Q&A regarding Bond-Type Class Shares

May 14, 2026

Giving Shape to Ideas

Disclaimer

This document has been prepared solely for the benefit of the holders of common shares of KONICA MINOLTA, INC. (the "Company") in evaluating the proposal of the Company for a partial amendment to the Articles of Incorporation scheduled to be submitted to the 122nd Ordinary General Meeting of Shareholders to be held on June 17, 2026, and not for the purpose of soliciting investment or engaging in any other similar activities in Japan or any foreign country.

This document does not constitute an offer of securities in the United States. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, and may not be offered or sold in the United States absent registration thereunder or an applicable exemption from registration requirements. In this case, no offering of securities will be made in the United States.

Q&A regarding Bond-Type Class Shares

Question	Answer
1. What is the purpose of the Amendment to the Articles of Incorporation relating to Bond-Type Class Shares?	■ The Company has been making use of hybrid financing methods since 2017, including raising 100.0 billion yen through hybrid loans. The purpose of the Amendment to the Articles of Incorporation is to secure a new option for hybrid financing. ■ The specific timing of the issuance of the Series 1 Bond-Type Class Shares has not been determined at this time, but the Company may consider in the future, including use of the hybrid loan refinancing of 100.0 billion yen, for which the first prepayment is available on October 29, 2027.
2. What are the features of Bond-Type Class Shares?	■ Bond-Type Class Shares are treated as shares under the Company Law. However, the issuance thereof is a hybrid financing with an intermediate characteristic between shares and bonds, and the product nature is similar to that of hybrid bonds. ■ With consideration for the common shareholders, Bond-Type Class Shares do not have voting rights and are not convertible into common shares. ■ Bond-Type Class Shares have priority over common shares in terms of the order of distribution of dividends and residual assets, and are non-participating class shares, meaning that no dividend is paid beyond the amount of the preferred dividend determined at the time of issuance. ■ The Company plans to apply for listing of the Bond-Type Class Shares (in addition to common shares) on the Prime Market of the Tokyo Stock Exchange, with the intention of providing investment opportunities to a wide range of investors, including retail investors.

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Question	Answer
3. What is the expected role of the Bond-Type Class Shares in the financial strategy, and how will it be positioned within the capital structure?	■ Bond-Type Class Shares realize an increase in shareholders' equity, while limiting the dilution of voting rights of common shareholders and the impact on ROE and EPS for common shares (*1). Further, the Company expects that the Bond-Type Class Shares will be eligible for equity credit by rating agencies for a portion of the issuance amount. ■ Bond-Type Class Shares have this product nature and are considered to be an option that contributes to realizing an appropriate capital and debt structure with consideration for the common shareholders. ■ In addition, the Company expects the Bond-Type Class Shares to mainly target retail investors and contribute to the diversification of financing methods.
4. What is the similarity and difference between the Bond-Type Class Shares and hybrid bonds?	■ As with hybrid bonds, the Company expects that the Bond-Type Class Shares to obtain the equity credit by rating agencies (R&I/JCR) for 50% of the issue amount. ■ On the other hand, the Bond-Type Class Shares differ from hybrid bonds in that they can increase shareholders' equity for accounting purposes. In addition, the Bond-Type Class Shares can be considered for investment by a wide range of investors through their listing on the Prime Market of the Tokyo Stock Exchange (eligible for NISA).

*1 Assuming that the relevant amounts of the Bond-Type Class Shares (i.e., the paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for common shares.

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Question	Answer
5. Hybrid loans and hybrid bonds are typical hybrid financing methods. Why does the Company need to amend the Articles of Incorporation in relation to the Bond-Type Class Shares?	▪ The Company has been making use of hybrid financing methods since 2017, including raising 100.0 billion yen through hybrid loans. Since the refinancing of existing hybrid loans is scheduled in 2027, the Company has decided to set a new issuance framework for “bond-type class shares" in order to diversify the Company’s financing method. ▪ Please note that the Amendment to the Articles of Incorporation is intended to secure an option for capital raising that does not result in dilution of the voting rights of common shares. The specific timing of the issuance of the Bond-Type Class Shares has not been determined at this time. ▪ In addition, in the event of the issuance of the Bond-Type Class Shares, the Company expects that the Bond-Type Class Shares will be offered to a wide range of investors, including retail investors, through domestic public offerings, thereby allowing the Company to diversify its financing methods.
6. Will there be any disadvantages to common shareholders such as dilution?	▪ Bond-Type Class Shares do not have voting rights and are not convertible into common shares, so there will be no dilution of voting rights of common shareholders. ▪ Compared with public offering of common shares, this is a financing method that gives more consideration to the impact on ROE, EPS, etc. for common shares (*1). Since the capital cost of Bond-Type Class Shares is limited to the equivalent of the annual dividend rate determined at the time of issuance, it is possible to increase shareholders' equity at a lower capital cost (*2) than the cost of shareholders' equity for common shares. The Company believes that it is a financing option that protects the interests of existing shareholders.

*1 Assuming that the relevant amounts of the Bond-Type Class Shares (i.e., the paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for common shares.
*2 It is based on the Company’s assumption of the cost of equity in approximately five years after issuance if the issuance is realized within the assumed range of an annual dividend ratio of 5% or less as stated in the shelf registration statement for the Series 1 Bond-Type Class Shares submitted on May 14, 2026.

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Question	Answer
7. Does the issuance of the Bond-Type Class Shares affect the dividend policy for common shares?	■ The issuance of the Series 1 Bond-Type Class Shares has not been determined at this time. If and when issued, the Company's basic policy is to strive to enhance profit returns primarily through dividends to common shareholders, and it does not expect to decrease the possibility of dividends to common shareholders. ■ The Bond-Type Class Shares are "non-participating" class shares, and no dividend is paid beyond the amount of the preferred dividend determined at the time of issuance. Even if the Company's performance is strong, the amount of the preferred dividend will not increase based on such performance. ■ On the other hand, if and when the Company's performance recovers and grows, the stock price may increase or common shareholders may receive dividends that exceed the preferred dividends and in such case, common shareholders are able to benefit from them.
8. Is there any possibility that the share price of common shares will fall due to the issuance of the Bond-Type Class Shares?	■ Since there is no dilution of voting rights from the issuance of the Bond-Type Class Shares, the Company believes that there will be no decline in stock prices due to dilution concerns, similar to those following the announcement of a general public offering of common shares. ■ In addition, given the different risk-return characteristics of common shares and the Bond-Type Class Shares, the Company believes that it is highly unlikely that common shareholders will sell their common shares and switch to the Bond-Type Class Shares, and the Company assumes that the impact on the share price of common shares is limited.

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9. Why are multiple series of the Bond-Type Class Shares provided under the proposed Amendment to Articles of Incorporation?	■ The timing of the issuance has not been determined at this time, including that of the Series 1. The Company proposes to have the authorized share capital of up to fifth series for a flexible issuance in the event of any necessity for an increase in equity capital. ■ In addition, since capital financing of equal or greater equity credit shall be required in principle if the Company acquires (calls) the Bond-Type Class Shares the Company issued in exchange for cash, another series of the Bond-Type Class Shares may be issued for such replacement. ■ The specific issuance and conditions of the Series 2 Bond-Type Class Shares and any subsequent series will be determined based on comprehensive consideration of future capital needs and market trends. In accordance with the Articles of Incorporation, however, the Company expects that they would be issued within the range of up to 10 million shares as with the Series 1 Bond-Type Class Shares and would have the same feature as the Series 1 Bond-Type Class Shares, meaning no voting rights and not convertible into common shares, and therefore they will cause no dilution of voting rights of common shareholders.
10. What form of issuance is planned?	■ The specific timing of issuance has not been determined at this time. However, when issued, it is planned that the Bond-Type Class Shares will be offered to a wide range of investors, including retail investors, through domestic public offerings. ■ The Company plans to make the Bond-Type Class Shares also available for investment by common shareholders of the Company.

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Question	Answer
11. What is the reason for considering listing the Bond-Type Class Shares on the Prime Market of the Tokyo Stock Exchange?	■ In order to make the Bond-Type Class Shares available to a wide range of investors, including retail investors, the Company believes it is important to raise awareness of the Bond-Type Class Shares and provide trading opportunities by listing them on the Prime Market of the Tokyo Stock Exchange.
12. Is there any possibility that the Bond-Type Class Shares could be used as a takeover protection measure?	■ The Bond-Type Class Shares do not have voting rights and are not convertible into common shares. Accordingly, they are not intended to be takeover protection measures. ■ The Company does not expect to allot the Bond-Type Class Shares to common shareholders by gratis allotment or otherwise.
13. What is the planned timing and amount of Series 1 Bond-Type Class Shares?	■ Specific matters including the timing of the issuance have not been determined at this time. However, if the proposal for the Amendment to Articles of Incorporation for the Bond-Type Class Shares is approved at the Shareholders' Meeting and the Company determines the issuance of Series 1 Bond-Type Class Shares as the best financing method, the Company will consider the appropriate timing and amount based on the Company's business and financial strategies, while taking account of market conditions. ■ In addition, the maximum issuance amount has been set at 100.0 billion yen in the shelf registration statement for the Series 1 Bond-Type Class Shares filed on May 14, 2026.

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Question	Answer
14. What is the reason for expecting the fixed annual preferred dividend rate of the Series 1 Bond-Type Class Shares to be 5% or less?	▪ The Company expects the fixed annual preferred dividend rate after comprehensively taking into account the market price of similar bond-type class shares and hybrid bonds and other factors based on the product nature of its position between equity and debt. ▪ Please note that this expected rate is based on the market conditions as of May 14, 2026 and other factors, and is subject to change as a result of any future developments in such conditions and factors.
15. Is there a plan to increase dividends on common shares after the issuance of the Series 1 Bond-Type Class Shares?	▪ Regarding the dividend policy for common shares, the Company will comprehensively take into consideration consolidated results, investment in growth areas, cash flow, and other factors, and will endeavor to enhance shareholder returns with dividends as the foundation. ▪ The specific timing of issuance of the Series 1 Bond-Type Class Shares has not been determined at this time.
16. Does the Company plan to acquire (call) the Series 1 Bond-Type Class Shares in exchange for cash?	▪ The Company will determine whether to acquire (call) the Series 1 Bond-Type Class Shares (if and when issued) in exchange for cash five years after the date of issuance or later, taking into consideration the Company's business and finance, market conditions and other factors at that time. ▪ The Company is well aware that, in accordance with the market practice in hybrid financing, many investors expect the Company to acquire (call) the shares on or after five years from the date of issuance and before the time when the dividend rate steps-up.

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