

Konica Minolta, Inc.
Precision Medicine Business Briefing Session
Major Questions and Answers

Date and time: March 18, 2021, 13:00 to 14:00

Formula : Online/Telephone Conference

<Notes>

"Major Questions and Answers" is included for reference only for the convenience of those who were unable to attend this briefing session. Please be aware that everything we have talked about at the briefing has not been written as is, but is summarized briefly in our judgment. The forward-looking statements such as earnings forecast contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual financial performance may differ materially from the forecasts due to various factors.

Q) In the somatic field that you will focus on in the medium term, one of your strategy is "liquid biopsy". While Ambry Genetics has strengths in hereditary diagnostics, I think it will be difficult to catch up with the strengths of other companies that are ahead in the somatic field, but please let us know a little more about your strategy in the field.

A) Our strength lies in our ability to investigate various types of cancer. We believe that the primary objective of liquid biopsy is to detect invariants such as methylation based on the blood sample without burden on patients. Pathological diagnoses meanwhile, aim to detect fusion gene or search drug patient linkage. In terms of market trends, pairing testing of germline and somatic cells are becoming increasingly important, so we will respond to this trend. In addition, our strengths include comprehensive panel-testing (TOP2) for deployment of somatic tests through Japanese industry-academia collaborations.

Q) Regarding diagnosing genetic variant in various cancer in somatic field, does Ambry Genetics currently have not so much data in somatic field? Also, will the patents and know-how of other companies be obstacles for Ambry Genetics to have a strong presence in the field?

A) Although analysis on the database is important in hereditary field of our specialty, the accumulation of the database in somatic field is not important at this time because somatic testing examines the presence of some variants and determines drugs and methods of treatment. Many start-up companies have technologies and patents, but we understand them and think they

can be avoided by using our own methods, etc. This field is characterized as long-tail, with many companies that may be small but possess excellent technologies. It is also important to assess them.

Q) What is your plan for the LATTICE deployment schedules?

A) Some of plans of Ambry Genetics have already been realized by LATTICE, while others will be built in the future. First, we will deploy services on LATTICE by each of Ambry Genetics and Invicro. It is also possible to use platforms provided by AWS only for genetic testing or imaging. Ultimately, we will have multi-omics data and combine AI analysis. Please understand that we will gradually create them while providing various services.

Q) You explained linking image data and genetic data of breast cancer. At this stage, can you still improve the accuracy of diagnosis by combining images of cancer derived from BRCA mutation and genetic information from Ambry Genetics? Also, can competing genetic testing companies achieve the same thing if they can obtain image information through collaboration and other means? Is it correct to understand that a social mechanism such as informed consent obtained from patients is also necessary?

A) There is a hurdle to obtaining data for the same patient, but it is technically possible, and the current stage is under development. Regarding the feasibility of competitors, we think it is necessary to create a system for accessing data, such as LATTICE. That is to say, it will only be realized by collecting data on the same platform and performing AI analysis, so we do not think that it can be realized through simple collaboration. In this respect, we believe that our strength is that we can handle data on the same platform with imaging technologies. Regarding the social mechanism, our understanding is the same as you pointed out.

Q) Please let us know about your thoughts on financing to realize the major initiatives you have announced this time.

A) We will prioritize internal cash for funding, but since the U.S. market is active, we are considering funding in the U.S. market as a broad option. Because we think there is an opportunity for huge return.

Q) In P. 38, you are aiming to quadruple the top line while investment in FY2025 is the same level as current level, so your plan is to increase returns while additional investment is not so large. On the other hand, in P. 39, you also suggest the possibility of further M&A. As an investor in Konica Minolta, how should we think about the risks and returns of this business? There is also a put option on INCJ. Please let us know about your thoughts on the future.

A) P. 38 shows an organic growth of each segment. In case we practice M&A, large investment will

be required. In order to increase our overall corporate value, we recognize that we need to contribute to earnings as well as the scale of our business to a certain extent. Increasing the percentage of our current Healthcare Business and Precision Medicine Businesses will lead to improved corporate value, so M&A is also an important option for us to grow further in addition to organic growth.

Q) I have heard that other companies in Japan are on the verge of realizing liquid biopsy for Alzheimer's disease. Are you using these other companies' technologies or are you realizing it on your own? I think there will be an era soon in which liquid biopsy is often used. What kind of response will you take in the future?

A) Liquid biopsy for Alzheimer's disease has been developed as various markers by using such as the blood and Cerebrospinal Fluid (CSF). Our liquid biopsy is based on genetic testing using blood, and our basic approach is not to develop it independently, but to develop it together with pharmaceutical companies.

Q) In the process of developing drugs for early Alzheimer's disease in the future, there is a challenge that the large difference in the disease progression by patients causes variations in data and makes the clinical trial difficult. Can you respond to the challenge with your technology? In addition, the progress of pharmaceutical development in the epigenetics field has not been impressive recently, but is it possible that it will be resolved with your support?

A) 4 companies of the top 5 pharmaceutical companies for Alzheimer's disease are our clients, and we are discussing the differences in the progression of diseases as you have pointed out. Epigenetics is one of the subjects of the research, but we are assuming it is difficult to commercialize that kind of drugs immediately.

Q) Please let us know about your business plan and objectives in Japan. In particular, are there any progress such as the approval of being covered by insurance? How much will the Japanese market contribute to sales expansion?

A) In Japan, the fields we are considering insurance coverage are Ambry Genetics' genetic testing for breast cancer and ovarian cancer as hereditary field, and TOP2 panel as somatic field. Invivo provides drug discovery support service globally by imaging technology. Our laboratory is actually under construction in Japan. We will introduce the majority of Ambry Genetics and Invivo businesses in the Japanese market, assuming they are covered by insurance. In addition, as shown in P. 38, the scale of our business is planned to be around 10% of our business in 5 years in Japan.

-End-