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Corporate Governance Report

Last Update: July 7, 2022
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The corporate governance of Konica Minolta, Inc. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The “Basic Policy on Corporate Governance” that was formulated in September 2015 defines the basic views regarding corporate governance.

<Basic Concept for Corporate Governance>

The Company believes that corporate governance should contribute to sustainable corporate growth and increased corporate value over the medium to long term by encouraging appropriate risk-taking as part of management execution. On the other hand, the Company has established a corporate governance system from the standpoint of the supervisory side in the belief that setting up and managing a highly effective supervisory function is also necessary. As part of its institutional design in accordance with the Companies Act, in 2003 the Company selected the “company with committees” system (now, a “company with three committees” system) and established a system that eliminated dependency on personal characteristics, thereby pursuing governance in a style specific to the Company.

The Company’s basic views with regard to its governance system are as follows.

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

Specifically, the Board of Directors and the three committees are composed as follows.

1) Board of Directors

- One-third or more of Directors are Independent Outside Directors, and Directors who do not concurrently serve as Executive Officers constitute the majority of the total number of Directors.
- The Chairman of the Board is selected from among Directors not concurrently serving as Executive Officers.

2) Nominating, Audit and Compensation committees

- Each committee is composed of around five members, and a majority of its members is Outside Directors.
- The Chairperson of each committee is selected from among the Outside Directors.
- The President & CEO is not selected as a member of the Nominating, Audit or Compensation committee.

[The reason for non-compliance with Japan's Corporate Governance Code]

The Company complies with every principle of Japan's Corporate Governance Code (revised on June 11, 2021) based on the above Basic Views.

[Disclosure Based on the Principles of the Japan's Corporate Governance Code] Updated

【Principle 1-4 Cross-shareholdings】

The Company has prepared and disclosed a policy for cross-shareholdings (reduction policy and voting standards).

(1) Views on cross-shareholdings

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 stock 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.

As of March 31, 2022, the results of examinations into the Company's cross-shareholdings are as follows. Furthermore, each year, the Company verifies the economic justification and checks the qualitative significance of each individual stock through the Management Consultation Committee and reports its findings to the Board of Directors.

In terms of economic justification, each individual stock was examined as to whether revenues from dividends and related-party transactions exceeded the capital cost to the Company and it was confirmed that the most of stocks subject to examination produced revenues that exceeded capital cost of the Company.

In addition to the above, the stocks were checked regarding their qualitative significance which confirmed the purpose of holding stocks that are to continue being held by the Company, such as the maintenance or strengthening of business relations with investees or expectations of collaboration and business synergies.

This also confirmed stocks that the Company should consider selling due to the dilution of the significance or justification for ownership, or other factors. Additionally, seven stocks that were recognized as having a diluted significance for ownership (excluding shares deemed held) were sold in fiscal 2021, and the sales amount was 5,460 million yen.

(2) Standard for voting cross-shareholdings

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, it makes a judgement from the perspective of whether said 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 in particular, as they may have a significant impact on shareholder return.

- 1) Transfer of important assets
- 2) Merger or share transfers which cause or cease wholly owned subsidiary
- 3) Third-party allotments through favorable issuances
- 4) Introduction of measures to defend against hostile takeovers

【Principle 1-7 Related Party Transactions】

If the Company, by any chance, engages in transactions with conflicting interests as prescribed in the Companies Act with Directors and Executive Officers (“executives”), the Board of Director rules require a resolution of approval by the Board of Directors. In addition, to identify conflict-of-interest transactions by executives, every year on a regular basis there are confirmations with these executives to determine if there were any transactions (except compensation) between the Konica Minolta Group (the “Group”) and an executive or close relative (relatives within the second degree). Furthermore, with regard to transactions between the Company and its related parties, including major shareholders, subsidiaries and related companies, the Company has created internal approval procedures based on its authority rules equivalent to those governing transactions with third parties to ensure such transactions do not harm the interests of the Company or the common interests of its shareholders.

[Supplementary rule 2-4-1 Goals and Progress as well as Policy and Its Implementation Status for Ensuring Diversity]

The Company welcomes the differences of each Konica Minolta Group employee, including not only those that are easily visible, such as race, gender, nationality, age, disability, and pregnancy status, but also those that are less visible, such as sexual orientation and gender identity, religion, ethnicity, ideology, creed, social status, abilities and skills, and values. We consider these differences to be our strengths, and we pursue and provide an environment in which employees of all attributes can maximize their performance potential as professional human resources. By doing so, we will create new customer value, solve social issues, and achieve sustainable growth for the Company. To this end, we are actively promoting the use of diverse human resources as managers and executives by changing awareness through workshops for leaders, identifying potential human resources throughout the company, and implementing individual development plans.

Information on the utilization of these human resources is disclosed on the Company's website.

“Diversity” on the Company’s website:

<https://www.konicaminolta.com/about/csr/csr/diversity/index.html>

【Principle 2-6 Roles as Asset Owners of Corporate Pension Funds】

The Company has established a Pension Asset Management Committee comprising the Executive Officer responsible for finance, the General Manager of the Human Resources Department, the General Manager of the Accounting Department, the General Manager of Finance Department, representatives from labor unions, and others. The committee is tasked with the appropriate management of the corporate pension fund.

Also, in order to perform the expected roles as Asset Owners by increasing the expertise used in management of the fund, dedicated fund management personnel who possess appropriate credentials and business experience in the Accounting and Finance departments have been appointed. Furthermore, the Company has declared acceptance of Japan’s Stewardship Code for Corporate Pension in March 2021. In addition, for stocks of listed companies in Japan, management is entrusted to asset management institutions that profess to follow Japan’s Stewardship Code, and stewardship activities are monitored.

Conflicts of interest which could arise between corporate pension fund beneficiaries and the Company are managed appropriately as follows: 1) when selecting asset management institutions, the Company carries out a comprehensive assessment that covers not only quantitative aspects such as investment performance, but also qualitative aspects such as an institution’s investment policy, management framework, and compliance, 2) asset management institutions are required to formulate and disclose a policy regarding the management of conflict of interests, and 3) decisions regarding the exercise of voting rights are left to the sole discretion of the entrusted asset management institution to remove any possibility of interference by the Company.

【Principle 3-1 Enhancement of Full Disclosure】

The Company discloses information properly in accordance with laws and regulations. In addition, to ensure that decisions are made with transparency and fairness, the following information is disclosed from the standpoint of maintaining an effective corporate governance system. The Company discloses information

proactively. Specifically, the Company uses its website, integrated report, sustainability report, corporate governance report, intellectual property report, business report and other reports, and reference materials at general shareholder meeting to disclose information. In addition, there are proactive measures to supply information by using Management Policy Briefings, Investor Briefings for Individual Investors and other activities.

(1) Management Philosophy and Business Plan

The Company's management philosophy and business plan are disclosed in the integrated report and on the Company's website. Furthermore, explanation is also actively provided through Management Policy Briefings and Investor Briefings for Individual Investors and other activities. The following link is provided for this Corporate Governance Report.

Management Philosophy

Please refer to the "Konica Minolta Philosophy" on the Company's website.

<https://www.konicaminolta.com/global-en/corporate/vision.html>

Business Plan

Please refer to the medium-term business strategy on the Company's website.

https://www.konicaminolta.com/global-en/investors/management/midterm_plan_presentations/index.html

(2) Basic views on corporate governance

Please refer to the "Basic Policy on Corporate Governance" on the Company's website.

<http://www.konicaminolta.com/about/investors/management/governance/index.html>

(3) Policy and procedure for determining compensation for Executive Officers and Directors

Please refer to the Supplementary Explanation of "Incentives" and the Policy on Determining Compensation Amounts and Calculation Methods of "Compensation for Directors and Executive Officers" in section II. 1 of this report.

(4) Policy and procedure for selections or dismissals of Executive Officers and nominations of Director Candidates

(a) Policy and procedure for selections or dismissals of Executive Officers

The Board of Directors uses a fair, timely and appropriate method to select people who have the capabilities to serve as Executive Officers. These individuals must be able to create new value for the Group and earn the support of internal and external stakeholders. Standards for making these judgments about capabilities are defined in "Standards for the Selection of Executive Officers." These standards include qualification standards. Individuals must have the ability and experience for the internal and external management of the Group's business operations. Qualification standards also take into consideration knowledge about specialized

fields and technologies, an individual's age when the time for renewing the appointment comes, and other items. In addition, the Board of Directors selects individuals with a strong commitment to ethics, the ability to put customers first, the ability to drive innovation, strong motivation to achieve goals, and other characteristics.

To select new Executive Officers, candidates who have completed senior executive candidate training must do the first stage of the selection process, which involves submitting documents and completing an interview. Next, an assessment is performed in order to reach a highly objective and appropriate decision. This process includes input from both an external perspective and from the perspective of people at the Group who frequently interact with these candidates as part of their jobs. An evaluation conference, which consists of the President & CEO and the Executive Officer responsible for personnel, is held to examine the results of this process. This results in the selection of candidates to become Executive Officers.

To determine the new team of Executive Officers, the President & CEO selects from the list of Executive Officer candidates the individuals who are believed to be well suited to serve as Executive Officers. Next, a proposal for the selection of Executive Officers for the new fiscal year is prepared and submitted to the Board of Directors with a list of the duties for each Executive Officer. Prior to the submission of this proposal to the Board of Directors, the Nominating Committee performs oversight of the whole process, including a confirmation that a suitable process was used. Oversight includes receiving the proposal for the new Executive Officer team (including the proposed new Executive Officer selections from the President & CEO) and a report about the proposed duties of each Executive Officer.

Prior to the submission of this proposal to the Board of Directors, the Nominating Committee performs oversight of the whole process, including a confirmation that a suitable process was used. Oversight includes receiving the proposal for the new Executive Officer team (including the proposed new Executive Officer selections from the President & CEO) and a report about the proposed duties of each Executive Officer.

The Nominating Committee considers observing the character of Executive Officer candidates is an important matter and utilizes opportunities such as attending meetings of the Board of Directors and reporting to informal gatherings of Directors. After receiving the proposal for the selection of Executive Officers mentioned above from the President & CEO, the Nominating Committee discusses the content of the proposal, creates a summary of its conclusions regarding matters such as the appropriateness of candidates and training issues, and provides these as feedback to the President & CEO.

Also, the Board of Directors takes the "Standards for the Selection of Executive Officers" into full consideration when deciding whether or not to dismiss an Executive Officer.

(b) Policy and procedure for nomination of Director Candidates

The policy and procedures for nominating candidates for Directors for the Ordinary General Meeting of Shareholders held in June 2022 are as follows.

The Nominating Committee reviews the compositions of the Board of Directors and three committees every year. In electing the candidates in the proposal, the Company has carefully discussed the following among other matters: 1) The total number of Directors, the number ratio (Outside Directors, Internal Directors, Non-

Executive Directors, and Executive Directors), 2) Term of office of Outside Directors, 3) Diversity, 4) The succession of the Chairman of the Board of Directors, 5) Ideal status of Internal Directors serving as full-time Members of the Audit Committee, etc. As a result, the Company has confirmed the following policies on the composition of the Board of Directors.

1) The appropriate number of Outside Directors is approximately five (5) to six (6). As the Company tackles the challenges of transforming its business portfolio and promoting digital transformation (DX), the said number of Outside Directors ensures that they possess the expertise and experience necessary for effective management oversight. In addition, the Company revised the standard whereby the term of the office of Outside Directors can be extended for another two years by the resolution of the Nominating Committee, while the current term of office of four years is maintained in principle. As a result of this revision, the term of office will be up to six years. This review takes into account matters, including the acquisition of knowledge related to the Company's business, the supervision of the successor plan of the President and CEO, Representative Executive Officer by the Nominating Committee, and the continuity of discussions at the Board of Directors and three committees.

2) The Chairman of the Board of Directors shall be appointed from among Directors who do not concurrently serve as Executive Officers as stipulated in the Articles of Incorporation of the Company. This time, the Company has decided to appoint an Outside Director as the Chairman of the Board of Directors, who have a wealth of experience as an Outside Director of companies, as well as that of other companies, a deep understanding of the Company's governance, and is deemed appropriate as a leader in managing the Board of Directors based on aptitude.

3) There must be one or more Internal Directors who do not concurrently serve as Executive Officers. At the Audit Committee, the full-time Members of the Audit Committee are responsible for ensuring a certain level of the quality of audits.

4) In order to carry out active and essential strategic discussions at meetings of the Board of Directors, several Executive Officers holding responsible posts, including the Executive Chairman and Executive Officer, as well as the President and CEO, Representative Executive Officer, shall serve concurrently as Executive Officers.

In nominating candidates for Outside Directors, in order to oversee the execution of business from a variety of perspectives, the Company places the highest priority on whether all Outside Directors possess the expertise, experience to oversee the Company's medium-term management issues appropriately and considers the diversity and balance of their expertise, backgrounds, and industries.

From this perspective of nominating candidates, for this year, the Company has nominated candidates who have abundant expertise in business development, IT service business, and global management and can be expected to provide useful supervision and advice as corporate leaders.

<Procedures for Selection of Outside Director Candidates>

1) The Chairperson of the Nominating Committee asks the Nominating Committee members, other Outside Directors, and the President and CEO, Representative Executive Officer to recommend candidates in

accordance with the above nomination policy. In doing so, used as a reference include the database of candidates, such as the chairperson of excellent enterprises, which is prepared by the Nominating Committee Secretariat, containing information such as independence, age, the status of concurrent positions, and the scale of sales of the enterprises which they come from.

2) With a view that Outside Directors have a role in overseeing the Company's efforts to address medium-term management challenges, the Nominating Committee will discuss the nominees recommended and narrow down and rank the appropriate personnel as the candidates for Directors for the following year.

3) In order of the above ranking, the Chairperson of the Nominating Committee and the Chairman of the Board visit candidates to inquire about taking office as Outside Directors.

<Procedures for Selection of Inside Director Candidates>

1) President and CEO, Representative Executive Officer shares his plan on the executive system for the next fiscal year with Chairman of the Board of Directors. The two discuss a plan on candidates for Non-executive Directors and a plan on candidates for Directors who concurrently serve as Executive Officers according to the policies described above and make a joint proposal to the Nominating Committee.

2) The Nominating Committee discusses the proposal and makes its decision.

In determining the candidates for Directors, the Company has confirmed the necessary matters in light of the Company's standards for the election of Directors, as well as the Company's standards for independence for Outside Director candidates.

Please refer to the table at the end of this report for the expertise and experience (the so-called skills matrix) expected of each Director candidate.

[Director election standards]

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

1) Good physical and mental health

2) A person that is well liked, dignified, and ethical

3) Completely law-abiding

4) In addition to having objective decision-making abilities for management, the person must have good foresight and insight

5) Someone with no possible conflict of interest or outside business relations that may affect management decisions in the Company's main business areas, and who has organizational management experience in the business, academic, or governmental sectors. Otherwise, someone with specialized knowledge in technology, accounting, law, or other fields

6) For Outside Directors, a candidate with a history of performance and insight in that person's field, someone with sufficient time to fulfill the duties of a Director, and who has the ability to execute required duties as a member of the three relevant committees

7) The Nominating Committee has separately set forth points for consideration in the re-election of Directors and requirements concerning the number of terms of office, age and other factors. An Outside Director's term of office is up to six years. Specifically, the basic term of office is four years, and it may be extended once for two years upon approval of the Nominating Committee.

8) Director candidates are not excluded from consideration on the grounds of their gender, nationality, country of birth, cultural background, race, or ethnicity.

9) In addition, the candidate must have the abilities necessary for a Director running and building a public corporation that is transparent, sound, and efficient.

[Independence standards for Outside Directors]

Concerning Independence Standards for Outside Directors, please refer to the "Matters relating to Independent Directors" of "Independent Directors" in section II. 1 of this report.

[Balance of knowledge, experience and capabilities required for Outside Director candidates and diversity]

1) For the diversity of Directors, the Nominating Committee Rules for selection standards for Directors states that candidates should "have experience operating an organization in the industrial, government, or academic sector or have specialized skill involving technologies, accounting, law or other fields" and "have achievements and knowledge in their respective fields for Outside Director candidates" and that "Director candidates are not excluded from consideration on the grounds of their gender, nationality, country of origin, cultural background, race, ethnicity, etc."

2) Candidates should have the character, skill and experience needed for strengthening and upgrading management in order to enable the Board of Directors to determine the Company's strategic direction.

3) The industries in which Outside Directors to be re-elected and new Outside Director candidates have worked, their major management experience, their fields of expertise, and other characteristics are identified as part of the skill matrix in order to take into consideration the diversity of knowledge, experience and capabilities. The purpose is to receive beneficial oversight and advice concerning the Company's management issues at the Board of Directors.

[Stance concerning roles of Inside Directors and selection of Candidates]

1) An Inside Director who is not concurrently an Executive Officer and who has the ability to ensure the quality of audits is selected as a full-time Audit Committee Member. The Inside Director who serves as a full-time Audit Committee Member should have extensive management experience as an Executive Officer of the Company in order to improve the effectiveness of the Audit Committee. The qualifications required in particular are experience in accounting and finance or internal audit, business management and main business management.

2) Inside Directors who are concurrently Executive Officers, other than the President & CEO, are selected based on their experience, capabilities and character so that these individuals can demonstrate accountability in their execution of business and contribute to energetic and meaningful strategy discussions of the Board of Directors. Requirements for these Inside Directors include responsibility for overseeing strategic planning, accounting and finance, technology, main business and other major elements of the Company's operations.

(5) Reasons for selections and nominations of Executive Officers and Directors responsible for major duties

(a) Reasons for selections of individual Executive Officers overseeing the major duties

The reasons for selecting Executive Officers in charge of the Company's major responsibilities are the followings.

Mr. Toshimitsu Taiko (President & CEO, Representative Executive Officer)

He has served as CEO of a sales subsidiary in the United States, General Manager of Professional Printing Business Headquarters, General Manager of Office Business Headquarters and lead officer responsible for Business Technologies Business in the Company's mainstay Business Technologies Business, has extensive experience and accomplishment in the business. Also, he has accomplishment with regard to having dialogues with investors and formulating and promoting medium-term business plan "DX2022" as Executive Officer responsible for Corporate Planning, IR, etc.

He also meets the Company's requirements for a new leader to overcome the medium- to long-term and short-term management issues: 1) to have global communication skills in order to foster a personal connection with all of the Group's 40,000 employees; 2) to have empowerment skills for bringing out the best of each person; and 3) to have a strong will and ability to persevere until goals are achieved.

Based on the above and the results of the Nominating Committee's supervision and advice on the President succession plan, the Board of Directors selected him as President & CEO.

Mr. Shoei Yamana (Executive Chairman and Executive Officer responsible for strengthening new businesses, strategic alliances, merger and acquisition)

He has led the management of the Group, serving as President & CEO since April 2014, and has worked to enhance corporate value by promoting "TRANSFORM 2016" and "SHINKA 2019," the Company's medium-term business plans. Furthermore, he is formulating the medium-term business plan "DX2022" aimed at sustainable growth through business portfolio transformation and Digital Transformation (DX) and promoting the Company's response in this challenging business environment, and he is the most suitable individual for serving as the chief executive officer for achieving ongoing profit growth.

Accordingly, he will be able to continue contributing to the strengthening of new businesses, strategic alliances and M&A, etc.

Mr. Seiji Hatano (Senior Executive Vice President and Executive Officer responsible for Assistant to the CEO and Lead officer for Accounting, Finance and Risk Management)

In addition to his extensive experience in the preparation of the Company's medium-term business plan and the handling of growing businesses and M&A, he also has accomplishments in the business management of the Group, such as with finance and accounting, and the reform and improvement of risk management.

As such, he will be able to assist the new President & CEO in overall management, and contribute to the promotion of the medium-term business plan.

Mr. Toshiya Eguchi (Senior Executive Officer responsible for Technologies)

He has served as General Manager of the System Technology Development Center, IoT Service Platform Development and has been responsible for Imaging-IoT Solutions Business and other activities. He also has experience and accomplishment in building the foundation of our image IoT service business by planning and implementing technology and business strategies, and training and strengthening IoT human resources. Due to such experience and accomplishment, he can contribute to the transformation of our company into a high valued-added business with DX.

(b) Reasons for nominations of Director candidates

The reasons for selecting Director candidates by the Nominating Committee are the following. See "II 1 Information concerning Outside Directors" for the reasons for selecting Outside Director candidates.

[Reasons for selecting the candidate for Inside Director] (as of the 118th Ordinary General Meeting of Shareholders held on June 17, 2022)

Mr. Toshimitsu Taiko (President & CEO, Representative Executive Officer)

Mr. Toshimitsu Taiko took charge of the Business Technologies Business, the mainstay business of the Company, with the positions of CEO of the US sales subsidiaries, the General Manager of the Professional Printing Business Headquarters, General Manager, Office Business Headquarters, and the lead officer responsible for Business Technologies Business, followed by an Executive Officer responsible for Corporate Planning, Investor Relations, etc., to strive to enhance the corporate value of the Group through the formulation and promotion of the Medium-Term Management Plan "DX2022."

Following the results of the Nominating Committee's supervision and advice on the president's successor plan, the Board of Directors appointed him as the Director, President and CEO, Representative Executive Officer, as he has abundant management experience and track record and has met the requirements for a Company's new leader to overcome medium- to long-term and short-term management challenges. He assumed office on April 1 of this year. The Company expects that Mr. Taiko can contribute to effective discussions on important management decisions while fulfilling his accountability as the Director, President and CEO, Representative Executive Officer at the Board of Directors' meetings. Therefore, the Company requested that shareholders reelect him.

Mr. Hiroyuki Suzuki

The Company believes that it is important for the Audit Committee to include a full-time Inside Director who has extensive business management experience and expertise involving the collection of information in order to enhance the effectiveness of the Audit Committee. Mr. Hiroyuki Suzuki will attend management meetings of Executive Officers as a Member of the Audit Committee. He will work to optimize the quality and quantity of information for the audit by the Committee as he will grasp and confirm validity of the determination process about operations, which are commissioned to the Executive Officers by the Board of Directors, as well as the operational status of the internal control system and will provide the Audit Committee with feedback on such information.

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

Therefore, the Company believes that Mr. Suzuki can enhance corporate value by securing the effective operation of its corporate governance, and requested that shareholders reelect him.

Mr. Shoei Yamana (Executive Chairman and Executive Officer)

Mr. Shoei Yamana has extensive management experience and expertise. At the Company and its Group companies, Mr. Yamana has been an Executive Officer in charge of management strategy and IR, served as General Manager of the Sales Division of Image Information Products and been in charge of operations, among other positions. Mr. Yamana has led the management of the Group, serving as President and CEO since April 2014, and through promoting "TRANSFORM 2016" and "SHINKA 2019," the Company's Medium-Term Business Plans, while achieving business growth by strengthening the intangible assets of the customer base, human resources and technology. Mr. Yamana has also focused on "Sustainable Development Goals (SDGs) management," "environment and quality management," "health management," etc. In addition, he formulated the Medium-term Business Strategy DX2022, which aims for sustainable growth through the transformation of the Company's business portfolio and Digital Transformation (DX), and has pressed ahead with addressing the challenging business environment.

Since April this year, he has been assisting Director, President and CEO, Representative Executive Officer, being in charge of areas of strengthening new business, strategic alliance and M&A, as Executive Chairman and Executive Officer.

The Company believes Mr. Yamana can continue demonstrating accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requested that shareholders reelect him.

Mr. Seiji Hatano (Senior Executive Vice President and Executive Officer)

Mr. Seiji Hatano assists the President and CEO, Representative Executive Officer in overall management, and as Senior Executive Vice President and Executive Officer in charge of Accounting, Finance Affairs, and Risk Management, he also has worked to enhance the corporate value of the Group by promoting the Medium-term Business Strategy “DX2022.” The Company believes Mr. Hatano can continue demonstrating accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requested that shareholders reelect him.

[Supplementary rule 3-1-3 Disclosure of Information on Sustainability Initiatives]

<Sustainability Initiatives>

Based on the belief that sustainability initiatives are in themselves a management strategy, the Company sees social and environmental issues as business opportunities and aims to create innovations that will provide new value for the global environment and humanity as well as to achieve sustainable growth as it cultivates new business frontiers for the Company. Envisioning the problems society may face 10 years from now, the Company identified Five Materiality (material issues) it should address to provide social value that will help solve those problems. These are focus areas where the Konica Minolta Group can generate significant social value by concentrating its intangible assets.

More information is available in the Company’s integrated report and sustainability report posted on the corporate website.

Integrated report p. 6-10:

https://www.konicaminolta.com/shared/changeable/investors/include/ir_library/ar/ar2021/pdf/konica_minolta_ar2021_e_1008.pdf

The Company’s website:

<https://www.konicaminolta.com/about/csr/index.html>

(a) Consideration of climate change and other global environmental issues

The Company aims to achieve Carbon Minus by actively participating in the reduction of world-wide CO₂ emissions by cooperating with our stakeholders, especially our business partners and customers. We define Carbon Minus as “contributing more to CO₂ reduction outside the scope of our responsibility compared to the amount of CO₂ emissions that we are responsible for.” Our goal is to reduce CO₂ emissions directly related to our products and business (Scope 1, 2, and 3 emissions), and at the same time, aim for quickly achieving a state in which society and our customers contribute more to emission reductions than the amount of CO₂ emissions directly related to those products and business.

The Company’s CO₂ emissions reduction targets have all been approved by the Science Based Targets initiative. On top of that, the Company supports the final recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and signed/joined international initiatives, such as RE100.

Details as well as information disclosure based on TCFD recommendations are available in the Company’s integrated report, and sustainability report posted on the corporate website.

Integrated report p. 39-40:

https://www.konicaminolta.com/shared/changeable/investors/include/ir_library/ar/ar2021/pdf/konica_minolta_ar2021_e_1008.pdf

The Company's website:

<https://www.konicaminolta.com/about/csr/environment/index.html>

(b) Respect for human rights

In line with its management vision statement, Imaging to the People, Konica Minolta aims to pursue “the human quest for purpose in life” and “global sustainability.” In order to make this vision a reality, the Company upholds the Konica Minolta Group Charter of Corporate Behavior as well as other standards, and in September 2021, drafted its own human rights policy. The charter of corporate behavior, human rights policy and Supply Chain Code of Conduct, which covers all its businesses partners, underscore respecting the Universal Declaration of Human Rights as the most fundamental requirement in all business activities. The Company has identified the scope of its impact on human rights and is committed to exercising human rights due diligence.

More information is available in the Company's sustainability report posted on the corporate website.

The Company's website:

<https://www.konicaminolta.com/about/csr/social/rights/index.html>

(c) Health, work environment, and fair and appropriate treatment of employees

The Company has adopted evaluation and wage systems that completely eliminate age-based pay and other seniority factors while forging ahead with early promotions for younger employees. The Company also actively recruits personnel internally and allows employees to take on second or concurrent jobs externally in addition to offering a job-return program that allows employees to re-enter the workforce even after they have left the company in order to provide everyone with diverse career options at different life stages and help them achieve personal growth through varied experiences.

(d) Fair and appropriate transactions with business partners

The Company promotes CSR procurement that takes into account labor (human rights), ethics, the environment, and health and safety in its supply chain, including its suppliers. The Company is also ensuring compliance with the Conflict Minerals Regulation and other rules to prevent human rights violations at mines in conflict areas, which are at the top end of the supply chain.

The Konica Minolta Procurement Policy, covering overall procurement activities, was formulated in fiscal 2008. In 2013, the Company joined the Responsible Business Alliance (RBA) and established the Konica Minolta Supply Chain Code of Conduct based on the RBA Code of Conduct. Compliance with the Konica Minolta Supply Chain Code of Conduct is included in the basic business agreement requiring suppliers to adhere to this code of conduct.

More information is available in the Company's sustainability report posted on the corporate website.

The Company's website:

<https://www.konicaminolta.com/about/csr/social/suppliers/index.html>

(e) Natural disaster preparedness

In recent years, not only large-scale earthquakes but also typhoons, heavy rains, floods, and other natural disasters have become more frequent and severe due to climate change caused by global warming.

In accordance with its Medium-Term Disaster Readiness Plan (FY2020–FY2022), the Company is working to improve its ability to respond to disasters with both structural and non-structural measures, including prevention and mitigation, emergency and initial response, and recovery and restoration. In preparation for a large-scale disaster, the Group's major locations regularly assess their disaster preparedness levels using indicators from public institutions and work to improve issues. In addition, the Company has established an emergency information network for the approximately 300 corporate group locations in Japan to provide the necessary support and take measures quickly. On top of that, practical disaster drills are conducted on a regular basis so that employees at the Company's various business locations can act independently in the event of a disaster. The Company has also introduced IT tools in response to changes in the way people work so that its disaster management system can function even when employees are working remotely.

The Konica Minolta Group has formulated contingency plans in order to continue its business operations, fulfill its corporate social responsibility, and provide a stable supply of products and services customers need. The Group is working to verify and improve the effectiveness of various measures, such as decentralizing the production of major consumables to reduce risks, considering alternative avenues to acquire items subject to high procurement risks, and securing inventories. The Company works with local governments to contribute to local communities at each of its locations by providing evacuation sites, water, and other supplies to aid local communities in the event a natural disaster strikes.

<Investment in intangible assets>

(f) Investment in human capital

Leveraging intangible assets such as customer engagement, technologies, and human capital, Konica Minolta is advancing a digital transformation (DX) based on its own imaging-IoT platform in order to strengthen the competitiveness of its businesses.

In terms of human resources, the Company is actively hiring IoT personnel, working with external educational institutions to train DX leaders, and enhancing IT literacy training for all employees.

In addition, the Company discloses through its website information on its human resource development programs, including the provision of opportunities for innovation creation and overseas dispatch.

Integrated report p. 25:

https://www.konicaminolta.com/shared/changeable/investors/include/ir_library/ar/ar2021/pdf/konica_minolta_ar2021_e_1008.pdf

“Utilizing Employee Experiences Gained Outside the Company and Abroad” on the Company's website:

<https://www.konicaminolta.com/about/csr/csr/diversity/globalization.html>

(g) Investment in intellectual property

The Company's approach to technical and intellectual property strategies as well as the outcome from implementing these strategies can be found on the Company's integrated report.

See the intellectual property report available on the Company's website for strategies related to patent and other intellectual property rights, achievements in the acquisition and exercise of intellectual property rights, and internal systems.

Integrated report p. 24, 63:

https://www.konicaminolta.com/shared/changeable/investors/include/ir_library/ar/ar2021/pdf/konica_minolta_ar2021_e_1008.pdf

Intellectual property report:

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

[Supplementary rule 4-1-1 Scope of Matters Delegated to the Management (Roles and Responsibilities of Board of Directors)]

Since the Company is a company with three committees, the Board of Directors delegates to Executive Officers as much authority as allowed by laws and regulations for making operational decisions. This contributes to the speed and flexibility of managing business operations. The Board of Directors makes decisions solely about items, such as fundamental management policies, that can be determined only by the Board of Directors, according to laws and regulations. In addition, the Board of Directors makes decisions about investments larger than a certain amount and such other items that will have a significant impact on the Konica Minolta Group.

【Principle 4-9 Independence Standards and Qualifications for Independent Outside Director】

The standards for determining independence are explained in II. 1. [Independent Directors] Matters relating to Independent Directors. For information about the required qualifications, see I. 1. [Disclosure Based on the Principles of the Japan's Corporate Governance Code] [Balance of knowledge, experience and capabilities required for Outside Director candidates and diversity].

[Supplementary rule 4-11-1 Total Balance, Diversity and Size of the Board of Directors]

The Board of Directors is composed of a number of Directors within the scope provided in the Articles of Incorporation, taking into account the management issues the Board of Directors is required to address. The approach regarding this is as follows.

- (1) To ensure management transparency and supervisory objectivity, oversight of management, one-third or more of Directors are Independent Outside Directors, and Directors who do not concurrently serve as Executive Officers constitute the majority of the total number of Directors.
- (2) The number of Outside Directors should be approximately five or six to ensure that they have the expertise and experience necessary for effective management supervision.

- (3) To enhance the management supervision function, liaise with the Independent Outside Directors and strengthen communication and cooperation with Executive Officers, more than one Inside Directors not concurrently serving as Executive Officers will be appointed.
- (4) To further enhance deliberations on important decisions from a management standpoint, in addition to the President & CEO, several Executive Officers in charge of principal duties will be appointed as Directors.
- (5) The Nominating, Audit and Compensation committees are all chaired by Outside Directors to ensure transparency and objectivity. In addition, to ensure that each committee adequately fulfills its respective roles, each committee is composed of around five members, and a majority of its members is Independent Outside Directors.
- (6) For information about the diversity of the Board of Directors, see I. 1. [3-1 Enhancement of Full Disclosure] [Balance of knowledge, experience and capabilities required for Outside Director candidates and diversity].

[Supplementary rule 4-11-2 The other Jobs and Duties of Directors]

For the selection standards for Outside Directors, individuals must “be able to spend sufficient time to perform their duties” and candidates are selected after thoroughly examining their other jobs and duties. The other jobs and duties of the Directors who were elected at the 118th Ordinary General Meeting of Shareholders in June 2022 are as follows;

Furthermore, the Company requires all Directors to have an attendance rate of at least 80%, and in order to realize this, as a general rule Directors should aim to hold concurrent positions (positions as Officers as stipulated in the Companies Act) at no more than three companies other than the Company.

Name	Main position concurrently held (as of July 1, 2022)	Position
Chikatomyo Kenneth Hodo (Outside Director)	Bayhills Co., Ltd. Sumitomo Mitsui DS Asset Management Company, Limited Mynavi Corporation Mitsubishi Chemical Holdings Corporation ORIX Corporation Mr. Hodo holds concurrent positions at two listed companies of these companies.	Representative Director Outside Director Outside Director Outside Director Outside Director
Sakie T. Fukushima (Outside Director)	G&S Global Advisors Inc. USHIO INC. Kyushu Electric Power Company, Incorporated Aozora Bank, Ltd. Ms. Fukushima holds concurrent positions at three listed companies of these companies.	President and Representative Director Outside Director Outside Director Outside Director

Soichiro Sakuma (Outside Director)	Nippon Steel Corporation JX Nippon Mining & Metals Corporation	Advisor Outside Director
Akira Ichikawa (Outside Director)	Sumitomo Forestry Co., Ltd. SUMITOMO CHEMICAL COMPANY, LIMITED Mr. Ichikawa holds concurrent positions at two listed companies.	Chairman of the Board and Representative Director Outside Director
Masumi Minegishi (Outside Director)	Recruit Holdings Co., Ltd. ANA HOLDINGS INC. Mr. Minegishi holds concurrent positions at two listed companies.	Chairperson and Representative Director of the Board Outside Director
Shoei Yamana (Director, Executive Chairman and Executive Officer)	TDK Corporation Mr. Yamana holds a concurrent position at one listed company.	Outside Director

[Supplementary rule 4-11-3 Evaluation of Effectiveness of 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.

Self-assessments are conducted on the effectiveness of the Board of Directors and the three committees, 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 2016, the Company outsourced questionnaires and interviews to an external organization to enhance objectivity by adding standpoints of third parties, and to clarify issues not noticed in the existing "self-evaluation."

In the past, we have developed questions with the objective of finding areas for improvement and issues to improve the effectiveness of governance, and in the last few sessions in particular, we have set questions with a specific point of focus.

On the other hand, since this year marks a milestone with the change of the Chairman of the Board, we have

prepared questions to provide a bird's eye view of the current status of the effectiveness of the Company's governance.

(1) Survey schedule

The fiscal 2021 evaluation of effectiveness was as follows.

- March to April 2022: Distribution and return of self-evaluation questionnaires
- May 2022: Compiling of questionnaire responses and evaluation results
Summary Report (informal gatherings of Directors)
- June 2022: Explanation of Board of Directors Operations Policy for Fiscal 2022 by the new Chairman of the Board, Q&A session and opinion exchange (Board of Directors meeting immediately after the ordinary general meeting of shareholders)

(2) Survey target

Survey was conducted for all Directors (Total 11 Directors).

(3) Survey objective

- (a) The objective of the survey was to gain an overall picture of the current state of the effectiveness of the Company's governance on the occasion of the change of the Chairman of the Board.
- (b) The objective of the survey was to consider the results of the survey and the current status of the Company, and identify items that the Board of Directors should work on in the following fiscal year in order to further improve effectiveness.

(4) Composition of questions

The questions were divided into the following categories, with several questions for each. In addition, a free-response field was provided for each category.

- (a) General questions (e.g.: contribution to corporate value, ensuring effectiveness) (Four questions)
- (b) Questions on operation of and discussions in board meetings (agenda setting, quality of discussions and supervision of the agenda) (Eight questions)
- (c) Questions on operation of and discussions in board meetings (proceedings, quality of explanations and remarks during proceedings) (Six questions)
- (d) Committees (Six questions)
- (e) Environment of the Board and Committees (Seven questions)
- (f) Composition of the Board (Four questions)

(5) Method of response

Responses are an evaluation from 1 to 5 (5: Strongly agree, 4: Agree, 3: Can't say either way, 2: Don't agree, 1: Don't agree at all)

Also, opinions are written in the free-response field for each category.

(6) Summarized results

Summaries of the Directors' evaluations and opinions are as follows:

- (a) General questions (e.g.: contribution to corporate value, ensuring effectiveness)
 - Although the Board has a certain level of effectiveness, it is not necessarily sufficient.

(Suggestions, Advices)	(Supervision)	(Between inside and outside directors, Supervision/Execution)
+	+	+
Interactive	× Outcome	× Transform
(Two-way, discussion-centric)	(Throughout of results oriented approach/pay for performance)	(Business, system, human resources, etc.)

(b) Other items to evolve further in the current fiscal year

- As a "monitoring board," narrow down the strategic points that need to be focused on in the current fiscal year and continuously implement the PDCA cycle.
- Further strengthen a governance system by increasing the shareholder/investor perspective.
- Foster an evolving sense of distance between the supervisory and executive sides to further improve teamwork.

(c) Focus points for the Board of Directors

- Early recovery to profitability is a top priority
- Focusing on high-impact strategic themes, we aim to restore the trust of the market and the confidence of our employees by improving our executive power to transform our business portfolio.

[Supplementary rule 4-14-2 Training of Directors and Auditors]

In accordance with the Director Election Standards, the Nominating Committee selects candidates for election as Director who have the qualities needed to be a Director. The Company confirms whether new Directors require training judging from each individual's knowledge, experience and other characteristics. If training is needed, the Company provides suitable opportunities to receive this training.

(1) For new Independent Outside Directors, the Company provides information about the group's structure, business activities and finances as well as information about the medium-term business plan and its progress and other subjects. These new Directors also receive basic information about the Company's businesses and corporate-level functions.

(2) For Independent Outside Directors, the Company arranges visits to the development, manufacturing, sales, service and other operations of every business unit. The Executive Officer of each business unit provides the Directors with the latest information about that business.

The Board of Directors' activities in fiscal 2021 are provided below. Furthermore, all the activities were performed using teleconferencing systems.

(a) Inspection tours in Japan

One tour with the participation of one Outside Director

(b) Internal announcement event

Internal announcement events (Value Creation Forum) in four business areas with the cumulative participation of 20 Outside Directors.

Internal announcement events (Business Process Innovations Officer Debriefing) with the participation of four Outside Directors.

Internal announcement events (Bottom-up innovation activities presentation) with the participation of three Outside Directors.

- (3) Inside Directors are provided with opportunities to attend governance training held by external institutions, and Outside and Inside Directors are notified of information on various seminars provided as opportunities to participate in, as necessary.

【Principle 5-1 Policy for Constructive Dialogue with Shareholders】

The Company encourages constructive dialogues with shareholders and other investors with the goal of using these dialogues to contribute to sustained growth and the medium and long-term growth of corporate value.

The Company will conduct extensive investor relations activities. Based on this commitment, the following actions are taken.

- (1) Participation of management in dialogue with shareholders

Activities for a constructive dialogue with shareholders and other investors are centered on the President & CEO. The Corporate Vice President for investor relations and the department responsible for investor relations assist the President & CEO.

- (2) Measures for seamless cooperation among departments

The department responsible for investor relations plays the primary role in encouraging dialogues with shareholders and other investors. The business management, accounting, finance, legal affairs and environment operation departments and all business units work together to support this division. In addition, the Investor Relations Office works seamlessly with the Management Consultation Committee and other major councils as well as the Corporate Information Disclosure Committee for the purpose of ensuring that dialogues are timely and appropriate.

- (3) Measures used for dialogues other than individual meetings

The Company positions general shareholder meeting as an important opportunity for a dialogue with shareholders. The goal is to operate these meetings in a manner that can earn the trust of shareholders. This includes the disclosure of information about business operations so that information is supplied in a sufficient volume and in a format that is easy to understand. In addition, there are quarterly Financial Results Briefing Sessions, Management Policy Briefings from the President & CEO, Investor Briefings for Individual Investors, Business Briefings from Executive Officers responsible for each business, and IR days held as necessary for the Executive Officers responsible for each business to give presentations on multiple relevant themes and businesses. All these activities are aimed at maintaining strong lines of communication with shareholders and other investors.

- (4) Initiatives to feedback shareholder opinions and concerns to management

The President & CEO submits reports on information including opinions and concerns about the Company that were received through dialogues with shareholders and other investors to the Board of Directors, management council meetings and other major councils, as necessary.

(5) Management of insider information

The Company has a Corporate Information Disclosure Committee for the purpose of ensuring that the disclosure of important corporate information is timely, appropriate and fair. This Committee establishes a procedure for the disclosure of information. In addition, as stated in Rules for the Prevention of Group Insider Trading, the managers of departments that have information about significant facts are responsible for managing this information. Disclosure must be timely, appropriate and fair. Information must be managed to prevent the provision of information only to some shareholders and investors.

(6) Other activities

The Company performs investigations and other activities in order to identify effective shareholders. The purpose is to know all shareholders, both registered and effective shareholders, who make investment decisions and stock voting decisions. Dialogue with these effective shareholders is one of the Company's priorities.

The Company supplies financial information to shareholders and other investors as well as the President & CEO' stance regarding management from medium and long-term perspectives (including specific measures regarding revisions to the business portfolio, the allocation of management resources, etc.), information about ESG (environmental, social and governance, and other non-financial information. More measures will be taken to further upgrade these disclosure activities.

2. Capital Structure

Percentage of Foreign Shareholders Updated	10% or more and less than 20%
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[Status of Major Shareholders] **Updated**

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	87,813,700	17.69
Custody Bank of Japan, Ltd. (Trust account)	32,463,300	6.54
MUFG Bank, Ltd.	12,000,000	2.42
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875,000	2.39
Nippon Life Insurance Company	10,809,234	2.18
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for MUFG Bank, Ltd.)	10,801,500	2.18
DAIDO LIFE INSURANCE COMPANY	9,040,518	1.82
Konica Minolta Employee Shareholding Association	6,823,299	1.37
STATE STREET BANK WEST CLIENT - TREATY 505234	5,551,754	1.12
DFA INTL SMALL CAP VALUE PORTFOLIO	4,981,981	1.00

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation **Updated**

- 1) The status of major shareholders shown above is the current status as of March 31, 2022.
- 2) While the Company has 6,231,826 shares of treasury share in its possession, it is excluded from the shareholders in the above list. Ratio of shares held is calculated by deducting treasury shares. Treasury shares do not include the Company's shares held by trust accounts related to the BIP (Board Incentive Plan) trust for compensation for Directors (2,759,516 shares).
- 3) According to a Statement of Large-Volume Holdings (Revised Statement of Large-Volume Holdings) made accessible to the public on March 2, 2021, as of February 22, 2021, a group of shareholders comprising MUFG Bank, Ltd. and three other companies, held the Company's shares as shown below. However, as the Company is unable to confirm the actual number of shares held as of March 31, 2022, the number of shares owned on the registration of the shareholder name is shown in the status of major shareholders above. Additionally, the percentages shown in parentheses is based on the total number of all issued shares, including treasury shares.
 - Mitsubishi UFJ Financial Group, Inc. (group shareholding comprising four companies): 45,362,000 shares (9.02%)

- 4) According to Statements of Large-Volume Holdings (Revised Statements of Large-Volume Holdings) made accessible to the public, the companies shown below have significant holdings of the Company's shares, however, as the Company is unable to confirm the actual number of shares held as of March 31, 2022, they have not been included in the status of major shareholders above. Additionally, the percentages shown in parentheses is based on the total number of all issued shares, including treasury shares.
- Sumitomo Mitsui Trust Asset Management Co., Ltd. (group shareholding comprising two companies): 31,544,000 shares (6.28%) held as of February 15, 2022
(Revised Statement of Large-Volume Holdings as of February 21, 2022)
 - Nomura Securities Co., Ltd. (group shareholding comprising three companies): 29,595,000 shares (5.89%) held as of December 31, 2021
(Revised Statement of Large-Volume Holdings as of January 11, 2022)
 - Sumitomo Mitsui DS Asset Management Company, Limited (group shareholding comprising three companies): 18,735,000 shares (3.73%) held as of April 15, 2021
(Revised Statement of Large-Volume Holdings as of April 22, 2021)

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Prime Market
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with three committees (Nominating, Audit and Compensation)
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board Updated	Outside Director
Number of Directors Updated	9

[Outside Directors]

Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Chikatomo Kenneth Hodo	From another company									○			
Sakie T. Fukushima	From another company												
Soichiro Sakuma	From another company									△			
Akira Ichikawa	From another company									○			
Masumi Minegishi	From another company									○			

* Categories for "Relationship with the Company"

* "○" when the Director presently falls or has recently fallen under the category;

"△" when the Director fell under the category in the past

* "●" when a close relative of the Director presently falls or has recently fallen under the category;

"▲" when a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive Director or Executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an Executive thereof

e. Major client or supplier of the listed company or an Executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company Outside director/*kansayaku* are mutually appointed (the Director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2) Updated

Name	Committees			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Selection
	Nominating	Remuneration	Audit			
Chikatomo Kenneth Hodo	○			○	<p>Bayhills Co., Ltd. Representative Director</p> <p>Accenture Japan Ltd Former Senior Corporate Advisor</p> <p>The transactions between Bayhills Co., Ltd, and the Company, and Accenture Japan Ltd and the Company accounted for less than 1% of their respective consolidated net sales in the case of both.</p>	<p>Reasons for selection as an Outside Director: The Company focuses on 1. having professional records and visions in their respective fields; 2. having no material business relations with the Company and thus a high degree of independence; and 3. ability to dedicate sufficient time to fulfill the duties of the Board of Directors and committees. Mr. Chikatomo Kenneth Hodo has been in management of a company providing business consulting and IT services for years at Accenture Japan Ltd. He has extensive experience and a broad range of knowledge on digital business as a corporate executive. Mr. Hodo was elected the Chairman of the Board of Directors at the Board of Directors meeting to be held after the conclusion of the General Meeting. He has a wealth of experience as an outside director of multiple companies, including a company with a Nominating Committee, etc. similar to the Company, as well as his deep understanding of governance, and is qualified to lead the management of the Company's Board of Directors, aiming to "promote DX and increase corporate value." Therefore, the</p>

					<p>Company expects that Mr. Hodo can continue contributing to the maintenance and upgrading of its corporate governance as before.</p> <p>Reason for selection as an Independent Director: Mr. Hodo meets the standards for independence specified by the Nominating Committee. Also, as explained in the column to the left, Mr. Hodo is not a business executive or other significant person at a major supplier or customer or a major shareholder. There are no conflicts of interest with ordinary shareholders concerning his role as an Outside Director. As a result, Mr. Hodo is designated an Independent Director.</p>
Sakie T. Fukushima	○	○	○	<p>G&S Global Advisors Inc. President and Representative Director</p> <p>There is no business relationship between G&S Global Advisors Inc. and the Company.</p>	<p>Reasons for selection as an Outside Director: Same as above for 1) to 3)</p> <p>Ms. Sakie Tachibana Fukushima served as Member of the Board of Korn/Ferry International (Global Headquarters) and head of its Japanese subsidiary for many years. She also served as outside director of many Japanese companies. In addition to extensive experience as a corporate executive and a broad range of experience and knowledge about the management of human resources, she has an extensive range of knowledge about corporate governance. Therefore, the Company expects that Ms. Fukushima can continue contributing to the maintenance and upgrading of its corporate governance as before.</p> <p>Reason for selection as an Independent Director: Ms. Fukushima meets the standards for independence specified by the Nominating Committee. Also, as explained in the column to the left, Ms. Fukushima is not a business executive or other significant person at a major supplier or customer or a major shareholder. There are no conflicts of interest with ordinary shareholders concerning her role as an Outside Director. As a result, Ms.</p>

						Fukushima is designated an Independent Director.
Soichiro Sakuma		○	○	○	Nippon Steel Corporation Advisor The transactions between Nippon Steel Corporation and the Company accounted for less than 1% of the consolidated net sales of each company.	Reasons for selection as an Outside Director: Same as above for 1) to 3) At Nippon Steel Corporation and Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation), Mr. Soichiro Sakuma was involved for many years in management in the manufacturing sector and was in charge of main head office functions, including general administration, human resources, environment and IT, mainly in legal and internal control & audit. He has extensive experience and a broad range of knowledge as a corporate executive. Therefore, the Company expects that Mr. Sakuma can continue contributing to the maintenance and upgrading of its corporate governance as before. Reason for selection as an Independent Director: Mr. Sakuma meets the standards for independence specified by the Nominating Committee. Also, as explained in the column to the left, Mr. Sakuma is not a business executive or other significant person at a major supplier or customer or a major shareholder. There are no conflicts of interest with ordinary shareholders concerning his role as an Outside Director. As a result, Mr. Sakuma is designated an Independent Director.
Akira Ichikawa		○	○	○	Sumitomo Forestry Co., Ltd. Chairman of the Board and Representative Director The transactions between Sumitomo Forestry Co., Ltd. and the Company accounted for less than 1% of the consolidated	Reasons for selection as an Outside Director: Same as above for 1) to 3) At Sumitomo Forestry Co., Ltd., Mr. Akira Ichikawa promoted sustainability management, and raised that company's corporate value over the medium to long term. He has extensive management experience and broad-ranging insight as a corporate executive. Therefore, the Company expects that Mr. Ichikawa can contribute to the maintenance and upgrading of its corporate governance. Reason for selection as an Independent Director: Mr. Ichikawa meets the standards

					net sales of each company.	for independence specified by the Nominating Committee. Also, as explained in the column to the left, Mr. Ichikawa is not a business executive or other significant person at a major supplier or customer or a major shareholder. There are no conflicts of interest with ordinary shareholders concerning his role as an Outside Director. As a result, Mr. Ichikawa is designated an Independent Director.
Masumi Minegishi	○	○	○	○	Recruit Holdings Co., Ltd. Chairperson and Representative Director of the Board The transactions between Recruit Holdings Co., Ltd. and the Company accounted for less than 1% of the consolidated net sales of each company.	Reasons for selection as an Outside Director: Same as above for 1) to 3) Mr. Masumi Minegishi has led the transformation of Recruit Holdings Co., Ltd. into a global tech company. He has a wealth of management experience and broad insights as a top leader of companies with DNA related to the commercialization of IT services and business development capabilities so the Company expects that Mr. Minegishi can contribute to the maintenance and upgrading of its corporate governance by monitoring and offering advice from a global perspective based on his experience in management. Reason for selection as an Independent Director: Mr. Minegishi meets the standards for independence specified by the Nominating Committee. Also, as explained in the column to the left, Mr. Minegishi is not a business executive or other significant person at a major supplier or customer or a major shareholder. There are no conflicts of interest with ordinary shareholders concerning his role as an Outside Director. As a result, Mr. Minegishi is designated an Independent Director.

[Committees]

Committee's Composition and Attributes of Chairperson Updated

All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson

Nominating Committee	5	1	1	4	Outside Director
Remuneration Committee	4	1	1	3	Outside Director
Audit Committee	4	1	1	3	Outside Director

[Executive Officers (Shikkoyaku)]

Number of Executive Officers	7
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Status of Additional Duties <u>Updated</u>
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Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nominating Committee Member	Remuneration Committee Member	
Toshimitsu Taiko	Yes	Yes	×	×	No
Shoei Yamana	No	Yes	○	×	No
Kiyotaka Fujii	No	No	×	×	No
Seiji Hatano	No	Yes	×	×	No
Noriyasu Kuzuhara	No	No	×	×	No
Toshiya Eguchi	No	No	×	×	No
Shinichiro Oka	No	No	×	×	No

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee <u>Updated</u>	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Officers (Shikkoyaku) <u>Updated</u>
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The Company set up the Audit Committee Office with a full-time staff to support the Audit Committee, and, besides being the secretariat of the Audit Committee, the Audit Committee Office shall perform its duties in accordance with the instructions of the Audit Committee. Furthermore, this principle is to be clearly specified in Company rules and made common knowledge. To ensure the independence of the Audit Committee Office from Executive Officers and Corporate Vice Presidents, and the effectiveness of instructions received from the Audit Committee, personnel matters regarding the Audit Committee Office including appointment, personnel changes and disciplinary action, shall be approved in advance by the Audit Committee.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

The Audit Committee holds meetings with the External Accounting Auditor many times each year. Committee members receive thorough explanations of the External Accounting Auditor's policy and plans for audits in addition to explanations and other information to be certain that the External Accounting Auditor is performing its duties properly. In addition, members of the Audit Committee state their views, including requests to place emphasis on certain audit items, and actively exchange other information. The aim is to perform audits that are appropriate and strict. Committee members also receive explanations for the auditing

system and internal controls of the accounting auditor's company to confirm various items. Receiving detailed reports from the External Accounting Auditor about the audit method and results is not the only task of the Audit Committee but also Committee members receive frequent audit implementation reports and monitor progress of the External Accounting Auditor's audit. The Audit Committee compares information from the External Accounting Auditor with information obtained by Committee members to reach decisions regarding the suitability of the External Accounting Auditor's audit.

As a company with three committees, the Company has an Audit Committee. Subsidiaries in Japan are companies with *Kansayaku*. The Company has a Corporate Audit Division to perform internal audits. Furthermore, while preserving its independence as an audit organization, the Audit Committee, Corporate Audit Division and *Kansayaku* of the subsidiaries cooperate with each other to make audits even more efficient and effective.

The Corporate Audit Division prepares internal audit reports, periodic audit activity reports and monitoring reports. These reports are submitted at the same time to the President & CEO and the Audit Committee.

Rules stipulate that the Audit Committee has the right to ask the Corporate Audit Division to perform special audits.

[Independent Directors]

Number of Independent Directors	5
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Matters relating to Independent Directors

All Outside Directors who are qualified to be Independent Directors are designated Independent Directors. In 2007, the Nominating Committee established "Independence Standards for Outside Directors." Regarding such standards, the Nominating Committee selects Outside Director candidates for whom none of the following items are applicable.

(1) Person affiliated with Konica Minolta

- Former employee of the Konica Minolta Group
- Having a family member (spouse, child, or any blood or marital relative within the second degree) that has served as a Director, Executive Officer, Auditor or senior management in the Konica Minolta Group during the past five years

(2) Person affiliated with a major supplier/client

- Currently serving as a Managing Director, Executive Officer, or employee of a major supplier/client company/group that receives 2% or more of its consolidated sales from the Konica Minolta Group or vice versa

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

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

(4) Other

- A shareholder holding 10% or more of the voting rights in the Company (Executive Director, Executive Officer, or employee in the case of a corporate body)
- A Director taking part in a Director exchange
- A Director, Executive Officer, *Kansayaku* or equivalent position-holder of a company that competes with the Konica Minolta Group, or a person holding 3% or more of the shares of a competing company
- Having some other significant conflict of interest with the Konica Minolta Group

The Company, under the rules of the Nominating Committee, in principle, limits the period in office of Outside Directors up to six years (reappointment limit). Specifically, the basic term of office is four years, and it may be extended once for two years upon approval of the Nominating Committee. This rule is based on the concern that the objectivity of these Directors may decline as the length of time in office increases.

[Incentives]

Incentive Policies for Directors and/or Executive Officers (Shikkoyaku)	Performance-linked Remuneration, and others
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Supplementary Explanation

The Company has introduced medium-term stock bonus plan (performance-linked) for Executive Officers in addition to annual performance-based cash bonus. The stock compensation-type stock options have been terminated after the 12th stock compensation-type stock options for fiscal 2016 issued in August 2016.

Recipients of Stock Options	—
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Supplementary Explanation

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[Remuneration for Directors and Executive Officers (Shikkoyaku)]

Disclosure of Individual Directors' Remuneration	Not disclosed
Disclosure of Individual Executive Officers' (Shikkoyaku) Remuneration Updated	Not disclosed

Supplementary Explanation Updated

Compensation for Directors and Executive Officers in fiscal 2021 was as shown below.

(1) The 3 Directors who do not concurrently hold Executive Officer posts

Base salary of 127 million yen

No performance-based cash bonuses

Stock bonus of 42 million yen

(2) The 6 Outside Directors

Base salary of 64 million yen

No performance-based cash bonuses

No stock bonuses

(3) The 10 Executive Officers

Base salary of 280 million yen

Performance-based cash bonus of 29 million yen

Stock bonus of 81 million yen

Notes

1. The number above includes one (1) Outside Director and one (1) Executive Officer who resigned at the date of the 117th Ordinary General Meeting of Shareholders held on June 17, 2021. At the end of the period (March 31, 2022), the Company has five (5) Outside Directors, three (3) Inside Directors (not concurrently holding Executive Officer posts) and nine (9) Executive Officers.
2. In addition to the three (3) Inside Directors shown above (1), the Company has another four (4) Inside Directors who concurrently hold Executive Officer posts, and the compensation to these Directors is included in compensation to Executive Officers.
3. Regarding the performance-based cash bonus, the amounts which were recorded as expense in fiscal 2021 are stated.
4. Regarding the stock bonus, the amounts which were recorded as expense in fiscal 2021 are stated, based on a calculation of estimated amount of stock bonus of the Company in the future according to estimated points to be allotted to Directors (excluding Outside Directors) and Executive Officers as part of their compensation. The amount includes medium-term stock bonus (performance-linked) to be distributed according to the target attainment rate in the period of the medium-term business plan.

There were no directors or executive officers whose total amount of compensation, etc. was 100 million yen or more in fiscal 2021.

Policy on Determining Remuneration Amounts and Calculation Methods <u>Updated</u>

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

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

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

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

<Compensation Policy>

(1) Compensation system

- Compensation packages for Directors (Non-executive Inside Directors) exclude a short-term performance-based cash bonus because Directors have a supervisory role, and consist of a "base salary" component in the form of a base salary and "stock bonus." 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-based cash bonus," which reflects the performance, and "stock bonus." In addition, "stock bonus" consists of "medium-term stock bonus" (performance-linked) and "long-term stock bonus."

(2) The total amount of individual compensation entitlement and "base salary" are set at an appropriate level with each position and its value taken into account, based upon objective data, evaluation data and other data collected at regular intervals, etc.

(3) The amount of the "annual performance-based cash bonus" is determined based on the level of performance result for the fiscal year (consolidated operating income) and the degree of attainment of annual performance targets and according to progress of each Executive Officer's key operational measures. The amount based on the degree of attainment of annual performance targets is determined in the 0% to 200% range of the standard amount of compensation. The targets are major consolidated performance indicators (operating income, operating income margin, operating cash flows and KMCC-ROIC (*)) associated with results of operations. Executive officers' key operational measures include those related to non-financial indicators, such as ESG (environmental, social and governance).

* KMCC-ROIC is ROIC to calculate "annual performance-based cash bonus," defining invested capital as assets that can be separately managed and improved by each business segment.

(4) Details of the stock bonus plan are as follows.

- In the "medium-term stock bonus" plan (non-performance-linked) to Directors, the Company's shares are distributed to Directors after the end of the medium-term business plan, according to their roles and years they are in office. The plan is aimed to enhance their motivation toward contribution to medium-term improvement of the shareholder value and promote holdings of the Company's own shares.

- In the “medium-term stock bonus” (performance-linked) to Executive Officers, the Company’s shares are distributed to Executive Officers after the end of the medium-term business plan in the 0% to 200% range. The plan is aimed to enhance their incentives toward attainment of the targets in the medium-term business plan and promote holdings of the Company’s shares. The medium-term targets are major consolidated performance indicators (operating income, operating cash flows and KMCC-ROIC) associated with the medium-term management policy.
 - In “long-term stock bonus” plan to Directors (Non-executive Inside Directors) and Executive Officers, the Company’s shares are distributed to them according to their positions, roles and years they were in office after their retirement from office. The plan is aimed to enhance their motivation toward contribution to the long-term improvement of the shareholder value.
 - The standard number of shares is set by the position of each Director or Executive Officer in the first year of the medium-term business plan.
 - Certain portions of shares are distributed in cash.
 - Shares of the Company obtained as stock bonus shall be held in principle for one (1) year after the date of retirement from the post of each Director or Executive Officer.
- (5) The standard for compensation to the President & CEO is a 50:25:25 mix of “base salary,” “annual performance-based cash bonus” and “stock bonus.” For the Executive Officers other than the President & CEO, the “base salary” ratio is set higher than that for the President & CEO.
- In addition, the ratio of “medium-term stock bonus” (performance-linked) and “long-term stock bonus” in “stock bonus” is 60:40.
- (6) Compensation for non-Japan residents may be handled in different ways from the treatment said above according to legal and other circumstances.
- (7) When the Board of Directors resolved a correction to financial statements after the announcement due to a material accounting error or fraud, the Compensation Committee considers corrections to performance-based bonuses and limit payment or request return of the bonuses when necessary.
- (8) The Company reviews levels, composition and others of compensation in a timely and proper manner in accordance with changes in the management environment.

Regarding the conventional retirement benefit system abolished in June 2005, the Compensation Committee has determined individual entitlements within reason based upon certain criteria established by the Company, and will pay such entitlement upon the retirement of each Director or Executive Officer in office prior to the abolition of this system.

<Indicators for performance-based bonuses, reasons for the selection of these indicators, and method for determining the amount of performance-based bonuses>

(1) Annual performance-based cash bonus

(a) Indicators and the reasons for the selection of these indicators

- 1) The indicator for the level of performance results portion is the amount of Group consolidated operating profit. It was judged that operating profit is the most appropriate indicator for determining the responsibility for performance that should be taken on by Executive Officers with the aim of realizing sustainable growth and enhanced corporate value by achieving higher levels of operating profit.
- 2) For corporate departments and core business departments, the indicators for the portion according to attainment of performance targets are the amount of operating profit, operating profit margin, operating cash flows, and KMCC-ROIC. These indicators attach strong significance to the Company's sustainable growth and the enhancement of the medium- to long-term corporate value. The amount of operating profit is selected to strengthen the earning power of the core business, operating profit margin to realize a shift to a highly profitable system, operating cash flows to allow timely and appropriate development of strategies and procure the underlying capital, and KMCC-ROIC to improve the efficiency of invested capital.
In addition, the respective indicator has been evenly weighted at 25%.
For a new business department, the indicators are individual targets set out by each business unit in light of the business characteristics and fiscal key measures.
- 3) For the portion according to personal appraisal, factors such as progress of each Executive Officer's key operational measures are used as indicators. Matters are evaluated from a different perspective from the level of performance results portion and the portion according to attainment of performance targets.

(b) Methods for determining the amount of compensation

- 1) The amount paid for the level of performance results portion is calculated by multiplying a value determined according to the amount of Group consolidated operating profit by a number of points set for each position. Said value is decided in accordance with a table formulated in advance.
- 2) For corporate departments and core business departments, the amount paid for the portion according to attainment of performance targets is calculated by multiplying the payment rate calculated from the annual performance target attainment rate (calculated based on the weighting of each indicator) by a set amount according to position. The respective business's consolidated performance is factored in the payment for Executive Officers responsible for the core business department, and the Group's consolidated performance is factored in the payment for those responsible for the corporate department.
In addition, the payment amount for Executive Officers responsible for the new business department is calculated by multiplying an attainment rate of individual targets of the respective business department by a set amount for each position.
The rate of the payment varies from 0% to 200%, depending on the attainment level of the target.
- 3) The amount paid for the portion according to personal appraisal is calculated by multiplying the total of the standard amounts determined for the level of performance results portion and portion

according to attainment of performance targets by an appraisal value (value in the range of -30% to +30%) for each Executive Officer stipulated in a proposal drafted by the President & CEO.

- 4) The payment amounts in the three items listed above will be discussed and settled by the Compensation Committee.

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

(a) Indicators and the reasons for the selection of these indicators

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

The amount of operating profit is selected to strengthen the earning power of the core business, operating cash flows to allow timely and appropriate development of strategies and procure the underlying capital, and ROIC to improve the efficiency of invested capital over the medium to long term.

In addition, these indicators have been weighted at 40%, 30% and 30%, respectively.

(b) Methods for determining the amount of compensation

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

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

- 2) Points set per position is calculated by dividing the amount of resources allocated per position by a reference stock price.
- 3) The reference stock price is the average price paid by the trustee entrusted by the Company, the trustor, when purchasing the number of shares of the Company required to pay the stock bonus on the stock market at the time of start of the period of the medium-term business plan or medium-term business strategy.
- 4) The number of shares transferred listed above will be discussed and settled by the Compensation Committee

[Supporting System for Outside Directors]

There is the Board of Directors Office that functions as a secretariat for the Board of Directors, Nominating Committee and Compensation Committee and has a similar function to that of the Audit Committee Office that is the secretariat for the Audit Committee. The members of the Board of Directors Office provide assistance for the Outside Directors to help enable the board and its three committees to function properly. Members of this office also distribute the document in advance concerning agenda items to Outside Directors, and create proposals and plans for visits to Company facilities and accompany Outside Directors as needed as part of activities to provide information to these directors. The objectives are to enable Outside Directors

to thoroughly discuss subjects at the Board of Directors meetings and to enable these meetings to take place with no difficulties.

[Status of Persons Who Have Retired from a Position Such as Representative Director and President etc.]

Retired Representative Director and Presidents, etc., holding Advisory or Any Other Position in the Company

Updated

Name	Title/ Position	Responsibilities	Working Form and Conditions (Full-time/Part- time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President (Note)	Term
Masatoshi Matsuzaki	Special Advisor	External activities such as activities in industry and economic associations, social and public service activities, and providing reference opinions and advice at the Company's request	Part-time/Paid	June 17, 2022	One year
Yoshikatsu Ota	Honorary Advisor	External activities using the title of honorary advisor	Part-time/Unpaid	June 19, 2014	One year
Hideo Tashima	Honorary Advisor	External activities using the title of honorary advisor	Part-time/Unpaid	June 29, 1999	One year

Total Number of Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company

3

There is no senior advisor position at the Company because it was terminated in 2006.

Past presidents of the Company or the Company's predecessors (Konica Corporation and Minolta Co., Ltd.) can receive the title of Special Advisor or Honorary Advisor once an individual is no longer a Director as defined in the Companies Act. A summary of this position is as follows.

- A Special Advisor is an individual who performs external activities that are beneficial to the Company. This includes the activities of industry and economic associations that represent the Company, public service activities such as social activities and committee studies, and other types of activities. A Special Advisor also may be requested by the Company to provide reference opinions and advice on management issues, etc. Compensation shall be approximately 30% of the fixed remuneration at the time of retirement as the President, but shall be determined in accordance with the role, service, etc. The term of office shall be for one year, with a maximum of four years or until the age of 75, whichever is shorter.
- An Honorary Advisor is given to a former president who wants to use this title for external activities and when the Company determines that these activities would be meaningful to the Company. There is no compensation. The term of office is one year and can be extended every year by mutual agreement.
- Special Advisors and Honorary Advisors have no rights involving decisions or other influences on management decisions and judgments.
- The President & CEO selects Special Advisors and Honorary Advisors and their status and submits reports to the Board of Directors.
- The Board of Directors establishes rules for this advisor system as part of the Company Rules.

As stated above, as of June 17, 2022, there are one Special Advisor and two Honorary Advisors.

(Note) Date of retirement from position such as President is the day the former CEO was no longer a Director as defined in the Companies Act.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nominating and Remuneration Decisions (Overview of Current Corporate Governance System) **Updated**

(1) Activities of the Board of Directors

1) Frequency of Meetings held

In fiscal 2021, 14 meetings were held.

2) Main matters for consideration

In fiscal 2021, the Board reviewed and supervised the medium-term efforts in each business area of the Company amid the shortage of parts and materials such as semiconductors, the tight logistics situation, and the impact of COVID-19, and also discussed and deliberated on the transformation of the business portfolio and the promotion of digital transformation (DX), as well as the inspection and improvement of the Company's management system.

In addition, the Board also monitored the progress of new businesses such as the Precision Medicine Unit and the DW-DX Unit.

3) Attendance of each director

At the Ordinary General Meeting of Shareholders held on June 17, 2021, one Director stepped down and one was newly appointed. However, in fiscal 2021, the attendance rate of Directors to Board meetings was 100%.

(2) Business execution

(a) Transfer of authority to Executive Officers by the Board of Directors

The Board of Directors delegates significant authority concerning decisions about business operations to the President & CEO. The Board of Directors concentrates on fundamental items involving business operations, such as “Fundamental Policies for Management” as well as on the oversight of how business operations are managed.

(b) Framework for business operations

The Board of Directors appoints Executive Officers and selects from these Executive Officers the President & CEO and senior Executive Officers. In addition, the Board of Directors assigns specific duties to the Executive Officers and determines the flow of orders and instructions. The President & CEO and the other Executive Officers make decisions and conduct business operations for the business operations they have been given responsibility by a resolution of the Board of Directors.

(c) Management Consultation Committee

The Management Consultation Committee provides assistance to the President & CEO for making decisions and discusses important items concerning management of the Group.

(3) Functions and roles of Outside Directors involving corporate governance

Upgrading an oversight function from the perspective of ordinary shareholders is one of the priorities of the Company. The Nominating Committee selects highly independent Outside Director candidates based on “Independence Standards for Outside Directors” established by this committee and the standards for Independence in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. The primary role of Outside Directors is to use the perspective of ordinary shareholders, which is independent from the perspective of senior management team and certain stakeholders (large shareholders, suppliers and customers, related companies, and others). In particular, the Outside Directors are responsible for supervising management in order to protect ordinary shareholders and ensure the common interests of shareholders when there is a conflict of interest with senior management team.

At meetings of the Board of Directors, Outside Directors make statements from the perspective of ordinary shareholders concerning proposals from Executive Officers and reports about studies involving significant issues. Furthermore, Outside Directors use their many years of corporate management experience to give appropriate advice. All of these activities contribute to upgrading management strategies and improving the efficiency of management. In addition, an Outside Director chairs the Nominating, Audit and Compensation Committees in order to heighten transparency.

The Company has contractual agreements with the Outside Directors that limit the liability of these Directors. These agreements are for the purposes of attracting highly qualified individuals as Outside Directors and enabling these Directors to perform their roles as expected.

(4) Nominations

(a) Please see I. 1. [Disclosure Based on the Principles of the Japan's Corporate Governance Code] (4) Policy and procedure for selections or dismissals of Executive Officers and nominations of Director Candidates.

(b) Activities of Nominating Committee

1) Functions and roles

- Decisions involving proposals submitted to the shareholders meeting concerning the election and termination of Directors
- Receive reports from the President & CEO concerning a plan for a successor (training and selection) at a suitable time and supervision of this plan

2) Frequency of Meetings held

Ten meetings of the Nominating Committee were held in fiscal 2021.

3) Main matters for consideration

In fiscal 2021, in selecting candidates for the Board of Directors, we carefully focused discussions on (1) the total number of directors and the composition of the directors (outside directors and inside directors, non-executive directors and directors concurrently serving as executive officers), (2) the tenure of outside directors, (3) diversity, (4) succession of the Chairman of the Board, (5) the role of inside directors serving as full-time audit committee members, and other factors. Based on the results of these discussions, the Company has confirmed the following policy regarding the composition of the Board of Directors.

- a) The number of outside directors should be around 5 to 6 to ensure that they have the expertise and experience necessary for effective management supervision. In addition, the tenure of outside directors should be based on the existing four-year term, with the possibility of a further two-year extension based on a resolution of the Nominating Committee, i.e., a maximum tenure of six years.
- b) The selection of an outside director as chairman of the Board of Directors.
- c) At least one internal director who does not concurrently serve as an executive officer is required to serve as a full-time member of the Audit Committee to ensure a certain level of audit quality.
- d) In addition to the President, several executive officers, including the Executive Chairman and Executive Officer, shall be directors who concurrently serve as executive officers.

With the proposal for director nominees developed in accordance with this policy, the Board of Directors will have a majority of outside directors (5 out of 9), and an outside director will be selected as the Chairman of the Board of Directors to further evolve the corporate governance system to be more transparent.

In appointing Executive Officers, the Nominating Committee received reports on the selection process and reasons for selection and checked them prior to the Board of Directors' resolution. In particular, for the President and CEO, the Nominating Committee decided on a candidate for the next President and CEO as a result of the "Succession Planning for the President and CEO" initiative that began in 2015 (the Nominating Committee received regular, continuing reports from the President and CEO and provided supervision and advice to the President and CEO).

4) Attendance of each member of the Committee

In fiscal 2021, the attendance rate of members of the Nominating Committee to meetings of the Nominating Committee was 100%.

(5) Audits and supervision

(a) Auditing Structure

This information is in the previous “Auditing Structure” section.

(b) Accounting audit

1) Accounting Auditor

For fiscal 2021, the Company signed an audit contract with KPMG AZSA LLC to perform Companies Act audits and Financial Instruments and Exchange Act audits.

2) Duration of the audit

After the fiscal year ended March 31, 2007

3) Certified Public Accountants who conducted the audit and individuals who assisted with the audit

(Certified Public Accountants who conducted the audit)

Designated Limited Liability Partner Akihiro Otani

Designated Limited Liability Partner Michiaki Yamabe

Designated Limited Liability Partner Yosuke Sato

(Individuals who assisted with the audit)

20 Certified Public Accountants and 41 others, a total of 61

(c) Audit Committee

1) Functions and roles

Please see II. 1. [Auditing Structure].

2) Frequency of Meetings held

13 meetings of the Audit Committee were held in fiscal 2021.

3) Roles and activities of the Internal Audit Committee

The Company selects an Internal Director who is not concurrently an Executive Officer to serve as a full-time Audit Committee Member responsible for investigations. This individual uses regular auditing activities to collect information and submits reports to the Audit Committee, where a majority of members are Outside Audit Committee Members, in order to improve the quantity and quality of audits. Improving the effectiveness of the Audit Committee is the goal.

Internal members of the Audit Committee mainly perform the following activities.

- Attending important meetings about business operations, audit the suitability of the Board of Directors process for delegating authority to Executive Officers and Corporate Vice Presidents, audit the operation of the internal control system, and other activities
- Visiting business sites, including subsidiaries, in Japan and overseas, receive information from business site and subsidiary managers to determine the status of their business operations

- Receiving monitoring reports at a suitable frequency from the Corporate Audit Division, which performs internal audits, and *Kansayaku* of the subsidiaries; use exchanges of opinions about matters requiring attention and other items for working together to improve audit functions
- Holding meetings at a suitable frequency with the Accounting Auditor to exchange information about important matters involving accounting audits and other activities for performing appropriate and strict accounting audits

4) Attendance of each member of the Committee

In fiscal 2021, all members of the Audit Committee attended all Committee meetings, resulting in an attendance rate of 100%.

(6) Determination of compensation

(a) The policy for the determination of compensation is in II. 1. [Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods].

(b) Activities of Compensation Committee

1) Functions and roles

Decisions about compensation for individual Directors and Executive Officers.

2) Frequency of Meetings held

12 meetings of the Compensation Committee were held in fiscal 2021.

3) Main matters for consideration

In fiscal 2021, we discussed the revision of the group of benchmark companies for two portfolio shifts (shifting to a Digital Workplace Business by leveraging the customer base of the Office Printing Business and the building of a pillar for business to follow after the Office Printing Business), and proceeded to revise the executive compensation system. The Committee also discussed and decided on executive compensation for the new positions of Executive Chairman and Executive Officer, and Outside Director and Chairperson of the Board of Directors Meetings.

4) Attendance of each member of the Committee

In fiscal 2021, all members of the Compensation Committee attended all Committee meetings, resulting in an attendance rate of 100%.

3. Reasons for Adoption of Current Corporate Governance System Updated

The Company is dedicated to corporate governance that can contribute to sustained growth and medium to long-term growth in corporate value. This requires a management style that accepts a suitable amount of risk along with the establishment of a highly effective oversight function for conducting business operations. Consequently, a corporate governance framework has been assembled from the standpoint of supervision. As the structure prescribed by the Companies Act, the Company selected in 2003 the “company with committees” system (currently a “company with three committees”). Furthermore, to create a governance system that does not rely on the skills of any particular individual, the Company has constantly aimed for corporate governance with a distinctive Konica Minolta style.

The Company's basic approach with regard to its governance system is as follows;

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

<Chronology of measures to establish a corporate governance framework and improve its effectiveness>

FY2000	Started an executive officer system and reduced the number of directors
FY2002	Elected two independent outside directors Shortened the term of directors to one year
FY2003	Formation of Konica Minolta Holdings, Inc. due to a management integration Became a company with committees (now a company with three committees) Establishment of the Corporate Organization Basic Regulations Number of independent outside directors increased from two to four Establishment of policy for determining compensation
FY2004	Started self-assessments (using questionnaires) of the effectiveness of the Board of Directors
FY2005	Ended lump-sum retirement payments and started stock compensation-type stock options
FY2006	Chairman of the Board of Directors started participating in the Nominations Committee Ended the senior advisor position First overseas field trip by outside directors (two) for a visit to a manufacturing subsidiary in China Established standards for the independence of outside directors
FY2009	Revised part of the terms for performance-linked compensation in the compensation determination policy
FY2010	Revised part of the Board of Directors rules
FY2014	Started establishing a Fiscal Year Policy for the Board of Directors based on results of the Board of Directors effectiveness self-assessments (questionnaires)
FY2015	Established the Basic Policy on Corporate Governance in response to the implementation of the Corporate Governance Code The Nominating Committee started overseeing the succession plan of the President & CEO
FY2016	Started using an external organization for questionnaires and interviews to assess the effectiveness of the Board of Directors
FY2017	The compensation determination policy was revised, replaced stock compensation-type stock options and introduced stock bonus linking with medium-term performance
FY2018	Revised some of the Board of Directors Rules Increased the number of Independent Outside Directors from four to five

FY2019	Distributed tablet devices to Outside Directors and commenced the electronic distribution of materials for the Board of Directors' meetings
FY2020	Partially amended performance-linked bonus and stock bonus under the compensation determination policy
FY2021	<p>Disclosure of the expertise and experience expected of Director candidates (skill matrix) (Previously, it was prepared and utilized within the Nominating Committee when selecting candidates.)</p> <p>Extended tenure of Outside Directors (revised from four years in principle to making a two year extension possible, with a maximum of six years)</p> <p>Partial revision of the Basic Policy on Corporate Governance</p>
FY2022	<p>Selected an Outside Director as Chairman of the Board of Directors</p> <p>Made Independent Outside Directors more than half of the Board (Five of nine)</p>

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

Updated

	Supplementary Explanations
Early Notification of General Shareholder Meeting	<p>The Company has a policy of sending shareholder meeting convocation notices to shareholders at least three weeks before a meeting. In addition, a notice is posted on the Tokyo Stock Exchange website and the Company website prior to sending notices in order to give shareholders sufficient time to consider their votes on proposals.</p> <p>Notice of convocation of the 118th Ordinary General Meeting of Shareholders (for the fiscal year ended March 31, 2022) were sent to shareholders on May 26 (Thursday), which was 22 days before the meeting. In addition, before sending these notices, the Company posted the notice of convocation on the Tokyo Stock Exchange website and the Company website on May 19 (Thursday) (and on May 26 (Thursday) for the English-language notice).</p>
Scheduling AGMs to Avoid the Peak Day	<p>To facilitate constructive dialogues with shareholders and share information with shareholders accurately, the Company normally holds its shareholders meeting at least one week before the time that most June shareholders meetings take place.</p> <p>The 118th Ordinary General Meeting of Shareholders (for the fiscal year ended March 31, 2022) was held on June 17, 2022 (Friday). This was twelve days (eight business days) prior to the June 29 (Wednesday), the greatest day of concentration for the general meeting of shareholders for financial results for the fiscal year ended March 31, 2022.</p>
Allowing Electronic Exercise of Voting Rights	<p>To allow shareholders to submit their votes via the Internet, the Company has established a platform that permits the use of several shareholder voting websites.</p> <ul style="list-style-type: none"> ● The Company designated voting site (https://evote.tr.mufg.jp/) ● ICJ's electronic voting platform
Participation in Electronic Voting Platforms and Other Measures to Enable Institutional Investors to Vote with Greater Convenience	<p>The Company posts convocation notices and its English translation on ICJ's electronic voting platform. Japanese and overseas institutional investors who have pre-registered for the use of the platform can directly access the contents of the convocation notices for deliberation, thus enhancing their convenience.</p>
Providing Convocation Notice in English	<p>The Company posts an English-language translation of its shareholder meeting convocation notice for overseas investors (shareholders) on the Tokyo Stock Exchange's website, on the Company's website, on the website</p>

	designated by the Company to exercise voting rights (https://evote.tr.mufg.jp/), and on the electronic voting rights exercise platform operated by ICJ, Inc. on the day of sending the shareholder meeting convocation notice.
Other	<p>For the 118th Ordinary General Meeting of Shareholders (for the fiscal year ended March 31, 2022), to prevent shareholders from becoming infected with COVID-19, we asked shareholders to refrain from attending the meeting if there is any concern about the spread of infection, such as a declaration of an emergency situation or the issuance of priority measures to prevent the spread of the virus, when we sent the convocation notice.</p> <p>The meeting was video-streamed via the Internet so that shareholders who were unable to attend the meeting were able to observe the meeting.</p> <p>Furthermore, after the closure of the Meeting, the Company posted a video footage of the scene of matters to be reported at the shareholders meeting on the Company's website.</p> <p>With the environmentally well-thought-out administration put in place, the Company uses the FSC certified papers and plant-based oil ink for printing the notice of the convocation. Also, electricity purchased for running the shareholders meeting is sourced from solar and other renewable energies to help stop global warming by curbing CO₂ emissions consequentially.</p>

2. IR Activities **Updated**

	Supplementary Explanations	Presentation by President & CEO
Preparation and Publication of Disclosure Policy	For the purpose of ensuring prompt, accurate, and impartial disclosures of important corporate information concerning the Konica Minolta Group, the Konica Minolta Group has adopted principles relating to the disclosure of important corporate information in accordance with the "Konica Minolta Group Charter of Corporate Behavior," which applies to the Group and all of its employees. The Konica Minolta Group has also established information disclosure controls and procedures and takes measures to ensure that all employees are thoroughly familiar with information disclosure controls and procedures.	

	<p>More information is provided on the Company's IR website in Japanese and English.</p> <p>(Japanese) https://www.konicaminolta.com/jp-ja/investors/management/dpolicy/</p> <p>(English) https://www.konicaminolta.com/us-en/investors/management/dpolicy/</p>	
Regular Investor Briefings for Individual Investors	<p>The Company holds information meetings led by the President & CEO, the Executive Officer in charge of investor relations or investor relations staff in order to communicate directly with individual investors regarding the Company's competitive edge based on its strengths and its process for enhancing corporate value through unique growth strategies.</p> <p>In fiscal 2021, meetings were held as follows:</p> <p>June 28, 2021 (Monday) through online streaming</p> <p>This meeting is available on the following website, which is linked on the Company's IR website.</p> <p>https://www.youtube.com/watch?v=YmTnKHroKB8</p>	Yes
Regular Investor Briefings for Analysts and Institutional Investors	<p>The Company holds quarterly Financial Results Briefing Session for analysts and institutional investors. The President & CEO or Executive Officer responsible for Corporate Planning, IR and Corporate Communications gives an overview of recent results of operations and explains factors behind the difference in the previous fiscal year's results and the values given in external announcements, and the management goals and key measures for achieving these for the current fiscal year based on management strategies for realizing medium- to long-term sustainable growth. There are also business information meetings held by individual businesses in order to encourage understanding of the competitive edge gained by these businesses through unique measures and the Company's strengths. The following information meetings were held in fiscal 2021.</p> <p>October 6, 2021 (Wednesday) Briefing of Industry Business (Business Portfolio Strategy, Materials and Components, Imaging-IoT Solutions, Sensing)</p> <p><Direct dialogue between Non-executive Directors and investors></p>	Yes

	<p>Governance meetings are held regularly through which the Chairman of the Board of Directors who is Non-executive Director and Independent Outside Directors hold dialogue with prominent investors and directly communicate on topics such as the Company's unique governance system and the aims and background behind it, initiatives aimed at continuously enhancing effectiveness, and the sound advice and oversight given in regard to establishing and implementing medium- to long-term growth strategies. In fiscal 2021, governance meetings were held as shown below.</p> <p>April 6, 2021 (Tuesday): Chairman of the Board Matsuzaki and Outside Director Hodo</p>	
<p>Regular Investor Briefings for Overseas Investors</p>	<p>The President & CEO goes to North America once and Europe once each fiscal year to hold regularly scheduled meetings with major shareholders and new investors. This is a means of realizing direct dialogue with the aim of maintaining and strengthening relationships with medium- to long-term shareholders and building relationships with new investors, and gaining understanding and support for the Company's process for enhancing corporate value in the medium- to long-term (strengths, growth strategies, intangible assets, management targets and related measures and KPI, and portfolio for realizing future income and capital and shareholder return policies for achieving this). In fiscal 2021, due to the COVID-19 pandemic, we used online meetings and telephone conferences to engage with U.S. and European investors.</p> <p>In addition, the Executive Officer responsible for Corporate Planning, IR and Corporate Communications, Executive Officers in charge of each business unit, or other IR staff participate in conferences in Japan and overseas held by securities companies (including themed conferences that focus on a specific business area, such as healthcare). These conferences are an opportunity to have discussions with many institutional investors about the Company's policies, performance and outlook.</p> <p>We also visit and invite investors for regular one-on-one meetings, telephone conferences and online meetings.</p>	<p>Yes</p>

	<p>English-language translations of presentations in quarterly earnings result briefing meetings held in Japan were provided, and the announcement of the second quarter and full-year earnings results is also released in the video footage to the public.</p> <p><Information meeting for the fourth quarter of FY2021> http://www.magicalir.net/4902/slideshow/2022-05-12-E.html</p>	
<p>Posting of IR Materials on Website</p>	<p>The Company’s integrated report is formulated in compliance with the Value Reporting Foundation International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry’s Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation. Not limited to an annual financial report, the integrated report introduces the Company’s business strategy for sustainable growth as explained by our top management, our diverse human resources that support our business development as a global company, a message from our Chairman of the Board, and an introduction to our governance initiatives in the form of a dialogue with Outside Directors, as we work to provide an integrated report with complete financial and non-financial information. For the non-financial side in particular, it introduces specific examples of efforts to improve the quality of management by placing ESG initiatives at the core of management activities, which have been underway since the management integration in 2003. In regard to external assessment, the report was nominated as one of the “excellent integrated reports selected by GPIF’s asset managers entrusted with domestic equity investment.”</p> <p>(Integrated Report URL)</p> <p>https://www.konicaminolta.com/global-en/investors/index.html</p> <p>The Company’s IR website has integrated reports, financial results, presentation materials, securities reports, shareholder’s correspondence, annual financial data, this corporate governance report, CSR reports, intellectual</p>	

	<p>property reports, IT performance reports, corporate information and other information, and the site has received a high evaluation, including gold status for four consecutive years and overall first prize, in the Gomez IR Site Ranking 2021 from Morningstar Japan K.K.</p> <p>(IR Library URL)</p> <p>https://www.konicaminolta.com/global-en/investors/ir_library/index.html</p>	
Establishment of Department and/or Manager in Charge of IR	<p>The Company has an IR Office that is supervised directly by the President & CEO. The purpose is to reinforce the ability to distribute strategic IR information.</p> <p>Department in charge: IR Office (6 people)</p> <p>Corporate Vice President in charge: Miwa Okamura, Corporate Vice President</p>	

3. Measures to Ensure Due Respect for Stakeholders **Updated**

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>Under the slogan of management visions; to be “a global company that is vital to society, bringing vision to reality” and “a robust and innovative company, continually evolving and contributing to the sustainable growth of the society and individuals,” with the aim of implementing the corporate philosophy of “Creation of New Value,” the Company practices sustainability management in order to balance the two wheels of the resolution of social issues and corporate growth. There is a Konica Minolta Group Charter of Corporate Behavior setting forth the actions that a corporation ought to demonstrate, in which respect for stakeholders is extensively stipulated. A worldwide Konica Minolta Group Charter of Corporate Behavior Guidance was also established with each provision providing for desirable actions people should emulate. There are activities to make employees of the group worldwide aware of this code. We established 6 Values as a set of beliefs for employees working in the Group, which articulates the specific behavior, key qualities and judgement criteria to fall back on vis-à-vis stakeholders and society in our interactions through the course of our business. The 6 Values clearly stipulate to become a provider of the customer’s genuine needs with an emphasis on “Customer-centric.”</p>

<p>Implementation of Environmental Activities, CSR Activities etc.</p>	<p>[Our sustainability]</p> <p>As we believe that sustainability initiatives are the heart of our management strategy, we also believe that the Company’s reason for existence is to balance “the human quest for purpose in life” and “global sustainability.” As a global enterprise, the Company is determined to continue to grow and play a role in creating a sustainable society. To accomplish these goals, we are focused on the international social issues addressed in the Sustainable Development Goals (SDGs) of the United Nations as business opportunities. We are working on innovative ideas to provide new value for the global environment and human society, believing that such efforts will pave the way for the realization of the sustainable growth and business creation for the Konica Minolta Group.</p> <p>Furthermore, to realize our management vision as we head toward 2030, we have envisioned the social issues ten years in the future, designated Five Materiality* that clarify the social value that the Company should provide to resolve these issues and are engaging in activities. These Five Materiality show important themes in which the Company can produce particularly significant social value by concentrating the intangible assets owned by the Konica Minolta Group.</p> <p>(Notes: (1) Improvement of satisfaction in work and corporate revitalization, (2) Realization of healthy and high quality of life, (3) Ensuring safety and security in society, (4) Countermeasures to climate change, (5) Effective use of finite resources)</p> <p>[Solving social and environmental issues through DX business]</p> <p>With various social issues arising, there is a need for innovation in order to solve them. Konica Minolta is committed to transforming the workflow of on-site workers through visualization, and beyond that, to contribute to society and the enrichment of people’s lives. The foundation for this is the Company’s unique “imaging-IoT platform.” By combining the Company’s strengths in imaging technology with AI and IoT technologies, we will create a high value-added and highly profitable business by utilizing images and other data continuously acquired from on-site.</p> <p>In the area of “Improvement of satisfaction in work and corporate revitalization,” which is included in the Company’s Materiality, we will provide solutions that enable people to work creatively and increase their productivity regardless of their location amidst the increasing diversification</p>
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of work styles, thus supporting individual fulfillment and job satisfaction as well as corporate growth.

In the area of “Realization of healthy and high quality of life,” we will support primary care through diagnostic imaging analysis using AI, namely by enhancing the diagnosis function of local clinics and supporting diagnosis through networks with specialist doctors. We will also contribute to supporting the self-reliance of the elderly by visualizing work related to the elderly in nursing care settings through image analysis and AI, thus reducing the workload of nursing care staff and enabling them to provide even more elaborate nursing care services.

In the area of “Ensuring safety and security in society,” we will enable contactless and remote monitoring and inspection at factories and plants. By foreseeing and predicting abnormalities and dangers that exceed the limits of the visual abilities of workers on site, we aim to prevent accidents and ensure the safety and security in factories and surrounding communities.

In the areas of “Countermeasures to climate change” and “Effective use of finite resources,” we will help improve production efficiency by transforming customers’ production processes from conventional systems through on-demand production. By improving production efficiency, we can help our customers reduce their CO₂ emissions and contribute to resource conservation.

[Consideration for climate change and other global environment issues]

We acknowledge that the global environmental issues are pervasive issues for all human beings, and also the issues affecting the entity’s competitiveness. With regard to climate change, which is one of the most pressing issues, we aim to achieve Carbon Minus by actively participating in the reduction of world-wide CO₂ emissions by cooperating with our stakeholders, especially our partners and customers. We define Carbon Minus as "contributing more to CO₂ reduction outside the scope of our responsibility compared to the amount of CO₂ emissions that we are responsible for." Our goal is to reduce CO₂ emissions directly related to our products and business (Scope 1, 2, and 3 emissions), and to quickly achieve a state in which society and customers contribute more to emission reductions than the amount of CO₂ emissions directly related to our products and business. By not only fulfilling our own social responsibility but also supporting the social responsibility activities of our stakeholders, we aim to

accelerate the effects of decarbonization, broaden the ties between the Company and our stakeholders, and grow our businesses together.

To accomplish these goals, with an eye on the entire life cycle of the product from development to procurement, production, distribution, sales and service, our ecosystem involving suppliers and customers aims to contribute to reducing the environmental burden.

In fiscal 2020, we established the “Environmental Digital Platform” to advance our ecosystem further. By sharing and accumulating the environmental knowledge possessed by the Company and each participating company, the goal is to co-create new value to enhance the efficiency of environmental management and dramatically expand the effects of our ecosystem on solving the environmental burden. The Environmental Digital Platform began with 15 participating companies, which grew to 68 by the end of May 2022. We plan to continue to expand the circle of co-creation.

The Company has also added its name to and is participating in international initiatives tackling environmental issues. In February 2017, the Company’s CO₂ reduction targets were approved by the Science Based Targets (SBT) initiative. In July 2018, we expressed our support for the Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, in January 2019, we joined RE100, a global leadership initiative aiming to realize 100% renewable power for member’s business operations, and we are aiming to source the electricity used in the Company’s business operations from 100% renewable power by 2050.

[Respect for human rights]

Human rights are rights that all human beings are born with, and are one of the universal values. In recent years, people in the international community have become increasingly aware of the significant impact that business has on human rights. Konica Minolta has adopted “Imaging to the People” as its management vision, and aims to achieve “the human quest for purpose in life” and “global sustainability.” To make this a reality, the Company upholds the Konica Minolta Group Charter of Corporate Behavior as well as other standards, and in September 2021, drafted its own human rights policy and is promoting business activities that respect human rights. The Konica Minolta Group Charter of Corporate Behavior, Human Rights Policy, and Supply Chain Code of Conduct, which covers all its businesses partners,

underscore respecting the Universal Declaration of Human Rights as the most fundamental requirement in all business activities. The Company has identified the scope of its impact on human rights and is committed to exercising human rights due diligence.

In the course of its business activities, the Company is working on a variety of human rights-related issues, including respecting the diversity, fundamental human rights, and privacy of all employees, eliminating all forms of discrimination based on race, nationality, gender, gender identity and sexual orientation (LGBTQ+), religion, religious beliefs, disabilities, etc., eliminating child labor and forced labor, maintaining a safe and healthy work environment, and CSR procurement, which is a CSR activity for our supply chain, as well as employee-related initiatives such as the prohibition of discrimination and harassment, and the protection of customers' and employees' personal information.

[Fair and appropriate transactions with business partners]

The Company sees its suppliers of raw materials and parts as well as businesses to which it outsources production, logistics, and other services as partners who are indispensable to its operations. The Company strives to build a relationship of trust with all its business partners through transparent and fair transactions in order to achieve the common goal of providing innovative products and services to customers around the world in a timely manner. As a global company working to earn the trust of people around the world, Konica Minolta promotes CSR procurement that takes into account labor (human rights), ethics, the environment, and health and safety in its supply chain, including its business partners. The Company is also ensuring compliance with the Conflict Minerals Regulation and other rules to prevent human rights violations at mines in conflict areas, which are at the top end of the supply chain.

The Konica Minolta Procurement Policy, covering overall procurement activities, was formulated in fiscal 2008. The policy sets forth the Company's basic stance represented by the five keywords—open, fair, global, compliance, and ecology—and clarifies requirements for suppliers. In fiscal 2013, the Company joined the Responsible Business Alliance (RBA) and established the Konica Minolta Supply Chain Code of Conduct based on the RBA Code of Conduct. Konica Minolta requires its suppliers to comply with this code of conduct in order to make continuous improvements in the supply chain with a focus on labor (forced labor, child labor, freedom of association,

	<p>etc.), ethics (intellectual property, privacy, anti-corruption, etc.), the environment (energy use, climate change impacts including CO₂/GHG emissions, water use, pollution, waste, use of resources, etc.), and health and safety (emergency preparedness, occupational injury and illness, industrial hygiene, etc.), all with an eye to helping build a sustainable society. Compliance with the Konica Minolta Supply Chain Code of Conduct is included in the basic business agreement requiring suppliers to adhere to this code of conduct.</p>
<p>Development of Policies on Information Provision to Stakeholders</p>	<p>In the Konica Minolta Group Charter of Corporate Behavior, the Company declares “as a company that solves social issues, and to increase corporate value, the Company communicates with society at large and discloses corporate information fairly and adequately.” A Corporate Information Disclosure Committee is established to ensure that important corporate information of the Group is disclosed in a timely, appropriate and impartial manner.</p>
<p>Other</p>	<p>[Promoting Health Management]</p> <p>At Konica Minolta, the health of employees is the foundation for all activities. Based on the Konica Minolta Group Health Declaration, we foster a corporate culture that places priority on good health. To utilize corporate resources and the resources of the Company’s health insurance association fully, we establish and implement various initiatives to preserve and improve the health of our workforce based on the collaborative health. We categorize people with health risks, whether physical or mental, and establish reduction and other goals for them. Then we proactively take actions for reaching those goals.</p> <p>For physical well-being, all group companies in Japan participate in a program to prevent health problems from becoming serious. Employees undergo periodic medical examinations. Individuals at risk receive individual guidance from industrial health professionals and are urged to see a physician for a thorough examination. For mental well-being, all employees undergo a stress check twice every year. Results are used for individuals to take better care of themselves. In high-stress workplaces, we collaborate to pursue improvement activities after sharing the root causes with the organizational head and the Corporate Human Resources Division. We have established multiple health indicators for the visualization of how healthy a person is. These indicators are used to make people aware of the need to make improvements and for various support programs that enable people to lead a healthier life.</p>

Starting in fiscal 2020, under the new medium-term health plan, we expanded the scope of our initiatives from “risk management” to “improved productivity and energy,” and from “the individual” to “the organization,” focusing on activities aimed at improving the productivity and performance of our workers.

In recognition of these initiatives, the Company was selected as a 2022 Health and Productivity Management Stock Selection under a joint program of the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. The 2022 selection was the seventh time for the Company to receive and the five-year selection winning streak following 2015, 2016, 2018, 2019, 2020 and 2021 selections.

[Promoting Diversity]

Konica Minolta believes that the diversity of its human resources will bring unprecedented innovative ideas and is the source of solutions to achieve a higher level of compatibility between its management vision of "the human quest for purpose in life" and "global sustainability." We are promoting diversity at all of our locations around the world, focusing not only on the diversity of employee attributes such as gender, nationality, sexual orientation or gender identity, and disabilities, but also on the diversity of the way employees work.

Our U.S. subsidiary has a "Step Forward" program to support the career development of female employees, and at our European subsidiary the LGBTQ+ support community "VIBRANT" has ally and other activities. Furthermore, starting in 2021, we held a global program four times by the end of fiscal 2021 in conjunction with International Women's Day and Pride Month by connecting Konica Minolta sites around the globe online. About 700 Konica Minolta Group employees from around the world participated each time.

In Japan, based on the “Act on Promotion of Women's Participation and Advancement in the Workplace (Law for the Advancement of Women),” we have formulated an action plan and are working to achieve targets such as by strengthening individual training for female management candidates, etc. As of April 2022, the ratio of female managers reached 9.1%, achieving the target of 8% by the end of fiscal 2021.

As of June 2022, there were three females and three foreign national in Executive Officers and Corporate Vice Presidents. We are also working to

promote diversity in the management hierarchy, including the active participation of women.

The Diversity Promotion Office established in April 2017 (renamed the Diversity Equity and inclusion Office in April 2019) has been working to promote understanding of diversity, equity, and inclusion in Japan, and has provided training for women and their supervisors to promote women's activities as a foothold for promoting diversity, e-learning to eliminate unconscious bias, and workshops to improve psychological safety in the organization. In addition to these efforts, from fiscal 2020, the scope of the program has been expanding to include activities that are integrated across the Konica Minolta Group.

In November 2016, the Company received L-Boshi Certification from the Ministry of Health, Labour and Welfare, the highest ranking for companies with a strong commitment to creating an environment that utilizes the skills of women. This ranking recognizes our activities in prior years as well as the establishment of pleasant and productive workplace environments for women. In September 2017, the Company received Platinum Kurumin Certification as a company with a strong support program for employees who are raising children.

- Percentage of female managers in the total managers in past three fiscal years of the Company

Fiscal 2019: 6.7%

Fiscal 2020: 7.2%

Fiscal 2021: 9.1%

- Percentage of female managers in the total managers in past three fiscal years of the Group (worldwide)

Fiscal 2019: 18.3%

Fiscal 2020: 19.8%

Fiscal 2021: 19.6%

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development Updated

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

(1) Requirements for the execution of duties by the Audit Committee

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

- (2) Systems for ensuring compliance of execution of duties by Executive Officers with laws, regulations and the Articles of Incorporation and other required systems of the Group for ensuring the properness of business operations

- (a) Each Executive Officer and Corporate Vice President shall manage the minutes of Management Consultation Committee and other important meetings, documents requesting formal approval and other information concerning the performance of their duties to ensure that documents are preserved in an appropriate manner and made available for inspection in accordance with the provisions of the Executive Officer document management rules and internal rules concerning the management of other documents.
- (b) The Company set up the Risk Management Committee which is in charge of managing the various risks that arise in connection with the Group's business activities, and the Executive Officer or Corporate Vice President appointed by the Board of Directors shall be responsible for the development of risk management systems including the following, in accordance with the Risk Management Committee Regulations.
- With respect to management of the business risks and operational risks, each Executive Officer and Corporate Vice President shall be responsible in accordance with respective assigned area. The Risk Management Committee shall provide support to each Executive Officer and Corporate Vice President. Further, the Risk Management Committee shall periodically conduct selection, assessment and review of risks material to Group management, develop measures, and confirm management status.
 - The Executive Officer or Corporate Vice President in charge of risk management appointed by the Board of Directors shall be responsible for establishing the contingency plans and countermeasures to minimize the damages by a crisis which is supposed to adversely affect the corporate value.
 - Provide support to the development and strengthening of risk management systems at each group company.
- (c) The Company set up a Corporate Audit Division which is in charge of the internal auditing of the Group to evaluate and improve the status of execution of business operations in all business activities from the viewpoint of legality and rationality, and which shall be responsible for establishing and operating internal auditing systems in accordance with the Internal Auditing Regulations.
- (d) The Company shall be responsible for establishing and operating a system of internal control over financial reporting in the Group and a system for evaluating the efficacy of their operation.
- (e) The Company set up the Compliance Committee which is in charge of establishing and operating the Group's compliance systems, and the Executive Officer or Corporate Vice President appointed by the Board of Directors shall be responsible for establishing and operating the compliance systems including the following, in accordance with the Compliance Committee Regulations.
- Defining compliance in the Group as the observance of laws and regulations applicable to corporate activities, corporate ethics and internal regulations and policies, and making this known to every individual working for the Group.
 - Establishing the Konica Minolta Group Charter of Corporate Behavior, familiarizing this through the Group, and enacting compliance conduct guidelines, etc. based on the philosophy of the Charter of Corporate Behavior.

- Establishing and operating systems to promote compliance at each group company. Specifically, preventing fraud at each group company by establishing the function to supervise each company's president.
 - Establishing and operating a whistle blowing system that allows employees to report any compliance violations that are discovered or anticipated. Make this system clear common knowledge in Company rules to halt unfair treatment through the reporting of infractions. Specifically, preventing the concealment of fraud by taking measures like the Company's direct accepting whistle blowing reports from each group company. Furthermore, the department in charge of the whistle blowing system will regularly inform the Audit Committee of report details and status.
- (f) The Company shall be responsible for establishing a system to ensure the effectiveness of each group company's internal control, promote the awareness and understanding of internal control of the president at each group company, and support the establishment and operation of an internal control system that meets each company's characteristics. The Company shall establish a dedicated organization to support the strengthening of internal controls at each group company, share management issues as early as possible, and establish organizations as necessary to support the implementation of measures as a Group, and deal with them.
- (g) The Company established the Corporate Organization Basic Regulations, and shall develop the corporate governance mechanisms of the Company and the Group, including the foregoing systems. The Company shall also work to establish and operate a system for ensuring the appropriateness of business operation through the Management Consultation Committee and other meeting bodies, authority regulations and other internal regulations, and shall endeavor to ensure the legality, rationality and efficiency of business execution by reviewing as necessary systems for management and administration across all the business activities of the Group. Furthermore, based on internal rules, etc. such as Authorization Regulations, the Company will make subsidiaries regularly report and seek preapproval on matters concerning the execution of important work duties, accounting, financial execution, human resources and other important information pertaining to such subsidiaries through Management Consultation Committee and other meetings.

The Company has established the frameworks described in the preceding sections (1) and (2) and, based on the associated policies, is performing the following activities.

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

Members of the Audit Committee, who is responsible for performing examinations, attended all meetings of the Management Consultation Committee during the fiscal year as well as operations meetings of business units and

other important meetings. Audit Committee members used these activities to confirm decision-making processes and how Executive Officers, Corporate Vice Presidents and employees are doing their jobs.

<Risk management>

The Risk Management Committee meets twice each year and at other times as needed. The committee identifies risks associated with business operations and determines measures to deal with these risks. In addition, committee members confirm that the risk management system is functioning effectively and evaluate this system. In fiscal 2021, the Committee met twice to regularly monitor sanctions and new laws and regulations applicable to regions and countries that have a high impact on our business, mainly in response to the global protectionist trend triggered by the U.S.-China trade friction and the high-tech cold war between the U.S. and China. With regard to COVID-19, the Committee systematically organized and shared information on the impact of the spread of infection on risk management, and confirmed the status of response to each risk item. As represented by the fact that the Financial Services Agency selected the descriptions of business risks in the Company's Securities Report as "Positive Examples of Descriptive Information Disclosure," the Company is working actively on information disclosure.

Furthermore, the Company has reporting rules for the purpose of responding to a crisis in a rapid and suitable manner. Crisis reporting rules are well known to Executive Officers, Corporate Vice Presidents, executives of subsidiaries and others. Based on these rules, the Corporate Vice President in charge of crisis management performs the management of all information involving a natural disaster, accident or other crisis that has occurred anywhere in the world. In fiscal 2021, the Company immediately established a Crisis Management Committee for the two explosions that occurred at the Tatsuno Factory of Konica Minolta Supplies Manufacturing Co., Ltd., a Company subsidiary. The Committee was under the oversight of the Representative Executive Officer as chief executive and chaired by the Corporate Vice President in charge of crisis management, and took actions.

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

We have a Quality Headquarters as a company-wide function to maintain the quality of our products and services, prevent the outflow of inferior products and services to the market, prevent the occurrence of fraud, and strengthen quality-related governance, including incident response. During fiscal 2021, the Company continued to thoroughly comply with the "Guideline for evaluation of safety," "Guideline for product security," "Guideline for prevention of quality-related fraud," and others and made efforts for securing the quality of products and services, strengthening security, and preventing quality-related fraud.

<Internal audits>

The Corporate Audit Division is responsible for internal audits for the entire Group. Overseen directly by the Representative Executive Officer, this division performs internal audits of the Company and its subsidiaries. Audits use the risk approach for efficiency from the standpoint of the reliability of financial reports, the efficiency and effectiveness of business operations, and compliance with laws and regulations. There are also follow-up audits to confirm that actions have been taken concerning items requiring improvements that were identified during audits.

Major subsidiaries also have their own internal audit departments. These departments strengthen the internal audit function of the entire Group while working with the Konica Minolta Corporate Audit Division. In fiscal 2021, the Company performed internal audits in accordance with the medium-term and annual audit plans formulated based on a risk approach in conjunction with the company-wide medium-term business plan.

<Internal control for financial reporting>

To prevent fraudulent accounting activities, the Company prepares an internal controls report that is based on internal evaluations that cover the entire Group of 141 consolidated companies inside and outside Japan. This report is prepared in accordance with the Financial Instruments and Exchange Act for the purpose of ensuring the reliability of financial reports. After an audit by the Accounting Auditor, the report is submitted with the Securities Report. In fiscal 2021, the Company introduced its internal controls assessment at newly established or acquired three companies.

<Compliance>

The Corporate Vice President in charge of compliance (“the Compliance Officer”), who is appointed by the Board of Directors under the oversight of the Representative Executive Officer, determines important issues involving Group compliance activities and oversees compliance activities. The Group Compliance Committee, which consists of Executive Officers and Corporate Vice Presidents for a variety of business and corporate functions, serves as an advisory body to the Compliance Officer. The Committee held one meeting in fiscal 2021. There are regional compliance coordinators for Europe, North America, China and Southeast Asia, who are appointed by the Compliance Officer. This framework allows those coordinators, together with the subsidiary presidents, to perform compliance activities that match the characteristics and needs of each overseas region. In fiscal 2021, to enhance the awareness of compliance, the Company obtained declarations of placing top priority on compliance from all officers and employees at the Company and subsidiaries inside and outside Japan. The Company also conducted an employee awareness survey on the Charter of Corporate Behavior and the whistle blowing system in the United States and Europe, following Japan and China where the survey was conducted in fiscal 2020, to raise awareness of the system and to make improvements. In addition, in response to the results of the awareness survey in fiscal 2020, the Company made efforts once again to make the Compliance Manual and the whistle blowing system well known within the Group.

<Whistleblowing system>

The Company has a whistle blowing system for compliance and is always seeking ways to improve this system. In Japan, Executive Officers, Corporate Vice Presidents and employees of the Group can use a telephone call, e-mail, letter or other method to contact general manager of the Corporate Legal Division or an external attorney about a compliance problem or for a consultation. Reported claim is considered for necessity of investigation in fair and sincere manner and the reporter is informed of the actions to be taken. The information obtained from the whistleblowing are shared only among the persons involved in the investigation so to ensure that there will be no negative consequences for the individual who submitted the whistleblowing report. The Compliance Officer submits

reports to the Audit Committee about these whistle blowings on a regular basis. The Group has established contacts for notification and consultation with the full regional coverage in North America, Europe, China and Southeast Asia. In fiscal 2021, the Company renewed its registration obtained in fiscal 2020 as one of the registered businesses for declaration of conformity for the whistleblowing compliance management system certification under the jurisdiction of the Japanese Consumer Affairs Agency due to the establishment and operation of the Company’s whistle blowing system being recognized as appropriate. This system was suspended for the time being at the end of January 2022, but the Company will continue to work on a new certification system. In fiscal 2021, there were 17 notifications in Japan and 35 overseas, but there was no issue falling under a serious violation of laws and regulations.

<Administration of group companies>

The Company has established an organization dedicated to supporting internal controls at its subsidiaries in Japan and overseas. The organization supports the preparation and improvement of the internal controls system at each subsidiary in cooperation with related departments. In fiscal 2021, it continued initiatives for each subsidiary to diagnose their own situation and improve it (the third time). As a result of the upgrading of control requirements and the strengthening of checks on self-diagnosis results from fiscal 2020, the company-wide average for all control items exceeded the fiscal 2020 level, confirming that the improvement is progressing smoothly. In addition, due to the discovery of an incident of improper use of company expenses at an overseas subsidiary, the Company took corrective measures and measures to prevent recurrence in cooperation with the local subsidiary.

2. Basic Views on Eliminating Anti-Social Forces and Progress of System Development Updated

(1) Basic views

The “Konica Minolta Group Charter of Corporate Behavior,” which is the Group’s highest Code on corporate behavior, stipulates that the Company shall not deal with anti-social forces and shall take a resolute stance against all illegal demands.

(2) Progress of system development

The Company is delegated the responsibility for implementation to its Corporate Legal Division. In addition to familiarizing all employees regarding the “Konica Minolta Group Charter of Corporate Behavior” against anti-social forces through the Compliance Manual, a system of cooperation is established with concerned company divisions and external expert organizations.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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(1) Basic policy for the way of being of those who control the Company's financial and business policy decisions

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

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

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

2. Other Matters Concerning to Corporate Governance System **Updated**

(1) Resolution requirements concerning appointment of Directors

As stipulated in the Articles of Incorporation, resolutions for the appointment of Directors shall be adopted by the majority of the voting rights of those shareholders who attend the General Shareholder Meeting, where shareholders with voting rights having one-third or more of the total voting rights of shareholders shall attend. Resolutions for the appointment of directors shall not be based on cumulative votes.

(2) Matters regarding General Meeting of Shareholders and resolution of the Board of Directors

As stipulated by Article 37 of the Company's Articles of Incorporation, the payment of dividends from retained earnings, etc., can be set by resolution of the Board of Directors and not by resolution of the General Shareholder Meeting provided that the report by the Accounting Auditor contains an unqualified opinion and that the Audit Committee's Report does not contain any opinions recognizing that the method or results of the audit by the Accounting Auditor were in some way inappropriate.

The reasons for the stipulation in the Articles of Incorporation described above are as follows.

(a) In regard to what kind of policy for paying dividends from retained earnings would be preferable for each shareholder, there is a need to maximize profit for shareholders based on comprehensive consideration of tax systems, the stable payment of dividends, consolidated performance, and funding requirements to promote strategic investments in growth fields, and we think it is appropriate to entrust this kind of judgement call to the Board of Directors. Additionally, a policy is in place for resolutions on the payment of dividends from retained earnings, etc., by the Board of Directors.

(b) The term of office for the Company's Directors who are entrusted with the judgement call outlined in (a) above is one year and as the Company is a "company with three committees," a framework is in

place in which an Audit Committee comprising a majority of Outside Directors oversees the execution of duties by Directors (Board of Directors). Therefore, we think the risk of the Board of Directors abusing its authority is negligible.

(c) Also, the reason the Board of Directors is set as the sole decision-making organizations on payment of dividends, etc. is because policy for paying dividends from retained earnings has a significant effect on profit for shareholders, so we think it would be inappropriate for this to be a purpose of the General Shareholder Meeting to be settled through the exercise of the shareholders' right to make proposals. Additionally, the Company's Articles of Incorporation stipulate that the Company shall decide on the payment of dividends and other matters provided in items of Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors, and not by resolution of the General Shareholder Meeting and, in the same vein, may purchase its shares from the market, etc. provided in Article 165, Paragraph 2 of the Companies Act by a resolution of the Board of Directors.

(3) Requirements for special resolution

Article 17 Paragraph 2 of the Company's Articles of Incorporation stipulates that a special resolution of the General Shareholder Meeting can be adopted by two-thirds or more of the voting rights of those shareholders who attend the General Shareholder Meeting, where shareholders with voting rights having one-third or more of the total voting rights of shareholders attend.

The reason for the stipulation in the Articles of Incorporation described above is as follows.

A special resolution comprises a proposal that is of great importance to shareholders and the Company and if a situation were to occur in which there is an absence of a quorum, a proposal would become unable to be enacted even before a resolution can be approved or rejected. Therefore, the Company has reduced said quorum to the level of one-third, which is permissible under the Companies Act, in order to reflect the opinions of shareholders with voting rights as much as possible in voting on proposals.

(4) Exemptions of Directors and Executive Officers from their liabilities

The Company's Articles of Incorporation stipulate that the Company may, pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, and by resolution of the Board of Directors, exempt the Directors (including former Directors) and Executive Officers (including former Executive Officers) from their liabilities for payment of damages with respect to the acts mentioned in Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations in order to enable Directors and Executive Officer to fully play their expected roles.

(5) Limited liability contract

Pursuant to Article 427, Paragraph 1 of the Companies Act, the current Articles of Incorporation stipulate that the Company may enter into an agreement with Outside Directors to limit their liability for damages under Article 423, Paragraph 1 of the said Act to the extent permitted by law (agreement to limit liability to a certain extent). In accordance with this provision, the Outside Directors have entered into agreements

with the Company to limit their liability for damages, and a summary of the contents of the agreements is as follows.

If, in performing his/her duties as an Outside Director during his/her term of office, the Outside Director neglected his/her duties in good faith and without gross negligence and causes damages to the Company, the maximum amount of his/her liability for damages shall be the sum of the amounts specified in Article 113 of the Ordinance for Enforcement of the Companies Act multiplied by 2 (Article 425, Paragraph 1, Item 1(c) of the Companies Act).

(6) Indemnity agreement

The Company has entered into indemnity agreements with all Directors and Executive Officers as stipulated in Article 430-2, Paragraph 1 of the Companies Act. Under the Company's indemnity agreements the Company will provide indemnity for expenses and losses under Item 1 and Item 2, respectively, of the same paragraph, within the scope stipulated by laws and regulations. To ensure that such indemnity agreement does not impair the appropriateness of the execution of duties, the Company will not compensate each Director and Executive Officer for cases such as when they execute their duties in spite of the knowledge of their illegality.

(7) Directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy in which the Company's Directors, Executive Officers, Corporate Vice Presidents, technical fellows, and officers, etc. of all subsidiaries except North America ("Officers, etc.") are the insured, with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The policy covers the Officers, etc. for any damages or litigation expenses incurred by the Officers, etc. as a result of claims for damages arising from acts committed by the Officers, etc. in accordance with their positions. The Company bears the full amount of insurance premiums. To ensure that the insurance policy does not impair the appropriateness of the execution of duties, the Company will not compensate Officers, etc. in cases where they perform their duties in spite of the knowledge of their illegality. The term of the insurance policy is one year.

(8) Outline of the timely disclosure framework

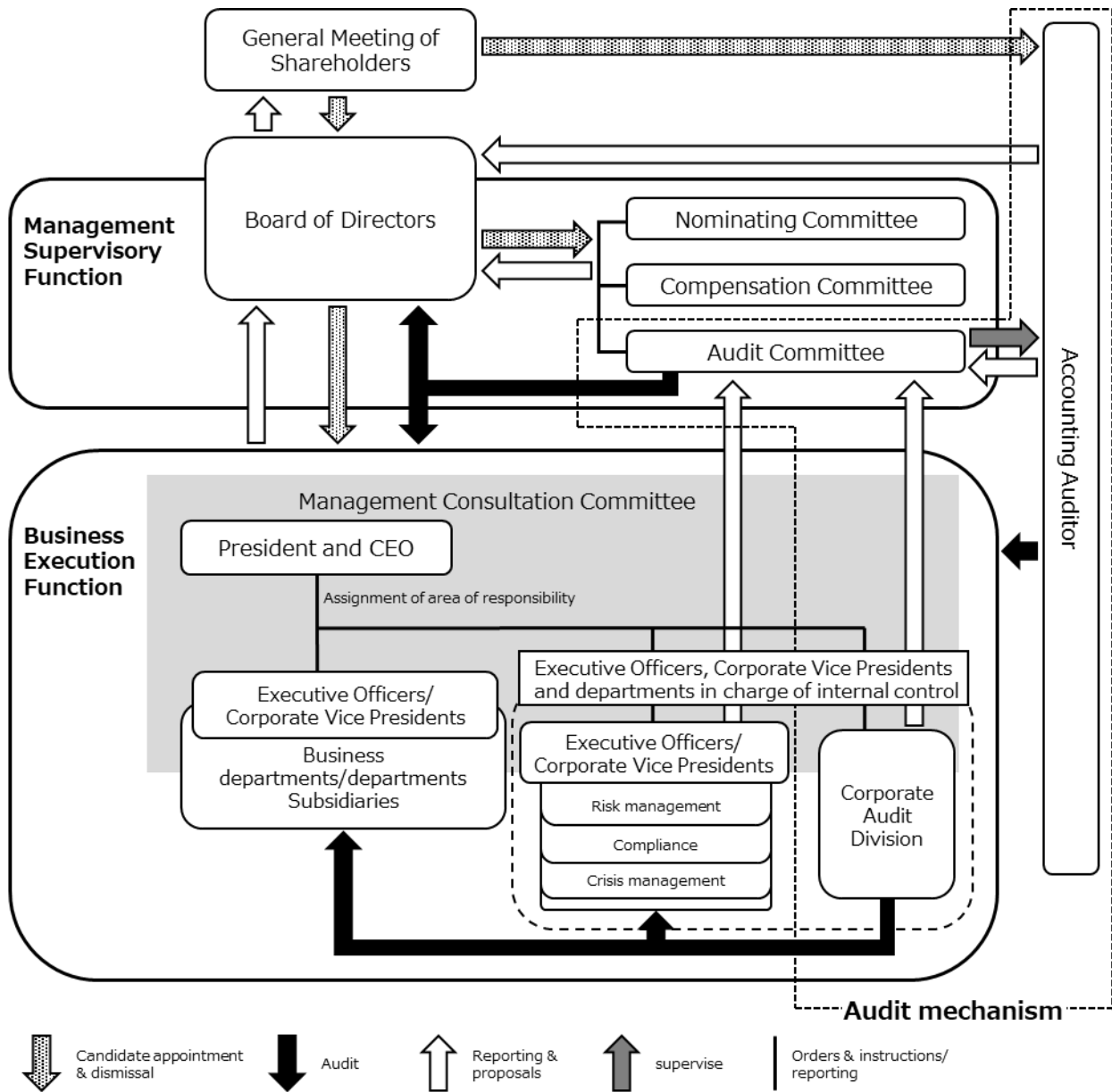
The Company has established Information Disclosure Controls and Procedures to ensure that corporate information is made public with speed, accuracy and fairness in accordance with laws and regulations.

The Corporate Information Disclosure Committee, which is overseen directly by the President & CEO, is responsible for disclosure activities. This committee performs the centralized oversight of corporate information disclosure based on the Information Disclosure Controls and Procedures and assists the President & CEO.

The chairperson of the Corporate Information Disclosure Committee, who is named by the President & CEO, names members of the committee from among Executive Officers for corporate strategies, risk management, CSR, legal affairs, general affairs, compliance and other activities. To serve as the secretariat

for this committee, there is a secretariat consisting of managers from many departments and there is a secretariat support unit consisting of people with expertise concerning laws and regulations and compliance.

Corporate Governance Systems (including Internal Control System)



Description in the Reference Documents for the 118th Ordinary General Meeting of Shareholders

Expertise and experience expected of candidates for Directors (skill matrix) Updated

Directors		Expertise and experience expected of candidates for Directors							
		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)
Director, President and CEO, and Representative Executive Officer	Toshimitsu Taiko	•	•		•				•
Outside Director, Chairman of the Board, and Member of Nominating Committee	Chikatomo Kenneth Hodo		•			•			•
Outside Director, Chairperson of Compensation Committee, and Member of Nominating Committee	Sakie Tachibana Fukushima		•				•	•	
Outside Director, Chairperson of Audit Committee, and Member of Compensation Committee	Soichiro Sakuma		•				•	•	•
Outside Director, Chairperson of Nominating Committee, and Member of Audit Committee	Akira Ichikawa	•	•		•				
Outside Director, Member of Nominating Committee, Audit Committee and Compensation Committee	Masumi Minegishi	•	•		•				•
Director, Member of Audit Committee and Compensation Committee	Hiroyuki Suzuki				•			•	

Director, Executive Chairman and Executive Officer, and Member of Nominating Committee	Shoei Yamana	•	•		•				•
Director and Senior Executive Vice President and Executive Officer	Seiji Hatano		•			•		•	

* “Global executive management experience” includes experience managing a global business or experience related to overseas business operations.