make a profit in fiscal 2022. However, in the precision medicine, DW-DX, and imaging-IoT solutions businesses, although the factors behind the results were different, operating losses increased in fiscal 2022, and major challenges remain.

In response to the goal of accelerating the building of businesses that will be the next mainstay after the office business, the strengths of businesses such as sensing, IJ components, production print, industrial print, and medical imaging were harnessed to achieve growth, and operating profit increased by 26.3 billion yen from fiscal 2020 to fiscal 2022, exceeding the target. This profit contribution has been a major driving force and support for the formulation of policies in the new Medium-term Business Plan from fiscal 2023.

Results of fiscal 2022 financial targets

	Indicators	FY2022 management targets (Released on November 27, 2020)	FY2022 achievements
Profitability	Operating profit	55 billion yen	-95.1 billion yen (excluding 21.5 billion yen of impairment loss)
	Operating profit ratio	5.3%	— (excluding 1.9% impairment loss)
Financial health	Equity ratio	40% or higher	34.5%
	Equity ratio*	44% or higher	37.9%
	Net Debt/EBITDA*	2.0 or lower	-17.1

* rating purposes

Results and factors of fiscal 2022 priority policies

+ Targets achieved - Targets missed

FY 2022 priority policies (Released on November 27, 2020)	Results	Factors behind results
1. Operating profit for the office business recovered to fiscal 2018 level (48.4 billion yen)	Unachieved	- Reduced print volumes due to COVID-19, semiconductor shortages and longer transportation times Toner supply shortage due to toner factory accidents (internal factor)
		+ Structural reforms carried out and results achieved
2. Maintain fiscal 2020 level of total fixed costs	Achieved	+ Level maintained (based on local currency)
3. Improve profits in new businesses at a faster pace FY 2020-->2022: Profitable from operating profit -21 billion yen	-23.7 billion yen (excluding impairment loss)	- Precision medicine Slow growth for the number of genetic testing samples and delays in clinical trials due to the COVID-19 pandemic Collaboration with third parties in genetic field was not achieved • DW-DX Delays to growth of high profit services, increase in SG&A expenses • Imaging-IoT solutions Deterioration in profit margin of MOBOTIX AG due to spike in semiconductor parts Delays in use of VMS (Video Management System)
		+ Identifying non focused businesses and pursuing utilization of third party capital
4. Accelerated pace for building business that will be the next mainstay after the office business FY 2020-->2022: Increasing operating profit by 23.5 billion yen	Achieved, increased by 26.3 billion yen	+ Growth in sensing, IJ components, production print, industrial print, and medical imaging

New Medium-Term Business Plan

Awareness of Issues in Formulating the New Medium-Term Business Plan

Breaking away from the past, reviewing the positioning of strategic new businesses, and working on selection and concentration of businesses

Improving the balance sheet and cash generating capability as urgent tasks

New Medium-term Business Plan (FY2023–2025)

Basic Policies

Challenging and achievable management

We will no longer devise plans that can only be achieved under optimal conditions, and will steadily implement plans that can realistically be achieved to restore confidence and trust.

Return to a highly profitable company

- FY2022 (Previous Medium-term Business Plan):
Recorded impairment losses to eliminate balance sheet risk
Achieved initial forecast for operating profit without impairment losses
- FY2023–2024: Implementing business selection and concentration
- FY2025: Establishing foundation for growth

Strengthening business profitability

▶ P19-20

Business selection and concentration

Reallocation of resources in strengthening businesses

Maintaining profitability in the office business

Structural reforms implemented to reinforce profit foundation

▶ P22-24

Reduction in operating costs

Reinforcement of financial foundation and emphasis on cash generation

Reinforcement of business management system

▶ P24

Clarification of business performance

Accelerate selection and concentration

Selection and Concentration of Business—Rethinking the Role of Each Business

In the previous Medium-term Business Plan, we classified our businesses according to their growth potential and profitability and tried to expand each business. In the current Medium-term Business Plan, to determine which businesses to select and concentrate on, we have reorganized our businesses into four categories—strengthening businesses, maintaining profit businesses, non-focused businesses, and direction-changing businesses—and have further clarified their roles and our expectations for these businesses. Also, strengthening the business management system will increase the transparency of each business’s performance, and we will be implementing business selection and concentration in fiscal 2023-2024. This will extract value from our business assets, thus increasing our corporate value.

- Businesses designated as “strengthening businesses” will be driving the Company’s growth through their further expansion fed by their successes during the previous Medium-term Business Plan.
- Office business designated as “maintaining profit businesses” will be responsible for generating stable cash flows.
- For “non-focused businesses,” although we recognize the growth prospects of their markets and the social value of business activities, we have determined that in terms of ownership, it may be best for these businesses to be capitalized by a third party.
- With regard to “direction-changing businesses,” although we had previously invested in these businesses because we had considered them to be strategic new businesses, due to their continued low profitability, we will be monitoring each business’s quarterly performance in fiscal 2023 so that we can redesignate their future direction.

	Industry Business ▶ p.49	Healthcare Business ▶ p.53	Professional Print Business ▶ p.55	Digital Workplace Business ▶ p.57
Strengthening business Drive our growth through business expansion	Sensing Performance materials IJ (inkjet) components Optical components (for industrial use)	Healthcare (medical imaging)	Production print Industrial print	
Maintaining profit business Stable generation of cash				Office
Non-focused business Use of third party capital, etc.	Optical components (for non-industrial use)	Precision medicine	Marketing services	
Direction-changing business Redesignation of strategic direction for growth	Imaging-IoT solutions			DW-DX

Our Goals for Fiscal 2025

Main Financial Indicators

Achieve ROE of 5% as soon as possible, then aim for ROE of at least 8% during the next Medium-term Business Plan

For strengthening businesses, where we will be concentrating our efforts through fiscal 2025, we have set goals of 500 billion yen in revenues and a business contribution profit ratio* of 11%-13%. Increasing the business contribution profit ratio of the Company's highly profitable strengthening businesses will enable us to raise the business contribution profit ratio for the entire Company to 5% or more, so that we will achieve ROE of 5% or more by fiscal 2025 and then reach ROE of 8% or more during the next Medium-term Business Plan that starts in fiscal 2026.

* Business contribution profit is a Konica Minolta-original index, defined as profit determined by subtracting sales cost and SG&A from revenue.

Main Financial Indicators to Be Achieved by FY2025

		FY2022 results	FY2025 plan
Revenue	Strengthening business* ²	418.4 billion yen	500 billion yen
	Company-wide	1,130.4 billion yen	1,200 billion yen level
Business contribution profit ratio*¹	Strengthening business* ²	11.5%	11%–13%
	Company-wide	2.6%	5% or higher
ROE		-19.9%	5% or higher
FOREX (Yen)	US	135.5	135.0
	EURO	141.0	140.0

*¹ Business contribution profit is stated at the figure after adjustment for head office expenses.

*² Strengthening Business: Industry (sensing, performance materials, IJ components, and optical components), medical imaging, and Professional Print (production print and industrial print)

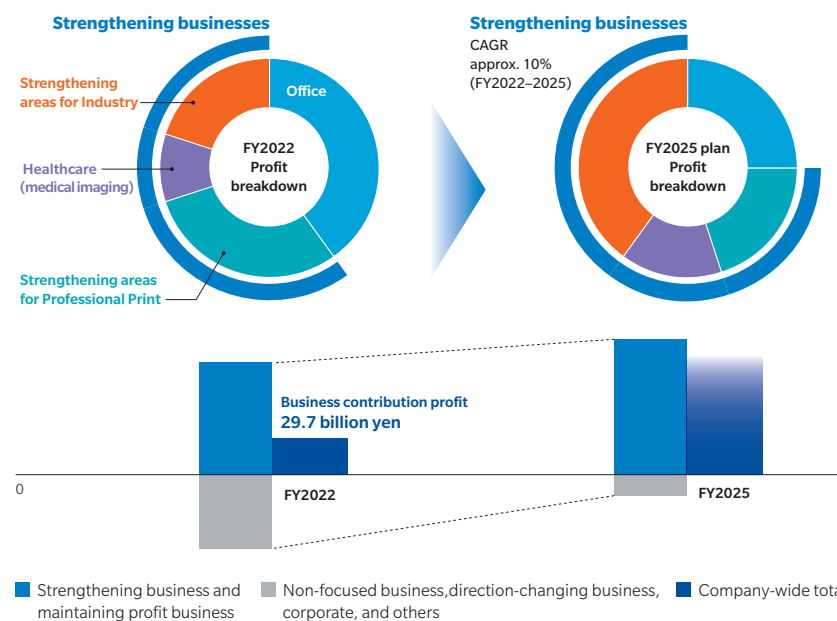
Business Contribution Profit

Expand company-wide business contribution profit by developing strengthening businesses, improving the profitability of low-profit businesses, and reducing head office expenses

In fiscal 2022, business contribution profit was 29.7 billion yen (profitability ratio of 2.6%). As our goal is to increase the business contribution profit ratio to 5% or more by fiscal 2025, our growth will be driven by strengthening businesses. We anticipate that the business contribution profit ratio of strengthening businesses will grow at an annual average rate (during fiscal 2022–2025) of about 10%, and we will expand the strengthening businesses within our Industry Business. Protecting the earnings of the office business will underpin the earnings of the entire Company.

We will also work to increase Company-wide profitability by minimizing the negative factors in our business contribution profit through reducing head office expenses and improving the profitability of our non-focused businesses and direction-changing businesses.

Image of Breakdown of Business Contribution Profit in Fiscal 2025



Our Vision for Fiscal 2025— Toward Maximized Corporate Values

Target ROE

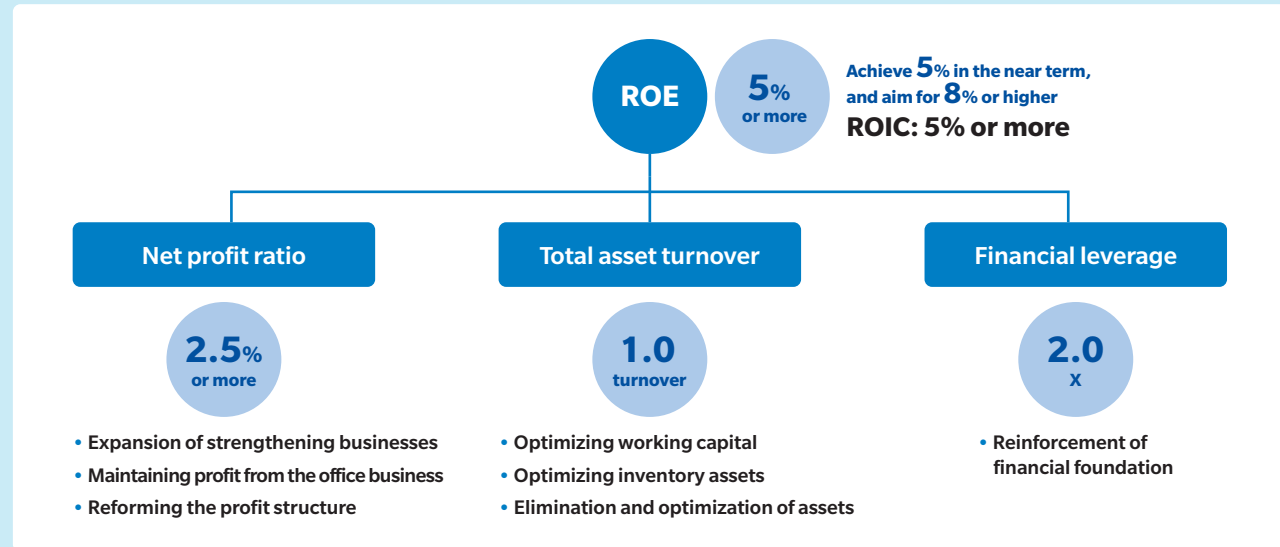
The highest-priority goal in our vision for fiscal 2025 is to improve our ROE. The driver for this will be better profitability, and through business selection and concentration, we aim to raise our net profit ratio to 2.5% or more. Another goal is to improve our asset turnover rate to 1.0x by optimizing our working capital and inventory assets and our financial leverage to 2.0x by building a well-balanced financial foundation, as we work toward achieving an ROE of at least 5% as soon as possible and of at least 8% in the future.

We are working to achieve an ROIC of 5% or more by improving these indicators.

Key Non-Financial Indicators

Better employee engagement: To enhance our business execution, we need to ascertain any workplace issues in the execution of our strategy and address them promptly. We are trying to improve engagement by being attentive to each and every one of our employees and taking immediate action to resolve any issues (see page 41 for details).

Reducing CO₂ emissions: Our efforts toward solving the problem of global climate change can only accomplish so much. We will grow our businesses by aiming for Net Zero emissions for those CO₂ emissions that are within the purview of our responsibility and to achieve Carbon Minus status by aggressively reducing global CO₂ through collaboration with our business partners, customers, and other stakeholders (see page 25 for details).



		FY2022 results	FY2025 plan	
Employee engagement score		6.6	7.7	
CO₂ emissions produced in Konica Minolta product lifecycle	Reductions compared to 2005	58%	61%	Achieving the Carbon Minus status
	Emissions	860,000 tons	800,000 tons	
Contribution to CO₂ reduction by customers and partners		600,000 tons	800,000 tons or more	

Financial Strategy

We will work to improve profitability and financial structure, achieve 5% ROE at an early stage, and aim to achieve 8% or more.

Yoshihiro Hirai

Director, Executive Vice President and Executive Officer



Fiscal 2022 Review

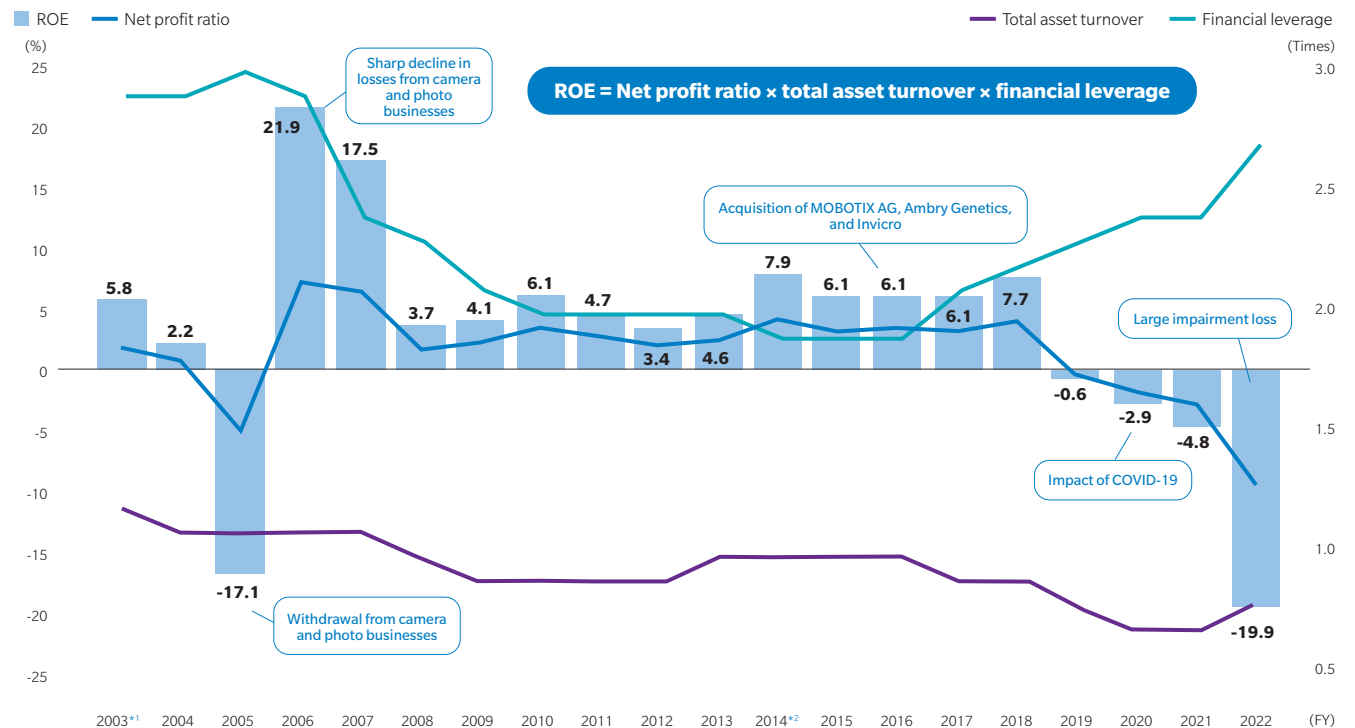
We need to Improve the financial balance through strengthening profitability and improving cash generation capacity

In the previous Medium-term Business Plan “DX2022” (fiscal 2020-2022), in addition to the impact on production due to the lockdown caused by the spread of COVID-19, the reduction in non-hardware sales of toner, etc. due to the decline in printing accompanying the acceleration of remote work, and the soaring prices of components and energy costs, the business environment continued to be harsh, for example the business was

severely affected by a shortage of toner supply due to an accident at the Konica Minolta Supplies Manufacturing Tatsuno Factory in fiscal 2021.

Even in such an environment, our consolidated sales in fiscal 2022 were ¥1,130.3 billion (+24% YoY), the highest since the business merger in 2003. By region, North America sales grew by about 44% compared to the previous year, Europe by about 27%, China by about 13%, and Japan by about 1%, demonstrating growth in all regions. In addition, considering the results by business, backorders were eliminated in the Digital Workplace and Professional Print Business due to the recovery in product supply, and sales volume increased, with both hardware and non-hardware revenue increasing year-on-year. In the Healthcare

ROE Fluctuations



*1: Due to the integration between Konica and Minolta, shareholders equity and net profits in FY2013 were pro forma basis.

*2: Adoption of IFRS in FY2014

Financial Strategy

Business, sales in Japan and the United States remained strong in medical imaging (healthcare), and sales in the precision medicine increased by 83% year-on-year due to an increase in the number of genetic tests. In contrast, in the Industry Business, while the sensing unit recorded a record high in sales, the performance materials unit experienced a decline in sales due to market inventory adjustments, and the entire business was slightly negative.

On the other hand, in considering the selection and concentration of the business, we conducted a detailed review of investments, focusing on past acquisitions, and conducted impairment tests based on international accounting standards. As a result, we recorded an impairment loss of a total of ¥116.6 billion, mainly for goodwill related to the precision medicine and goodwill related to imaging-IoT solutions. As a result, the operating loss in fiscal 2022 was ¥95.1 billion, and the net loss was ¥103.1 billion. Operating profit excluding impairment losses was ¥21.5 billion, exceeding the initial earnings forecast of ¥15 billion, and it can be said that the earning power of the business is recovering. However, ultimately, due to large impairment losses, the equity ratio at the end of fiscal 2022 fell to 34.5% (37.9% for rating purposes). In addition, interest-bearing liabilities increased due to the increase in inventory assets, the net D/E ratio has increased to 0.8, and the total asset turnover decreased to 0.8. Improving the financial balance by strengthening profitability and cash generation is an urgent issue.

In addition, in the financial results for fiscal 2022, we once again conflicted with the financial restriction clauses attached to some syndicated loan agreements concluded with multiple financial institutions in which we “pledged not to record operating losses for two consecutive periods.” However, the Group has received acknowledgement from all of the relevant institutions that they will not request the acceleration of payment due to that infringement.

Basic Policy for Financial Strategy in the Medium-term Business Plan

Improve the financial balance through improved profitability and asset efficiency, leading to enhancing corporate value

In the new Medium-term Business Plan (fiscal 2023-2025), we have established the following basic policies with the aims of “Challenging and achievable management” and “Return to a highly profitable company.”

- ① **Strengthening business profitability:** Selecting and concentrating the businesses, redistributing resources to strengthen the business, and maintaining the profitability of the office business
- ② **Strengthening the profit foundation:** Cost structure reform, financial base strengthening (asset efficiency improvement), cash-focused
- ③ **Strengthening the business management system:** Clarification of business performance, acceleration of selection and concentration

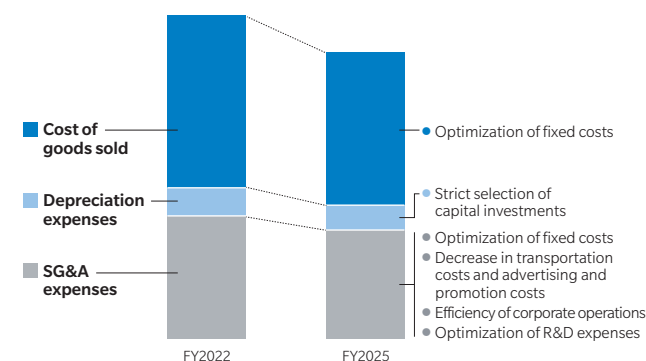
Strengthening business profitability

With regard to the strengthening of business profitability, each business will be newly positioned as a “Strengthening business,” “Maintaining profit business,” “Non-focused business,” and “Direction-changing business,” and we will endeavor to achieve results through measures in line with this approach.

Strengthening the profit foundation

In order to strengthen our profit foundation, we will strengthen our financial foundation and improve our cash generation capacity through cost structure reform and asset efficiency improvement, and aim to improve the company-wide business contribution profit margin that indicates the profitability of our main businesses from 2.6% in fiscal 2022 to 5% or more in fiscal 2025. In order to achieve this, as a cost structure reform, we will strive to reduce fixed costs by reviewing research and development themes, how we use human resources, more

Cost Structure Reforms

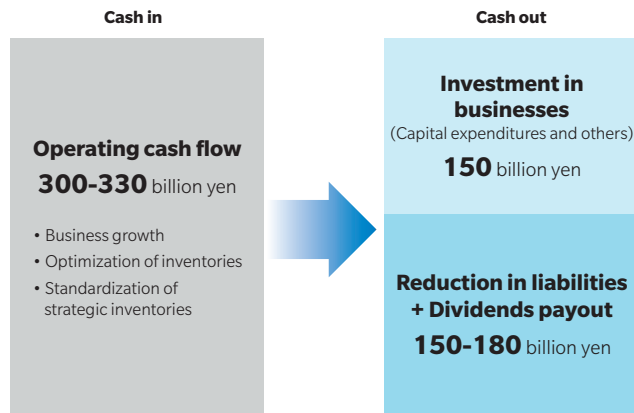


efficient corporate operations, and the functions of bases.

To strengthen the financial foundation and generate cash, going forward in addition to sales and profit, we will focus on instilling an awareness of the importance of cash and asset efficiency. Specifically, in addition to reviewing the business portfolio, we will work to improve asset efficiency by compressing working capital such as sales receivables and inventory assets, carefully selecting capital investment, organizing bases and real estate, and compressing interest-bearing liabilities, and increase the total asset turnover rate, which was 0.8 at the end of fiscal 2022, to 1.0 at the end of fiscal 2025. In particular, inventory assets that increased to ¥242.1 billion at the end of fiscal 2022 were intentionally held as strategic inventory to eliminate order backlogs during the COVID-19 pandemic, but we will review and level these inventory assets in the future.

In addition, as a capital allocation, we plan to create a cumulative operating cash inflow of ¥300 to ¥330 billion in the three years from fiscal 2023 to fiscal 2025, use ¥150 billion, which is about half of the obtained cash, for strategic business investment, and use ¥150 to ¥180 billion to reduce interest-bearing liabilities and distribute dividends to shareholders. With the reduction of interest-bearing liabilities, the net D/E ratio will be improved from 0.8 at the end of fiscal 2022 to 0.5 to 0.55 at the end of fiscal 2025, and the financial balance will be restored to an appropriate level.

Capital Allocation (Cumulative in FY2023-2025)



Strengthening the business management system

Regarding the business management system, we have historically had a process for evaluating investments when executing large investments, a mechanism for post-investment reviews, and a system to monitor the performance of each business*. However, given the large amount of impairment losses recorded in fiscal 2022, we recognize that the existing mechanisms were insufficient in terms of effectiveness. Therefore, we are working to review investment evaluations and business reviews, strengthen monitoring the risk of impairment losses, and change them to a system that allows us to quickly take action.

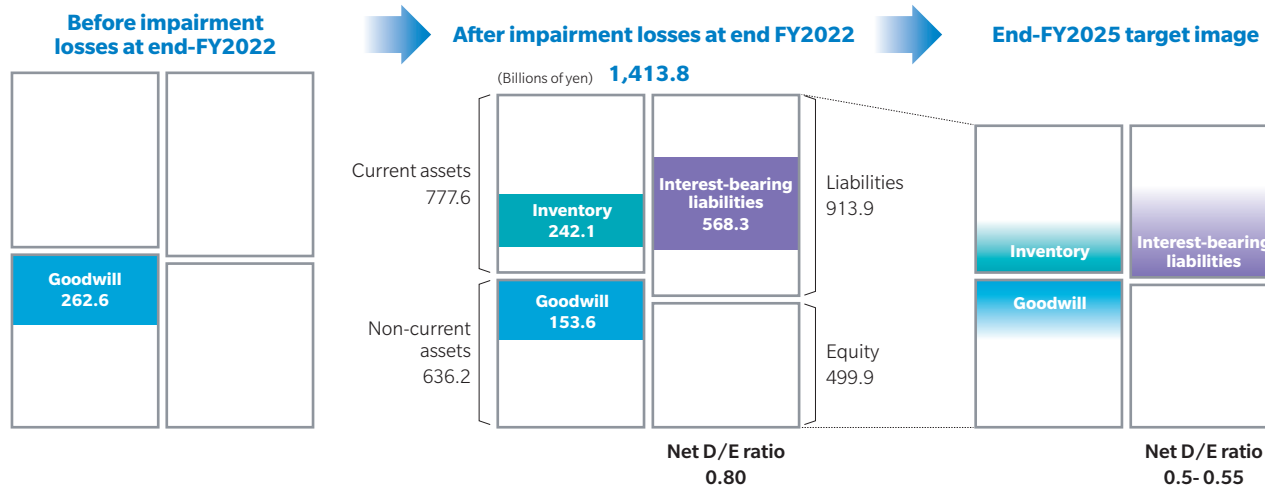
As a business investment policy, we will mainly invest in the strengthening businesses based on the capital obtained through asset compression mentioned above. Regarding investment evaluation, improvements will be made in the following areas: risk consideration at the time of investment decisions, formulation of PMI plans including backup plans, clarification of withdrawal criteria, and working to change periodic post-investment monitoring to enhance previous processes and achieve rapid case response, including withdrawals.

In addition, the review of businesses will establish more precise evaluation criteria based on the positioning of businesses, leading to specific actions that will contribute to the selection and concentration of business. Also, for the CGU (Cash Generating Units) businesses, which have large goodwill and intangible assets and are important to management, we will more rigorously examine the appropriateness of the business plans and KPIs we formulate, and monitor progress on a monthly basis. If we foresee that the initial plan will not be reached, we will take prompt measures to increase the likelihood of achieving the plan. If we determine that recovery is still difficult, we will reevaluate assets at the appropriate time.

With the above measures, we will improve profits, improve asset efficiency, and achieve ROE of 5% at an early stage. To achieve this, we aim to achieve a net profit ratio of 2.5% or more, a total asset turnover ratio of 1.0 times, and a financial leverage of 2.0 times. However, we will continue to promote capital efficiency and corporate value improvement, and aim to achieve a ROE of 8% or more in the future.

* A system that monitors investment capital income and financial conditions, etc. compared to business-specific ROICs and business-specific hurdle rates to determine business continuation or withdrawal, etc.

Improved Balance Sheet



Return of Profits to Shareholders

Aiming to both enhance corporate value and return profits to shareholders

In regards to dividends for fiscal 2022, in view of the deterioration of free cash flow due to the decline in shareholder's equity due to large impairment losses and the increase in working capital, the year-end dividend was not paid, and the annual dividend per share was ¥10.

Even in fiscal 2023, we must prioritize financial improvement, and the dividend outlook is no payment for the interim period and ¥5 for the year-end dividend per share. Based on the basic policy of the Medium-term Business Plan, we aim to further enhance corporate value and return profits to shareholders.

Growing our business while solving social and environmental issues

Noriyasu Kuzuhara

Director, Executive Vice President and Executive Officer
General Manager, Corporate Planning Headquarters



Since the integration of Konica and Minolta's management in 2003, sustainability has constantly been at our management's core

For Konica Minolta, sustainability means contributing to the realization of a sustainable society by solving social and environmental issues through its business activities, while growing as a company. In our view, we can achieve sustainable growth by solving social and environmental issues through economically rational business. Since the management integration in 2003, we have constantly positioned sustainability at the core of our management, seeking growth while helping to solve social and environmental issues based on this concept. In 2020, we evaluated the impact that social and environmental issues have on the Company from an opportunity and risk perspective with any eye toward creating a sustainable society that should be achieved in ten years, in 2030. By back-casting from there, we identified five material issues. We have maintained this basic approach in the new Medium-term Business Plan, which starts from fiscal 2023, and are pursuing the realization of material issues according to the new value creation process (see page 5 for details).

Achieving corporate growth by constantly cycling through the value creation process

In the new Medium-term Business Plan, we will continue to deploy and cycle through the value creation process by positioning "co-creation with customers" at the core. Our business is designed to create value by backcasting based on future social issues.

In this process, we especially focus on co-creation with customers through strengthening businesses. The source of our value creation is our close relationships with our customers and it increases the certainty that we remain profitable, and have a broad impact on society through those customers. We will provide even greater value to society by pursuing co-creation with our customers to address specific social and environmental issues, while further expanding business and achieving sustainable growth. Together with our customers, we seek to achieve a major social impact unachievable by our company alone by changing the industrial value chain focusing long-term on changes in end-users and society beyond our

customers. To this end, we will make greater use of our diverse human capital than ever before and integrate our technologies across businesses.

Achieving material issues through a new value creation process

Under the new process for value creation, we will achieve the following five material issues through our business activities: "Improving fulfillment in work and corporate dynamism," "Supporting healthy, high-quality living," "Ensuring social safety and security," "Addressing climate change," and "Using limited resources effectively."

For example, the vision of the Professional Print Business is to create a world where high value-added printed materials are efficiently used, and the environmental impact of printing is minimized by "shifting from analog to digital printing." Our digital printing system, which includes decorative printing, is labor saving, requires no high-skill to use, and enables remote operation, providing a substantial reduction in work time, and leading to a cleaner working environment at the printing site and a more creative and dynamic workplace. In addition, we seek to transform the entire printed materials supply chain, including our brand owner clients who pursue the potential of printing and the logistics sites that deliver printed materials. In the new Medium-term Business Plan, with the reduction of environmental impact now a global trend, we have set the digitalization of label printing, packaging printing, and textile printing as our areas of focus in the industrial printing field. Working together with our target customers, who are printing companies and brand owners that are strongly conscious of sustainability, we will grow our business through digitalization and create significant social and environmental value by focusing on manufacturing products that satisfy customers and can be used by professionals.

In the Healthcare Business, our mission is to "enable convenient and advanced medical care by advancing familiar modalities and IT services." We will contribute to "early diagnosis," "lower medical care costs," and "improved Quality of Life (QOL)" by advancing medical care through these two axes: 1) making the invisible visible through high-value-added imaging and enabling advanced medical care, and 2) supporting workflow reforms and greater operational efficiency in clinics using the power of medical IT.

Sustainability Strategy

This is how we will continue to be indispensable to our customers and society, we will maximize the use of our intangible assets, the source of our value creation, and co-create with our customers to not only contribute to society, but also to convert these assets into financial value and achieve business growth.

Toward business growth through environmental activities

Konica Minolta has extensive experience accumulated over the years to help it achieve its long-term vision. To reduce the environmental impact that we are responsible for, such as product lifecycle CO₂ emissions, we conduct Green Factory activities to promote energy-saving, decarbonization, and conserving energy in our production processes, and Green Products activities to promote the environmental friendliness of our products, such as reducing their environmental impact when our customers use them. We also conduct Green Marketing activities that link this kind of low-environmental-impact performance to sales. The Company has set up a system where all functions, including development, production, and sales, are each responsible for reducing product lifecycle CO₂ emissions.

We have also long been committed to helping reduce CO₂ emissions and resources beyond the product lifecycle. The previously mentioned “shift from analog to digital printing” promoted by the Professional Print Business eliminates the need for plates used in each process compared to conventional analog printing, and greatly reduces the work of adjusting color and position. The result is that customers can significantly reduce their CO₂ emissions and resource use. This is a further contribution to printing on media other than paper. In the textile industry, where environmental concerns have recently become increasingly important, the switch from screen printing to digital printing eliminates the need for cleaning water and energy for fixing, which are mainly responsible for the environmental impact of the dyeing process.

We are also trying to create new environmental contributions in the Industry Business domain, an area that we seek to strengthen in our Medium-term Business Plan for 2025. A specific example is the introduction of inkjet systems at the manufacturing sites of our Inkjet (IJ) component business. In the manufacturing process of electronic devices such as printed circuit boards and displays, special printing for flexible packaging, building materials, and solar cells, we seek to

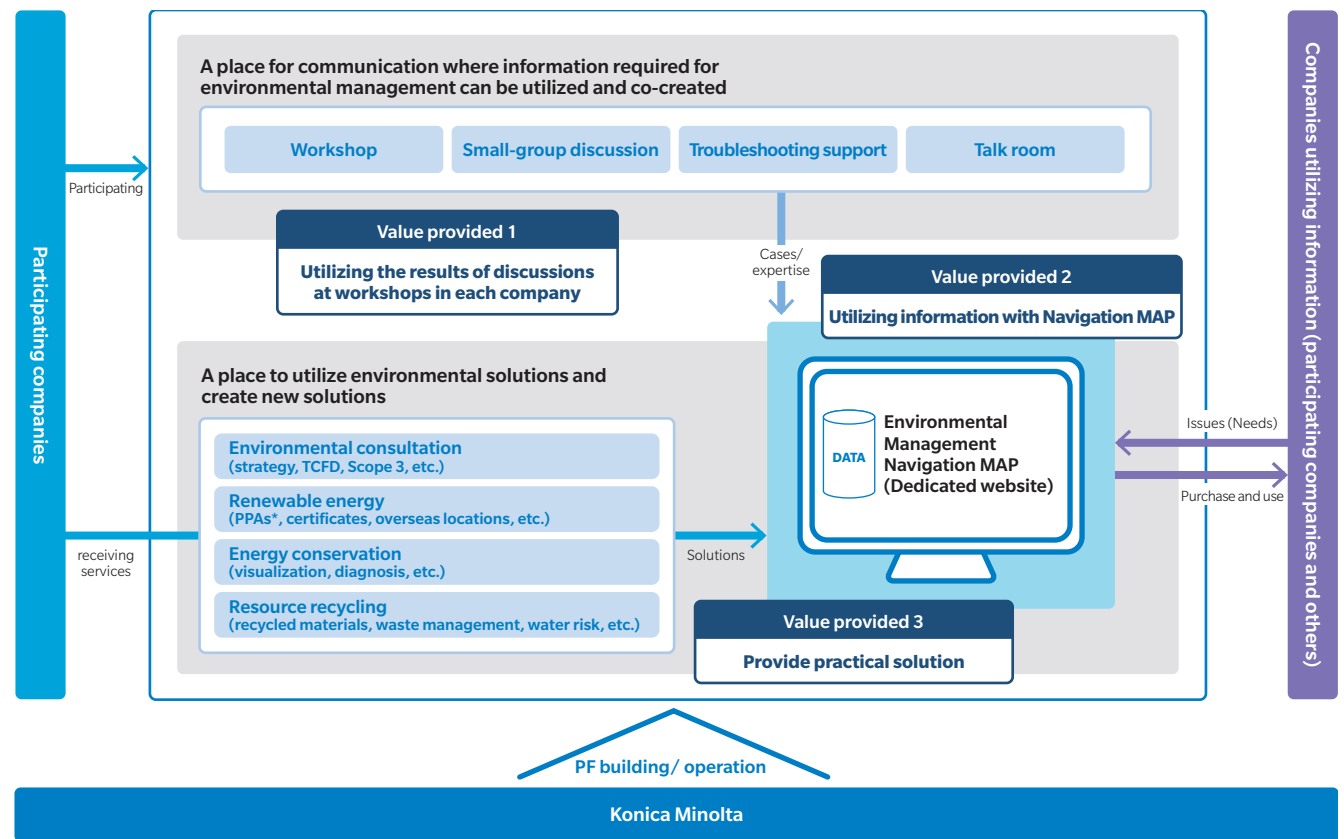
transform our customers’ workflows and achieve new manufacturing process by using inkjet printing technology. For example, in the solder resist manufacturing for printed circuit boards, the inkjet method can greatly simplify the process compared to the conventional process using the photographic development method. Not only are we improving the work environment at our customer’s companies through process reduction, but we also expect a significant reduction in

environmental impact through the elimination of VOCs (volatile organic compounds) and waste fluids.

Accelerating decarbonization by collaborating with suppliers and partners

One of our distinctive initiatives to reduce the environmental impact outside of the product lifecycle is our “Carbon Neutral

Environmental Digital Platform



* PPA: Power Purchase Agreement

Sustainability Strategy

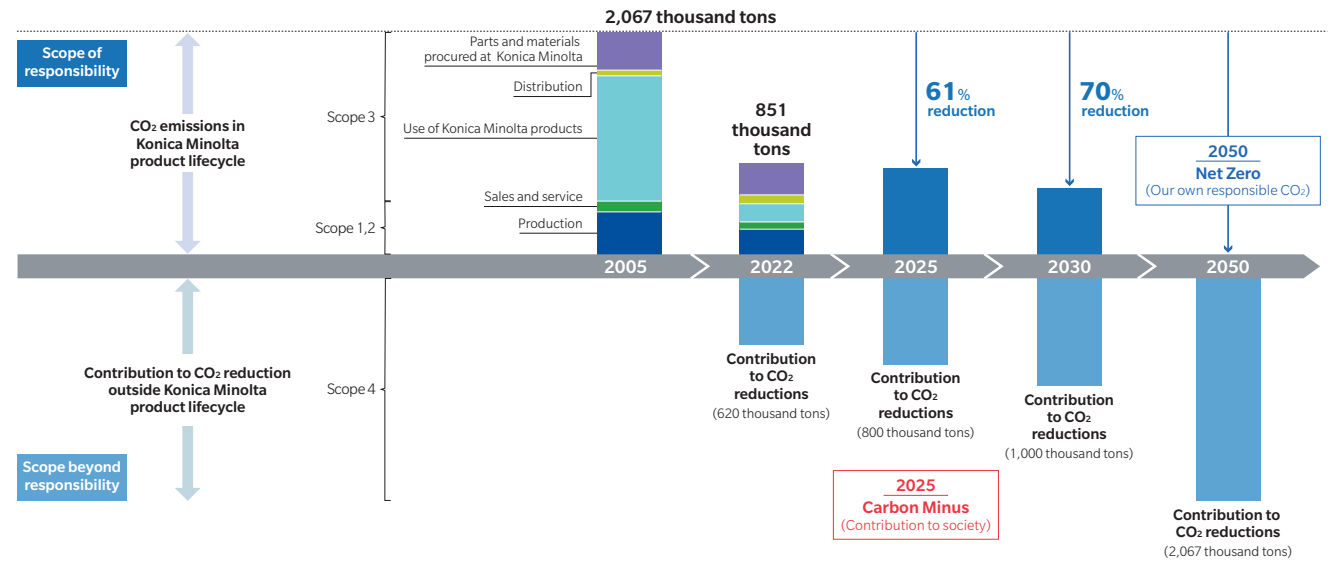
Partner Activity” that supports the reduction of CO₂ emissions at suppliers. In the past, environmental and energy specialists had to visit procurement sites to provide support, which limited the number of companies that could be served to three or four per year. However, Konica Minolta has developed a system that automatically performs energy conservation diagnosis, which enables us to collaborate with about ten suppliers per year. Support for these CO₂ reductions will result in a spillover effect on environmental impact reductions outside of our own procurement, thereby contributing to reducing our environmental impact outside our scope of responsibility. In recent years, creating a more sustainable supply chain has become an important issue, so we are taking steps to decarbonize the entire supply chain by leveraging our long years of experience and increased efficiency through DX.

The Environmental Digital Platform launched in fiscal 2020 is another of our priority initiatives. Launched as an ecosystem for reducing environmental impact, the Environmental Digital Platform was started with 16 companies, but the number of participating companies had expanded to 86 as of July 2023. The platform seeks to promote the creation of innovation through collaboration and co-creation among companies and to solve environmental issues on a global scale by raising operational efficiency through workshops and sharing knowledge on the themes of Net Zero and the circular economy and by pooling and capitalizing on knowledge from different industries.

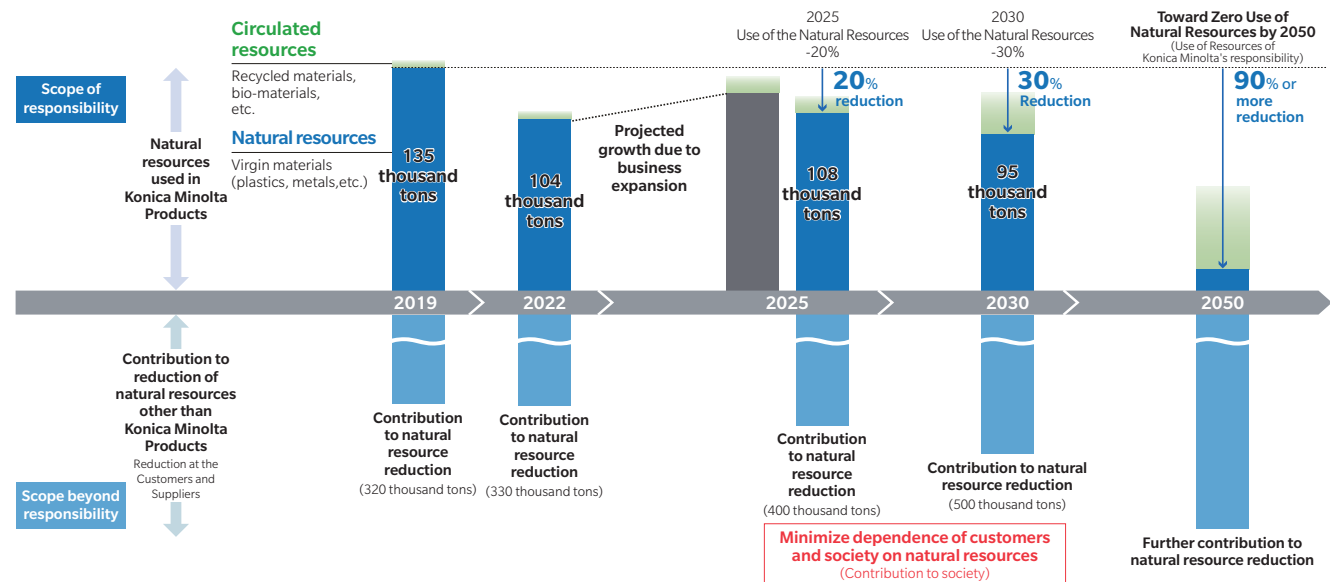
Aiming for Net Zero CO₂ and zero use of natural resources by 2050

Based on the above initiatives, we have formulated Eco Vision 2050, our long-term environmental vision that includes the unique concept of Carbon Minus in our environmental management. Carbon Minus seeks to not only reduce the lifecycle environmental impact of products within the scope of our responsibility, but also to contribute to the reduction of environmental impact that we are not responsible for, and to create a state wherein this reduction exceeds the emissions generated by Konica Minolta, through collaboration with customers and suppliers. We believe that this approach and our initiatives embody the concept of environmental management of

Environmental New Target: Net Zero CO₂ emissions by 2050



Environmental New Target: Toward zero use of natural resources by 2050



* Natural resources: Resources that require new drilling or mining, such as crude oil or mineral resources and are generally synonymous with depletable resources.

Sustainability Strategy

“growing our business by solving environmental challenges and also creating new businesses,” which has resulted in our non-financial activities being highly assessed by various stakeholders.

At the same time, the transition to a decarbonized and recycling-oriented society in the global market is occurring at a rapidly increasing pace, making it necessary to speed up our efforts a notch to maintain our non-financial activities at an effective level. Therefore, we have also re-examined our long-term environmental vision which consists of non-financial indicators in our new Medium-term Business Plan.

With regard to climate change, we had previously set the goal of reducing product lifecycle CO₂ emissions, which is within the scope of our responsibility, by 80% from the fiscal 2005 level by 2050, but we have now set the goal of achieving Net Zero emissions by 2050. This shows our intention to adapt our business to a decarbonized society. In addition, we have decided to push forward our goal of achieving Carbon Minus emissions from 2030 to 2025, wherein our contribution to CO₂ reductions outside the scope of our responsibility exceeds the emissions within the scope of our responsibility. With society shifting significantly to decarbonization, we seek to demonstrate the value of contributing to society through our business by showing that our contribution exceeds our own emissions, and that this will drive our business growth.

We have also set two long-term targets to reduce resource use for 2050, which are divided into, 1) resources within the scope of our responsibility and, 2) contribution to resource reductions. For resources within the scope of our responsibility, we will reduce our resource use and replace it with circulated resources to achieve zero use of natural resources. We will also maximize our contribution to reducing global resources in products other than our own. In parallel with a decarbonized society, we will create new businesses and achieve growth by building a recycling-oriented society.

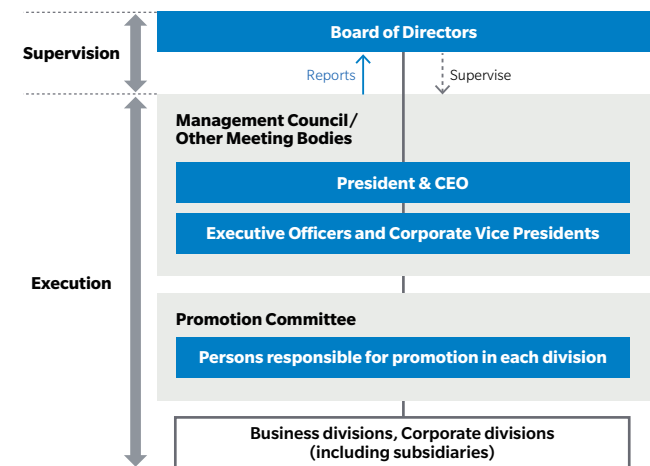
Further advancing our sustainability management

The President and CEO has overall responsibility and authority for the Company’s sustainability management. As the person responsible for the Corporate Planning Headquarters, I promote the Group’s sustainability management and report on the state of our progress at board meetings and receive advice and feedback.






I am proud of the leadership we have shown in our ongoing sustainability efforts, especially in the environmental field. On the other hand, I recognize that our sustainability initiatives do not necessarily generate profits, or they do generate profits, but they are invisible to investors and other stakeholders, and this is a major issue. Making progress towards resolving this issue is a major goal of our Medium-term Business Plan.

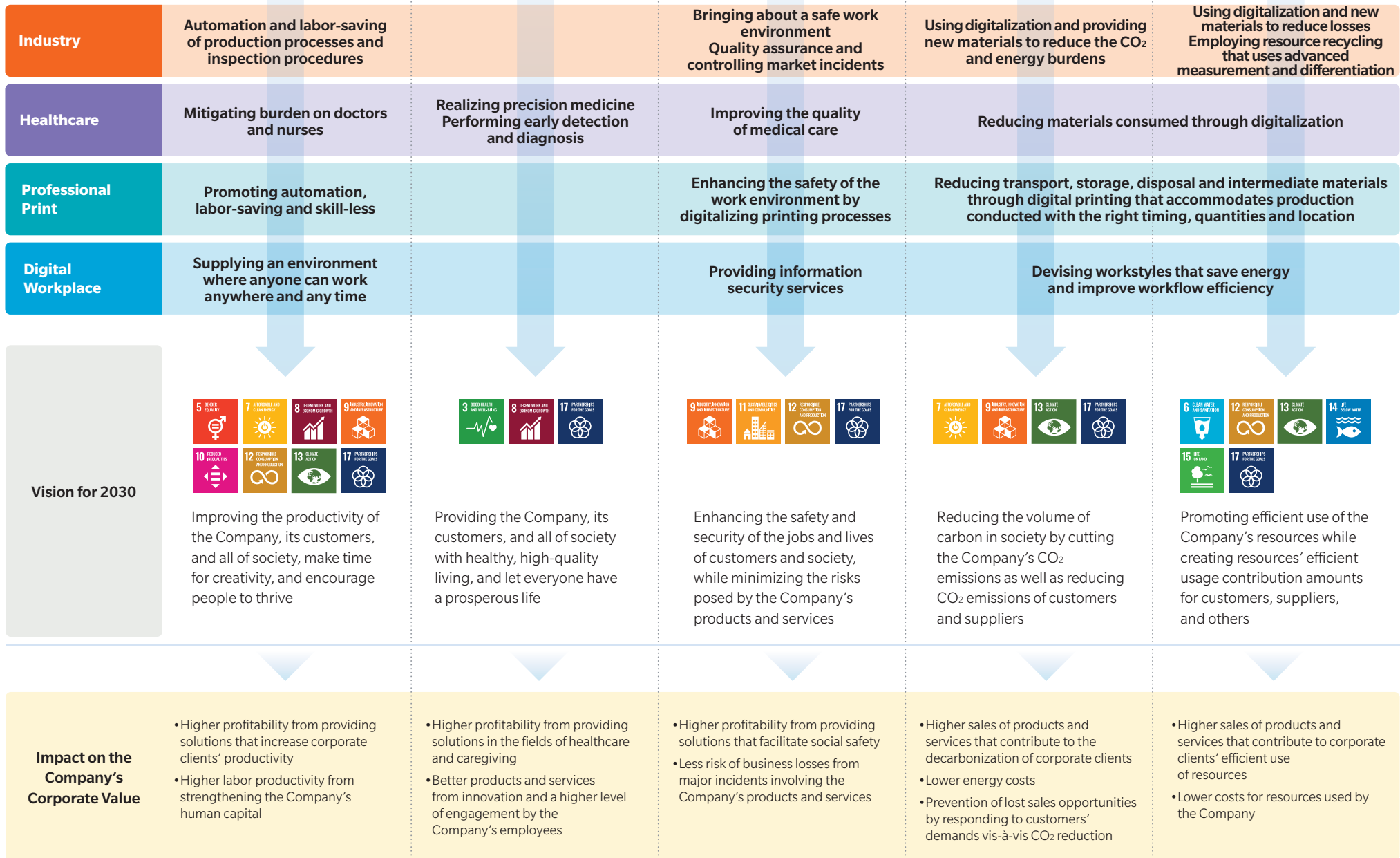
As General Manager of the Corporate Planning Headquarters, I will lead the Company to ensure that the new value creation process has spread to and is incorporated in each and every business and employee, and that the management team including the Board of Directors, fully supports these activities.

Sustainability Management System



Material Issues to Tackle in Order to Realize Our Management Vision

Material issues	 <p>Improving fulfillment in work and corporate dynamism</p>	 <p>Supporting healthy, high-quality living</p>	 <p>Ensuring social safety and security</p>	 <p>Addressing climate change</p>	 <p>Using limited resources effectively</p>
<p>Opportunities</p>	<p>Through Konica Minolta businesses</p> <ul style="list-style-type: none"> Improving profitability and employee morale by transforming the supply chain and transforming processes through digitalization of production sites Eliminating labor shortages through automation, labor-saving, and reducing the need for skills Using DX to transform how work is done so that corporate clients can have better productivity and have more time for creativity <p>Internal action to create value</p> <ul style="list-style-type: none"> Realizing the full potential of human capital, who are the source of new value, and creating organizations where individuals thrive 	<p>Through Konica Minolta businesses</p> <ul style="list-style-type: none"> Promoting disease prevention and early detection by providing high value-added medical services, and reducing medical expenses Further develop healthcare and improve its accessibility by making convenient and advanced medical treatment possible Streamlining drug development by fostering innovation in pharmaceutical development processes utilizing genetic testing and other technologies Using imaging-IoT solution for workflow transformation and labor creation in caregiving <p>Internal action to create value</p> <ul style="list-style-type: none"> Building safe and comfortable workplaces where employees feel motivated 	<p>Through Konica Minolta businesses</p> <ul style="list-style-type: none"> Creating safe work environments for corporate clients by using production site digitalization to transform processes Ensuring product quality and preventing market incidents by corporate clients by enabling advanced measurement and testing Improving safety and security at production sites and in society by using imaging-IoT solution to visualize inherent dangers 	<p>Through Konica Minolta businesses</p> <ul style="list-style-type: none"> Reducing the energy and CO₂ burdens of customers and the supply chain by transforming the supply chain and processes through the digitalization of production sites and use of new materials Reducing the energy/CO₂ burdens of customers and society by using DX to transform how work is done <p>Internal action to create value</p> <ul style="list-style-type: none"> Using DX to achieve dramatic reductions in costs and CO₂ emissions by business partners and at the Company's locations 	<p>Through Konica Minolta businesses</p> <ul style="list-style-type: none"> Fewer customer and supply chain losses due to the transformation of processes and the supply chain through the digitalization of production sites and the use of new materials Contributing to the resource recycling by enabling advanced measurement and differentiation Achieving flexible workstyles by using DX to transform the way that work is done <p>Internal action to create value</p> <ul style="list-style-type: none"> Reducing the volume of resources used by employing renewable materials and developing models for re-use
<p>Risks</p>	<p>Affecting Konica Minolta</p> <ul style="list-style-type: none"> Mismatches between employee skills and their work due to rapid changes in systems and environments Declines in employee diversity, independence, and ability to innovate due to stagnated efforts to create workplaces that promote diversity 	<p>—</p>	<p>Affecting Konica Minolta</p> <ul style="list-style-type: none"> Causing corporate and social damages due to major incidents caused by products and services Causing major security incidents linked to data leaks and invasion of privacy involving products and services 	<p>Affecting Konica Minolta</p> <ul style="list-style-type: none"> Loss of partners and customers due to delays in converting to sustainable energy Delays in converting businesses to paperless operations Supply chain disruptions due to abnormal weather 	<p>Affecting Konica Minolta</p> <ul style="list-style-type: none"> Loss of partners and customers due to delays in converting to sustainable raw materials Higher costs and unstable supplies of components due to resource shortages



Close Up Growth Drivers That Contribute to Solving Social and Environmental Issues

Case 1 Production print that significantly reduce the environmental impact of the printing industry

Related material issues



Addressing climate change



Using limited resources effectively

Even today, analog printing, such as offset printing, which is the mainstream of the printing industry, is a model that assumes mass production, mass transportation, and mass disposal. As a leading company in digital printing, we aim to create a world where environmental impact is continuously reduced by promoting digital printing to reduce loss and associated CO₂ emissions in each process of production, transportation, and disposal.

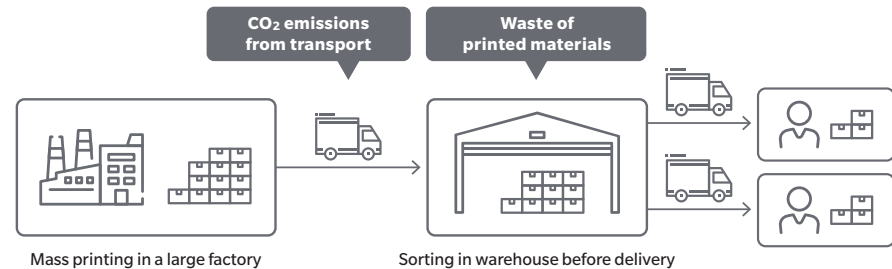
The overall paper printing market for commercial printing is shrinking, while the digital printing market is expected to grow at an annual rate of 4%. Against this background, Konica Minolta's color digital presses have gained a top-class share in the production printing field. In recent years, print purchasers (brand owners) and stores have begun to take individualized communication measures, and the need for small lots and short delivery times for

printed materials has increased. In addition, in recent years, both printing companies and printing clients have a stronger tendency to attach importance to environmental measures, and emphasis has been placed on reducing greenhouse gases and optimizing the use of resources by switching to digital printing. Specifically, digital printing can reduce wasteful printing by being able to print as much as needed when needed, and it can also reduce CO₂ emissions during transportation by printing in a distributed manner at factories close to the destination.

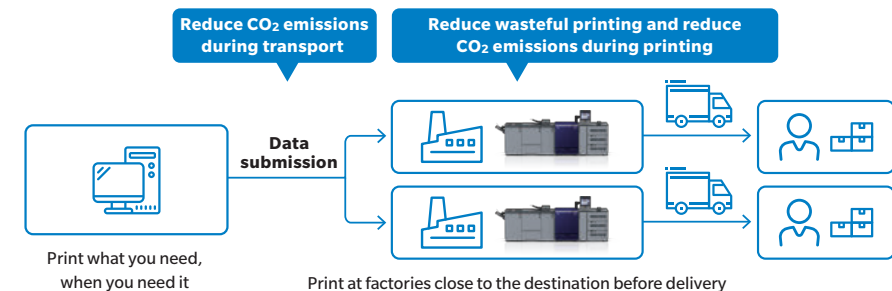
In order to further accelerate the transition from analog printing to digital printing, we are proposing efficient printing with our unique automatic quality optimization function and automatic inspection function to support the business growth of customers in the printing industry and reduce CO₂ emissions.



Traditional offset printing



Digital printing



Case 2

IJ components that transform the manufacturing flow of printed circuit boards

Related material issues



Improving fulfillment in work and corporate dynamism



Addressing climate change

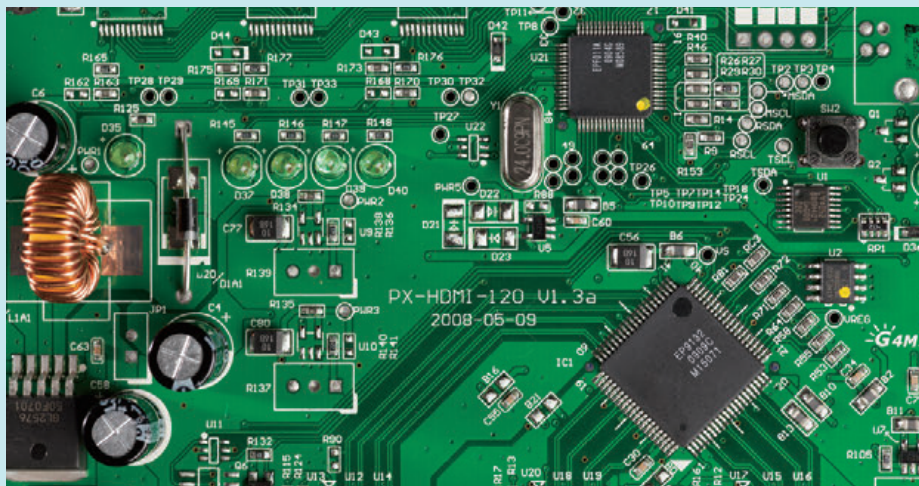


Using limited resources effectively

The key characteristic of inkjet (IJ) technology is that you can print or apply the amount of ink or other materials you want exactly where you want. In addition to signage and graphics applications such as printers that print on paper and large outdoor signage, in recent years, IJ has also become used in industrial applications such as manufacturing equipment used in production sites, and customer interest in IJ technology is increasing as on-demand manufacturing becomes more popular.

In solder resist manufacturing of printed circuit boards, patterns were formed using a conventional photographic development method. In this method, it is

necessary to create masks and printing plates, and it is expensive to produce in small batches, so it was necessary to produce a certain amount in bulk. On the other hand, with the IJ method, it becomes possible to produce only the necessary amount of printed circuit boards without the need for masks or plates, which realizes cost reductions and short delivery times for small batch products, and contributes to reducing photomasks and unnecessary inventory. In addition, the steps of UV exposure, development, cleaning, etc. are greatly reduced, becoming a simple process. As a result, various emitted chemicals such as VOCs used in the overall coating process are



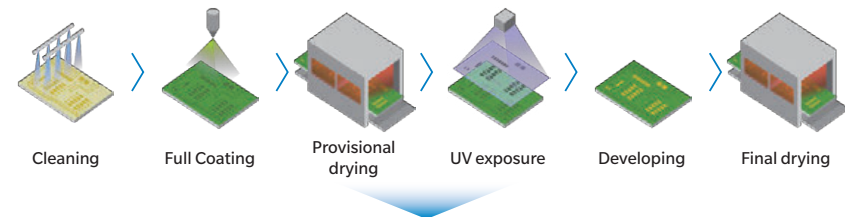
reduced, industrial wastewater generated in the cleaning process is reduced, the working environment is greatly improved, and material costs are reduced by 70%. In particular, a reduction of 20,000 tons of VOCs per year and 22.5 million tons of industrial wastewater per year can be expected across the solder resist industry. In addition, IJ manufacturing improves the workflow, which can also contribute to the

reduction of CO₂ and the reduction of energy consumption (Konica Minolta estimates).

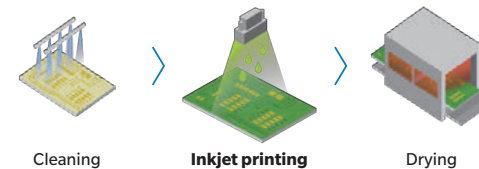
Through the introduction of IJ technology, we are transforming customer workflows and contributing to the reduction of environmental burdens, inventory, and waste. We will continue to promote IJ manufacturing in all fields, aiming to both expand sales and profits and solve social issues.

Transformation of printed circuit board solder resist manufacturing process

Pattern formation by conventional method (photographic development type)



Inkjet method



VOC reduction¹ 20,000 tons/year

Improved work environment

Industrial wastewater reduction² 22.5 million tons/year




70% reduction in material costs³ (Lot of 100)



¹ Total amount of all industrial types in Tokyo From the Ministry of the Environment VOC emission inventory survey (2020)

² Total amount of waste stipulated in the Waste Management and Public Cleansing Act (2018 Tokyo Metropolitan Government Survey)

³ Reduction amount: Based on the actual example of a factory manufacturing 6 million m², estimated based on all solder resist manufacturing worldwide converting to IJ (from Fuji Chimera Research Institute, Inc. information)

Sustainability Targets

Material Issues	Themes	Indicators	FY2022 Results	FY2023 Targets	FY2024 Targets	FY2025 Targets	FY2030 Targets	FY2050 Targets		
 <p>Improving fulfillment in work and corporate dynamism</p>	Increasing customer productivity and making time for creativity	To be formulated and released								
	Creating an organization that draws out potential talent so that individuals can thrive	Social and environmental value	Strategic assignments for manager candidates (%) *1	100				-	-	
			Number of DX leaders*2 trained (people)	24				-	-	
			Imaging-IoT specialists resources *3	814	1,000	-	50% or more engineers in each business unit	-	-	
			Global Employee Survey Score*4	Employee engagement score*5	6.6	-	-	7.7 (Industry average)	25% or more engineers in each business unit	-
				Equity*6 Note 1	7.4 (6.1)	-	-	8.0 (7.0) or more	-	-
				Freedom of opinion*7 Note 1	7.2 (6.6)	-	-	8.0 (7.5) or more	-	-
Percentage (%) of management positions*8 held by women*9	9.9	11% or more	-	13% or more	18% or more*9	-				
Percentage of women among new graduate recruits (%)*9	37	Maintain 30% or more	-	-	-	-				
Note: Target scope: Konica Minolta, Inc. However, the scope of targets of the GES score (*4) is the Konica Minolta Group (worldwide) and the data for Konica Minolta, Inc. in parentheses in Note 1.										
 <p>Supporting healthy, high-quality living</p>	Promote health and high quality of life at corporate clients	To be formulated and released								
	Building safe and comfortable workplaces where employees feel motivated	Improve organizational health	Social and environmental value	Rate of reduction in Level 4 workplaces*10 (%) *11	38				-	-
				Percentage of workplaces where stress levels exceed the appropriate range*10	13.3%	-	-	9.3%	-	-
				Percentage moving to higher level of organizational health (%) *12	15				-	-
	Employee health	Employee health	Social and environmental value	Average score of the organizational health survey (10-point scale)results	6.1	-	-	7.7	-	-
				Number of employees who are at high risk physically (employees with the highest health risks)*11 Note1	6% decrease				-	-
				Presenteeism: Percentage of employees with moderate or greater impaired work function due to health problems*13	18.2%	-	-	15.1%	-	-
Absenteeism*14				Number of leave-of-absence days taken due to mental health problems*11 Note 2	36.8% increase				-	-
			Average number of days of leave of new absence*15	160	-	-	133	-	-	
Note: Target scope: Konica Minolta, Inc. However, the scope of targets and results of Employees who are at high risk physically (Note1) includes Group employees in Japan										
 <p>Ensuring social safety and security</p>	Provide safety and security in the work and daily lives of corporate clients	To be formulated and released								
	Minimizing risks related to the safety and security of Konica Minolta products and services	Eliminate substances that affect health	Social and environmental value	Number of serious accidents*16 caused by chemical substances	0	0	0	0	0	-
			Economic value	Serious business losses due to chemical substance management (JPY)	0				-	-
		Reinforce efforts to ensure health when products and services are used	Social and environmental value	Number of serious product-related accidents*17	0	0	0	0	0	-
			Economic value	Major business losses related to product safety (JPY)	0				-	-
		Completely eliminate serious information security incidents	Social and environmental value	Number of serious information security incidents*18	0	0	0	0	0	-
Economic value			Major business losses related to information security (JPY)	0				-	-	

Material Issues	Themes		Indicators	FY2022 Results	FY2023 Targets	FY2024 Targets	FY2025 Targets	FY2030 Targets	FY2050 Targets	
 <p>Addressing climate change</p>	Reducing energy usage and CO ₂ emissions by transforming customer processes		Social and environmental value	Amount of contribution to CO ₂ reduction* ¹⁹ (thousand tons)	624	630	720	800	1,000	2,060
			Economic value	Solution sales (billion yen)	75.5	89.0	97.0	100.0	-	-
	Energy usage and CO ₂ emissions reduction related to Konica Minolta sites, business partners, products and services	CO ₂ emissions over the product lifecycle* ²⁰	Social and environmental value	Reduction of CO ₂ emissions (thousand tons)	850	-	-	800	650	0 (Net Zero)
			Social and environmental value	Reduction rate (%) over FY2005	58	-	-	61	70	100
		Reduction of environmental impact of Konica Minolta production sites* ²¹	Social and environmental value	Reduction of CO ₂ emissions (thousand tons)	18	6	13	20	-	-
			Economic value	Monetary equivalent of energy reduction (million yen)	450	280	560	840	-	-
			Social and environmental value	Amount of CO ₂ reduced through procurement of renewable energy (thousand tons)	20	3	8	34	-	-
			Social and environmental value	Percentage of electricity derived from renewable energy (%)	12.3	-	-	-	50	100
		Reduction of environmental impact through the use/ procurement of Konica Minolta products and services	Social and environmental value	Reduction of CO ₂ emissions (thousand tons)	53	22	47	78	-	-
			Economic value	Green Products* ²² sales (billion yen)	776.6	-	-	840.0	-	-
		Reduction of environmental impact at suppliers using DX* ²¹	Social and environmental value	Amount of contribution to CO ₂ reduction* ¹⁹ (thousand tons)	6.4	1.8	3.5	4.1	-	-
			Economic value	Monetary equivalent of energy reduction (million yen)	103	42	81	94	-	-
	Reinforcing engagement with customers using DX		Economic value	Number of customer relationships strengthened* ²³	338	372	-	-	-	-
				Number of times participating in business talks* ²⁴	230	257	-	-	-	-
				Sales Contributions* ²⁵ (million yen)	989	1,100	-	-	-	-
 <p>Using limited resources effectively</p>	Effective use of resources by transforming customer business processes		Social and environmental value	Reduction of waste discharge of customers (thousand tons)	340	360	380	400	500	-
			Economic value	Solution sales (billion yen)	79.3	89.3	97.8	103.3	-	-
	Toward zero natural resources* ²⁶		Social and environmental value	Natural resources used* ²⁶ (thousand tons)	104	-	-	108	95	-
			Social and environmental value	Reduction rate (%) over FY2019	20	-	-	19	30	-
	Effective use of resources relating to Konica Minolta sites, suppliers, products and services	Reduction of environmental impact of Konica Minolta production sites* ²¹	Social and environmental value	Reduction of waste discharge (thousand tons)* ²⁷	1.7	0.2	0.5	0.8	-	-
			Economic value	Monetary equivalent of waste reductions (million yen)	470	-	-	-	-	-
		Reduction of environmental impact through the use of Konica Minolta products and services	Social and environmental value	Amount of resources saved and recycled (thousand tons)	12	13	14	14	-	-
		Economic value	Green Products* ²² Sales (billion yen)	776.6	-	-	840.0	-	-	

*1 Percentage of employees assigned to strategic leadership positions *2 DX leader: Leaders who can meet customer needs with digital solutions *3 Human resources with the technology to analyze imaging data and various sensor information leveraging AI technologies such as deep learning to support decision-making and assessments at various worksites *4 Global Employee Survey Score: The average score of responses, on a scale of 0 to 10, to relevant questions *5 Engagement: Applicable question: "How likely is it you would recommend Konica Minolta as a place to work?" *6 Equity: Applicable question: Are "people of all backgrounds treated fairly in my department/team?" *7 Freedom of opinion: Applicable question, "Is your opinion respected in your department/team?" *8 Time of compilation: As of April 1 of the following fiscal year. *9 Target value as of April 1, 2030 *10 Percentage of workplaces where stress levels exceed the appropriate range: Level 4 workplaces deemed to have the highest level of stress based on the results of a stress check *11 Rate of change from fiscal 2019 results *12 The rate of year-on-year change in the number of workplaces whose results in the organizational health survey (5-point scale) improved from less than 3.5 to 3.5 or higher (upper level) *13 Presenteeism: A condition in which an employee is present at work, but their performance is declining due to some physical disorder. An evaluation conducted with WFun (Work Functioning Impairment Scale: A questionnaire developed at the University of Occupational and Environmental Health to measure the degree of impaired work functioning due to health problems. It consists of seven questions and is scored on a total score (7-35). A higher score indicates a greater degree of work impairment. In Japan, a score of 21 or higher is said to indicate moderate or severe impaired work functioning.) *14 Absenteeism: Condition of not being able to come to work due to illness or poor health *15 New absence: Absentee or leave of absence. The average number of days of absence is the average number of days of absence during the relevant year for new absences, and does not include fixed days-off, paid vacations, and absence due to work-related injury. *16 Serious accident: A case that causes serious harm to the product user's life and/or body and cases that cause serious and significant impact on the business of the product user *17 Serious product-related accidents refer to those accidents that cause serious harm to the product user's life and/or body and accidents that cause serious damage to assets other than the product. to assets other than the product *18 Serious security incidents refer to those product-security incidents that cause serious and significant harm to the product user's business *19 Contribution to CO₂ reduction: Volume of CO₂ emissions reduced at customers, business partners and the broader society *20 CO₂ emissions over the product lifecycle, from procurement, production, distribution, sales and service to use by the customer *21 Cumulative reductions for each fiscal year from FY2020 - FY2022 and FY2023 - FY2025. Total reduction amount for each fiscal year due to the measures implemented from the first fiscal year of each period to the relevant fiscal year *22 Green Products: Name changed from Sustainable Solution in FY2023. Promotes the solving of social and environmental issues by defining and certifying solutions that help to solve social and environmental issues and expand sales *23 Enhanced customer relations: Number of business opportunities gained by providing customers with environment-related technologies and know-how *24 Business negotiation participation: Number of proposed products for which a quotation was submitted out of the number of enhanced customer relations *25 Sales contribution: Total amount of sales of products proposed at the above-mentioned business negotiations *26 Natural resources: Resources that involve new mining, such as crude oil and mineral resources, and are generally synonymous with depletable resources *27 Set as a target that includes the reduction of plastic waste at major sites in Japan as part of activities to reduce and recycle plastic waste from products that use plastic based on the Act on Promotion of Resource Circulation for Plastics enacted in Japan

We will accelerate the growth of the strengthening businesses by deepening the integration and utilization of core technology and AI technology.



Toshiya Eguchi

Executive Vice President and Executive Officer

Initiatives and challenges up to the previous Medium-term Business Plan “DX2022”

During the previous Medium-term Business Plan period, due to delayed or insufficient creation of added value through R&D, strategic new businesses such as Precision medicine, DW-DX, and imaging-IoT solutions were unable to contribute to the business as planned. We recognize that it was a challenge for us to formulate investment recovery period that was based on the characteristics and challenges of doing business in areas where we had little experience, and to determine the difficulty of technology development and the value that would be created. Going forward, we will transform how we invest in R&D in order to realize profit contribution at an early stage, and the investment decision process for each phase.

On the other hand, in each business such as sensing, performance materials, IJ components, optical components (industrial applications), and medical imaging (healthcare), we were able to add new value to products and services and further increase the growth potential by combining data utilization and AI technology with the strengths of our core technologies that we have continued to enhance during the previous Medium-term Business Plan period. The new Medium-term Business Plan, which began in fiscal 2023, positions these businesses as "strengthening businesses" and we will continue to strengthen R&D activities in order to accelerate growth.

For example, in the Performance materials business, we are making the optical film manufacturing process more data-driven and collecting data such as temperature, pressure, sound, and images from a wide variety of sensors located in manufacturing facilities. We can predict faults and optimize production conditions by comprehensively judging the state of production equipment using AI. In the sensing business, we have added value by introducing AI-powered judgment technology to visual inspection of automotive paints. In the medical imaging business, we have realized an auxiliary function that is unique among our competitors, namely AI-powered dynamic digital radiography using general X-ray imaging equipment.

Basic policy and priority themes for R&D strategy

From the results of the previous Medium-term Business Plan, I have reaffirmed that the value created by the integration of the four core technologies (materials, optics, nano-fabrication, and imaging) that we have honed for 150 years since our establishment is the essence of our technological strength. Furthermore, in order to accelerate the growth of the strengthening businesses going forward, we will actively utilize AI technology and promote business development by collaborating on technology across the whole company as the basic policy, and will work on the following as key themes.

Key themes of R&D strategy

Key themes	Initiatives
1. Technology development that contributes to the expansion of the strengthening businesses	Industry business area expansion <ul style="list-style-type: none"> Technology development for the expansion of inkjet industrial applications Development of new materials and optical inspection technologies related to semiconductor manufacturing (development of inks, mounting materials, optical units, etc. to achieve the desired functions in a short period of time using data-driven models)
	Technology to address labor shortages <ul style="list-style-type: none"> Development of technologies to realize automation through the use of AI in manufacturing inspections and process management Development of technologies that realize ICT cloud services and AI image diagnosis for remote diagnosis Development of automatic printed image inspections using AI image recognition and transfer robot utilization technologies to improve the production efficiency of the printing industry
2. Technology development of medium- to long-term preparations	Environmentally friendly technologies <ul style="list-style-type: none"> Development of manufacturing process monitoring technology (multimodal sensing using AI) for "bio-manufacturing," which is expected to be the key to achieving Net Zero. Accelerate needs exploration and technology development by establishing a technical cooperation research laboratory with the National Institute of Advanced Industrial Science and Technology Development of resin recycling technology and CO₂ recovery technology, etc.

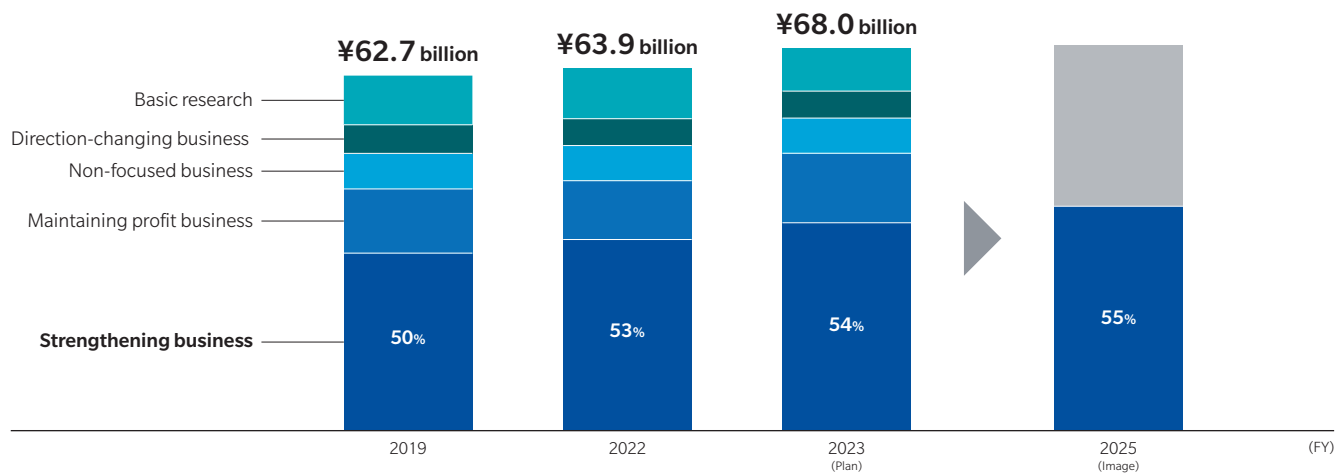
Technology Strategy

R&D investment shift in line with the transformation of the positioning of each business

In the new Medium-term Business Plan, we transformed the ratio of R&D expenses invested in each area in line with the transformation of the positioning of each business to “strengthening business,” “maintaining profit business,” “non-focused business,” and “direction-changing business.” The R&D expenses for the strengthening businesses will increase to 55% for fiscal 2025, while accelerating the human resource shift from other business areas. We plan to spend a total of 17% on R&D for non-focused businesses and direction-changing businesses, but we will narrow down our investments and further promote the shift to strengthening businesses.

In basic research, we will continue to make appropriate investments in technology development for future corporate value enhancement and growth, and in the training of engineers who will contribute to the continuous advancement and evolution of our core technology.

Breakdown of R&D expenses



Expand and deepen the use of AI technology throughout the company

As initiatives to expand the use of AI technology, we are working to “1. Cultivate imaging-IoT specialists¹ and implement usage measures in each business,” “2. Implement measures to utilize FORXAI technology² in all businesses,” and “3. Formulate basic policies for the use of AI and build an AI governance system.”

1. We plan to increase imaging-IoT specialists resources to 1,000 by the end of fiscal 2023. 800 people are currently active in each business area. Going forward, we will strengthen the shift and development of human resources to the strengthening business areas.
2. In fiscal 2023, we will gather relevant engineers in the newly established FORXAI business department to support technology development and service provision that uses FORXAI to increase added value in all businesses, and provide development kits and infrastructure to facilitate the use of AI technology.

3. When using AI, it is necessary to understand that there is a risk of problems related to infringement of human rights, fairness, and ethical issues. Therefore, we have established basic policies, regulations, education, and governance systems for the use of AI, so that each business can use AI with confidence, and have been operating them since fiscal 2021. In addition, in the future, we will actively utilize generative AI such as ChatGPT for operational and business purposes by developing rules and an environment for safe use.

¹ Imaging-IoT specialists: AI engineers, data scientists, solution developers

² FORXAI technology: Imaging AI, edge devices, IoT platforms

Promote technology development that contributes to society in the future, centered on material issues

In recent years, demographic changes, labor shortages, climate change, and resource depletion have become pressing social and environmental issues around the world. Based on these social and environmental trends, we have established five material issues that describe “what we should do now” with a view to 2030. In the strengthening businesses too, we will continue to develop technologies that contribute to solving social problems with these material issues in mind, mainly in the Industry business field.

In addition, in order to accelerate the growth of the strengthening businesses and continue to be a company needed by society in the future, I recognize that it is my mission to promote R&D challenges that lead to the improvement of corporate value, such as contributing to the transformation of manufacturing processes in various industries around the world to achieve Carbon Minus by utilizing our expertise in manufacturing process monitoring technology and data-driven material development technology.

For 150 years, we have fulfilled the desires of customers to “see” and helped realize people’s purpose in life. We will continue to take on the challenge of solving social problems by responding to the new things society wants to “see” using the technologies that can only be realized by Konica Minolta.

TOPICS

Realizing automation of quality inspection for production lines with AI-powered image analysis technology

The need for automation is increasing in automobile production lines due to the shortage of manpower. Within this trend, while the market size for inspection equipment is expanding at a compound annual growth rate (CAGR) of 15%, many parts of visual inspection for vehicle bodies are still dependent on manual visual inspections, and quality improvement, quality stabilization, and labor saving are major challenges. In response to these challenges, Konica Minolta has developed a system that realizes the automation and improved efficiency of visual inspections by combining the color measurement and management of the exterior, which is a traditional strength of Konica Minolta, with the tunnel-type automatic inspection technology of the group company Eines Systems (Spain), a pioneer in visual

inspection. The system features a tunnel type device that automatically inspects paint defects, gaps, and unevenness without stopping the car body flowing on the line, freeing workers from simple work or work in harsh environments.

Our automatic paint defects inspection system achieves an accuracy that will not miss defects down to the diameter of a mechanical pencil core. In addition, by introducing AI, the system can classify and analyze a wide variety of paint defects in detail, which makes it possible to feed back to the previous process and link to an automatic repair system in the subsequent process. The AI algorithm can be customized to handle customer-specific judgment needs. In addition, the tunnel-type inspection system that enables non-contact full in-line inspections may provide new



value to customers as a device that collects information that can be used for quality control, process improvement, and productivity improvement.

Going forward, we will continue to contribute to the further development and improved efficiency of the automotive industry by providing diverse inspection know-how and technologies for the rapidly spreading and developing EV (electric vehicle) production lines.

VOICE

With the automation of visual inspection, we want to free workers from simple work and work in harsh environments

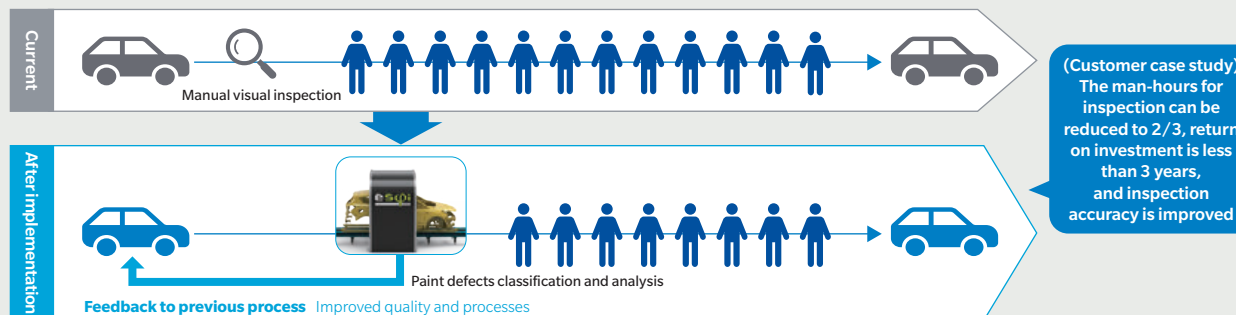
Manual visual inspection on production lines requires high skill and experience because the target is moving, but customers that have used the tunnel-type inspection system that incorporates our AI technology highly appreciate the accurate classification of defects, and we have been told that it is "superior to human capabilities." The automation of visual inspections not only improves the working environment of the factory, but also effectively uses the information obtained from the inspection equipment to improve customer productivity and reduce environmental impact. In the future, we want to focus on efforts to increase the level of trust with our customers and establish ourselves as a business partner with whom they can work together to solve problems.



Yoshihito Souma

Advanced Sensing Business Unit
Sensing Business Headquarters
Konica Minolta, Inc.

Value provided by visual measurement system



Intellectual Property Strategy

Intellectual property activities that contribute to business activities

In recent years, intangible assets such as intellectual property have attracted increasing attention as an important management resource that is a source of competitiveness, and Konica Minolta has been striving to strengthen competitiveness and improve corporate value by investing in and utilizing intellectual property and intangible assets.

In particular, we have formulated and implemented an intellectual property strategy that is closely linked to our business strategy to support business growth and profitability. In the newly formulated fiscal 2023-2025 Medium-term Intellectual Property Plan, we have focused on investing intensively in technologies, products, and services that are key to achieving business expansion and sustainable growth in strengthening businesses, and formulating and utilizing intellectual property that is linked to business scenarios.

Promoting the new Medium-term Business Plan

In our Medium-term Business Plan 2023-2025, we have positioned the healthcare (medical imaging), Professional Print business focus area, and the Industry focus area as “strengthening businesses” and we are expanding these businesses as the engines driving our growth.

Regarding the “strengths” of each business that will become drivers in the expansion of these strengthening businesses, we are building a strong intellectual property barrier by continuing to carry out intensive and proactive intellectual property investments and activities.

For example, as shown in the graphs below, we are building barriers to entry with a patent network that will be far superior to other companies for Dynamic Digital Radiography (“DDR”) that provides “high-value-added image diagnosis,” which is one of our “strengths” in the medical imaging area; Intelligent Quality Optimizer function that realizes “automation, skill-free, and remote technology field mastery,” which are three “strengths” of the Professional Print Business focus area, and a “solvent casting+ belt” type film-casting process that realizes ultra-wide SANUQI

film stretched offline, which is one of the growth drivers in the industry focus area.

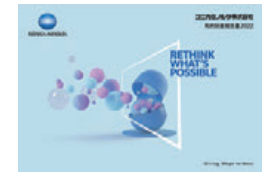
By leveraging this intellectual property and promoting and strengthening more intensive intellectual property investments, we will strongly promote the achievement of the new Medium-term Business Plan.

See also the Intellectual Property Report

We explain in detail the intellectual property rights strategy, including patent rights, the results of acquiring and exercising intellectual property rights, and the Company’s internal structure in the intellectual property report disclosed on our website.

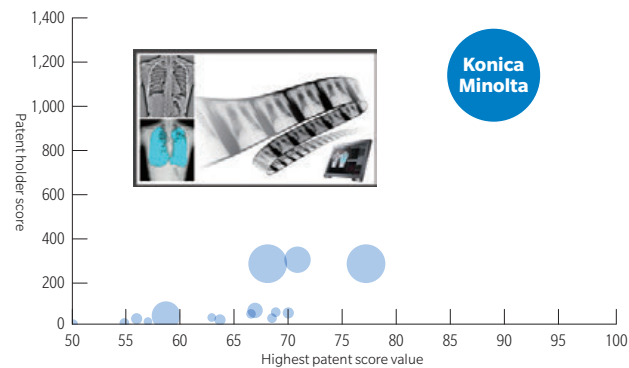
Please take a look at the link below.

https://www.konicaminolta.com/global-en/investors/ir_library/intellectual_property/index.html

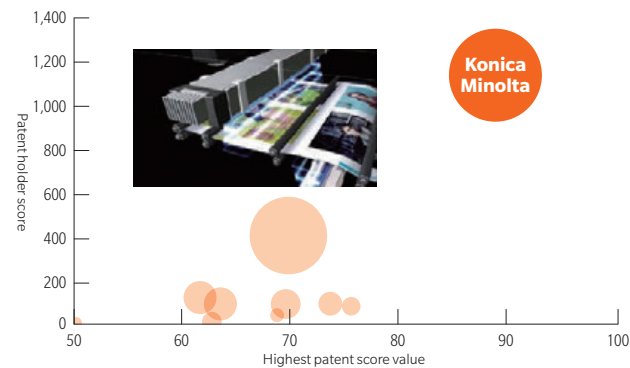


Score map of Japanese patents (public patents + registered patents) related to focus areas

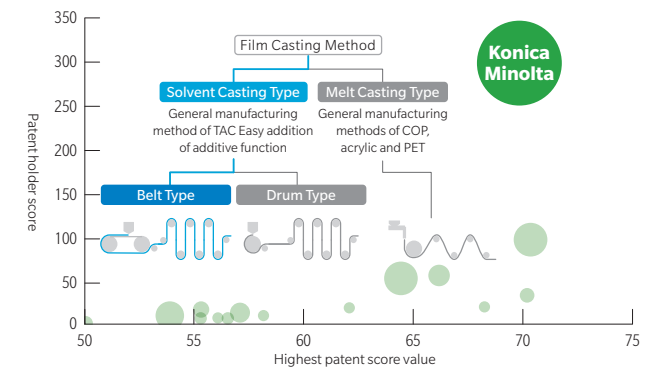
DDR area



Automatic quality optimization function area



SANUQI area



* Provided by Konica Minolta using “Biz Cruncher” patent analysis tool from Patent Result Co., Ltd.

Looking back at the previous Medium-term Business Plan

During the previous Medium-term Business Plan period, Konica Minolta's production faced unprecedented hardships. As an external factor, the spread of COVID-19 occurred in early 2020. Since then, many risks have become apparent, such as lockdowns and economic stagnation in various regions, logistics disruptions that occurred as the global economy recovered, component shortages, especially semiconductors, difficulties in recruiting new human resources in some regions, and a weaker yen that far exceeded expectations. In addition, in terms of internal factors, explosions occurred at our toner production plant in 2021, which not only caused lost profits but also caused great inconvenience and concern to our important customers. In order to overcome these hardships, we have been working together as a whole under the slogan "We will produce as many devices and consumables as we can and deliver them to customers" based on safety first/quality first.

Specifically, we implemented measures to prevent parts from becoming unavailable, such as using general-purpose parts, multi-company purchasing, multiple logistics routes, and switching to and securing alternative raw materials. In addition, when the China production bases were locked down, employees stayed at the closed factory to continue production, and by building a complementary production system between the bases, we were able to overcome various adversities and minimize the decline in production.

In response to the toner plant explosion accidents, we invited experts from various internal fields such as development, production, technology, general affairs, and public relations, and after reassuring stakeholders, they rapidly investigated the causes of the accidents and took safety measures in order to resume production. As a result, four months after the accidents, we rebuilt a safe toner production system and resumed production. The toner inventory that reduced due to the accidents has already recovered to a safe level, and the gap between supply and demand has been closed.

In the past three years, we faced unprecedented crises, but we were able to overcome them by demonstrating the cooperation and production capability of the production sites that we have developed so far.

Response to supply chain risk due to US-China conflict

However, the US-China conflict has become protracted, and we continue to recognize that responding to the deterioration of the external environment is a major challenge. Specifically, counter policies have been launched by China against the "derisking" policy of Japan, the United States, and Europe, which restricts excessive reliance on China in the supply chain and the provision of advanced technology to China.

China has promoted the development and strengthening of the semiconductor industry through policies such as "Made in China 2025" announced in 2015, but due to military conflicts and competition in the field of advanced science, the country has



Production staff at production sites in China that overcame the lockdown



Employee tents in a meeting room



PCR testing undertaken by Konica Minolta employees

been subject to export restrictions on state-of-the-art semiconductors and their manufacturing equipment by like-minded countries, mainly the United States. China's counter policies - procurement restrictions on specific semiconductors and export restrictions on major semiconductor raw materials - have also affected Konica Minolta's parts procurement and production activities.

Konica Minolta regards the risks caused by the US-China conflict centered on these semiconductors as a new issue that should be paid attention to more than any other, and is preparing for the expansion of such regulations.

Risk response on the procurement side

In the past, electronic components such as semiconductors were procured intensively from specific suppliers to reduce costs. However, in today's difficult procurement environment, we have shifted to a policy of world-wide multiple procurement and are implementing it in cooperation with the development department. At the same time, we are strengthening our system to quickly grasp the logistics status such as material procurement status, production operation status, and shipping status for each required supplier.

Risk response on the production side

From the perspective of production allocation as a risk diversification measure, in the office business, in addition to shifting production from the Chinese factory to the Malaysian factory, we are transferring external production, mainly assembly, from China to the ASEAN region.

Also, in the production print business, our production bases are heavily focused on China, and we recognize that this is a further challenge we need to respond to. In response, we will promote a production shift to Japan with the aim of diversifying the risks of concentrating production in China and innovating production technology. In addition, during the Medium-term Business Plan period, the development, production, and sales departments will work together to realize the switch from the traditional "intensive production," which focuses on efficiency, to "decentralized production outside China," taking the shift to ASEAN as the main approach while continuing production in China.

Enhancing the production capacity of the entire supply chain through "Production DX"

Konica Minolta has been promoting production capacity strengthening activities based on "Production DX" for a long time. We have defined "Production DX = frontline capabilities x digital manufacturing," and are working to solve problems by transforming workflows using appropriate digital tools, taking production site challenges as the starting point. On-site capabilities mean the ability to discover problems faced by on-site operators, make them concrete, and lead to solutions, and to maximize production efficiency (QDC improvement) by combining this with digital tools such as automation technology, ICT, and data science. Under this policy, we will ultimately realize "manufacturing that does not depend on people, countries, places, or changes."

In addition, in the future, we will expand our Production DX initiatives to suppliers and support their strengthening of production capacity in order to reduce procurement costs and improve quality.

Promotion of sustainability activities in procurement and production

As an environmental initiative, 100% of the electricity used in the Malaysian plant was covered by renewable energy, which resulted in 100% renewable energy at all of the Konica Minolta Group's overseas MFP production sites in June 2023.

In addition, we conduct Konica Minolta CSR Audits*¹ and RBA Third Party Audits (VAP Audits)*² from the perspectives of "labor," "human rights," "environment," and "ethics" at our own and supplier production sites. Konica Minolta's main plants are certified silver or above in the RBA Environmental Closure Audit (as of July 2023).

Through these initiatives, we will enhance Konica Minolta's social presence value for a sustainable society.

*1 Konica Minolta CSR Audit: An audit conducted by a Konica Minolta auditor who is qualified as an RBA auditor using the auditing standards of the Responsible Business Alliance (RBA), a CSR promotion organization for supply chains

*2 RBA Third Party Audit (VAP (Validated Audit Program) Audit): A third-party audit institution accredited by the RBA confirms compliance with the RBA Code of Conduct based on audit standards, and extracts points of improvement to encourage corrections. One of the most trusted third-party audits of CSR in the world

Strengthening the business continuity plan (BCP) management response system

Going forward, we will continue to make our utmost efforts to ensure that the provision of products and services to customers is not hindered by strengthening the BCP management response system that anticipates any environmental changes and by strengthening the supply chain network, including procurement, production, and logistics.

We draw out the potential of human capital and the organization to the greatest extent possible and drive the business selection and concentration.



Shinichiro Oka
Executive Vice President and Executive Officer

Review of DX2022

With the previous Medium-term Business Plan DX2022, we promoted a human capital strategy in which the highest priority issue was how to draw out the individuality—that is, the individual capabilities—that each employee possesses in order to compete globally in a DX era.

In particular, as a mechanism to make human capital visible so that the next generation of leaders can be systematically trained, we introduced the CEO Talent Review Process, in which the leaders of businesses and functional divisions and the CEO hold one-on-one discussions on the state of the training of successors for important positions in the divisions. In fiscal 2022, a list of about 150 candidates from a short- and medium-term perspective was developed, and we are running through the PDCA cycle to reinforce the pipeline of the next generation of managers through fast tracking and provision of education opportunities.

We also constructed a unique scheme to select and train DX business leaders in collaboration with Switzerland-based IMD, a world-class business school, in order to leverage the strengths of our more than 40,000 employees throughout the world, one of our competitive advantages. First, for the office business, our core business, we selected about 500 candidate employees from throughout the world, and then through repeated assessments, we narrowed down the number to about thirty for training. We formulate training plans tailored to each employee, provide them with challenging assignments to implement those plans, and make strategic training rotations not limited to the organization or country they are assigned to, and these efforts are driven by the head office.

On the other hand, we feel that strengthening management, particularly in Japan, is a major challenge for improving employee engagement. As human capital grows more diverse, it is not possible to draw out the potential of our human capital or the full capabilities of the organization with our traditional mid-level management positions. Therefore, Konica Minolta (the Company) and Konica Minolta Japan Inc., our distributor in Japan, reviewed the related system last year. We eliminated those traditional,

uniform mid-level management positions and introduced a double-track human capital system that consists of “empowerment leaders,” who energize human capital, draw out their potential, and increase the organization’s capabilities, and “experts” with advanced specialization, who contribute to the Company. We are now expanding training through this system and will continue to increase its effectiveness. Furthermore, from the perspective of promoting diversity, we consider the active participation of women, non-Japanese, and LGBT people an issue.

Basic human capital strategy in the Medium-term Business Plan

In the new Medium-term Business Plan, the highest priority issues are restoring business profitability through business selection and concentration and strengthening our financial foundation through structural reforms. In order to secure and train the human capital to drive business selection and concentration and generate sustainable growth, it is necessary to further strengthen the active participation of diverse human capital through the CEO Talent Review Process, Global Leader Training Scheme, and double-track human capital system, all of which are systems we have created over the years.

The human capital strategy to achieve this is based on the three priority initiatives of “training leaders and shifting human capital to accelerate business selection and concentration,” “promoting female advancement and DE&I,” and “improving employee engagement,” and we will implement measures to transform the Company into a group of professionals.*

* Human capital who possess superior knowledge, expertise, and unique skills and can act to solve problems based on own independent critical thinking.

Shifting, securing, and leveraging human capital who accelerate business selection and concentration

To accelerate business selection and concentration, we must shift and reskill human capital within the Company and capture outside human capital to compensate for the diversity we lack.

Human Capital Strategy

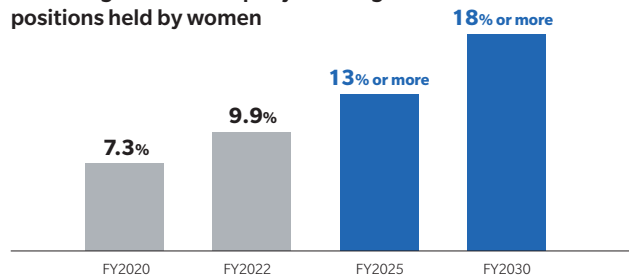
With an eye toward an effective shift of human resources to businesses to be reinforced, we are moving forward with building a talent management system to ascertain whether individual employees can adapt to changing assignments not limited to a particular job or business field, to select candidates that match business needs and human capital requirements, and to make overall optimal human resource assignments possible while taking into consideration the career desires of individuals.

Moreover, we are promoting training and education to secure one thousand specialists with advanced IT skills (imaging-IoT specialists), such as data scientists, during the current fiscal year and have succeeded in attracting more than 800 to date. On the other hand, simply having specialist human capital is not enough to promote the DX business and in-house DX. And it is necessary to have leaders who are decisionmakers, including management, be aware of the effectiveness of DX and understand how to leverage that for management decisions. It is also necessary to build an environment in which non-specialist employees become IT literate and can participate in discussions from the same perspective. To achieve that, we will promote learning and training programs to raise the level of employees throughout the Company after conducting assessments, and these efforts will be driven by the head office.

Promoting DE&I

The environment in which the Company operates has grown so dynamic and complex that it is no longer comparable to the environment in olden days. Under these conditions, it is necessary to make quick and quality decisions, not to be bound by precedent. Therefore, what is important is for diverse human capital to participate in management, and management to make

Percentage of the Company's management positions held by women



* Date compiled: as of April 1 of each fiscal year

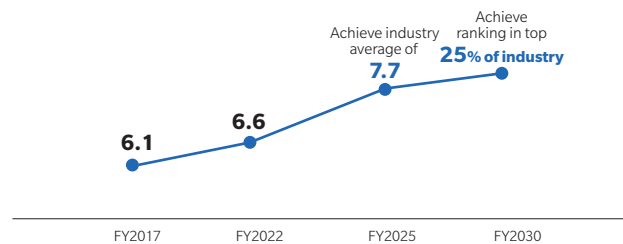
decisions based on the various options that come to light from multi-faceted perspectives and ideas.

First of all, we are focused on promoting female advancement, a common issue throughout the world, and are making long-term efforts having set the ratio of women at the management level as a KPI. In particular, considering that Japan is lagging behind in its initiatives related to female advancement, we established a dedicated body in 2016, and since then, have moved forward with various activities, including fostering an organizational climate in which women can advance, reinforcing the recruitment of women, and strengthening training of female employees who possess strong potential, with the CEO playing a leading role as this is an important management issue. Through these efforts, the ratio of female managers, which was 3% when efforts were launched, rose to about 10% in fiscal 2022, one of the top levels in the industry. Not satisfied with the current state, we have set our sights on overseas and other industries and further raised the target for this KPI, aiming for at least 13% by the beginning of fiscal 2026 and 18% or greater in fiscal 2030, and the Company has united to tackle this priority issue.

Improving engagement

In addition to fortifying human capital, improving engagement is indispensable for reinforcing the ability of the organization to implement the strategy. With the global employee survey "Your Voice," we do not simply gather information on scores but have created a system that makes it possible to listen to the opinion of each employee and improve the workplace through an understanding of strengths and issues. In particular, we make it possible for two-way dialogue in which superiors can respond whenever there are comments obtained from employees through the survey, and tie this to greater engagement via our own system

Employee engagement score



that extracts priority issues for each workplace using AI and makes it possible to immediately confirm issues on the dashboard.

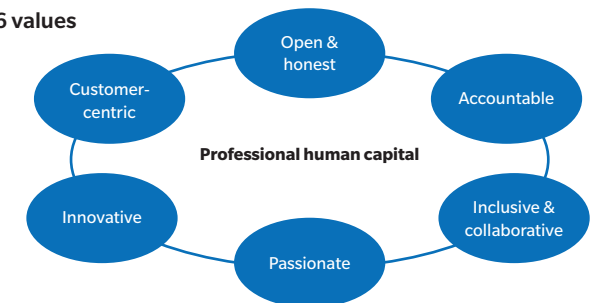
For the fiscal 2022 survey, 35,000 employees (85% of the total) from throughout the world completed the survey, which brought up various organizational issues. We have set the target of raising the engagement score obtained from this survey to the industry average during the period of the Medium-term Business Plan and then ranking in the top 25% by fiscal 2030. In addition, we have included the engagement score in the compensation scheme for Directors and Executive Officers, and the whole Group has united to achieve this as one of the key management indicators.

We are aware that "employee's health is the key to everything." The medium-term health plan is based on the Konica Minolta Group Health Declaration, which lays forth the principle of promoting health and productivity. Under this plan, by fostering a "health-first" climate, we have broadened the scope of initiatives from undertaking traditional risk management to improving the productivity and vitality of the organization and the brilliance of individuals and introduced health promotion measures with the goal of increasing the well-being of individuals and maximizing performance for individuals and organization.

Conclusion

So that employees will independently make decisions and act to solve problems as professionals, we have set "six values," a code of conduct for all employees that can also be called our DNA, and work to incorporate these into employee evaluations. We believe that drawing out the potential of human capital who possesses this DNA and the organization will accelerate business selection and concentration and our sustainable growth. Therefore, I will take the lead on activities related to the active participation of diverse human capital.

6 values



TOPICS

Recognizing best practice in the Group and foster a culture of innovation with employees around the world

Every year, we host the Konica Minolta Awards, a global, in-house awards program. In this awards program, initiatives that should be commended are selected based on the Medium-term Business Plan in two categories: the Transform Awards (TA), which recognize activities that have overcome internal and external challenges to provide customer value and promote business innovation, and the Business Contribution Awards (BCA), which recognize initiatives that have significantly contributed to the company's overall performance for the fiscal year.

In the fiscal 2022 Konica Minolta Awards, there were 82 entries for TA and 22 entries for BCA, with 8 TA finalists and 7 BCA winners selected. The Konica Minolta Awards Ceremony, which was held online in October 2022, was attended by the TA finalists and BCA winners from various countries and was streamed live to employees around the world.

We will continue to develop best practice throughout the Group through the Konica Minolta Awards, from which we hope that each employee will learn and change their behavior, leading to the expansion of the Group's growth opportunities.



Transform Awards: Award-winning project examples

Developing innovative solutions to increase sales efficiency Deploying globally using the awards as a trigger



Award winner
Konica Minolta Business Solutions U.S.A., Inc.

Identifying leading prospects from a large number of potential customers—. We have developed High Potential Prospect as a tool to meet this challenge. It can analyze historical performance data, identify high-priority prospects, and flag urgent actions in the account management system. These flags allow salespeople to understand the customers that should be handled preferentially at a glance and achieve efficient sales activities. This initiative was awarded the TA in 2019.

The effect of the award has been highly significant. Interest in the tool's effectiveness has increased and spread beyond the United States and the tool is now used by group companies in more than five countries in Europe and APAC. In addition, there was a noticeable change in the US company, such as salespeople who learned about High Potential Prospect starting to use it to determine the priority of potential customers.

We are also considering providing High Potential Prospect to our sales partners in the future. To advance DX further, a data-driven strategy like High Potential Prospect is essential. We are convinced that the High Potential Prospect initiative will not only provide better support for strategic decisions, but will also be a force to achieve the big goal of "improving customer service."

Disclosure Based on TCFD Recommendations

Detailed disclosures based on the TCFD recommendations are posted on our website. <https://www.konicaminolta.com/about/csr/environment/strategy/tcfd/index.html>

Governance

At Konica Minolta, responding to climate change is positioned as one of the objectives of our sustainability management, and decisions such as setting and changing key targets are ultimately made with the approval of the Board of Directors. Specifically, we have set and changed target values after approval by the Board of Directors in fiscal 2008, fiscal 2017, fiscal 2020, and fiscal 2023.

Strategy

To address climate change risks, in May 2023, we set out a vision to achieve Net Zero greenhouse gas emissions across the whole value chain by 2050. We aim to achieve our goals through our business by integrating the risks caused by climate change into business risks and linking the medium-term goals and annual plans related to climate change measures with the Medium-term Business Plan for areas such as product planning, development, production, procurement, and sales.

In terms of opportunities, we have further advanced the timing of achieving “Carbon Minus” to 2025 to increase the level of contribution to energy and CO₂ reduction in customer companies and society and to achieve business growth. We will strengthen the core technologies that each business has cultivated over the past 150 years since our founding as an “evolved core technology group” through the integration of AI utilization (data-driven development and production) and technologies that cut across business areas, and increase the contribution of energy and CO₂ reduction through workflow and supply chain reforms.

Climate change scenario analysis and results

Konica Minolta has identified two scenarios: business risks that will impact business performance in 2030, and business opportunities that can be created by proactively addressing the challenges of climate change.

The scenario analysis is carried out based on the following process.

- Identify target business areas for climate change scenario analysis
- Identify key climate-related risks and opportunities
- Consider existing scientific scenarios on climate change
- Consider and clarify risks and opportunities in the scenarios and their financial impact
- Consider future response approaches, policies, and strategies

Scenario 1

If the average global temperature increase is kept below 2°C (equivalent to 1.5°C) and a low-carbon global society is achieved

Addressing the “Risks” of Climate Change

Impact on Konica Minolta		Target segment	Classification	Financial impact	Timeline	Handling
Increase in procurement and manufacturing costs	Stakeholder demand for renewable energy procurement	Industry Digital Workplace	Market evaluation	Medium	Short-term	Introduce renewable-energy-derived electricity at production, R&D, and sales sites
	Replacing fossil resources and fuels in production	Industry	Policies/Laws	Medium	Medium to long-term	Examine the introduction of CO ₂ -free fuels, examine the introduction of ICP ¹ and optimization of procurement strategy
	Response to new emissions regulations and tax laws	Industry Digital Workplace Professional Print Healthcare	Policies/Laws	Strong	Short to medium term	Develop energy-saving production technology
Increase in product development costs	Response to the market and new regulations on product energy efficiency	Digital Workplace Professional Print	Policies/Laws Market	Medium	Short-term	Product energy-saving design in keeping with new environmental labeling standards, compliant with public procurement and bidding requirements
Decrease in sales due to changes in demand for products and services	Decrease in office printing demand due to acceleration toward a paperless society	Digital Workplace	Market	Strong	Short to medium term	Convert business to paperless operation

¹ Internal carbon pricing

“Opportunities” of Climate Change

Impact on Konica Minolta		Target segment	Classification	Financial impact	Timeline
Higher sales due to change in demand for products and services	A digital solution that transforms the supply chain for the printing and apparel industries	Professional Print	Products/Services	Strong	Short- to medium -term
	Transforming the production process through performance materials with a reduced product carbon footprint, hyperspectral imaging ² that contributes to improving the sorting and recycling rate of used plastics, and inkjet technology.	Industry	Products/Services	Medium	Short- to medium -term

² Multi-wavelength measurement technology for visible to non-visible light regions. With this technology, it is possible to inspect not only the color and appearance of the surface of the object, but also the internal components.

Disclosure Based on TCFD Recommendations

Scenario 2

If the average global temperature increase exceeds 2°C and the predicted physical effects of climate change materialize

Addressing the “Risks” of Climate Change

Impact on Konica Minolta		Target segment	Classification	Financial impact	Timeline	Handling
Lower profits due to a reduction in production capacity	Insufficient or interrupted supply of natural resources due to changes in climate patterns	Industry	Chronic physical	Strong	Long-term	Product design and development not dependent on particular natural resources
	Supply chain interruptions following large-scale natural disasters	Digital Workplace Professional Print	Acute physical	Strong	Medium-term	Establish business continuity management (BCM), decentralize production and supply of consumables by region
Decrease in sales due to changes in demand for products and services	Limited access to forest resources due to abnormal climate and forest fires	Digital Workplace Professional Print	Chronic physical	Strong	Long-term	Turn the shift to paperless into business opportunity

“Opportunities” of Climate Change

Impact on Konica Minolta		Target segment	Classification	Financial impact	Timeline
Increase in sales due to changes in demand for products and services	Imaging-IoT solutions that contribute to prevention and mitigation of disasters caused by acute abnormal climate and natural disasters	Industry	Products/Services	Minimal	Medium-term

Prerequisites of Scenario Analysis

• Classification of risks and opportunities

Transition risks: policies and laws, technologies, markets, reputation
 Physical risks: acute physical, chronic physical
 Opportunities: resource efficiency, energy, products/services, markets, resilience

• Definition and evaluation criteria for “financial impact”

“Large”: additional cost or profit decrease of 1 billion yen or more,
 “Medium”: additional cost or profit decrease of 100 million yen to 1 billion yen
 “Minimal”: additional cost or profit decrease of less than 100 million yen

• Definition and evaluation criteria for “financial impact”

“Large”: Profit of 10 billion yen or more
 “Medium”: Profit of 1 to 10 billion yen
 “Minimal”: Profit of less than 1 billion yen

• Definition and evaluation criteria for timeline

Long-term: 10 years or more
 Medium-term: 3 to 10 years
 Short-term: 1 to 3 years

Risk management

Konica Minolta positions risk management as an “activity that seeks to maximize returns while minimizing the negative impact of risk,” and evaluates risk from a medium- to long-term perspective. For environmental risks, including climate change, we assess and manage the impact and uncertainty of climate change risks based on two scenarios. Also, this environmental risk is positioned as one of the management risks of the entire Group and is managed by the Risk Management Committee.

In addition to discussing plans and measures related to climate change response at the Group Environmental Promotion Committee held every quarter, rolling work to review the degree of change in risks is conducted twice a year at the Committee, and risks are re-evaluated. The Group Environmental Officer reports to the President every month on the progress of the plan. In addition, important environmental issues are also reported by the Group Environmental Officer to the Management Committee, other meeting bodies, and the Risk Management Committee, etc. The Board of Directors receives regular reports on the progress of the management plan for responding to climate change and oversees its implementation.

Details of Konica Minolta’s risk management system and risk management process are described on page 71.

Disclosure Based on TCFD Recommendations

Indicators and targets

In addition to its “Carbon Minus targets” and “Product lifecycle CO₂ emissions,” Konica Minolta has set “Renewable energy-derived electricity ratio” as a management indicator for climate change risks and opportunities.

Carbon Minus

We aim to achieve a “Carbon Minus” state where we create more emissions reduction contributions outside the scope of our product lifecycle than the CO₂ we emit by 2025.

Product lifecycle CO₂ emissions

Includes all of Scope 1 and Scope 2 emissions (CO₂ emissions at the production stage, sales and service stage) and Key Scope 3 emissions (CO₂ emissions at the procurement stage, logistics stage, and product use stage).

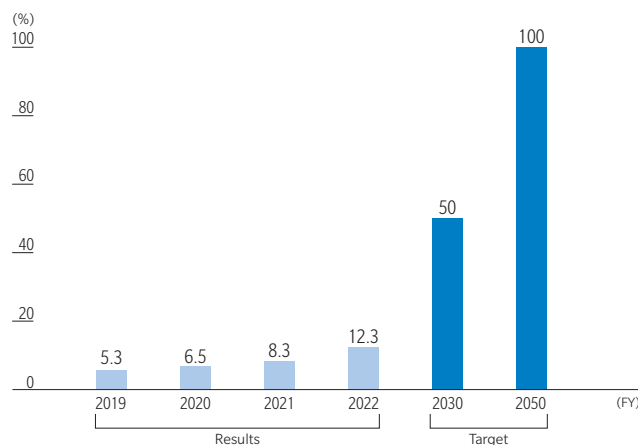
In the medium term, we have set a target of a 61% reduction compared to fiscal 2005 by 2025 and a 70% reduction by 2030. In fiscal 2022, it was about 850,000 tons (150,000 tons for Scope 1, 150,000 tons for Scope 2, and 550,000 tons for Key Scope 3), a 58% reduction compared to fiscal 2005.

In the long term, we have set a goal of Net Zero greenhouse gas emissions across our value chain by 2050.

Renewable energy-derived electricity ratio

Based on our forecast that fossil fuels will no longer be available in the future, we have set a target of increasing the proportion of renewable energy-derived electricity used in our business activities to 50% or more by 2030 and to 100% by 2050, contributing to the reduction of Scope 2 emissions.

Progress in the “renewable energy-derived electricity ratio”



Green products* sales

We have set a target of sales of green products that contribute to addressing climate change, and we are aiming for a sales ratio of 70% by fiscal 2025. In fiscal 2022, sales were 776.6 billion yen, representing a sales ratio of 68.7%.

* Products and services that solve our uniquely defined environmental issues

Executive compensation

In order to increase incentives to achieve the goals of the Medium-term Business Plan and promote the holding of company shares, we have set a non-financial indicator, “CO₂ emission reduction rate,” as one of the evaluation indicators that constitutes medium-term stock bonus (performance-linked). After the completion of the Medium-term Business Plan, executive compensation for Inside Directors and Executive Officers will be determined in the range of 0 to 200% depending on the degree of achievement of the target, and company shares will be issued.

Activity results examples

Achieved 100% of energy used from renewable energy at our multi-functional peripheral production site in Malaysia, meaning that all overseas multi-functional peripheral production sites have now achieved 100%

Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. a multi-functional peripheral (MFP) production site in Malaysia, introduced a photovoltaic power generation system (installation area of 17,059 square meters, power generation capacity of 3.4 MW) in March 2023¹, which covers about 20% of the electricity usage² with photovoltaic power generation, and together with previously introduced power with renewable energy certificates³, the site has achieved 100% renewable energy⁴.

In our MFP production sites in China, Konica Minolta Business Technologies (Dongguan) Co., Ltd. achieved 100% renewable energy in 2019 and Konica Minolta Business Technologies (Wuxi) Co., Ltd. achieved 100% renewable energy in 2020, respectively, and all of the Konica Minolta Group's overseas MFP production sites have achieved 100% renewable energy.



¹ Uses Power Purchase Agreement (PPA)

² Estimates calculated from power usage results from January to December 2022

³ I-REC certificate (International Renewable Energy Certificate)

⁴ Renewable Energy-derived Electricity Ratio

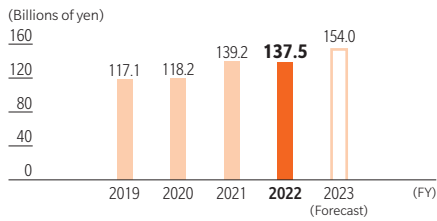
Part 2

Business Strategy

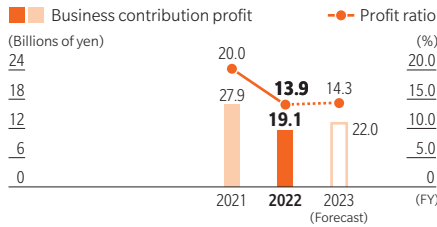
- 48 At a Glance
- 49 Industry Business
- 53 Healthcare Business
- 55 Professional Print Business
- 57 Digital Workplace Business



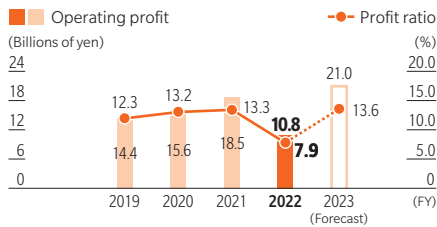
Revenue



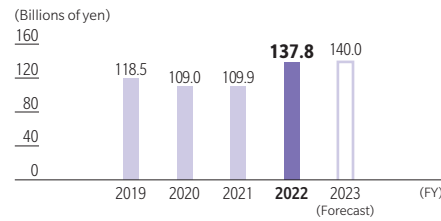
Business contribution profit*



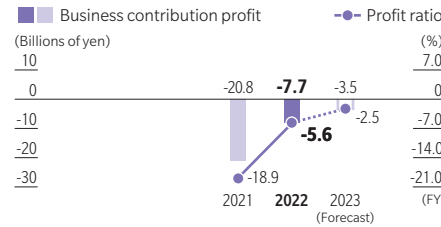
Operating profit



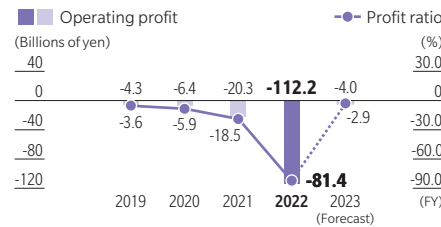
Revenue



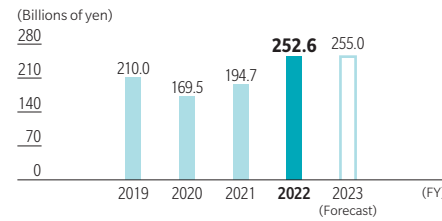
Business contribution profit*



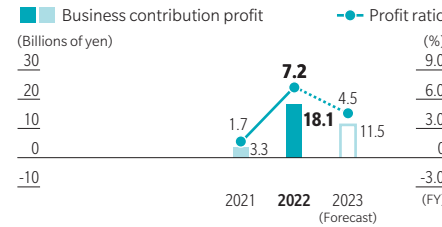
Operating profit



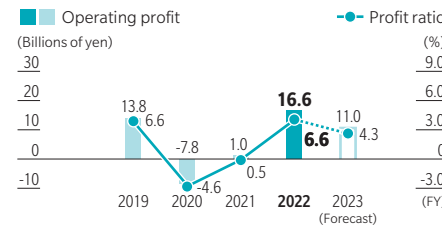
Revenue



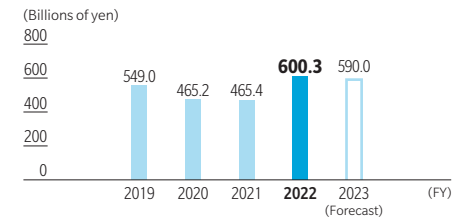
Business contribution profit*



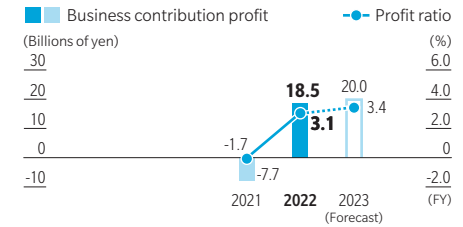
Operating profit



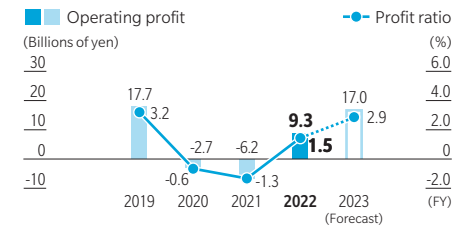
Revenue



Business contribution profit*



Operating profit



* Business contribution profit is a Konica Minolta-original index, defined as profit determined by subtracting sales cost and SG&A from revenue

Industry Business



Market Environment Awareness

Opportunities

- Changes in development and manufacturing processes due to the evolution of next-generation displays, and the expansion of applications to a variety of devices.
- Requirements for process and labor saving at manufacturing sites, improvement of stability and productivity in quality and ingredient inspection, and reduction of environmental impact.
- Surge of demand for semiconductors and supply chain changes affected by fluctuations in the international situation.
- The renewal of manufacturing facilities due to the acceleration of technological innovation known as CASE in the automotive industry and changes in the ecosystem due to the entry of new players.
- Increasing demand for AI-powered detection, analysis, prediction, and forecasting, and the provision of data services that use these technologies in manufacturing sites and critical security management facilities, etc.

Risks

- Risks of declining private consumption and limitation of capital investment due to geopolitical factors and economic recession.
- Substitution risk due to new technological development.

Market growth rate

Sensing	Light source color / object color	+4%
	Automotive visual inspection	+15%
	Hyperspectral imaging (HSI)	+10 to 15%
Performance materials	Large TVs (LCD+OLED)	+4%
IJ components	Growth areas (industrial + print-on-demand applications)	+48%
Imaging-IoT solutions	Network cameras	+11%

* Konica Minolta estimates. Performance materials are based on area, other businesses are based on monetary amount

Review of the previous Medium-term Business Plan

The sensing business has steadily captured the demand for measurement for displays, increased sales of visual inspection and hyperspectral imaging (HSI) industrial applications, and comfortably achieved the goal of expanding profits. The performance materials business was affected by the inventory adjustment in the market, but phase difference films for large-sized TVs remained strong in both medium and large sizes. However, we did not reach our target ratio for large-size applications. The IJ components unit showed solid growth for industrial applications, but it was slightly short of its target due to the impact of COVID-19. Due to supply constraints for semiconductors and other components, and the economic downturn in Europe, which is a major market, the imaging-IoT solutions business did not grow as expected, and the target of increasing gross profit through sales expansion was not reached.

KPIs set in the previous Medium-term Business Plan and results

	FY2022 Targets	FY2022 Results
Sensing	Visual inspection/HSI industrial applications sales ratio: 17%	12% *1
Performance materials	Large-sized TVs ratio of our phase difference films: 30% or more	21% *2
	Functionalization ratio for mobile devices: 50% or more	51% *2
IJ components	Sales growth ratio for industrial print and print-on-demand applications: 20-30% total	15%
Imaging-IoT solutions	Number of imaging-IoT platform partners: 125 companies	122

*1 Sales increased YoY, but did not achieve target of 17% due to significant expansion of core business.

*2 Konica Minolta sales ratio

Strategy in the new Medium-term Business Plan

Basic Strategy

In the Industry Business, we have achieved an operating margin of more than 20% by selecting medium-sized stable markets and maintaining a high share. With core technology as our strength, development, manufacturing, and customer support have come

together to create value by building strong relationships with customers. We will set the fields we will focus on in the future as “display”, “mobility”, and “semiconductor manufacturing”, strategically invest mainly in the strengthening businesses of

sensing, performance materials, IJ components, and optical components (industrial applications), and promote business development that is more closely linked to the customer’s manufacturing value chain.

Sensing

Based on the light source color / object color measurement field, in which we have secured a share of more than 50% in display measurement, we have expanded the target areas of measurement through strategic acquisitions and alliances, and have gained an industry-leading share.

In light source color and object color measurement instruments, we aim to capture the evolving demand for next-generation displays and continue to hold a leading position by supporting customers comprehensively in order to expand profits.

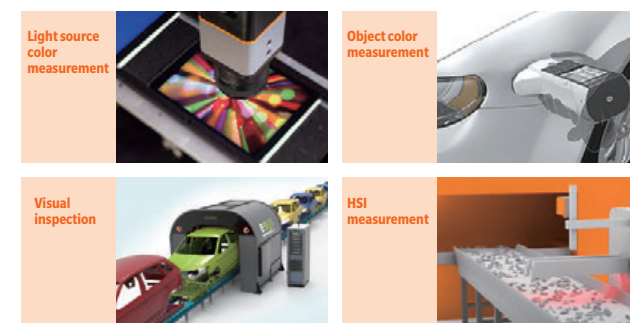
Visual inspection is an area in which we can differentiate, such as in automobiles, to meet the needs of industries and customers (see page 37 for details).

In measurement instruments that apply HSI technology, which measures not only visible light but also non-visible light, we

aim to expand the use of inspection and sorting applications in fields such as recycling, food, and pharmaceuticals, where market growth is expected.

Going forward, we will continue to capture inflection points in each industry and support manufacturing quality improvement, loss reduction, and circulation of resource as an essential partner of our customers.

Business areas



Strategic KPI (vs. FY2022)

	FY2025 Target
Sales growth rate of visual inspection and HSI industrial applications	22%

Performance Materials

In performance materials, we will set phase difference films for large panels and thin films for small and medium-sizes as the main products, and support a wide range of applications for various displays such as large TVs, small and medium-sized mobile displays, and automotive displays, which are growing markets.

Konica Minolta’s film manufacturing technology uses solvent belt-casting method, which has the advantage of a high level of freedom in terms of materials and the ability to add additives that add functionality to the material. We will use this technology to build “genre top” fields.

We have gained a share of more than 40% in phase difference films, including the new resin “SANUQI Film”, which has excellent water resistance (see page 38 for details). In addition, we are developing products that capture changes in the market, such as being one of the first companies to develop thin

films that are even thinner than before, and gaining a “genre top” position in mobile applications.

The display market has matured, but with the evolution of large screens in TV, the demand for wider films has increased compared to the past. At Konica Minolta, we will continue to aim for business growth by capturing changes in the market, such as strengthening our production facilities to support 2.3 to 2.5m wide films.

Long and ultra-wide display film



Strategic KPI

	FY2025 Targets
Sales composition ratio in new resin for large TV panel areas	55% or more
Sales composition ratio in new resin for small and medium-sized TV panel area and new business area	10% or more

IJ Components

Konica Minolta's IJ (inkjet) heads are used in a variety of fields, including sign graphics applications such as outdoor advertising, commercial printing applications such as the Konica Minolta product "Accurio Jet KM-1", industrial applications such as use in pattern formation in manufacturing processes such as printed circuit boards and displays, and print-on-demand applications such as flexible packaging printing.

Existing sign graphics applications and commercial printing applications, etc. are expected to continue to have a certain demand in the future as a core area that supports profits, and we expect a stable growth rate. We position areas where we will seek to replace conventional methods with IJ heads, such as industrial applications and print-on-demand applications as growth areas, and we expect growth of more than 10% annually and sales growth for Konica Minolta in these areas (see page 32 for details).

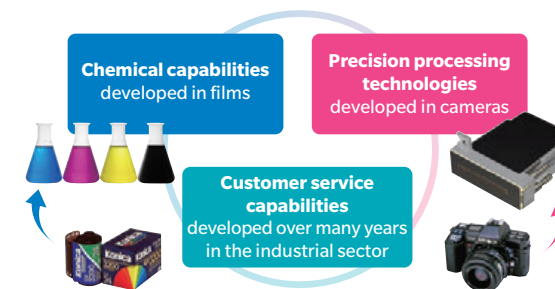
Konica Minolta's strengths are its chemical technology, precision processing technology, and customer service

capabilities. In particular, we have developed IJ heads that are highly compatible with various inks and chemicals, utilizing our capabilities in chemicals that we have developed through film technologies. We lead the market in industrial applications where there are many special inks and a high level of durability is required. In addition, in industrial applications that require advanced performance and where many customers request customization, we utilize our customer support capabilities to help with workflow reform through proposals including systems. Based on these strengths, we will promote the shift to the IJ process and aim to expand profits.

Strategic KPI

	FY2022 Result	FY2025 Target
Sales composition ratio in growth areas (industrial + print-on-demand)	41%	60% or more

Strengths of Konica Minolta



Optical Components (Industrial Applications)

Within the optical component unit, we have set industrial applications such as mobility and semiconductor manufacturing equipment as areas of enhancement. Through our differentiated technologies that combine our core technology of materials, nano-fabrication, optical design, and precision assembly, we are expanding our business by "making the invisible visible" and increasing added value.

In particular, the market size of semiconductor manufacturing equipment is expanding year by year, and we will strengthen our proposals upstream of this market and shift to high-growth areas. In addition, utilizing the customer alliances that we have built so far, we will not only provide components, but also propose solutions that include optical design and simulation.

Strategic KPI

	FY2025 Target
Sales composition ratio in industrial applications area	50% or more

Imaging-IoT Solutions

The imaging-IoT solutions unit provides high-value-added image analysis services to a wide range of customers, mainly in the manufacturing industry.

The network surveillance cameras made by MOBOTIX AG of Germany have strengths in high durability, thermal technology, and edge AI processing. By connecting these cameras to Konica Minolta's unique imaging-IoT platform "FORXAI" that combines diverse sensor devices and imaging AI technology, it becomes possible to quickly detect and analyze abnormalities and signs that may lead to serious accidents or disasters in frontline

operations of various industries and contribute their prevention. In addition, VAXTOR Ltd. of Spain, which was acquired by MOBOTIX AG, has taken advantage of its strengths in automatic license plate recognition technology to successfully win projects mainly in the transportation infrastructure field. Going forward, we will continue to rapidly develop AI-powered solutions and strengthen cooperation with Konica Minolta's global sales system to promote high profitability in our businesses and contribute to the safety and security of society.

Strategic KPI (vs. FY2022)

	FY2025 Target
Sales growth rate of MOBOTIX camera solution package for outdoor/thermal applications	16%

Medium- to long-term growth strategy in strengthening areas for Industry, centered on the industrial value chain

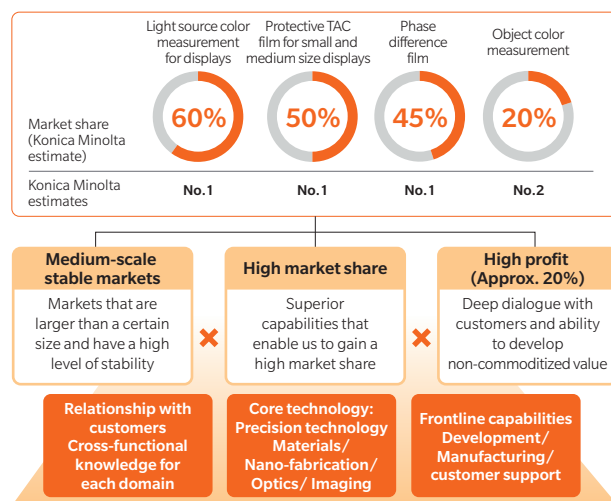
Common “success requirements” for the high market share areas for Industry Business

The Industry Business is built on three common success requirements, based on "precision technology," which is our strength, and "frontline capabilities," which integrates development, manufacturing, and customer support. The first requirement is that market is larger than a certain size and stable, the second is that we can demonstrate superior capabilities and gain a high market share, and the third is that we can have a deep dialogue with customers in the manufacturing industry and maintain profitability by developing non-commoditized value.

The display market is large and growing steadily, and phase difference films and light source color measurement instruments are differentiated based on our core technology and frontline capabilities. In addition, we have deep and long-term cooperation with multiple customers and partners in the midstream of the industrial value chain (VC), which is a barrier against new entry to the market and an environment in which a decline in value is unlikely to occur. As a result, in the existing areas, we have maintained an operating profit ratio of about 20%.

In the sensing unit, in addition to organic growth that meets the above-mentioned success requirements, we have also used acquisitions to deepen our connections and increase our presence in VCs, which has led to a more than fourfold increase

Success requirements of strengthening areas for Industry Business

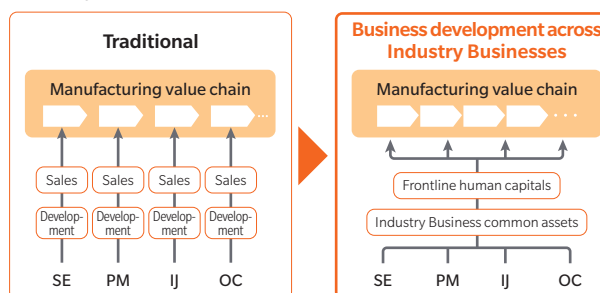


in revenue in the past 10 years while maintaining profit ratio. In the area of optical inspections for display, we have acquired two companies in the industry in Europe and the United States, and we currently hold a market share of more than 50%. In particular, the visual inspection and image processing technology for electronic devices of the company we acquired, Radiant (USA), has accelerated our inspection business for automobiles, leading to the acquisition of Eines (Spain), which has greatly increased our market share. Similarly, the acquisition of Specim (Finland), which possesses HSI technology that can realize non-visible light area imaging, has enabled us to provide higher analytical capabilities for safety, security, and hygiene areas such as recycling, food, and pharmaceuticals.

Strengthening business development across Industry Businesses

In order to capture the rapid market changes surrounding the Industry Business and meet the needs of customers, it is necessary to identify the industries to be focused on, apply the core technology that are our strengths that we inherit from the founding businesses and further innovate them in order to connect them to value. For this reason, we have established a business development system that can respond quickly to market challenges by placing front-line human capitals in each market of each focus area in order to be closely connected to the market. We aim to enhance trust and become a preferred supplier by having our front-line human capitals, who move across traditional business units and can overlook the entire industry's VCs and related technologies, continuously work to solve customer challenges by utilizing the customer relationships and technical assets we have accumulated throughout the Industry Business.

Promoting business development system across Industry Businesses



SE: Sensing PM: Performance materials IJ: IJ components OC: Optical components

Areas of focus in the medium-to long-term

In the medium-to long-term, we will focus on three industries: display, mobility, and semiconductor manufacturing.

These markets have “fluctuations” due to unique changes and developments, and they are under the environments in which it is easy to create new business opportunities that meet the “success requirements.”

In response to these “fluctuations,” we are already progressing value co-creation with customers cultivated in existing areas, and we aim to demonstrate our superiority by combining and applying technologies, and become an indispensable presence in VCs.

Display

Accelerated development of new display technologies as devices evolve

- Development and sales expansion of next-generation functional films that can withstand harsh use environments such as foldable types using materials with low-environmental load
- Development of manufacturing processes that combine IJ technology and material technology to achieve both high precision and process simplification that cannot be achieved by conventional methods

Mobility

Acceleration of technological innovation through CASE

- Sales expansion of automated solutions for visual inspection processes for automobiles coating
- Expansion of optical technology to support ADAS (Advanced Driver Assistance Systems)
- Development of low environmental load coatings that extend digital coating technologies to apply only the amount of materials necessary to the location necessary, a feature of IJ technology

Semiconductor manufacturing

Supply chain upheaval due to external factors

- Expansion through gradual strategic investment in the business of ultra-precision optical components for semiconductor manufacturing equipment, a area where we have been closely connected to customers for more than 10 years
- Entering the business of new process materials by utilizing our customer base, material technologies, and manufacturing knowledge

Healthcare Business



Market Environment Awareness

Opportunities

- Against the backdrop of a shortage of medical personnel, there has been an increase in demand for healthcare DX that utilizes images, AI, and IT technologies to make healthcare more advanced and efficient.
- Due to declining birthrates and aging populations, mainly in developed countries, as well as higher medical expenses, the need for early diagnosis and minimally invasive medical treatment has increased.
- Rapid economic development, population growth, and increased longevity in emerging countries such as those in Asia have led to a greater need for healthcare and an expanded market for the digital healthcare.

Risks

- Supply chain disruptions caused by unstable international conditions and geopolitical risks.
- The risk of a decline in the willingness of medical institutions to invest in capital against the backdrop of soaring energy, material, and labor costs.

Market growth rate

General X-ray Diagnostic Systems	+4% *
Ultrasound Diagnostic Systems	+3% *

* Konica Minolta estimates.

Review of the previous Medium-term Business Plan

During the previous Medium-term Business Plan period, in the medical imaging (healthcare) business, we strengthened high-value-added imaging such as DR integrated X-ray systems and Dynamic Digital Radiography, aimed to expand medical IT services, and promoted our global digital business including in Asia. Within these efforts, although the COVID-19 pandemic and changes in the international situation have limited our procurement of electronic components and sales activities, we have seen robust demand focused on high-value-added imaging and medical IT services, and sales in the digital business have increased.

On the other hand, the precision medicine business realized an increase in the number of samples due to the expansion of RNA testing, which is a precision test, and completed the development of the “GenMineTOP Cancer Genome Profiling System” jointly developed by the University of Tokyo and the National Cancer Center Japan. It also contributed to the development of new drugs for Alzheimer’s disease. However, the shortage of healthcare workers due to the impact of the COVID-19 pandemic in the United States has delayed the recovery of sales.

KPIs set in the previous Medium-term Business Plan and results

	FY2022 Targets	FY2022 Results
DR integrated X-ray system, Dynamic Digital Radiography, and Asia business revenue growth rate	+15% or more	+31%
Medical IT service revenue growth	+8% or more	+7%

Strategy in the new Medium-term Business Plan

Basic Strategy

The Healthcare Business aims to “support healthy, high-quality living,” which is one of our material issues, and provides products and services that contribute to early diagnosis, keeping medical costs low, and improving quality of life. It will focus on allocating management resources to medical imaging business, which is a

strengthening business, and aim to expand the business scale with a focus on high-value-added imaging and medical IT solutions that are expected to grow in the medium-to long-term. Since precision medicine business, which offers long-term growth potential, requires continuous growth investment, we will

continue to consider strategic options, including listing on the US stock market, which we have been preparing for, and transferring the business to a third party to accelerate the growth of our business.

Medical Imaging

Strengthening of high value-added imaging

In the field of X-ray imaging, Konica Minolta will promote the global development of Dynamic Digital Radiography, for which it is a pioneer in the world, expand clinical applications through collaboration with Key Opinion Leaders (KOLs), and increase sales of high-value-added integrated X-ray systems, including mobile X-ray systems with Dynamic Digital Radiography. In ultrasound diagnostic systems, we will utilize high image quality and auxiliary functions such as puncture enhancement processing, which are our strengths, and will strengthen anesthesiology, dialysis, and other genres in addition to orthopedics and obstetrics in which we already have a high market share.

Strengthening of medical IT solutions

In medical IT solutions, we will expand sales of DX-enabled support services for clinics by adding a new “smart clinic service” that connects patients and medical institutions, centered on “infomity,” an ICT service platform for medical institutions that connects with approximately 20,000 clinics in Japan.

Expanding our global presence

We will expand our global presence in high-value-added medical treatment solutions that combine modalities such as x-ray diagnostic systems and ultrasound diagnostic systems with AI-powered image diagnosis support, and strengthen the deployment of Picture Archiving and Communication System (PACS) to the ASEAN region to increase the profits of the digital business. In addition, we will promote open and strategic collaboration with global partner companies with strengths in their respective areas.

[Strengths to support the strategy]

- Brand and customer base developed through 90 years of history since the X-ray film business.
- Relationships with KOLs which co-create new clinical value.
- Technologies related to high-value-added imaging and medical IT solutions including Dynamic Digital Radiography rooted in core technologies (see page 38 for details).
- Highly specialized human capital (imaging/AI technology, clinical development, IoT) who support value co-creation with KOLs.

Strategic KPI (vs. FY2022)

Key KPIs	FY2025 Targets
Sales growth rate of DR integrated X-ray systems and Dynamic Digital Radiography	+140%
Sales growth rate of the Asian business	+155%
Sales growth rate of medical IT services	+145%

High-value-added imaging

- Dynamic Digital Radiography systems
- Treatment solutions based on ultrasound diagnostic systems

Medical IT solutions

- Imaging and dose management systems
- infomity and medical DX services



Precision Medicine

In the field of genetic diagnosis, we will expand “RNA testing,” a proprietary technology with high inspection accuracy and our “CARE Program” designed for non-patients that contributes to preventive medicine. In addition, we will promote contributions to personalized medicine by launching medical services covered by the national insurance system in Japan through the “GenMineTOP Cancer Genome Profiling System” (jointly developed with the

University of Tokyo and the National Cancer Center Japan).

In the field of drug discovery support, we will expand assignment of the clinical trials for the central nervous system and cancer. In addition, by launching “LATTICE,” a platform that integrates genetic, pathological, and image data, and providing “state-of-the-art genetic testing, molecular pathology testing, and three-dimensional imaging” under the name of “REALM Pharma Services,” we will work

to expand drug discovery support, and contribute to improving the drug discovery success rate and process efficiency.

[Strengths behind the strategy]

- Accumulation of human capital and technologies that enable competitive proprietary technologies such as RNA testing, exome testing, and visualization of drug efficacy using biomarkers.

Professional Print Business



Market Environment Awareness

Opportunities

- The shift from analog printing to digital printing, such as offset printing, has accelerated.
- In commercial printing marketing methods have become more individualized and are based on shorter cycles, and in industrial printing, the demand for packaging/label printing has increased due to the shift to small lots with the increase in global population and the increase in private/local brands.
- There is a shortage of skilled workers in printing companies and increasing concern for the environment.

Risk

- Reduced demand for printing due to geopolitical risks and economic fluctuations, reduced willingness to invest in capital and delayed decision-making among printing companies.

Market growth rates

	Commercial printing	+4%
Digital printing	Label printing	+6%
	Packaging printing	+20%

* Konica Minolta estimates

Review of the previous Medium-term Business Plan

Production print business sales declined in fiscal 2020 and fiscal 2021 due to reduced demand caused by the spread of the COVID-19 pandemic and reduced toner supply capacity due to the impact of the toner factory explosion, but recovered to the level of fiscal 2019 in fiscal 2022. In addition, HPP (Heavy Production Printing machine), which was launched during the previous Medium-term Business Plan, significantly increased its market share in a short period of time, and the non-hardware sales growth rate also progressed as planned. In the industrial print business, we captured the wave of digitalization of printing in areas that are closely related to people's lives, such as labels and textiles, and sales have grown significantly, mainly in Accurio Jet KM-1 digital inkjet press and label printing machines. The marketing services unit has improved profitability due to structural reforms.

KPIs set in the previous Medium-term Business Plan and results

	FY2022 Target	FY2022 Result
HPP market share	40%	36%
YoY sales non-hardware		
Production Print	+5%	+13%
Industrial Print	+12%	+25%

Strategy in the new Medium-term Business Plan

Basic Strategy

Positioning production print and industrial print businesses as strengthening areas we will aim to minimize the factors that inhibit the shift from analog printing to digital printing. In concrete terms, we will expand the scope to the entire printing process and the print supply chain, and accelerate the spread of

digital printing in each field. In this way, we will contribute to improving people's work satisfaction by transforming workstyles at printing sites and satisfying the needs of printing companies' customers. At the same time, we aim to reduce the losses in each process of the printing lifecycle and reduce the impact on the

environment (see page 31 for details).

Marketing services will be considered as a non-focused business, considering their compatibility with the Company's own strategy, and we will also consider the use of third-party capital to achieve growth.

Production Print

By co-creating a mechanism and business model that contribute to maximizing the cost-effectiveness of printing and minimizing environmental impact with brand owners and printing companies, we will contribute to improving the business process efficiency of printing companies and saving labor at printing sites. Through these efforts, we will increase the willingness of printing companies to use digital printing, expand the number of HPP units installed in the market where large-scale printing demand is expected, and expand non-hardware profits with high sustainability.

We will also expand the installation of the Intelligent quality optimizer function and automatic inspection function "IQ-501" that was installed mainly in HPPs and MPPs (Mid Production Printing machines) in LPP (Light Production machines). We will

promote production efficiency and labor saving, and maintain the top market share among small and medium-sized printing companies in developed countries. Further, we will expand sales in growth markets (China and India) where we have an overwhelming top market share, and build a foundation for highly profitable non-hardware profit expansion.

Print strategic KPI (vs. FY2022)

	FY2025 Target
HPP MIF*	+170%

* MIF: Machines in the Field

[Strengths that support our strategy]

- We are familiar with the image quality desired by the printing industry based on our history of selling prepress film and proof printing machines for analog printing.
- We have driven the formation of the digital printing market by bringing electrophotography methods developed for our office copiers to commercial printing.
- We have utilized object color measurement technology in the sensing business and were the first in the industry to introduce the Intelligent quality optimizer function and automatic inspection function to the market (see page 38 for details).
- We have also established barriers to entry by building up intellectual property in the digital printing field and maintained a leading position in the industry.

Industrial Print

With our UV inkjet printing machine "KM-1", we will establish a customer base centered on new medium and large printing companies by strengthening the sales system and promoting productivity improvements at printing companies. In addition, we will aim to achieve a stable profit foundation by increasing the print volume through services that combine both work efficiency improvements, including before and after printing, and quality satisfaction. Further, we will expand sales by promoting total solutions that support the entire printing process that combines digital embellishment presses.

In addition, regarding our label printing machines, we will introduce models with improved image quality and productivity, and expand sales from traditional medium-sized companies to

large-scale companies. Regarding our textile presses, we will expand sales of models that can reduce the environmental impact of the printing process. Through these efforts, we will greatly expand non-hardware sales.

Strategic KPI (vs. FY2022)

	FY2025 Target
Sales Non-hardware	+110%

[Strengths that support our strategy]

- We have accumulated advanced adjusting technologies in various fields such as mechanics, electronics, software, chemistry, and physics.
- We have achieved high-quality printing on a variety of printing media using various printing methods.
- Our proprietary HS (High-definition, Single-pass) ink technology enables high-quality printing on a variety of printing media, including plastics, and enhances productivity (quick-drying/double-sided support, large formatting, high-speed) and color stability, which have been challenges for digital printing machines.
- The customer development capabilities that we have cultivated in commercial printing.

Digital Workplace Business



Market Environment Awareness

Opportunities

- In the field of IT management services, while companies are shifting to the cloud, there is also a deep-rooted need for on-premises strengths, so the opportunity to provide managed services for both cloud and on-premises will continue in the future.
- In the field of operation optimizing services, in addition to market growth, there is an increase in demand for DX promotion from companies and local governments aiming to improve business efficiency. The need for digital workflow solutions to strengthen information security, optimize workflows related to office documents, and solve problems specific to industries and businesses that respond to regionality, as well as the need to digitize paper documents due to legal amendments, etc., have increased.
- Further expansion of demand for MFPs in emerging markets such as China and India, and the shift from monochrome MFPs to color MFPs.

Risk

- Reduced scope for shifting from monochrome MFPs to color MFPs in developed markets, and decreased office printing due to the establishment of diverse working styles such as working from home.

Market growth rate

MFPs	Hardware	-1%
	Non-hardware	-4%
Operation optimizing Services	ECM *1	5%
	ERP *2	10%

* Konica Minolta estimates

*1 ECM: Enterprise Content Management

*2 ERP: Enterprise Resources Planning

Review of the previous Medium-term Business Plan

In the office business, we aimed to recover to pre-COVID-19 profit levels. However, on the demand side, print volume decreased due to the progress of work style transformation as an external factor. On the supply side, in addition to external factors such as a shortage of materials including semiconductors, soaring logistics costs, and lockdowns due to the COVID-19 pandemic, internal factors such as a shortage of toner supply due to explosions at the toner plant had a significant impact on sales and profits. On the other hand, we were able to reduce the break-even point through the control of selling, general and administrative expenses and structural reform, and we were able to build a business structure that can generate profits even if the sales scale shrinks.

In the DW-DX business, we aimed to make a profit by increasing sales of managed IT services and Workplace Hubs, and reducing selling, general and administrative expenses by improving development efficiency. However, due to the rapid shift to cloud services, sales of the on-premises Workplace Hub were lower than expected, while the reduction of selling, general and administrative expenses and structural reform did not proceed as expected due to soaring labor costs.

KPIs set in the previous Medium-term Business Plan and results

	FY2022 Targets	FY2022 Results
MRR* growth rate	+15% or more	+25%
Customer retention	+2pt	-3 pt
Service factory deployed countries	25	11

* MRR: Monthly Recurring Revenue

Strategy in the new Medium-term Business Plan

Basic Strategy

The office business is positioned as a maintaining profit business, and we will promote cross-selling solutions and the transition to a fixed-price system for consumables in response to the risk of a decrease in print volume due to changes in people's work styles.

In addition, we will establish a structure that can generate profits by providing a stable supply of products by responding quickly to changes in the international situation.

The DW-DX business is positioned as a direction-changing

business. As well as clarifying and implementing quarterly goals, in some cases, we will organize the business on the two axes of region and service line, aiming for a profit that could not be achieved in the previous Medium-term Business Plan.

Office

In terms of production and procurement, our top priorities are improving our ability to respond to the external environment and fostering and ensuring a safety culture, and we will thoroughly implement cost reduction activities for parts procurement that increased in cost during the previous Medium-term Business Plan. In addition, by further combining our frontline capabilities and digital manufacturing, we will achieve stable quality and stable supply of products (see page 39 or details). Further, we will promote waste reduction and minimization of resource use through resource circulation-oriented business development, and we will expand business opportunities by complying with strict European environmental standards for bidding.

On the service side, by strengthening the functions of remote services and self-maintenance, we will shift to a service operation that maintains the operation of MFPs without requiring

customer visits. In addition, we will further improve reliability and reduce service costs by monitoring the condition of MFP main units and predicting and avoiding failures.

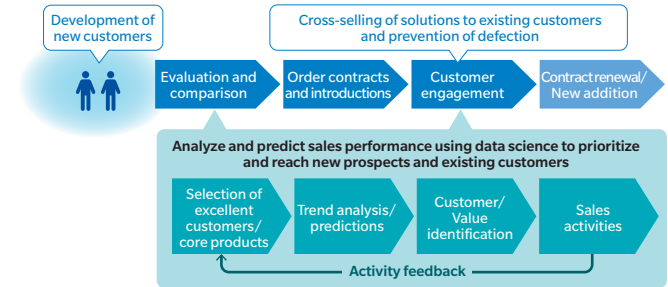
On the sales side, we will expand package sales of solutions in addition to non-hardware sales through a flat-rate program "One Rate" that does not depend on print volume fluctuations. In addition, we will increase the productivity of sales personnel and

promote more efficient sales activities by narrowing down high priority potential customers using AI (High Potential Prospects).

Strategic KPI

	FY2022 Results	FY 2025 Targets
US One Rate MIF rate	22%	30%
Remote services execution rate	16%	35%

The High Potential Prospect Concept



DW-DX

IT management services

Increase profitability by delivering IT management services while reducing costs for specific customers with on-premises needs.

Work efficiency services

• Horizontal market ^{*1}: We will expand the system integration model and packaging approach for sales companies that maintain high profits horizontally to countries around the world to improve service productivity and sales productivity. In addition, we will conduct cross-selling of products based on document management services to customers of MFPs and propose appealing high-value-added services to expand sales and establish a stable foundation as a highly profitable business.

• Vertical market ^{*2}: We will acquire new sources of profit by capturing customer needs specific to each region's industry and business category, and developing our own businesses that continuously and rapidly update the value provided by AI and data utilization.

^{*1} Horizontal market: Markets that are not specialized for industries, such as solutions for common operations regardless of industry

^{*2} Vertical market: Markets that are specialized for industry and business category (for example, law firms or government agencies are assumed)

Strategic KPI

	FY2022 Results	FY2025 Targets
Orders per person	\$61K/month	+2%
Gross profit margin of Operation optimizing service	36%	+1 pt

Part 3

Governance

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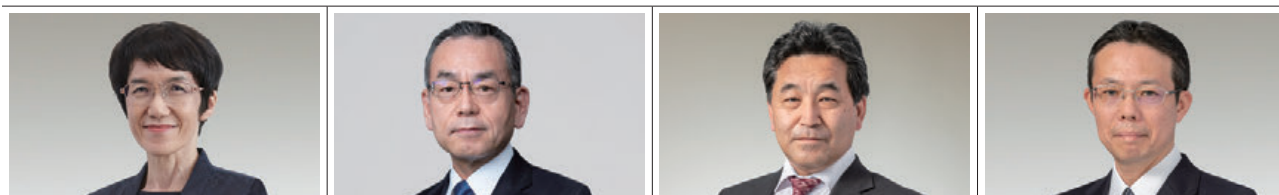
List of Directors As of June 20, 2023



Name and title		Toshimitsu Taiko Director, President & CEO, Representative Executive Officer	Chikatomo Kenneth Hodo Outside Director, Chairman of the Board Nominating Committee Member	Soichiro Sakuma Outside Director Chairperson of the Audit Committee Compensation Committee Member	Akira Ichikawa Outside Director Chairperson of the Nominating Committee Audit Committee Member	Masumi Minegishi Outside Director Chairperson of the Compensation Committee, Nominating Committee Member	
Career highlights		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 Senior 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 (present position)	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 June 2018 Director of the Company 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. (present position) June 2022 Director, Chairman of the Board of the Company (present position)	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 and Environment) 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 June 2020 Director of the Company (present position) July 2020 Adviser of Nippon Steel Corporation (present position) June 2023 Adviser of NS Solutions Corporation	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. (present position) June 2021 Director of the Company (present position)	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. Chairman and Representative Director of the Board of Recruit Holdings Co., Ltd. (present position) June 2022 Director of the Company (present position)	
	Number of shares of the Company held		50,631	0	9,700	3,700	0
	Term of office (years)		5	5	3	2	1
	Board of Directors meeting attendance (FY2022)		13/13	13/13	13/13	13/13	10/10
	Committees belonged to (◎ denotes committees chairs)	Nominating Committee		○		◎	○
		Audit Committee			◎	○	
		Compensation Committee			○		◎
	Skills matrix	Corporate executive experience in listed company	●			●	●
		Global executive management experience*	●	●	●	●	●
		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)		●	●	●		●	

* "Global executive management experience" includes both actual experience at a global business and experience relating to overseas business operation.

List of Directors



Name and title		Takuko Sawada Outside Director Nominating Committee Member, Audit Committee Member, Compensation Committee Member	Hiroyuki Suzuki Director Nominating Committee Member, Audit Committee Member, Compensation Committee Member	Noriyasu Kuzuhara Director, Executive Vice President and Executive Officer	Yoshihiro Hirai Director, Executive Vice President and Executive Officer
Career highlights		<p>April 1977 Joined Shionogi & Co., Ltd.</p> <p>April 2007 Officer, Executive General Manager, Pharmaceutical Development Division of Shionogi & Co., Ltd.</p> <p>April 2010 Executive Officer, Executive General Manager, Pharmaceutical Development Division of Shionogi & Co., Ltd.</p> <p>April 2011 Senior Executive Officer, Executive General Manager, Global Development Office of Shionogi & Co., Ltd.</p> <p>June 2015 Director of the Board, Senior Executive Officer, Senior Vice President, Corporate Strategy Division of Shionogi & Co., Ltd.</p> <p>April 2017 Director of the Board, Senior Executive Officer, Senior Vice President, Corporate Strategy Division of Shionogi & Co., Ltd.</p> <p>April 2018 Director of the Board, Executive Vice President of Shionogi & Co., Ltd.</p> <p>July 2022 Director and Vice Chairperson of the Board of Shionogi & Co., Ltd. (present position)</p> <p>June 2023 Director of the Company (present position)</p>	<p>April 1979 Joined Minolta Camera Co., Ltd.</p> <p>July 1997 Senior Managing Director, Minolta MBK Digital Studio, Inc.</p> <p>April 2004 General Manager, China Sales Promotion Office, MFP Overseas Sales Department, Konica Minolta Business Technologies, Inc.</p> <p>June 2006 General Manager in charge of Audit Committee Office of the Company</p> <p>June 2009 General Manager, Corporate Audit Division of the Company</p> <p>April 2012 Executive Officer, General Manager, Corporate Audit Division of the Company</p> <p>June 2019 Director of the Company (present position)</p>	<p>April 1990 Joined Konica Corporation</p> <p>April 2009 General Manager, R&D Department, Performance Materials Headquarters of KONICA MINOLTA OPTO, INC.</p> <p>April 2014 General Manager, Performance Materials Business Unit, Advanced Layers Company of the Company</p> <p>April 2015 Executive Officer, General Manager, Performance Materials Headquarters of the Company</p> <p>April 2016 Executive Vice President and Executive Officer, General Manager, Performance Materials Headquarters, responsible for OLED Business of the Company</p> <p>April 2017 Executive Vice President and Executive Officer, Division President, Material & Component Business Headquarters of the Company</p> <p>April 2018 Executive Vice President and Executive Officer, Division President, Material & Component Business Headquarters, General Manager, Corporate R&D Headquarters of the Company</p> <p>April 2022 Executive Vice President and Executive Officer, responsible for Corporate Planning, Lead Officer for Material & Component Business of the Company</p> <p>April 2023 Executive Vice President and Executive Officer, General Manager, Corporate Planning Headquarters of the Company (present position)</p>	<p>April 1991 Joined the Mitsubishi Bank, Ltd.</p> <p>June 2019 Resigned the Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>July 2019 Joined the Company, General Manager, Corporate Finance Division of the Company</p> <p>April 2021 Corporate Senior Vice President, General Manager, Corporate Finance Division, responsible for managing Business Technologies Business of the Company</p> <p>April 2022 Corporate Senior Vice President, General Manager, Corporate Finance Division, responsible for Corporate Accounting of the Company</p> <p>April 2023 Executive Vice President and Executive Officer, responsible for Corporate Accounting, Corporate Finance and Risk Management of the Company (present position)</p>
Number of shares of the Company held		0	61,289	37,408	7,300
Term of office (years)		0	4	0	0
Board of Directors meeting attendance (FY2022)		-	13/13	-	-
Committees belonged to (● denotes committees chairs)	Nominating Committee	○	○		
	Audit Committee	○	○		
	Compensation Committee	○	○		
Skills matrix	Corporate executive experience in listed company				
	Global executive management experience*	●			●
	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)	●		●		

* "Global executive management experience" includes both actual experience at a global business and experience relating to overseas business operation.

List of Executive Officers As of June 20, 2023



Toshimitsu Taiko
Director, President and CEO,
Representative Executive Officer

Joined Minolta Camera Co., Ltd. in 1986. Worked in legal affairs and printer sales and later marketing and business planning operations at a printer sales company. Following the management integration of Konica and Minolta, involved in the Business Technologies Business, and worked in strategic business planning and served as president for a sales company in the U.S. Since 2020, became Director, Senior Executive Vice President and Executive Officer responsible for the Business Technologies Business, as well as Corporate Planning, Investor Relations, and Corporate Communications. Assumed the post of Director, President & CEO, Representative Executive Officer in April 2022 (present position).



Kiyotaka Fujii
Senior Executive Vice President and
Executive Officer

Responsible for Precision Medicine Business and
Chairman of REALM IDx, Inc.

Joined McKinsey & Company, inc. in 1981, and worked in the M&A Advisory department at a U.S.-based investment bank. After acquiring extensive business management experience serving in CEO positions for several companies including SAP and the Louis Vuitton Group, joined the Company in 2016 as the Executive Officer in charge of the Healthcare business. And served as Senior Executive Vice President and Executive Officer since 2018 (present position).



Seiji Hatano
Senior Executive Vice President and
Executive Officer

Responsible for Strategic Project

Joined the Mitsubishi Bank, Ltd. in 1982, and involved in general global corporate financing services for major companies in a broad range of industries and also engaged in M&A, project financing, and treasury management. Joined the Company in 2011, became Director, Senior Executive Officer in 2014 and successively assumed the posts of lead officer for corporate planning, CSR, corporate communications, brand promotion, risk management, accounting and finance. Since April 2022, assumed the post of Director, Senior Executive Vice President and Executive Officer. Became Senior Executive Vice President and Executive Officer responsible for Strategic Project (present position).



Noriyasu Kuzuhara
Director, Executive Vice President and
Executive Officer

Responsible for General Manager, Corporate Planning
Headquarters

Joined Konica Corporation in 1990, after involved in new business development projects such as the development of LCD films. Became Senior Executive Officer in 2016. Since 2017, served as the Division President of Material & Component Business Headquarters, and since 2018, doubled as General Manager of Corporate R&D Headquarters. Since 2022, led the formulation of corporate planning for the entirety of the Konica Minolta Group as the officer responsible for corporate planning and also continued to manage the Material & Component Business. Since 2023, became Director, Executive Vice President and Executive Officer and assumed the post of General Manager of Corporate Planning Headquarters (present position).



Toshiya Eguchi
Executive Vice President and
Executive Officer

Responsible for Technologies, Imaging-IoT Solution
Business and Visual Solutions Business

Joined Konica Corporation in 1989. Developed system LSIs for photo printing equipment and office equipment such as facsimiles and printers, and engaged in system design for digital cameras and medical devices. Served as General Manager of IoT Service Platform Development Operations before becoming Executive Vice President and Executive Officer in 2021 (present position).



Shinichiro Oka
Executive Vice President and
Executive Officer

Responsible for Corporate Human Resources,
Corporate General Affairs, Corporate Secretary,
Crisis Management and Diversity Enhancement

Joined Toshiba Corporation in 1991, and working in human resources. Then served as HR director for companies such as United Technologies and IBM Corporation, as well as an Executive Officer and Global CHRO for Macromill, Inc. before joining Konica Minolta in June 2020. Became an Executive Vice President and Executive Officer in 2021. In 2023 took care of Corporate General Affairs, Corporate Secretary, Crisis Management and in addition to Human Resources and Diversity Enhancement (present position).



Hitoshi Kamezawa
Executive Vice President and
Executive Officer

Responsible for Industry Business Development,
Sensing Business, Optical Component Business, IJ
Component Business and Performance Materials Business

Joined Minolta Camera Co., Ltd. in 1985 and ever since been involved in the sensing business. Became Development Manager of the Sensing Business Unit in 2011. Worked to strengthen the customer-oriented R&D system of the sensing business focusing on the display and object color measurement business. Appointed head of sensing business in 2015, and in this capacity, involved in the planning and execution of the acquisition and post-merger integration (PMI) of several foreign manufacturers and led the expansion of the business. Appointed Executive Vice President and Executive Officer in 2023 and took charge of businesses of Strengthening area for Industry Business and its business development across Industry Business (present position).



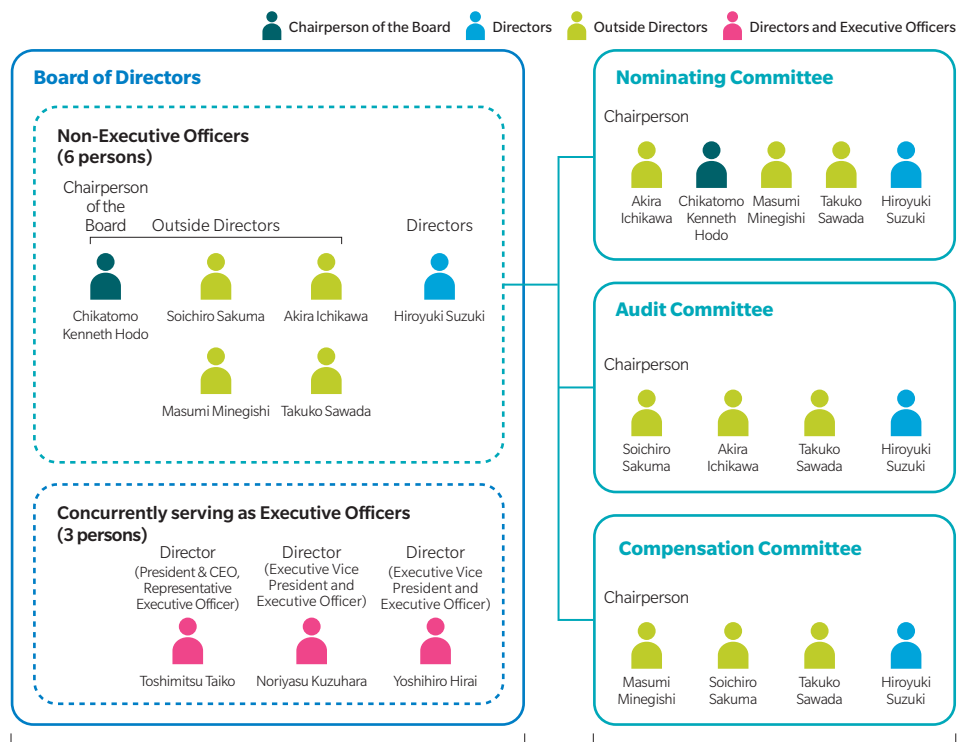
Yoshihiro Hirai
Director, Executive Vice President and
Executive Officer

Responsible for Corporate Accounting, Corporate
Finance and Risk Management

Joined the Mitsubishi Bank, Ltd. in 1991, and worked in global finance for major electronics and telecommunications corporations for more than 20 years. Joined Konica Minolta in 2019, and as General Manager of the Corporate Finance Division, worked to strengthen cash management and promoted centralized management of foreign exchange risks at the head office by introducing global netting. Appointed Executive Vice President and Executive Officer in 2023 and currently in charge of accounting and finance and also involved in risk management (present position).

Overview of Corporate Governance

Composition of the Board of Directors and the three committees



Key characteristics of the Board of Directors

- All Outside Directors are Independent Directors
- Outside Directors comprise the majority
- Chairperson is an Outside Director
- At least one Inside Director does not concurrently serve as an Executive Officer

Key characteristics of the three committees

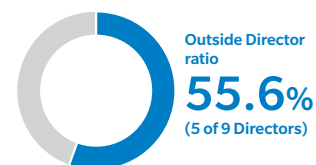
- Chairpersons are Outside Directors
- Director who is concurrently Executive Officer does not serve as a committee member

Composition of the Corporate Governance Committee (voluntary establishment)

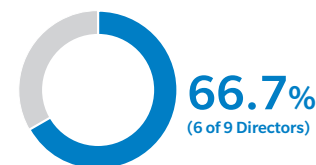
Chairperson: Soichiro Sakuma* Committee members: Chikatomo Kenneth Hodo*, Akira Ichikawa*, Hiroyuki Suzuki, Toshimitsu Taiko

* Outside Directors

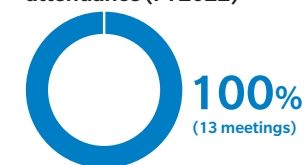
Board of Directors members



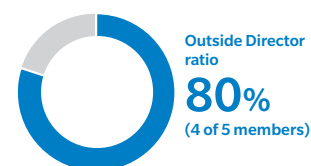
Non-Executive Officer ratio



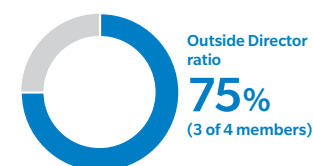
Board of Directors meeting attendance (FY2022)



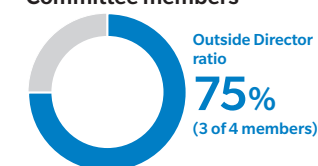
Nominating Committee members



Audit Committee members



Compensation Committee members



Member composition and ratios are current as of August 2023.

Roles of the Board of Directors and three committees and meetings held in fiscal 2022

	Role	Times held	Participation by all Directors	Participation by Outside Directors
Board of Directors	Acting in accordance with laws and the Articles of Incorporation, the Board of Directors make decisions on the Company's business and supervises the execution of duties by the Directors and Executive Officers (including the execution of business by the Representative Executive Officer and Executive Officers).	13 times	100%	100%
Nominating Committee	The Nominating Committee makes decisions on agenda items that concern the election or dismissal of Directors, which are submitted to General Meetings of Shareholders. When appropriate, this committee also receives reports on and supervises succession plans (regarding personnel development and selection) provided by the President & CEO.	10 times	100%	100%
Audit Committee	The Audit Committee audits Directors and Executive Officers' execution of duties, prepares audit reports, and makes decisions on proposals that concern the election, dismissal, or non-re-election of External Accounting Auditors and that are submitted at General Meetings of Shareholders.	13 times	100%	100%
Compensation Committee	The Compensation Committee makes decisions about individual compensation, bonuses, and other financial benefits that Directors and Executive Officers receive from the Company as compensation for performing their duties.	8 times	97%	96%

Toward a Higher Level of Corporate Governance

We believe that corporate governance that contributes to the sustainable growth of the Company and the enhancement of its corporate value in the medium-to long-term requires the establishment and operation of a highly effective supervisory function for execution, while promoting appropriate risk taking in the execution of management, and has built a corporate governance mechanism from the perspective of the supervisory role. As an institutional design under the Companies Act, we have been pursuing Konica Minolta-style governance as a system that eliminates dependency on specific individuals, in addition to selecting a “Company with Committees” (currently a “Company with three committees”) in 2003.

We will continue to evolve the effectiveness of our corporate governance through the efforts of the Corporate Governance Committee, which was established voluntarily in June 2023, in addition to the statutory three committees.

In addition, we have implemented all of the principles of the Corporate Governance Code (revised on June 11, 2021) based on the Basic Views set out in the Basic Policy on Corporate Governance¹. Also, in the Corporate Governance Report¹, we make a detailed disclosure related to all of the 14² basic principles, principles, and supplementary principles.

¹ The Basic Policy on Corporate Governance and the Governance Report are posted on our website. <https://www.konicaminolta.com/global-en/investors/management/governance/index.html>
² Disclosures related to Supplementary Principle 4-10 (1) are not applicable to companies with nominating committees. Therefore, the disclosure is actually related to 13 principles.

Basic Policy on Corporate Governance: Basic Views

- Ensuring business supervisory functions by separating the supervisory and execution functions in order to increase the corporate value;
- Election of Independent Outside Directors who can provide supervision from a shareholder perspective; and
- Improvement of the transparency, integrity and efficiency of management through the above-mentioned points

Chronology of measures to establish a corporate governance systems and improve its effectiveness

	FY2000-	FY2010-	FY2020-
Institutional Design	2003 • Formation of Konica Minolta Holdings, Inc. due to a management integration. Became a company with committees (now a company with three committees)		
Board of Directors	2000 • Reduced the number of Directors (started an Executive Officer system) 2002 • Elected two Independent Outside Directors • Shortened the term of Directors to one year	2003 • Number of Independent Outside Directors increased from two to four 2006 • First overseas field trip by two Outside Directors for a visit to a manufacturing subsidiary in China	2018 • Increased the number of Independent Outside Directors from four to five 2022 • Selected an Independent Outside Director as the Chairperson of the Board 2022 • Decreased the number of Inside Directors from six to four and made the transition to a framework with Independent Outside Directors constituting the majority 2023 • Established Corporate Governance Committee as a dedicated committee under the Board of Directors
Rules and Policies	2003 • Established the Corporate Organization Basic Regulations	2010 • Revised part of the Board of Directors rules 2015 • Established the Basic Policy on Corporate Governance	2018 • Revised some of the Board of Directors Rules 2021 • Revised a portion of the Basic Policy on Corporate Governance
Effectiveness Assessments	2004 • Started self-assessments (using questionnaires) of the effectiveness of the Board of Directors	2014 • Started establishing a Fiscal Year Policy for the Board of Directors based on results of self-assessments	2016/2022 • Started using an external organization to assess the effectiveness of the Board of Directors (implementation of questionnaires and interviews)
Nominating Committee	2006 • Chairperson of the Board started participating in the Nominating Committee • Established standards for the independence of Outside Directors	2015 • The Nominating Committee started overseeing the succession plan (development and selection) of the President & CEO	2021 • Finished overseeing said succession plan (The Board of Directors selected a new President & CEO, Representative Executive Officer) 2021 • Disclosed the expertise and experience expected of Director candidates in the form of a “skill matrix” (Originally, the Committee would prepare and apply these expected attributes internally) 2022 • Started overseeing the new succession plan (development and selection) of the President & CEO, Representative Executive Officer
Audit Committee	2006 • Changed External Accounting Auditors		
Compensation Committee	2003 • Establishment of policy for determining compensation 2005 • Ended lump-sum retirement payments and started compensation-type stock options	2009 • Revised part of the terms for performance-linked compensation in the compensation determination policy 2017 • The compensation determination policy was revised, replaced compensation-type stock options and introduced stock bonus linking with medium-term performance	2020/2023 • Revised part of the terms for performance-linked compensation in the compensation determination policy 2020 • Implemented a long-term stock bonus in addition to the medium-term stock bonus 2023 • Introduced non-financial indicators for the medium-term stock bonus
Other	2006 • Ended the senior adviser position 2019 • Issued tablet devices to Outside Directors and commenced digital delivery of Board of Directors meeting materials		

The Company’s Basic Policy Pursuing a Highly Transparent Governance systems

As a company with three committees, to the extent legally allowed, Konica Minolta’s Board of Directors entrusts business decisions to Executive Officers to a significant degree. The Board has adopted “basic management policies,” “internal control systems,” and “the election of Executive Officers” as the important matters that it should resolve.

At least one third of the total number of Directors must be Independent Outside Directors, and Directors not also serving as Executive Officers must compose the majority of Directors. The Chairperson of the Board, selected from among Directors not also serving as Executive Officers, ensures that supervision by the Board of Directors is effective. Outside Directors compose the

majority of the Nominating Committee, Audit Committee, and Compensation Committee, and committee chairpersons are selected from among these Outside Directors. The Director who is concurrently Executive Officer is not elected to a committee.

In principle, the Board of Directors meets once a month. Outside Directors receive materials in advance in order to familiarize them with the agenda and facilitate lively discussions at meetings of the Board of Directors.

In addition, regarding important management decisions, the Executive Officer in charge may use informal gatherings of Directors and other venues to provide advance explanations. In fiscal 2022, we set up regular meetings for the Outside Directors only (after the end of the Board of Directors in principle), so as to further enhance communication between Directors.

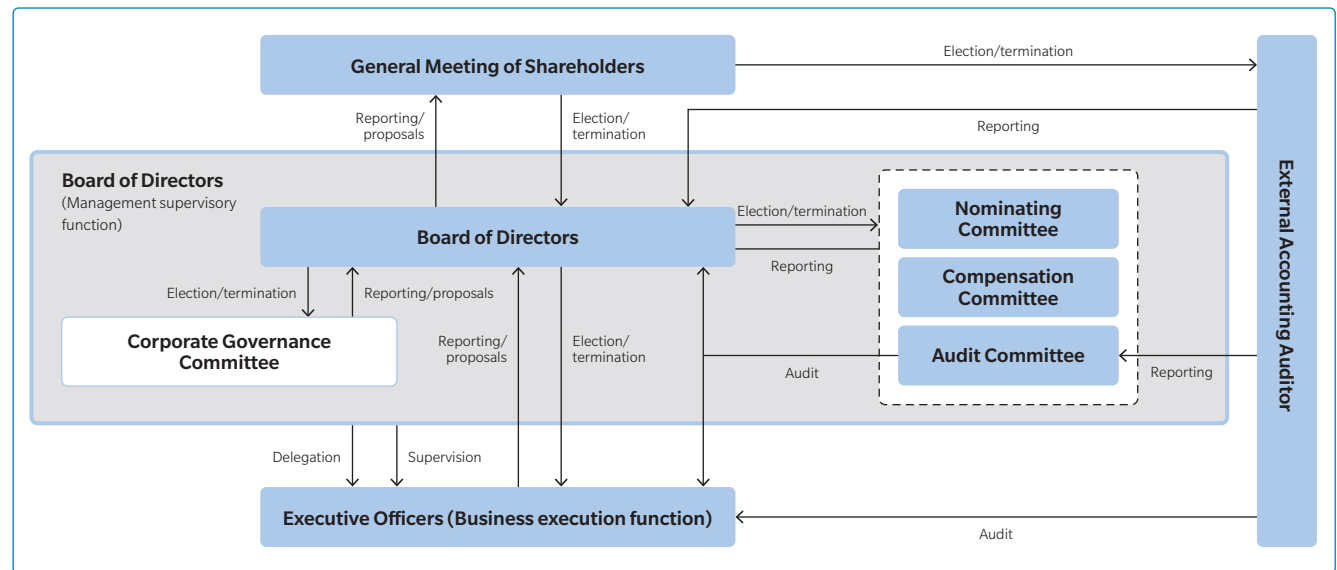
Establishment of the Corporate Governance Committee

We established the Corporate Governance Committee on June 20, 2023. Since the ordinary general meeting of shareholders held in June 2022, Outside Directors have become the majority in the Board of Directors, and an Outside Director has assumed the chairpersonship of the Board of Directors. Accordingly, the establishment of the Corporate Governance Committee is aimed at reorganizing corporate governance and evolving it to a higher level. As a dedicated committee under the Board of Directors, the Corporate Governance Committee was established to comprehensively consider in a cross-cutting manner the overall design and operation of corporate governance, such as the formulation of operational rules that should be stipulated separately from the legal roles of each of the three statutory committees. The committee consists of about five members, with a majority of Outside Directors, and the chairperson is selected from among Outside Directors.

Primary agenda at meetings of the Board of Directors in fiscal 2022

- 2025 Medium-term Business Plan investigation progress report
- Outline of the fiscal 2023 management plan and the basic budget investigation progress report
- Report on the capital policy of the precision medicine Business
- Report on the status of the company-wide design review after business portfolio transformation
- Approval of the establishment of a Corporate Governance Committee
- Report on the Management Policy of the Board of Directors for fiscal 2022 based on the “Board of Directors effectiveness assessments”
- Report on the management policy of the ordinary general meeting of shareholders in fiscal 2022

Structure of Corporate Governance Systems



Policies and procedures upon nominating Director candidates

All Directors

Based on reviews concerning the composition, standards for selection, etc. of the Board of Directors and committees by the Corporate Governance Committee, the Nominating Committee raises its policy to upgrade its selections of Director candidates by performing yearly examinations from the standpoints of balance of knowledge, experience and capabilities, and diversity, and makes selections. (With the establishment of the Corporate Governance Committee in June 2023, going forward the Committee will review the composition of the Board of Directors and committees and their standards for the selection.) The following items were also the main subject of careful discussion, exchange of opinions and confirmations of responses in fiscal 2022.

<Chairperson of the Board of Directors>

The Chairperson 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 has appointed an Outside Director as the Chairperson of the Board of Directors, who was deemed appropriate in terms of having a wealth of experience as an Outside Director of the Company, as well as that of other companies, a deep understanding of the Company's governance and appropriateness as a leader in managing the Board of Directors. For the same reason, we have again selected an Outside Director to be the Chairperson of the Board of Directors.

<Total number of Directors and ratio of number of Directors>

In accordance with the following provisions of the Company's Basic Policy on Corporate Governance, and after being confirmed by the Nominating Committee, it was decided to continue the same composition as that of the previous year (9 members total: 5 external and 4 internal, 6 non-executive and 3 concurrently serving as Executive Officers). The Company considers five to six Outside Directors to be appropriate for ensuring both diversity of discussion and speed of decision-making.

<Number of Internal Directors not concurrently serving as Executive Officers>

Similarly, in order to comply with the following provisions of the

Company's Basic Policy on Corporate Governance and to ensure consistent audit quality as a full-time Audit Committee member, we have decided to continue the same format (one member) as that of the previous year.

Outside Directors

1. To select Outside Director candidates, after the Nominating Committee confirms the selection process, the members of this committee determine the knowledge, experience and capabilities that will be required of new Outside Directors in order to enable them to be a good match with Outside Directors to be reelected. The purpose is to receive beneficial oversight and advice concerning management issues at the Company.
2. The Nominating Committee chairperson asks for a broad range of recommendations for candidates, based on information from Nominating Committee members, other Outside Directors and the President & CEO. To provide reference information, the Board of Directors Office distributes to Nominating Committee members etc. a candidate database, centered on "chairpersons" of global companies, that includes information about independence, age, concurrent positions and other characteristics of candidates.
3. The Nominating Committee takes into consideration the items listed above in order to narrow down the number of candidates.
4. The Chairperson of the Nominating Committee and, if necessary, a member appointed by the Chairperson, will interview the candidates in order of candidacy, and approach them about assuming the position of Outside Director. On the basis of the above, this year we have selected a new candidate who is expected to offer useful supervision and advice on the Company's management issues on the basis of their abundant, global-level knowledge of R&D, management strategy formulation, new business development and DX promotion.

Inside Directors

1. Candidates for "Internal Directors" shall be discussed between the President & CEO and the Internal Nominating Committee on the basis of the following points; proposed candidates for Directors who shall not concurrently serve as Executive Officers, and proposed candidates for Directors who shall concurrently serve as Executive Officers, once the President & CEO has shared with the Internal Nominating Committee his/her concept for the executive structure for the next fiscal year.
2. The Nominating Committee uses the draft proposals to examine the candidates. This fiscal year, we have selected a candidate for the position of Director who will not concurrently serve as an Executive Officer, who has extensive experience in internal audit and is expected to enhance the effectiveness of the Audit Committee as a full-time Audit Committee member. In addition to the President & CEO, two candidates were selected for the position of Director concurrently serving as Executive Officer: Executive Officer in charge of Corporate Planning and Strategy, and Executive Officer in charge of Accounting and Finance.

* Specific details regarding the policies and procedures for selecting Director candidates are on our website. <https://www.konicaminolta.com/us-en/investors/management/governance/01-01.html#anc-02>

Message from the Newly-Selected Outside Director



Takuko Sawada
Outside Director

I have recently assumed the position of Outside Director of the Company. Up to now, I have experienced positions such as working in the development department and management strategy at Shionogi & Co., Ltd. and have made efforts to expand cross-cutting functions, something that is unusual for a Japanese company. It may be said that I have put a lot of effort into industry-academia cooperation, global functions within the Company, and establishing governance. Currently, I am also the only director in Asia of the Antimicrobial Resistance (AMR) Action Fund, the chairperson of Biocommunity Kansai, the chairperson of the Kansai Economic Federation Startup Ecosystem Committee, and the Executive Vice-President for Industry-Government-Academia Collaboration at Kyoto University. When I was asked to serve as a Konica Minolta Outside Director, I decided to accept because I thought I could learn about the execution and governance of Konica Minolta, a pioneer who has been working on corporate governance from the earliest stage among Japanese companies, and use my experience in R&D, management strategy formulation, new business development, and DX promotion in the health care field to help the Company. After that, I received an explanation on the Medium-term Business Plan and current issues, and as well as being keenly aware of how important this year is for the Company, I think I can help to improve and clarify internal decision-making and business processes. Things are never going to go in a straight line when you work toward big goals, but I would like to discuss whether the direction and decision-making are in line with the main goals.

President Succession Plan

In advancing the succession plan for the President, we have clarified the functions and roles of the Board of Directors, the Nominating Committee, and the President.

In addition, the members of the Nominating Committee (4 Outside Directors and 1 Inside Director) self-check the explanations and responses of candidates for succession to President at meetings of the Board of Directors and other meetings or site visits.

Further, the President objectively assesses the strengths and challenges of the candidates for succession to President through external assessments in the succession planning process. We are continuously addressing the selection of candidates for succession to the next President through the following process of developing candidates for executive management (Executive Officers and Corporate Vice Presidents, etc.).

Top executive candidate (Executive Officers, Corporate Vice Presidents, etc.) development plan

In order to systematically deploy and develop the next generation of leaders responsible for Company management, we have set up a place where the CEO and department heads can visualize potential human capital through individual dialogue, clarify human capital who can immediately assume the leadership of business and functions, or successors who may be able to do so in three to five years from now, and to give them roles in which they can grow as candidates. In particular, we believe that diversity of management is essential to make high-quality decisions in times of rapid change, and female candidates are discussed as an individual theme. In addition, the young potential group and overseas human capital are also discussed as candidates for succession.

In fiscal 2022, 18 department heads and the President held one-on-one sessions, which led to interdepartmental rotation of about 20 people and the expansion of the roles of about 30 people. In addition, we have selected about 20 people and dispatched them to an external executive development program tailored to each individual.

Effectiveness Assessments for the Board of Directors

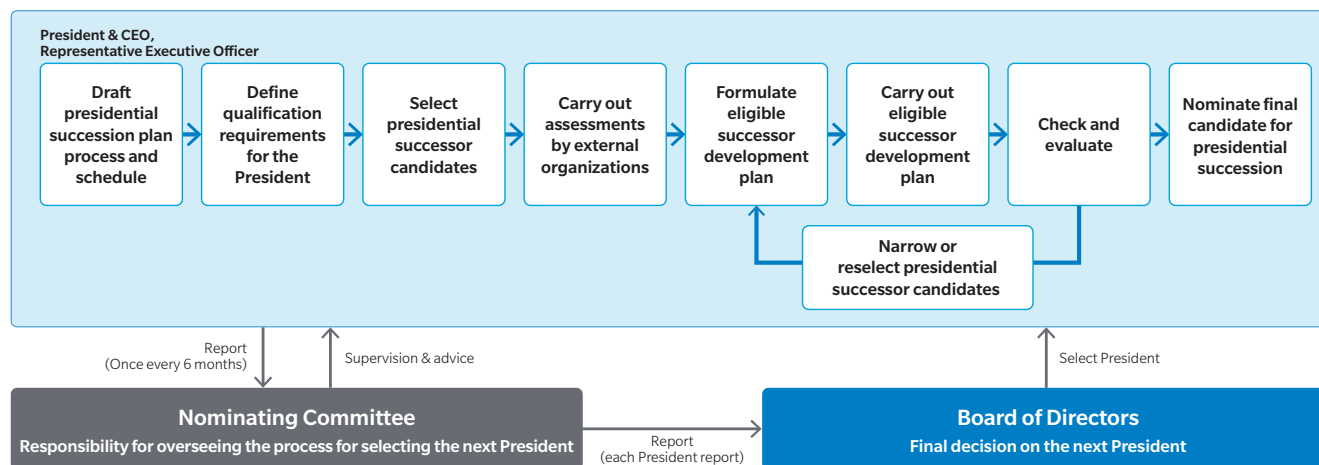
In 2003, the Company became a company with committees (now a company with three committees). To determine if the corporate governance system is functioning as intended, the Company started performing self-assessments in 2004 concerning the Board of Directors' effectiveness.

Since then, self-assessments are conducted on the effectiveness of the Board of Directors and the three committees each year, looking back over the activities of the past year to confirm whether or not the construction and operation of the Company's corporate governance system is contributing to the realization of sustainable growth and enhancement of medium-to long-term corporate value of the Company that the system is designed to facilitate. The results of these self-assessments are used to identify items that the Board of Directors should work on in the following fiscal year in order to further improve effectiveness.

In fiscal 2022, the first year in which the chairperson of the Board of Directors was replaced by an Outside Director, we conducted a second third-party evaluation following fiscal 2016. We commissioned an external agency to conduct a questionnaire and interview with the intention of increasing objectivity by incorporating the perspectives of third parties, as well as incorporating new perspectives.

In addition, we added gap analysis between the importance of the agenda item and the quality and quantity of the actual discussions as a new perspective in order to set effective agenda items at the Board of Directors meeting.

Functions and roles of the President & CEO, Representative Executive Officer in the succession plan



Process for Third Party Evaluation of Effectiveness in Fiscal 2022

Feb.-Mar. 2023	Distribution of self-evaluation questionnaires to Directors and their return
April	Conduct individual interviews, analyze and evaluate results
May	Informal gatherings of Directors (Reporting and Discussion)
June	Explanation of Board of Directors Operations Policy for Fiscal 2023 by the Chairperson of the Board, Q&A session and opinion exchange (Board of Directors meeting immediately after the ordinary general meeting of shareholders)

Details of Board of Directors effectiveness assessments for fiscal 2022

In the questionnaire to the directors, in addition to the standard questions from the external agency, we set up questions that aimed to draw out the unique problems of the company. In the interviews with each director, we aimed to extract the problems through more in-depth dialogue and at the same time lead to awareness through self-evaluation. We will further evolve our corporate governance by applying the results of the assessments to the activities of the Corporate Governance Committee in fiscal 2023.

Summary of results

As a result of our efforts to improve the effectiveness of the Board of Directors under the Board of Directors chairperson, we were able to confirm certain improvements. On the other hand, from the perspective of promoting the improvement of corporate value in the medium-to long-term, our governance is in the process of improvement, and the issues to be addressed have also been highlighted.

Improvements in fiscal 2022

Appointed Outside Director as Chairperson of the Board of Directors	The Outside Director assumes the chairpersonship of the Board of Directors and is responsible for setting the agenda and advancing the proceedings from the viewpoint of exercising effective supervisory functions.
Enhancement of discussions within and outside the Board of Directors	In addition to the Board of Directors, the Company also takes advantage of the opportunity for informal gatherings of Directors and actively provided opportunities to discuss important topics.
Enhanced communication between Directors	In addition to introducing meetings between Outside Directors, opportunities were provided to share awareness about the role of the Board of Directors by increasing communication opportunities such as one-on-one meetings between the President and the Chairperson.

Issues going forward

Redefining the role of the Board of Directors	<ul style="list-style-type: none"> • Creating a shared understanding of the direction to be taken at Corporate Governance Committee meetings through discussions on the roles to be fulfilled by Directors, leading to a system that facilitates strong supervisory functions to be exercised without becoming personal. • Foster a common understanding of the ideal distance between supervision and execution as a space to encourage executive management decisions.
Shared recognition of the composition of the Board of Directors	<ul style="list-style-type: none"> • The composition of the Board of Directors that contributes to improving corporate is discussed based on a common understanding of the role of the Board of Directors, and the direction forward is confirmed.
Further advancement of strategic discussions	<ul style="list-style-type: none"> • Utilize Directors’ Roundtable Meetings, etc., to deepen discussion of strategies to achieve the Medium-term Business Plan and ensure a cycle of monitoring ongoing management issues. • Devise means to provide information to Outside Directors to facilitate substantive discussions
Improving the operational efficiency of the Board of Directors and its committees	<ul style="list-style-type: none"> • Improve the distribution of materials in advance and implementation of preliminary explanations of items on board meeting agendas. • Within the framework of the Board of Directors, each committee, as well as the Directors’ Roundtable Meetings, the Board of Directors will consider the scope for streamlining the number and format of meetings.

Outline of Board of Directors management policies for fiscal 2023

Based on the evaluation of the effectiveness of the Board of Directors and the current situation of the Company, at the Board of Directors meeting immediately following the ordinary general meeting of shareholders, the Chairperson of the Board of Directors presented a management policy based on the following.

<Key points to focus on in the management of the Board of Directors in fiscal 2023>

1. Focus on monitoring the progress of business selection and concentration, cost structure reform, and the strengthening of the financial base and cash flow to achieve the fiscal 2023 plan.
2. Improve the medium- to long-term plans and deepen focus areas in anticipation of business selection and concentration and the vision for focus.
3. Identify and take measures for management systems that should be strengthened, rebuild the human capital portfolio, revitalize the corporate culture, evaluate innovation capabilities, and monitor strategic suitability confirmation to further improve executive power.
4. Further enhance corporate governance by utilizing the Corporate Governance Committee established in June 2023, focusing on a new sense of distance, role recognition, and mechanisms for execution and supervision to deepen discussions on the nature of management issues.
5. Further refine the agenda, devise ways to provide information to directors, and strengthen the secretariat structure to improve the operational efficiency of the Board of Directors and committees.
6. Enhance the executive sessions of Outside Directors, including further communication between execution and supervision.

A Compensation System for Directors and Executive Officers That Motivates Them to Achieve Their Goals

The Company’s Directors and Executive Officers compensation system is intended to incentivize Directors and Executive Officers to strive for the continuous medium- to long-term improvement of the Group’s performance in line with management policies in order to meet shareholder expectations, and to contribute to optimizing Group value. The Company aims for a level of compensation that enables it to attract and retain human capital that will take responsibility for the Company’s development.

The Compensation Committee determines the amount of compensation, etc. per individual received by Directors and Executive Officers in accordance with the Officer Compensation Determination Policy established in accordance with this purpose.

At the start of the new Medium-term Business plan from fiscal 2023, we reviewed the Directors and Executive Officers compensation system to promote strategic priority measures and motivate Directors and Executive Officers to achieve the goals¹. Also, in order to improve corporate value in the medium-to long-term, we have introduced non-financial indicators² as evaluation items for the medium-term stock bonus.

¹ Shift of compensation structure from base salary to annual performance-linked cash bonus by 5%, review of evaluation indicators, etc.

² CO₂ emission reduction rate and employee engagement

Directors and Executive Officers compensation system

Compensation packages for Non-executive Inside Directors exclude a short-term performance-linked cash bonus, and consist of a “base salary” component in the form of a base salary and “stock bonus.” The “stock bonus” consists of the “medium-term stock bonus” (non-performance-linked) and “long-term stock bonus.” Also, Outside Directors only receive “base salary,” inclusive of bonus according to their roles.

Compensation packages for Executive Officers consist of “base salary,” “annual performance-linked cash bonus,” and “stock bonus.” Stock bonus consists of “medium-term stock bonus” (performance-linked) and “long-term stock bonus.”

The amount of the “annual performance-linked cash bonus” is determined based on the level of performance result for the fiscal year (consolidated operating income), the degree of attainment of annual performance targets, and the progress in each Executive Officer’s key strategic measures.

Composition of Directors and Executive Officers compensation

Directors	Inside (not concurrently serving as Executive Officers)	Base Salary	Medium-term stock bonus (non-performance-linked)	Long-term stock bonus	
	Outside Directors	Base Salary			
Executive Officers	President	Base Salary 45%	Annual performance-based cash bonus 30%	Medium-term stock bonus (performance-linked) 15%	Long-term stock bonus 10%
	Other Executive Officers	Base Salary 50%	Annual performance-based cash bonus 30%	Medium-term stock bonus (performance-linked) 12%	Long-term stock bonus 8%

Evaluation indicators for annual performance-linked cash bonuses

Item	Portion according to performance level	Portion according to attainment of performance targets			Portion according to personal appraisal
Assessment index and others	Operating profit	Profit for the period 40%	Total asset turnover ratio 30%	KMCC-ROIC 30%	Reflects progress of each Executive Officer’s key strategic measures
	Linked with Group consolidated performance result level	Linked with annual performance target achievement rate			

(Note) KMCC-ROIC is ROIC for calculating the current annual performance-linked cash bonus, and invested capital consists of assets capable of individual management and improvement by each business division.

Indicators for determining medium-term stock bonus (performance-linked)

Item	Medium-term stock bonus (performance-linked)		
	Financial indicator (Consolidated)	Non-financial indicator	
Assessment index*	ROE	CO ₂ emission reduction rate	Employee engagement score
	80%	10%	10%
	Linked to the target achievement rate in the final year of the Medium-term Business Plan		

* All items on a consolidated basis.

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For “medium-term stock bonus” (non-performance-linked), the number of the Company’s shares distributed is determined based on role and the number of years of service. For “medium-term stock bonus” (performance-linked), that number is determined in accordance with the degree of attainment of targets adopted in the Medium-term Business plan. For “long-term stock bonus,” the number of the Company’s shares distributed is determined based on title or role and the number of years of service.

Total amount of compensation, etc. by director or executive officer

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

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

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

Note 3 Regarding the performance-linked cash bonus, the amounts which were recorded as expense in fiscal 2022 are stated.

Note 4 Regarding the stock bonus, the amounts which were recorded as expense in fiscal 2022 are stated, based on a calculation of estimated amount of stock bonus issuance by 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-linked) to be distributed according to the target attainment rate in the period of the Medium-term Business Plan.

Note 5 In addition to the above compensation, the following compensation was paid in fiscal 2022 based on the resolution of the Compensation Committee at the time, based on the former retirement compensation, which was abolished in June 2005.

- Director (1 person) 1 million yen (resigned on June 17, 2022)

Determining Cross-Shareholdings Based on Their Significance or Justification

In principle, the Company will not hold listed stocks as cross-shareholdings except in cases where it recognizes there is significance or justification for ownership. Significance or justification for ownership will be judged from the results of yearly examinations conducted on each based on whether there are expectations of collaboration with the issuers and business synergies, as well as on whether the benefit and risk of holding said stock are appropriate to its capital cost. Consequently, stock where there is little significance or justification for ownership will be sold while taking into account the proper stock price, market conditions, and other factors. Two stocks judged to be lacking in significance were sold (excluding deemed holding shares) in fiscal 2022 (proceeds were ¥923 million).

The execution of voting rights is an important means of communicating with investees, and the Company exercises its voting rights related to all cross-shareholdings. In exercising these rights, the Company checks each proposal and, rather than making a uniform judgement on whether to approve or reject it based on formulaic or short-term standards, makes a judgement from the perspective of whether the proposal will lead to continuous growth and a medium- to long-term increase in corporate value for the Company and the investee, based on sufficient consideration of said investee’s management policy, strategies, and the like. Judgement on whether to approve or disapprove a proposal includes careful consideration of the following items that may have a significant impact on shareholder return in particular.

- Transfer of important assets
- Shareholdings structure change due to mergers or acquisition of 100% ownership
- Third-party allotments through favorable issuances
- Introduction of measures to defend against hostile takeovers

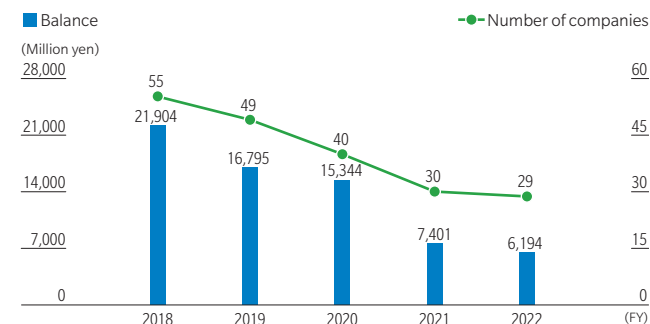
Breakdown of cross-shareholdings

	Stocks (name)	Total carrying amount (million yen)
Unlisted shares	20	633
Shares other than unlisted shares	9	5,560

* The ratio of the above total to consolidated net assets (total equity attributable to owners of the Company) is 1.3%.

* The above does not include deemed holdings shares.

Trend in cross-shareholdings



Risk Management

Major Risks Identified by Frequency and Potential Degree of Impact

We consider risk to be any situation that presents “uncertainty” about a potential impact on the earnings or losses of our organization. In that sense, risk management encompasses not just the negative side of risk but also the positive side for our sources of earnings. It is therefore essential for mitigating potential negative impact as well as for pursuing the maximum return from opportunities.

In line with this philosophy, we have established the Risk Management Committee, which comprehensively and systematically manages various risks concerning the Group’s business activities. The committee is in charge of facilitating the building and strengthening of Group companies’ risk management systems, and its members are appointed by the committee’s chairperson. Konica Minolta’s Executive Officers and Corporate Vice Presidents are required to perform risk management for their respective areas of responsibility. Risk Management Committee members consist of individuals of Executive Officer or Corporate Vice President class.

Risk management process

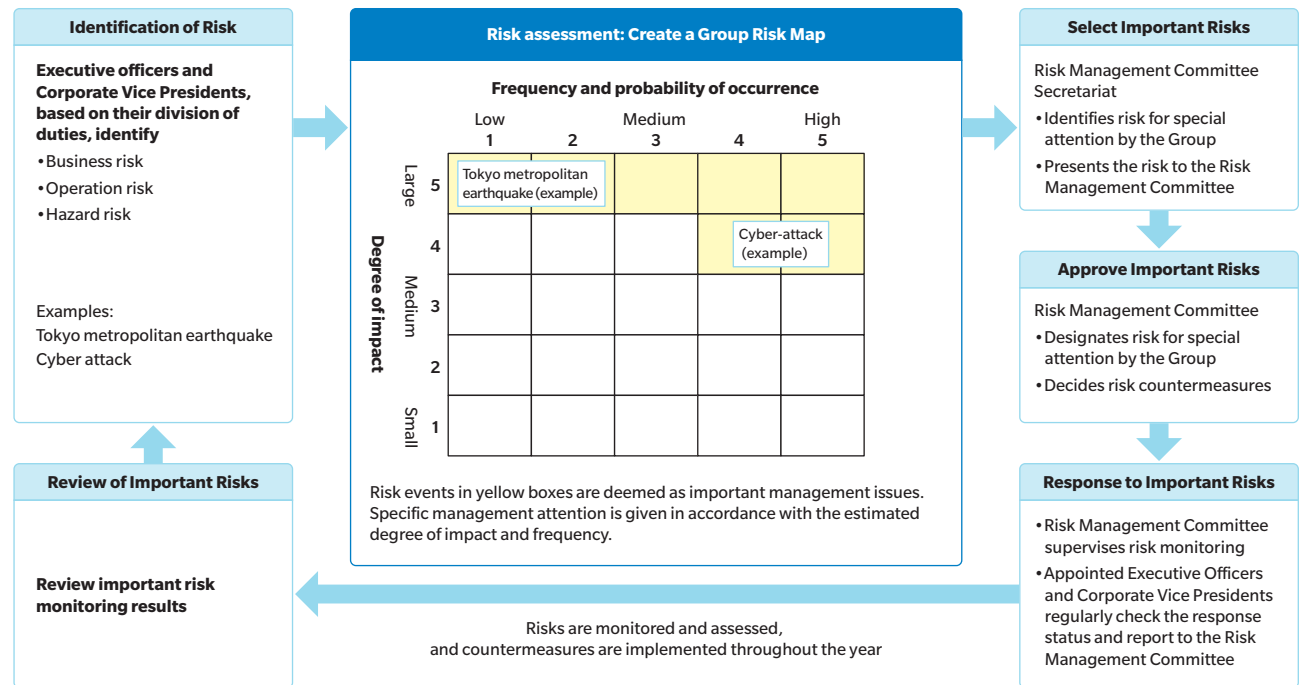
The Risk Management Committee reviews management risk items in 17 categories, including items classified as small and medium risks. It applies the PDCA process to improve risk measures, in which the committee reviews the status of countermeasures by conducting monthly and quarterly monitoring. The Risk Management Committee also annually identifies significant risks to the Group that are considered especially critical to management and need to be monitored from a companywide perspective. Significant risks are primarily managed by the committee members, who also spearhead the monitoring of the monthly progress of the Group’s countermeasures.

All risks extracted by Executive Officers and Corporate Vice Presidents are plotted into a comprehensive Group Risk Map based on quantitative assessments of the degree of impact and the frequency and probability of occurrence. These maps are updated and pertinent countermeasures are discussed twice a year.

When required due to some unforeseeable situation that occurs, the extraordinary meeting is convened at the discretion of

the committee’s chairperson. For risks deemed to be of high importance by the committee, progress made in addressing these risks are reviewed monthly or quarterly. Risks deemed to be of particularly high importance are addressed by the Group as a whole, with efforts led primarily by Executive Officers and Corporate Vice Presidents appointed by the committee chair.

Process of Identifying Important Risk for the Group



Risk Management

Main Risks and Countermeasures

Risk	Probability	Timing with Potential Occurrence	Potential Impact	Countermeasures
Forex fluctuations	High	Any time	Medium	To reduce the effects of forex fluctuation, hedges are made using mainly forward exchange contracts in major currencies such as the U.S. dollar and the euro. In addition, netting systems provided by financial institutions are used for global settlements denominated in multiple currencies, and forex risk concentration management and effective hedges are implemented by concentrating subsidiaries' foreign currency risks at the Company.
Digital Workplace Business Risk related to changes in the print environment	High	Within 1 year	Large	To address the risk of declining output opportunities in offices in developed countries, we are working towards expanding our scanning services and document management services that make use of MFPs. We also continue to expand deployment of color MFPs in countries and regions where output opportunities still have room to grow, including China and India.
National or regional regulations	High	Within 1 year	Medium	We always pay close attention to and gather information about trends concerning laws and regulations in the countries and regions where we operate and changes in geopolitical risks. We coordinate with legal affairs personnel in each area, ascertain the situation in overseas regions, and take action when necessary with help from specialized organizations that include outside lawyers and consultants.
Changes due to technological development	Medium	Within 3 years	Medium	Through taking "technologies to make the invisible visible" that result from fusing core technologies in four fields, namely materials, optics, nano-fabrication, and imaging, with digital technologies as represented by IoT and AI technologies, and materializing those technologies in product form, we are carrying out initiatives to supply them to customers through each of our Industry, Healthcare, Professional Print and Digital Workplace Businesses and to deal with the risks engendered by changes in next-generation technologies.
Shift to new products	Medium	Within 3 years	Large	From the initial stage of development through to mass production, at every step along the way in transitioning to new products and services, we perform thorough testing and gate management focused on product specifications, quality needs, production costs, and compliance with various regulations (including those for safety, the environment and security) for every prototype, pre-production sample, and mass-produced product that we handle.
Collaborations, company acquisitions	Medium	Any time	Medium	In our collaboration with other companies and corporate acquisitions, we assess the viability of an investment after conducting investment assessments that look at compatibility with our corporate strategies, planning probability, appropriateness of the investment size, and risk management.
Procurement, production, etc.	Medium	Within 1 year	Medium	We have specialized divisions in our core procurement regions of Japan, China, Vietnam, and Malaysia, and we accelerate our action-taking by gathering information on such things as regulations, restrictions, and changes that concern procurement in each region. We have also sought to practice production-related risk management and improve our flexibility in responding to changes in the business environment by building production assembly sites in Japan, China, and Malaysia. With these sites, we are increasing the proportion of products we make outside of China, mainly for major flagship products with large production volume. We do this to hedge against country risk in China, which has increased in various respects in recent years.
Global supply chain	Medium	Within 1 year	Large	In our mainstay Digital Workplace and Professional Print Businesses, we carry out inventory projection simulations at sales sites tailored to the actual state of logistics there as appropriate, distribute supply quantities across various regions in accordance with future inventory projections, make flexible modifications to logistics routes, and circumvent any impact on sales.
Product liability and quality assurance	Low	Any time	Medium	As a means of preventing serious quality problems, we have created the "Quality Assurance Managers Committee," which is chaired by an Executive Officer or Corporate Vice President who has quality-related responsibilities and authority, and which oversees quality management throughout the Group so that we can minimize risks related to quality and increase customer satisfaction.
Human rights	Medium	Any time	Medium	As a corporation with global businesses, in the Konica Minolta Group Charter of Corporate Behavior, the Konica Minolta Group Human Rights Policy, and the Konica Minolta Supply Chain Code of Conduct, we have set forth respect for human rights as one of the most basic requirements for our business activities. In addition, we conduct human rights due diligence based on this policy, and in our efforts toward respect for human rights, we are also pursuing respect for human rights by our business partners and other parties connected with our Group's businesses.
Major earthquake, disaster, epidemic, etc.	Medium	Any time	Large	The officer in charge of crisis management centrally manages information in the event of such things as disasters, infectious disease outbreaks, wars, acts of terrorism, and cyber-attacks, and we have built a system for taking appropriate action with top priority given to employee safety. For large earthquakes and other natural disasters, we are working in accordance with the Medium-term Disaster Readiness Plan and making improvements to our response capabilities both in terms of tangible and intangible asset, with measures aimed at prevention, mitigation, emergency response, initial response, recovery, and reconstruction.
Environmental regulations, climate change	Medium	Any time	Medium	The Konica Minolta Group is constantly pursuing efforts to make our production processes more efficient, advancing the development and improvement of production technology, and promoting the Sustainable Factory initiative that will simultaneously reduce both CO ₂ emissions and costs. In response to situations where climate change has a tangible material impact, we are tracing the supply routes for raw materials back to their origins, and for raw materials with a high risk involved in obtaining a stable supply, we are securing multiple suppliers or considering alternative materials.
Intellectual property rights	Low	Any time	Small	In countries and regions where it is difficult to properly acquire and enforce intellectual property rights that protect things such as technologies, we employ a number of methods to stop the circulation of counterfeit products. These include collaborating with governmental agencies to confiscate and ban the import of such goods in order to conform with trademark rights, and stopping the sale of counterfeit products from e-commerce sites by coordinating with business operators.
Human resource availability	Medium	Within 3 years	Large	We see the development and acquisition of IoT personnel as an important strategy and are focusing on implementing related measures. Based on the certification system for IT personnel that we have put in place and the hurdles each of those personnel members should overcome that we clarified, we have prepared programs for teaching skills that will be required of those personnel and are endeavoring to reinforce their development. In our efforts to recruit personnel, we are stepping up efforts towards long-term internships and collaboration with universities on attracting talented students in the IoT field to the Company.
Information security	High	Any time	Large	Regarding information security, we are engaged in network monitoring and are working on early detection of service outages due to attacks of various kinds. We also conduct periodic testing for network intrusions and are implementing responses in the event of early verification of weaknesses that can be exploited. In addition, for employees who continue to work from home after the convergence of the COVID-19 pandemic, we are putting in place restrictions on connecting to the corporate network with computers that are not company-owned and are creating a secure network environment that uses encrypted communications to prevent unauthorized access by external parties, so as to provide these employees with a physical work environment that takes security into consideration.

Part 4

Data Section

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Key Financial Data for the Past 10 Years

Konica Minolta, Inc. and Subsidiaries, Business Years Ending March 31

* The Company uses International Financial Reporting Standards (IFRS), but only the results for FY2013 are based on J-GAAP.

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Consolidated Financial Highlights										
Revenue (Millions of yen)	943,759	1,002,758	1,031,740	962,555	1,031,256	1,059,120	996,101	863,381	911,426	1,130,397
Business contribution profit (Millions of yen)*1	72,799	78,541	65,623	43,316	45,807	50,694	23,250	-15,018	-12,154	29,739
Business contribution profit ratio (%)	7.7	7.8	6.4	4.5	4.4	4.8	2.3	-	-	2.6
Operating profit (Millions of yen)	58,144	65,762	60,069	50,135	53,844	62,444	8,211	-16,266	-22,297	-95,125
Profit attributable to owners of the Company (Millions of yen)	21,861	40,934	31,973	31,542	32,248	41,705	-3,073	-15,211	-26,123	-103,153
Basic earnings per share (Yen)*2	38.52	81.01	64.39	63.65	65.17	84.33	-6.21	-30.75	-52.93	-208.89
Net assets per share (Yen)	929.04	1,067.97	1,037.96	1,057.92	1,060.72	1,123.39	1,058.29	1,093.98	1,113.71	986.87
Dividends per share (Yen)	17.5	20.0	30.0	30.0	30.0	30.0	25.0	25.0	30.0	10.0
R&D expenses (Millions of yen)	71,184	74,295	76,292	73,275	77,021	78,396	74,040	65,035	62,678	63,894
R&D expense ratio (%)*3	7.5	7.4	7.4	7.6	7.5	7.4	7.4	7.5	6.9	5.7
Cash flows from operating activities (Millions of yen)	89,945	101,989	59,244	68,659	65,367	57,166	30,148	78,060	37,438	13,319
Cash flows from investing activities (Millions of yen)	-55,776	-54,014	-110,788	-70,594	-133,737	-41,480	-50,043	-34,330	-50,999	-37,498
Free cash flow (Millions of yen)	34,169	47,975	-51,544	-1,935	-68,370	15,685	-19,895	43,730	-13,561	-24,179
Profitability										
ROE1 (%)*4		7.9	6.1	6.1	6.1	7.7	-0.6	-2.9	-4.8	-19.9
ROE2 (%)*5		8.6	6.5	6.3	6.3	7.9	-0.6	-2.9	-5.1	-23.2
ROA (%)*6	2.9	4.1	3.2	3.2	2.9	3.4	-0.2	-1.2	-2.0	-7.5
ROIC (%)*7	3.6	6.4	6.1	5.1	5.0	5.4	0.7	-1.4	-1.8	-7.7
Efficiency										
Total assets (Millions of yen)	991,700	1,001,800	976,370	1,005,435	1,203,907	1,218,986	1,276,768	1,299,752	1,338,124	1,413,777
Property, plant and equipment (Millions of yen)	177,056	181,641	187,322	190,580	192,941	207,138	309,457	292,535	287,749	289,127
Inventories (Millions of yen)	115,175	120,803	121,361	136,020	139,536	144,703	162,575	156,942	185,661	242,108
Trade receivables (Millions of yen)	240,459	248,827	245,047	236,721	255,972	269,147	255,058	256,611	273,576	305,131
Stability										
Shareholder's equity, Equity attributable to owners of the Company (Millions of yen)	498,542	528,432	514,285	524,331	524,513	555,689	523,745	539,888	549,810	487,424
Equity ratio, Ratio of equity attributable to owners of the Company (%)	50.3	53.1	52.7	52.1	43.6	45.6	41.0	41.5	41.1	34.5
D/E ratio (Times)*8	0.41	0.31	0.33	0.35	0.56	0.49	0.77	0.76	0.82	1.17
Net D/E ratio (Times)*9	0.03	-0.02	0.13	0.18	0.27	0.27	0.60	0.53	0.60	0.80
Investment Indicators										
Price-to-earnings ratio (PER) (Times)*10	17.94	15.07	14.85	15.65	13.99	12.91	-	-	-	-
Price-book value ratio (PBR) (Times)*11	0.99	1.14	0.92	0.94	0.86	0.97	0.41	0.55	0.46	0.58

*1 Business contribution profit: Original index of the Company, the profit subtracted sales cost, SG&A from revenue

*2 Basic earnings per share = Profit attributable to owners of the Company / Average number of issued and outstanding shares during the year

*3 Ratio of R&D expenses to revenues = R&D expenses / Revenues × 100 (%)

*4 ROE 1 = Profit attributable to owners of the Company / Equity attributable to owners of the Company (average of beginning and ending balances) × 100 (%)

*5 ROE 2 = Profit attributable to owners of the Company / (Share capital + Share premium + Retained earnings + Treasury shares (average of beginning and ending balances)) × 100 (%)

*6 Return on assets (ROA) = Profit attributable to owners of the Company / Total assets (average of beginning and ending balances) × 100 (%)

*7 ROIC = Operating profit after tax / (Share capital + Share premium + Retained earnings + Treasury shares + Interest-bearing debt (average of beginning and ending balances)) × 100 (%)

*8 D/E ratio = Interest-bearing debt / Shareholder's equity (times)

*9 Net D/E ratio = (Interest-bearing debt - Cash reserves) / Shareholder's equity (times)

*10 PER = Share price at year-end / Earnings per share

*11 PBR (IFRS) = Share price at year-end / Total equity attributable to owners of the Company per share

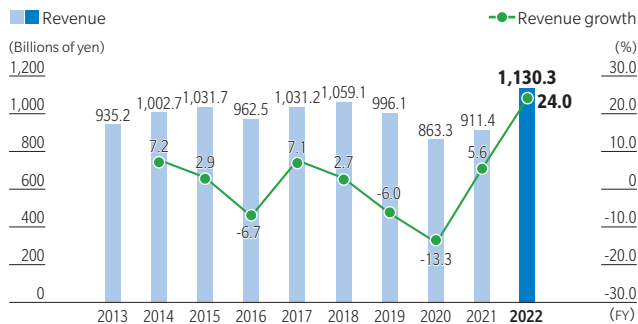
Financial Data Highlights

International Financial Reporting Standards (IFRS)

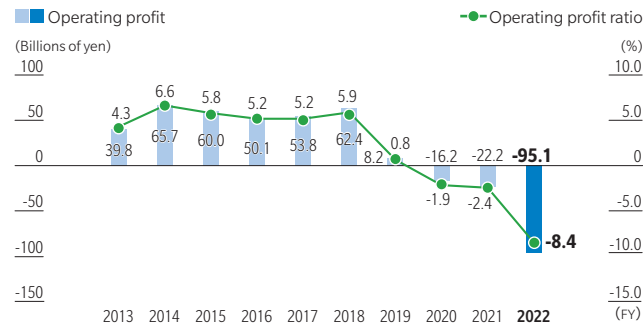
Profitability

Fiscal 2022 saw a trend toward recovery from the COVID-19 pandemic. However, several factors had a significant impact on the global economy, including the slow recovery due to the global rising costs of living and monetary tightening policies in various countries, particularly in Europe and the United States. In the Office unit and Professional Print Business, the sales volumes increased, as we made progress in eliminating order backlogs, which had been rising due to production delays and longer transportation periods caused by COVID-19. At the same time, sales in the Performance Materials Unit of our Industry Business slowed due to market inventory adjustments for display film in reaction to stay-at-home demand during COVID-19. In addition, with the Medium-term Business Plan in mind, which will accelerate the selection and concentration of businesses, the Company examined its investments, particularly past acquisitions, and performed impairment testing; as a result, the Company recognized impairment losses of goodwill mainly related to the Precision medicine and imaging-IoT solutions fields. In this business environment, revenues were the highest ever since the business integration of Konica and Minolta in 2003, at ¥1,130.3 billion (up 24.0% from the prior year), the operating loss was ¥95.1 billion (vs. a loss of ¥22.2 billion in fiscal 2021), and the loss attributable to the owners of the Company was ¥103.1 billion (fiscal 2021 was loss of ¥26.1 billion). Operating profit excluding impairment losses was 21.5 billion yen, exceeding the forecast of 15.0 billion yen and indicating that the earning power of the business is steadily recovering.

Revenue, Revenue growth



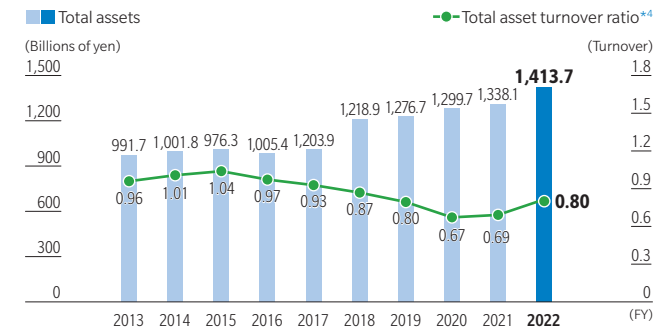
Operating profit, Operating profit ratio



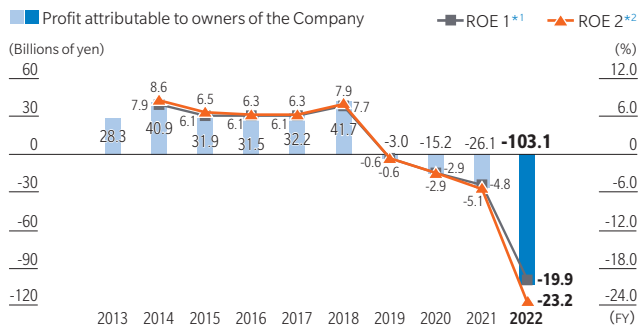
Efficiency

Total assets as of March 31, 2023 were ¥1,413.7 billion, up by ¥75.6 billion from the end of previous year. This was mainly due to increases in cash and cash equivalents, inventories, trade and other receivables, and other non-current assets, partly offset by declines in goodwill and intangible assets. Inventories rose primarily due to strategic procurement of materials resulting from procurement problems of semiconductors. As a result, inventory asset turnover was 4.15 months.

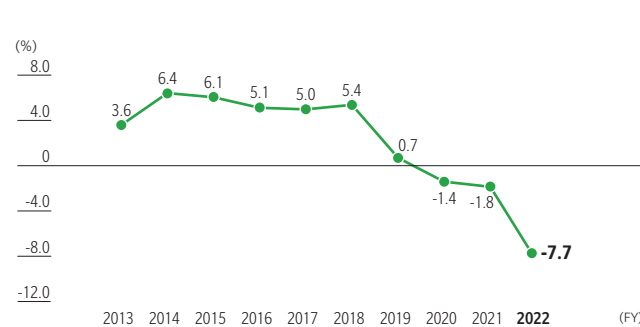
Total assets, Total asset turnover ratio*4



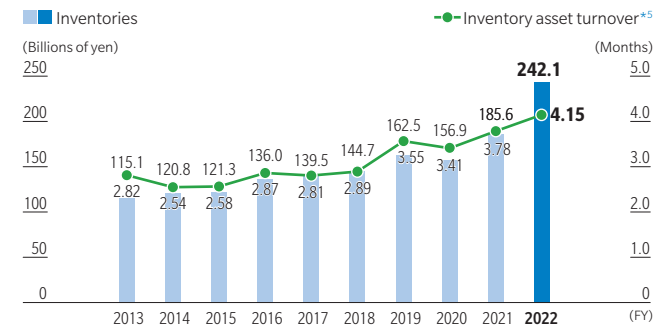
Profit attributable to owners of the Company, ROE*1,2



ROIC*3



Inventories, Inventory asset turnover*5



*1 ROE 1 (IFRS) = Profit attributable to owners of the Company / (Share capital + Share premium + Retained earnings + Treasury shares (average of beginning and ending balances)) x 100%

*2 ROE 2 (IFRS) = Profit attributable to owners of the Company / Equity attributable to owners of the Company (average of beginning and ending balances) x 100%

*3 ROIC = Operating profit after tax / (Share capital + Share premium + Retained earnings + Treasury shares + Interest-bearing debt (average of beginning and ending balances)) x 100%

*4 Total asset turnover ratio = Revenue / Average total assets

*5 Inventory asset turnover = Inventory balance at fiscal year-end / Average cost of sales for most recent three months

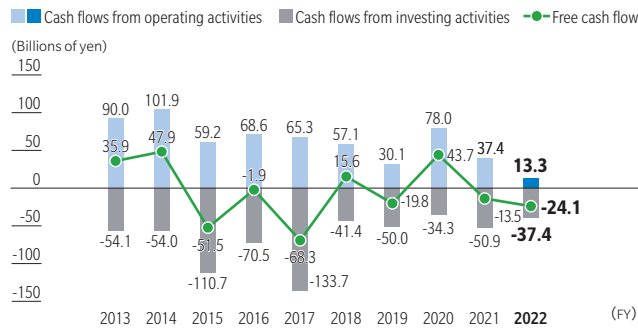
Financial Data Highlights

International Financial Reporting Standards (IFRS)

Stability

Concerning fiscal 2022 cash flows, net cash provided by operating activities was ¥13.3 billion. Net cash used in investing activities was ¥37.4 billion (consisting of capital investment for new product molds, etc. as well as expenditure concerning technology enhancement). This resulted in a free cash flow decrease of ¥24.1 billion. Interest-bearing debt increased to ¥568.3 billion over fiscal 2021. Cash reserves decreased to ¥180.6 billion. The net debt-to-equity ratio stood at 0.80.

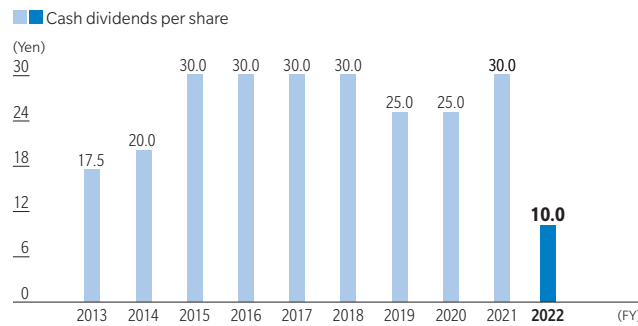
Cash flows



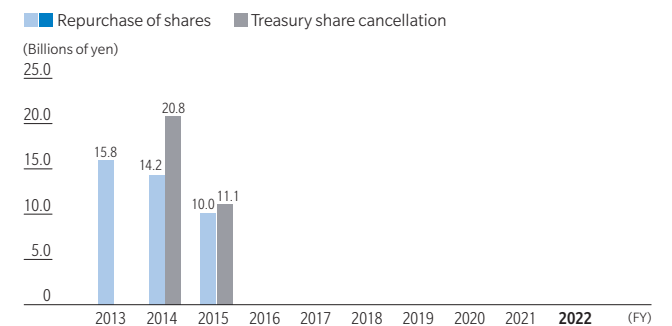
Shareholder Returns/Investment Indicators

The Company's basic policy regarding shareholder returns is to endeavor to enhance shareholder returns, with dividends as the foundation, while comprehensively taking into consideration consolidated results, investment in growth areas, cash flows, and other factors. Regarding the year-end dividend for fiscal 2022, we decided not to pay a dividend in consideration of the business environment in which the earnings result was large operating loss due to the impairment loss, and all relevant financial institutions agreed not to request the acceleration of payment due to the infringement of the financial covenants for two consecutive years. The annual dividend was therefore 10 yen per share, as we had paid a dividend of 10 yen at the end of the second quarter.

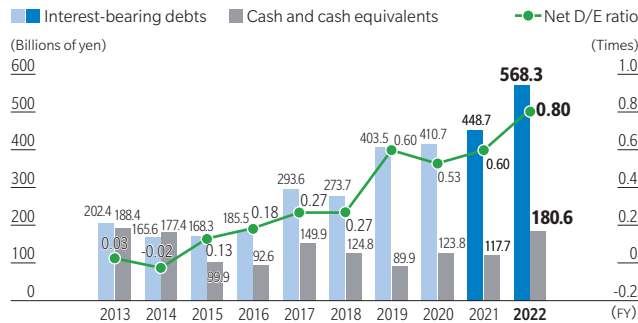
Cash dividends



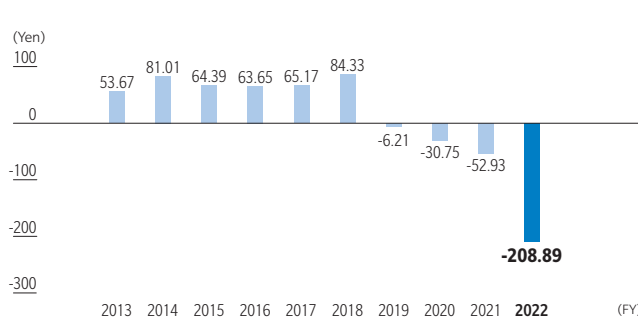
Repurchase of shares, Treasury share cancellation



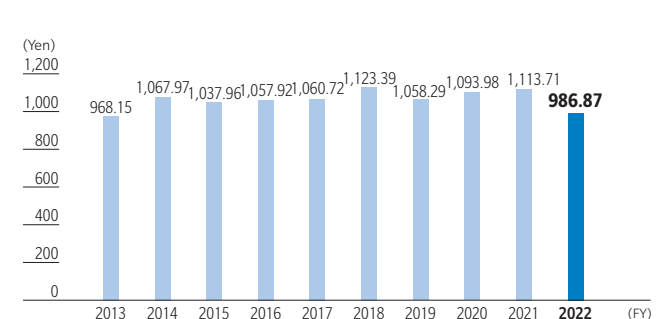
Interest-bearing debts, Cash and cash equivalents, Net D/E ratio



EPS*6



BPS*7



*6 EPS = Profit attributable to owners of the Company / Average number of outstanding shares during the period

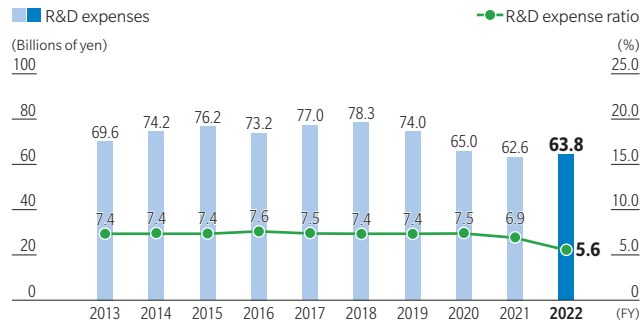
*7 BPS = Equity attributable to owners of the Company / Shares at fiscal year end

Non-financial Data Highlights

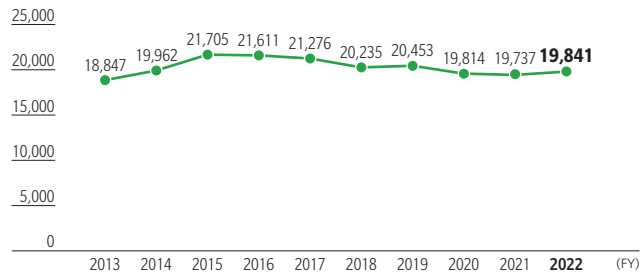
International Financial Reporting Standards (IFRS)

Research and Development Data

R&D expenses, R&D expense ratio



Number of patent rights held*1



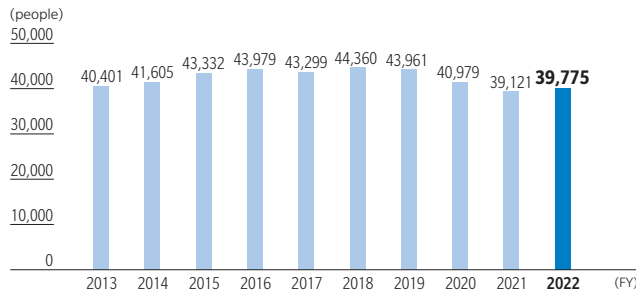
*1 The number of patents is the total number of patents held in Japan, the U.S., and China.

*2 Applies to regular employees of Konica Minolta, Inc. as of the April 1 of the following fiscal year.

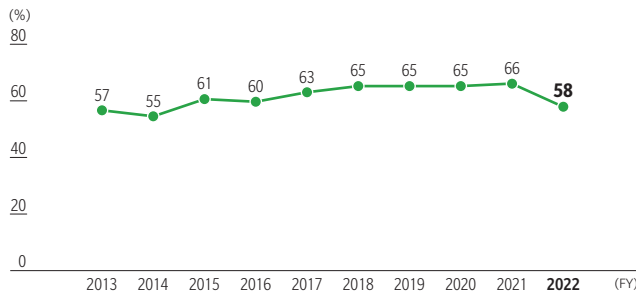
*3 As of March 31 of each fiscal year

Employee Data

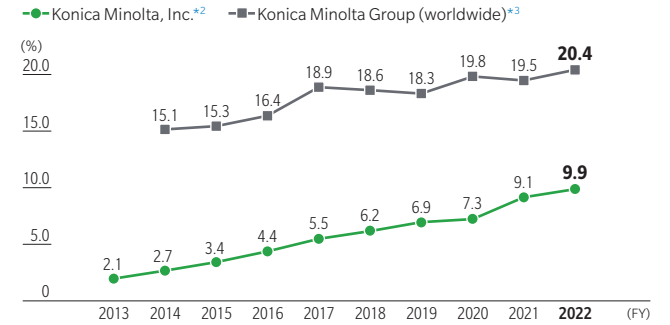
Group employees (consolidated)



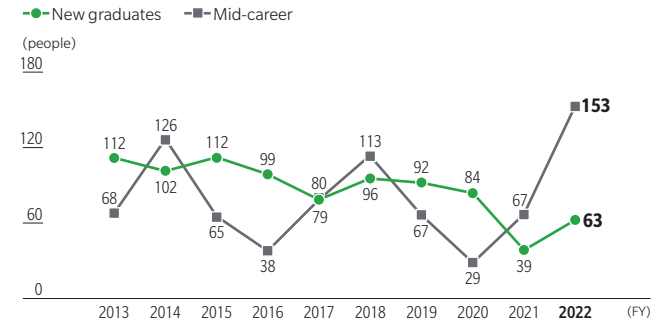
Local/foreign president ratio at foreign subsidiaries



Percentage of management positions held by women



Newly-hired employees

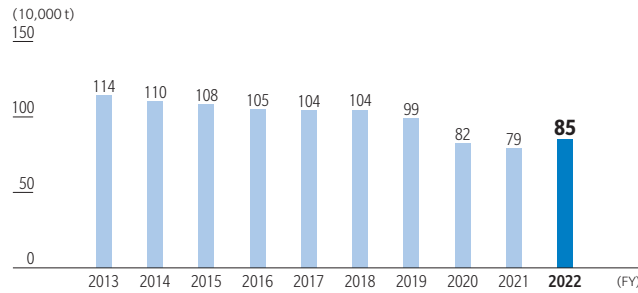


Non-financial Data Highlights

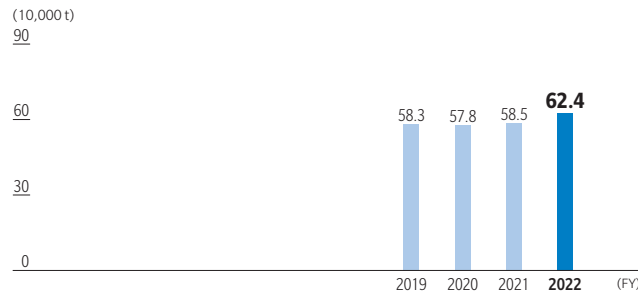
International Financial Reporting Standards (IFRS)

Environmental Data

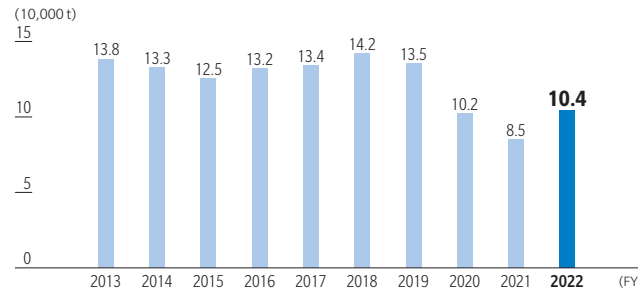
CO₂ emissions volumes from activities in Konica Minolta's product lifecycle



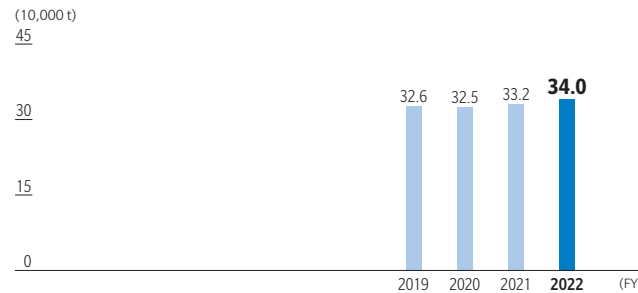
CO₂ emissions volumes from activities outside Konica Minolta's product lifecycle



Amount of global resources used by Konica Minolta's products*⁴



Amount of the contribution to reducing global resource usage by sources other than Konica Minolta's products*⁴

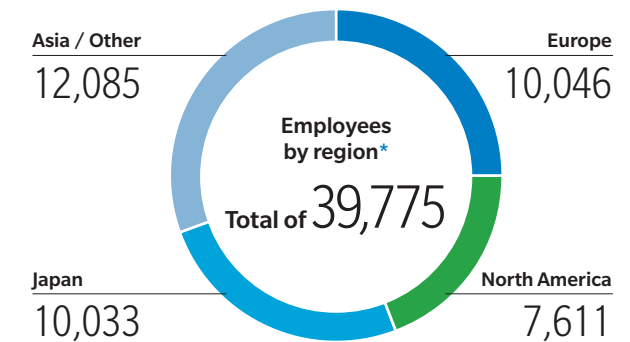
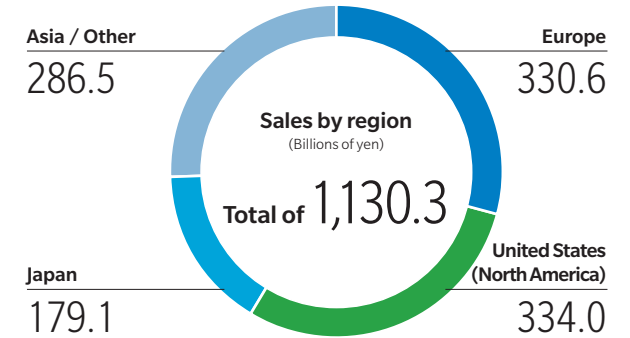


Regional Overview

Consolidated subsidiaries* Global sites* (countries) In sales and service (countries)

168 **48** Approx. **150**

* Data is compiled on a consolidated basis (as of March 31, 2023)



*⁴ CO₂ emissions throughout a product's lifecycle, from procurement to production, distribution, sales, service, and product customization.

Independent Valuation

ESG investment, which involves selecting and investing in companies that make outstanding achievements with respect to areas such as human resources, the environment, and corporate governance, as well as corporate finance, has been garnering attention from world markets in recent years.

We have been selected as a constituent of the international ESG investment indexes and have received high ratings from various ESG rating agencies.

Credit Ratings * As of September 30, 2023

Institution Name	Rating	Rating Outlook
Rating and Investment Information, Inc. (R&I)	A-	Stable
Japan Credit Rating Agency, Ltd. (JCR)	A	Stable

Evaluations by International ESG Rating Agencies

- Included in “The Sustainability Yearbook - 2023 Rankings” by S&P Global (U.S.A) for 13 consecutive years, and selected for the “Top 5%” in the industry
- Acquired “Gold” rating in a sustainability survey by EcoVadis (France)
- Selected five years in a row as one of the Global 100 Most Sustainable Corporations by Corporate Knights (Canada)
- Certified by CDP, an international NGO working to achieve a sustainable economy, as a “Climate A List” company (7th time) and a “Supplier Engagement Leader” company



Inclusion in Prominent Japanese/Foreign Investment Indices

- Included in the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific) 2022 provided by S&P Global (U.S.A) for 14 consecutive years since 2009
- Included for 7 consecutive years in all six responsible investment indexes adopted by the world's largest public pension fund GPIF as ESG indices; the FTSE Blossom Japan Index, the FTSE Blossom Japan Sector Relative Index, the MSCI Japan ESG Select Leaders Index, the MSCI Japan Empowering Women Index, the S&P/JPX Carbon Efficient Index and the Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
- Included in the FTSE4Good Index Series by the UK company FTSE Russell, one of the world's best-known indices for Sustainable Investment (SI) for 20 years consecutively
- Certified as “Prime” as a leading company in the global electronics industry for 13 years from 2011 in the CSR rating by ISS ESG, the division for responsible investment Institutional Shareholder Services (U.S.A)

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



FTSE Blossom Japan Index



FTSE4Good



Various Management Surveys in Japan

- Selected as a DX Certified Business Operator by the Ministry of Economy, Trade and Industry
- Recognized as a Hall of Famer in the Environmental Communication Awards
- Acquired 4.5 stars in the Nikkei SDGs Management Survey run by Nihon Keizai Shimbun



Digital Transformation Certification



SASB INDEX

Sector / Category: Technology & Communications, Hardware

Topic	Code	Accounting Metric	Website
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	We release information concerning our approaches to enhancing the security of products and services, how we collect and address vulnerability information, our secure development and operation processes, and how we respond in the event of product security incidents. More information can be found below. https://www.konicaminolta.com/about/csr/social/customers/enhanced_security.html#a01
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	We release information concerning the composition ratio of men and women for Group employees and composition ratio by area, the proportion of women among management and technical staff, and the proportion of employees from different ethnic backgrounds. We also release information on our approach and initiatives for Diversity, Equity, and Inclusion (DEI). More information can be found below. https://www.konicaminolta.com/about/csr/esg/index.html (Social Data) https://www.konicaminolta.com/about/csr/social/diversity/index.html
	TC-HW-410a.1	Percentage of products by profit that contain IEC 62474 declarable substances	Based on the regulated substances and substance groups that are included in the Declarable Substance List (DSL) of IEC 62474 (Material Declaration for Products of and for the Electrotechnical Industry) created by the International Electrotechnical Commission (IEC), there are standards for prohibited and monitored substances used in equipment products and we fulfill our legal obligations under each country's regulations. IEC 62474 also contains many substances that are not regulated by law, but Konica Minolta is systematically eliminating them. More information about control and risk reduction efforts for other chemical substances is available below. https://www.konicaminolta.com/about/csr/environment/chemical/risk-elimination.html https://www.konicaminolta.com/about/csr/environment/chemical/management.html
Product Lifecycle Management	TC-HW-410a.2	Percentage of eligible products, by profit, meeting the requirements for EPEAT registration or equivalent	Among our printers, MFPs and digital printing systems as of fiscal 2022, those for which we acquired EPEAT certification (*including equivalent models sold in the EU and Japan) accounted for 58.6% of sales of Konica Minolta's imaging equipment products. More information can be found below. https://www.konicaminolta.com/about/csr/environment/communication/epeat.html
	TC-HW-410a.3	Percentage of eligible products, by profit, meeting ENERGY STAR® criteria	Among our printers, MFPs and digital printing systems, those for which we acquired the most recent International Energy Star Program certification (*including equivalent models sold in the EU and Japan) accounted for 53.4% of sales of Konica Minolta's imaging equipment products in fiscal 2022. More information, including that on other certifications, can be found below. https://www.konicaminolta.com/about/csr/environment/communication/products.html
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Products recovered in fiscal 2022 totaled 13.6 thousand tons, and 13.5 thousand tons of products were recycled. Other recycling-related data and information about our recycling activities can be found below https://www.konicaminolta.com/about/csr/esg/index.html (Environmental Data>Resources) https://www.konicaminolta.com/about/csr/environment/recycling-based-society/recycle.html
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	As an RBA member, Konica Minolta administers CSR audits that have roughly 103 key suppliers so designated based on transaction volume, their irreplaceability, or the importance of the parts they handle, conduct RBA self-assessment questionnaire (RBA SAQ). Where assessment results do not meet targets, suppliers are requested to implement corrective actions. RBA third-party audits (VAP audits) or equivalent audits will be conducted for suppliers unable to achieve targets despite corrective action. RBA third-party audits (VAP audits) have been conducted at 70% of the companies that produce the main units for MFP/printing equipment as of fiscal 2022. 15% of suppliers were found non-compliant through RBA third-party audits (VAP audits), and there were zero instances of noncompliance with priority items at the time of follow-up audit completion. Currently, corrective action has been completed for 74% of all other noncompliances. More information concerning audit results and CSR procurement can be found below. https://www.konicaminolta.com/about/csr/social/rights/index.html https://www.konicaminolta.com/about/csr/social/suppliers/csr_procurement.html#anc01
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	15% of suppliers were found non-compliant through RBA third-party audits (VAP audits), and there were zero instances of noncompliance with priority items at the time of follow-up audit completion. Currently, corrective action has been completed for 74% of all other noncompliances. More information concerning audit results and CSR procurement can be found below. https://www.konicaminolta.com/about/csr/social/rights/index.html https://www.konicaminolta.com/about/csr/social/suppliers/csr_procurement.html#anc01
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	We release information concerning our efforts to comply with conflict mineral regulations, the recycling of plastic materials, which the marine plastic and other problems have demonstrated to be high risk, and supply risk mitigation efforts as necessitated by increasingly strict environmental regulations and other developments. More information can be found below. https://www.konicaminolta.com/about/csr/social/suppliers/conflict_minerals.html https://www.konicaminolta.com/about/csr/environment/recycling-based-society/upgrade.html https://www.konicaminolta.com/about/csr/social/suppliers/procurement_policy.html

* URLs may have changed since this was published. Up-to-date URLs can be found here.
<https://www.konicaminolta.com/about/csr/csr/vision/gri-sasb.html>

Company Overview/Stock Information

Company Overview (as of March 31, 2023)

Company name	KONICA MINOLTA, INC.
Stock code	4902 Listed with first section of the Tokyo Stock Exchange
Date established	1873

Establishment as joint-stock company	1936
Capital	37,519 million yen

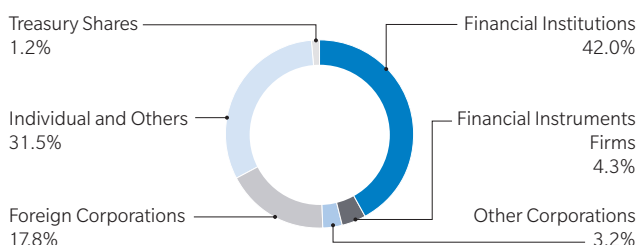
Number of employees	Consolidated: 39,775
Head office	JP TOWER, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo 100-7015, Japan

Stock Information (as of March 31, 2023)

Stock Information

Total number of shares authorized to be issued	1,200,000,000 shares
Total number of shares issued	502,664,337 shares
Number of shareholders	130,821
Minimum trading units	100 shares

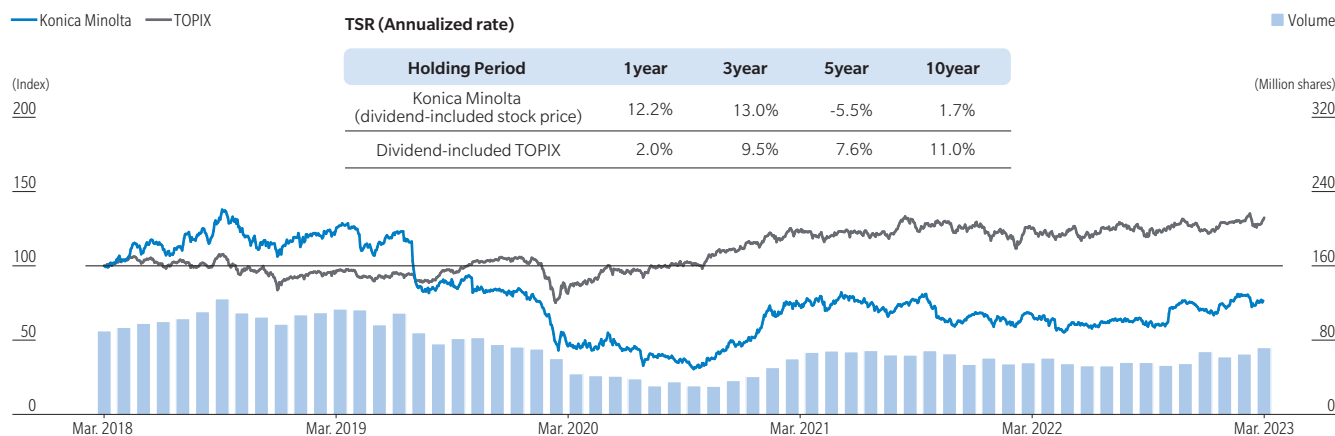
Shareholder Composition



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	17.1%
Custody Bank of Japan, Ltd. (Trust account)	39,879	8.0%
MUFG Bank, Ltd.	12,000	2.4%
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.4%
Nippon Life Insurance Company	10,809	2.2%
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for MUFG Bank, Ltd.)	10,801	2.2%
DFA INTL SMALL CAP VALUE PORTFOLIO	7,557	1.5%
Konica Minolta Employee Shareholding Association	6,931	1.4%
STATE STREET BANK AND TRUST COMPANY 505103	5,973	1.2%
MSCO CUSTOMER SECURITIES	5,620	1.1%

Total Shareholder Return (TSR)



* Return on investment assuming the closing price on March 31, 2018 to be 100 and dividends reinvested. Prepared by Konica Minolta based on Bloomberg data.

* The Company holds 6,207,782 shares of treasury shares and is excluded from the above list of major shareholders. 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 (2,759,516 shares).

Media for Disclosure of Information Other than This Report

	Media	URL
Financial information	IR Site	https://www.konicaminolta.com/global-en/investors/index.html
	Audited Financial Report	https://www.konicaminolta.com/global-en/investors/ir_library/afr/index.html
	Financial Statements	https://www.konicaminolta.com/global-en/investors/fr/index.html
	Presentation Materials	
	Notice of Convocation	https://www.konicaminolta.com/global-en/investors/event/stock/meeting.html
ESG Information	Sustainability Site	https://www.konicaminolta.com/about/csr/index.html
	Environment	https://www.konicaminolta.com/about/csr/environment/index.html
	Social	https://www.konicaminolta.com/about/csr/social/index.html
	Governance	https://www.konicaminolta.com/about/csr/governance/index.html
	ESG Data	https://www.konicaminolta.com/about/csr/esg/index.html
	Corporate Governance Report	https://www.konicaminolta.com/global-en/investors/ir_library/governance/index.html
Technology/ IP Information	Technology Site	https://research.konicaminolta.com/en/technology/
	Intellectual Property Report	https://www.konicaminolta.com/global-en/investors/ir_library/intellectual_property/index.html
	IT (DX) Performance Report	https://www.konicaminolta.com/global-en/corporate/document-download/it-performance-report.html
Other	Glossary	https://www.konicaminolta.com/global-en/investors/glossary/index.html

Framework used as reference when preparing this report

- Integrated Reporting Framework (IFRS Foundation)
- Ministry of Economy, Trade and Industry, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation



* Information provided on Konica Minolta's Sustainability site is given based on the GRI and SASB standards.
 GRI Standards Comparison Table:
<https://www.konicaminolta.com/about/csr/csr/vision/gri.html>
 SASB Standards Comparison Table:
<https://www.konicaminolta.com/about/csr/csr/vision/gri-sasb.html>

Major international initiatives supported by Konica Minolta

- UN Global Compact
- Sustainable Development Goals (SDGs)
- TCFD (Task Force on Climate-related Financial Disclosures)
- RE100



150-Year Progress of Konica Minolta

For 150 years since our founding in 1873, the Company has been creating new value through the power of imaging to make the invisible visible so that we can always help solve problems for our customers and society. We will continue contributing to the sustainable growth of people and society going forward.



Cameras and Photographic Film —The Beginnings



In 1873, Rokusaburo Sugiura begins selling photography materials at Konishiya Rokubeiten in Tokyo (the forerunner of Konica Corporation). In 1928, Kazuo Tashima establishes the Nichi-Doku Shashinki Shoten (Japan-Germany Camera Company, the forerunner of Minolta Co., Ltd.). Both companies learn about European advanced technology and improve their development and production capabilities on their own, thus building the foundation of their manufacturing businesses.



The first Japanese branded camera



The first Japanese color film

Global Expansion of the Copier Business Based on Camera and Film Technology



Both companies launch a number of products with world-first functions. Also, with the beginning of color television broadcasting, they embark on the development of TV color analyzers that measure display functions. Furthermore, they began developing copying machines, using technology derived from cameras, as office automation spread throughout corporations, expanding their business.



Our first copier



A TV color analyzer born from conversations with a TV station

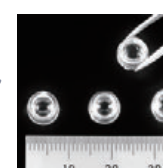
Digital Age and Revolutionary Work Culture Transformation



As telecommunications and digital technologies develop, the companies turn copiers into multi-functional digital color MFPs and launch the household optical discs pickup lens business for CDs and DVDs and the TAC film business for polarizers for LCD TVs. Utilizing the optics, materials, and imaging technologies developed over the years, they seized opportunities arising from changing times and start new businesses.



Our first digital full color copier



Pickup lenses for optical discs

The Birth of Konica Minolta Based on Our Philosophy, “The Creation of New Value”



In 2003, Konica and Minolta, both rooted in imaging, integrate their managements. With the combined strengths of the two companies, we are pursuing a genre-top strategy to establish the top position in growth areas. In view of the social issues for 2030, we are contributing to help our corporate clients and are to solve these social issues as we develop intimate ties with people throughout the world who are on the front lines of various industries and lines of work.



TAC film for LCD TVs



Our first cassette-type digital X-ray system

WE ARE 150 YEARS AND WE ARE NOT DONE

Our journey in imaging innovation started 150 years ago,
with a vision to see and do things differently.
We innovate for the good of society and the world.
That same purpose that kept us moving then, keeps us moving now.

As we mark our 150th year,
our gratitude to every stakeholder cannot be overstated.
Our determination to make the future brighter,
should never be underestimated.
Inspired by how far we've come,
there is no limit to how far we can go,
in our mission to bring imaging to the people, and our planet.

150 years is just the START.





KONICA MINOLTA

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Phone: +81-3-6250-2111

<https://konicaminolta.com>