

Konica Minolta, Inc.

Medium-term Business Plan Update

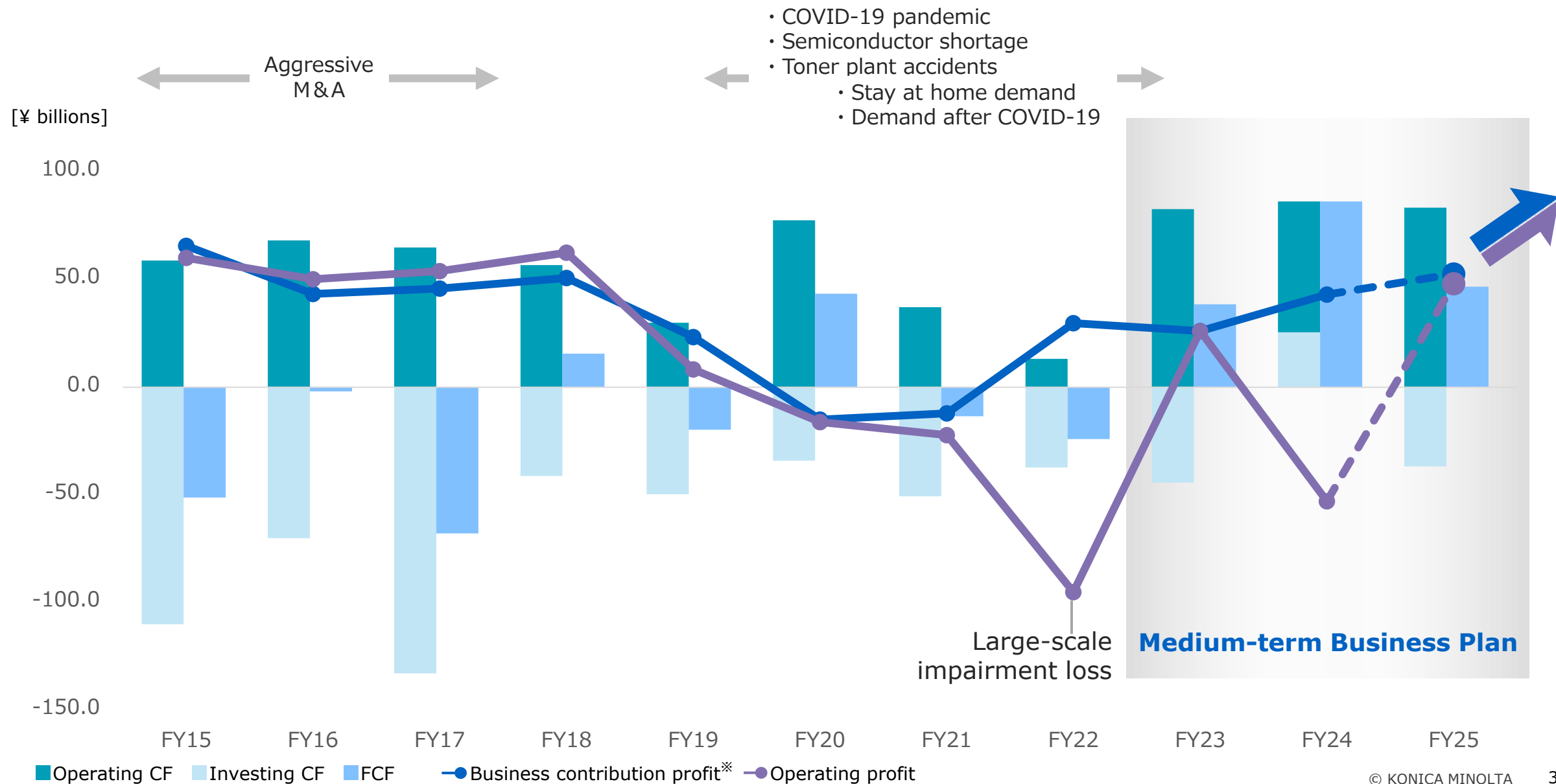
Toshimitsu Taiko
President and CEO
April 24th, 2025



2nd Year Review of Medium-term Business Plan

**Breaking away from the past
Promoting business selection and concentration**

Cash flow and Profit History



Positioning of Medium-term Business Plan

Improvement in

① **Business contribution profit** ② **Profitability** ③ **Business management system**

Medium-term Business Plan

FY22

FY23

FY24

FY25

FY26-

Phase1
**Breaking away
from the past**

Phase2
**Business selection and
concentration**

Phase3
**Establishing
foundation for growth**
Turn Around 2025

**Sustainable
growth**

	Changes		Next Steps
Foundation for Growth	<ul style="list-style-type: none">● Impairment monitoring● Number of executives, clarification of roles, DoA● Monthly reporting system to top management● Communication speed by morning express MTG	➤	<ul style="list-style-type: none">● Stricter investment evaluation● Stricter go/no go decision based on investment return● Appropriate human resource allocation beyond businesses
Transform toward Growth	<ul style="list-style-type: none">● Decision making process of new business development	➤	<ul style="list-style-type: none">● Thorough customer value and technological verification for new business● Improve productivity by allocating DX talents depending on organizational issues
Corporate Culture	<ul style="list-style-type: none">● Culture of active listening and open dialogue● Increase opportunities for discussions between management and employees● Set achievable management goals	➤	<ul style="list-style-type: none">● Integration of business and organization● Challenging & Achievable

Completed management reforms in FY24

Business selection and concentration	Non-focused businesses	<input checked="" type="checkbox"/>	<ul style="list-style-type: none">● Precision Medicine● Marketing services: Business transfer agreement of MPM[※]● Optical components: Transfer agreement of equity interest of one Chinese manufacturing subsidiary
	Direction-changing businesses	<input checked="" type="checkbox"/>	<ul style="list-style-type: none">● DW-DX: On track to profitability with reforms● Imaging-IoT solutions: Share transfer of Mobotix
Profitability	Profitability of Business Technologies Business [※]	<input checked="" type="checkbox"/>	<ul style="list-style-type: none">● Improved profitability● Established JV with Fujifilm BI● Ended production of the factory in Wuxi, China
	Global structural reform	<input checked="" type="checkbox"/>	<ul style="list-style-type: none">● Improved profitability● Creating outcome through productivity improvement initiatives
	Strengthening the financial structure	<input checked="" type="checkbox"/>	<ul style="list-style-type: none">● Promoting reduction of working capital and interest-bearing debt

Challenges: Growth in some businesses
(Industrial print, performance materials, sensing, and healthcare)

Completed Management Reform in FY23-24

FY24 One-time Cost and Loss

[¥ billions]

- Global structural reform -19
- Business selection and concentration -28
- Impairment loss of assets -51
- Reversal of deferred tax assets -18

FY24 Gain on Business Transfer

- Precision Medicine 50

FY25 financial impact

[¥ billions]

Business Contribution Profit

Total **+15.5** (YoY)

- Structural reform (Incl. additional portion) +14
- Business profitability improvement +1.5

Total asset

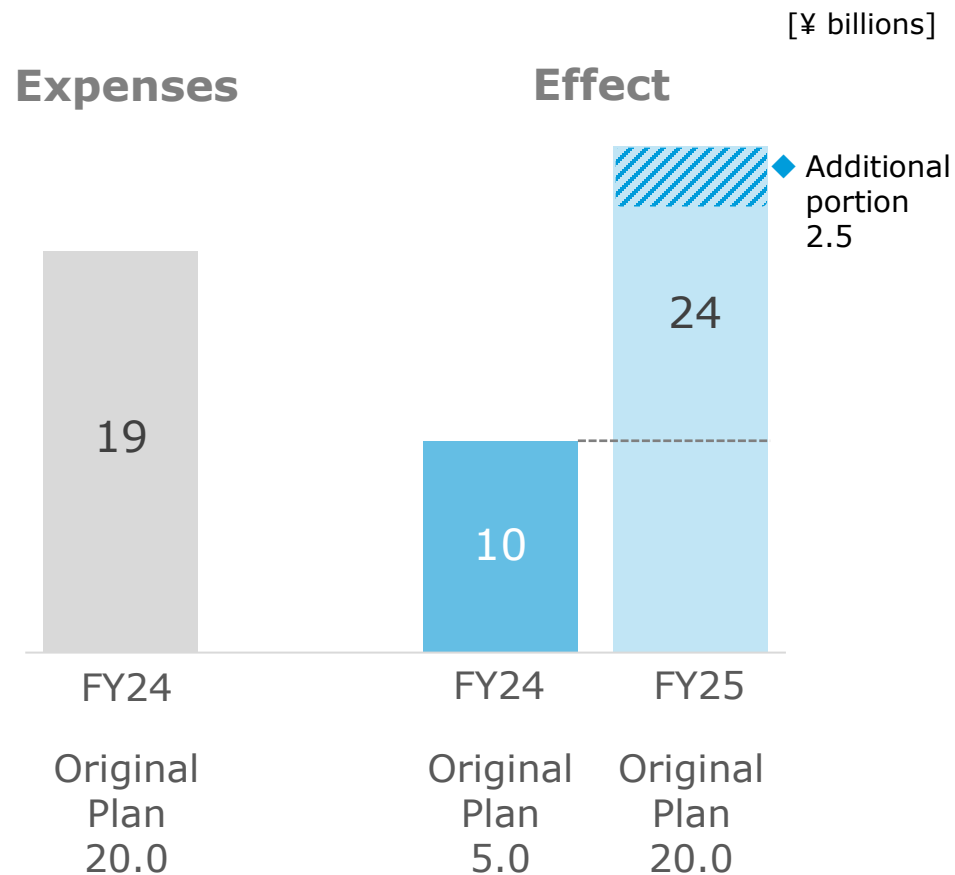
Total **-190** (vs End of FY23)

- Divestitures -120
- Impairment of assets -51
- Reversal of deferred tax assets -18

Global Structural Reform and Business Selection and Concentration

- Besides the original plan, additional measures implemented in some functions and regions
- Further improvement of efficiency and profitability with business selection and concentration

Global Structural Reform



Decreased Number of Group Employees

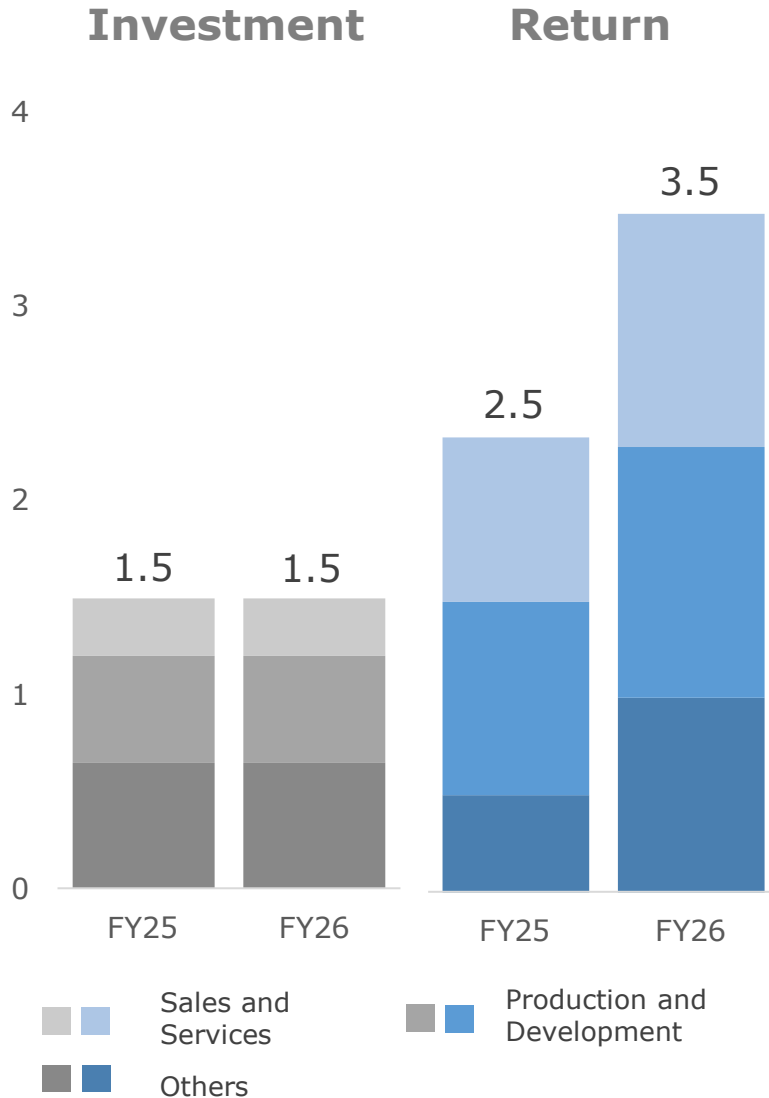
Global Structural Reform (incl. temporary and contract workers)	Plan	Result
Total	2,400	2,700

- ◆ Including additional measures (After Oct 2024) : 300
(Business Technologies sales subsidiary in US, optical components Dalian, healthcare, sensing, etc.)

Business Selection and Concentration (incl. temporary and contract workers)	Result
Precision Medicine Marketing services MPM business Mobotix Optical components Shanghai Partial business transfer of DW-DX	2,800

Productivity with DX | Enhance Operational Quality and Speed by Data/AI

[¥ billions]



Sales and Services

- Increase revenue and streamline sales staff and process with an enhanced, data-driven sales operation
- Increase productivity through accelerated problem-solving upstream in the service process

Production and Development

- Reduce development man-hours with AI support
- Avoid procurement risks with market condition predictions
- Control/reduce operations in production back-office departments with data integration and analysis

FY24 Earnings Forecast Revision

[¥ billions]

	FY23	FY24	
	Result ^{*1}	Previous forecast (As of Feb 2025)	Forecast
Revenue	1,107.7	1,134.0	1,125.0
Business Contribution Profit	33.3	42.0	43.0
Operating Profit	27.5	-14.0	-53.0
Profit attributable to owners of the Company	4.5	0.0	-38.0

FOREX [Yen]

^{*2}

USD	144.62	151.93	152.58
EUR	156.80	162.37	163.75

*1 : Figures excluding discontinued operations

*2 : Weighted average of Q3 cumulative actual rate and Q4 expected rate

Changes from February

● Business Contribution Profit

Exceeded forecast in Digital Workplace Business

● Operating Profit

[¥ billions]

Loss from transfer of all shares (Business selection and concentration)	Amount
Marketing services MPM business	-9.8
Imaging-IoT solutions Mobotix	-10.4
Impairment loss	
Healthcare	-5.5
DW-DX	-2.5
Industrial print MGI	-14.0

● Profit attributable to owners of the Company

Profit from discontinued operation (Transfer of Ambry Genetics)	Amount
Gain on evaluation of Tempus shares, etc.	+ 8.0
Reversal of deferred tax assets	
Overseas subsidiaries	-14.0



FY2025

- Turn Around 2025 -

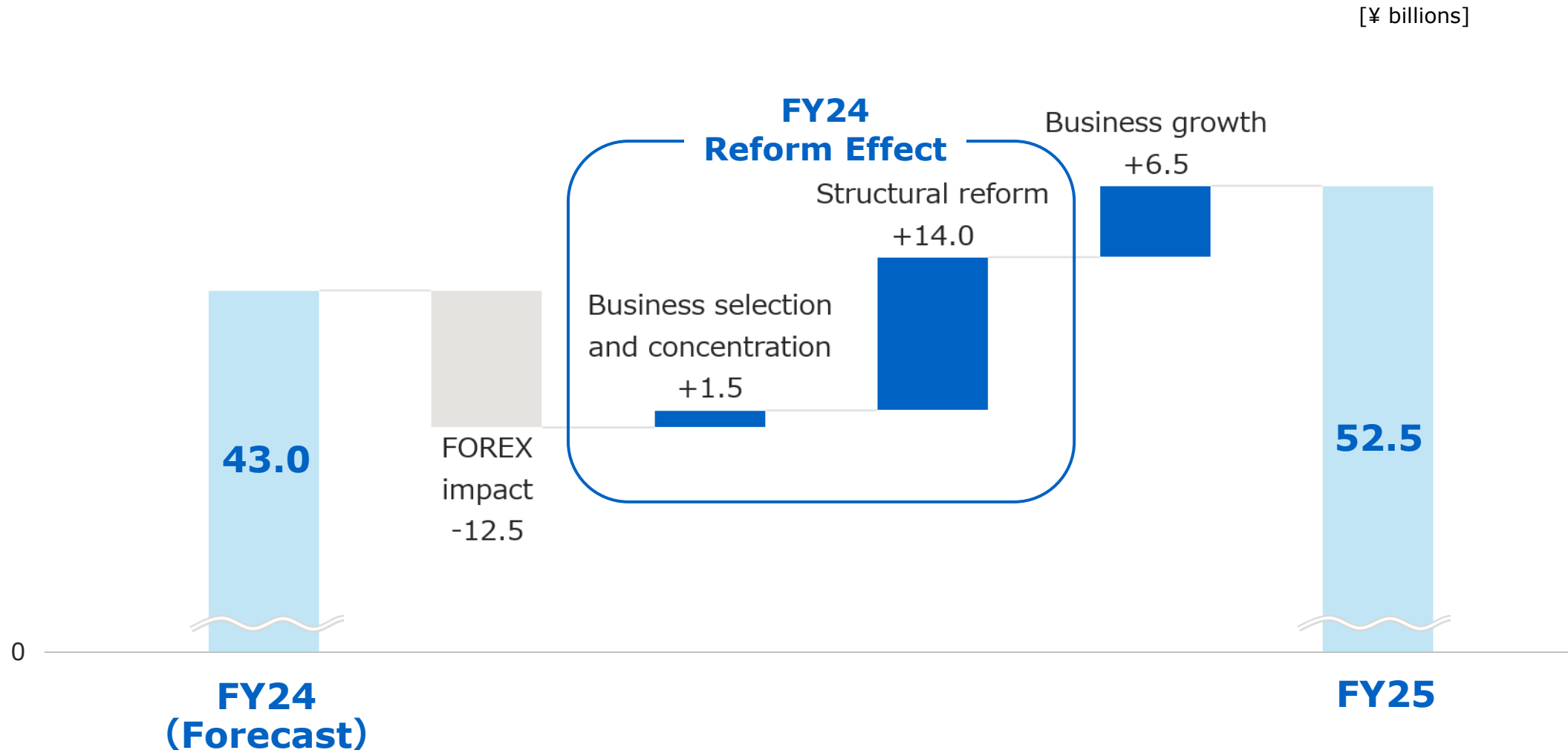
Turn Around 2025

- Aim for ROE of 5% through business growth and management reform effects
- Aim to resume dividend of 10 yen

	FY24 Forecast	FY25	FY25 Mid-term plan (As of Apr 2024)	[¥ billions]
Revenue	1,125.0	1,050.0	1,050.0	
Business Contribution Profit	43.0	52.5	Ratio over 5%	
Operating Profit	-53.0	48.0	-	
Profit attributable to owners of the Company	-38.0	24.0	-	
ROE	-	5%	Over 5%	
FOREX [Yen]				
USD	152.62	145.00	135.00	
EUR	163.70	150.00	140.00	

- The impact of US reciprocal tariffs is approx. ¥16.0 billion yen (estimated based on information released by the US government as of April 23rd JST) and is not included in the table above
- Aiming to absorb the impact by reevaluation of Go-to-Market strategy, additional cost reduction, utilization of low-tariff countries in SCM

FY25 Business Contribution Profit



FY25 Strategic Challenges and Measures by Business

Digital Workplace

Office: Strengthen profitability

- Global structural reform efforts and cost reductions
- Improved productivity of production, sales and service operations using DX

DW-DX: Turn profitable

- Effect of FY24 business selection and concentration
- Growth of operation optimizing services and AI SaaS services[※]

Professional Print

Production print: Expand share of high PV customer

- Maintain HPP[※] top share and expand MPP[※] sales with new products
- Improved productivity of production, sales and service operations using DX

Industrial print: Turn profitable & accelerate growth

- Maintain top share of digital label presses and further expand the market
- Accelerate digitalization with new UV inkjet product

Industry

Sensing: Regain profitability

- Strengthen key account management as one globally
- Light source color recovery through display evolution

Performance materials:

Expand market share in the large-sized TV film

- Increase SANUQI[※] production capacity and competitiveness of VA phase difference film
- Enter surface protection field with the new SAZMA[※]

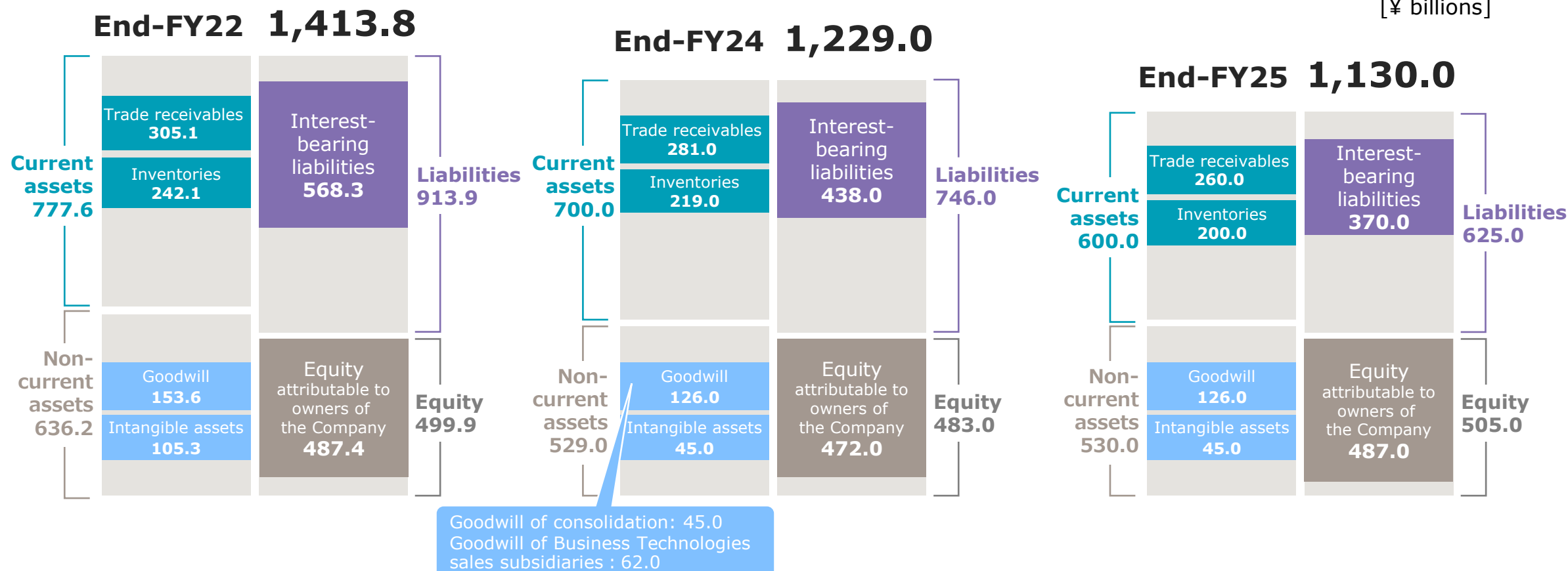
Imaging Solutions

Healthcare: Improve profitability

- Expansion of DDR, which we uniquely offer in the world
- Growth mainly by medical IT services and in India/Asia
- Improved productivity of production, sales and service operations using DX
- Enhance product competitiveness and development efficiency by changing the organizational structure

Balance Sheet | Business Selection and Concentration to Reduce Assets and Interest-Bearing Liabilities

[¥ billions]



Total asset turnover	0.80x	0.92x	Approx. 0.93x
Net D/E Ratio	0.80	0.74	Approx. 0.55

FOREX
[¥]

USD: 133.53
EUR: 145.72

USD: 149.52
EUR: 162.08

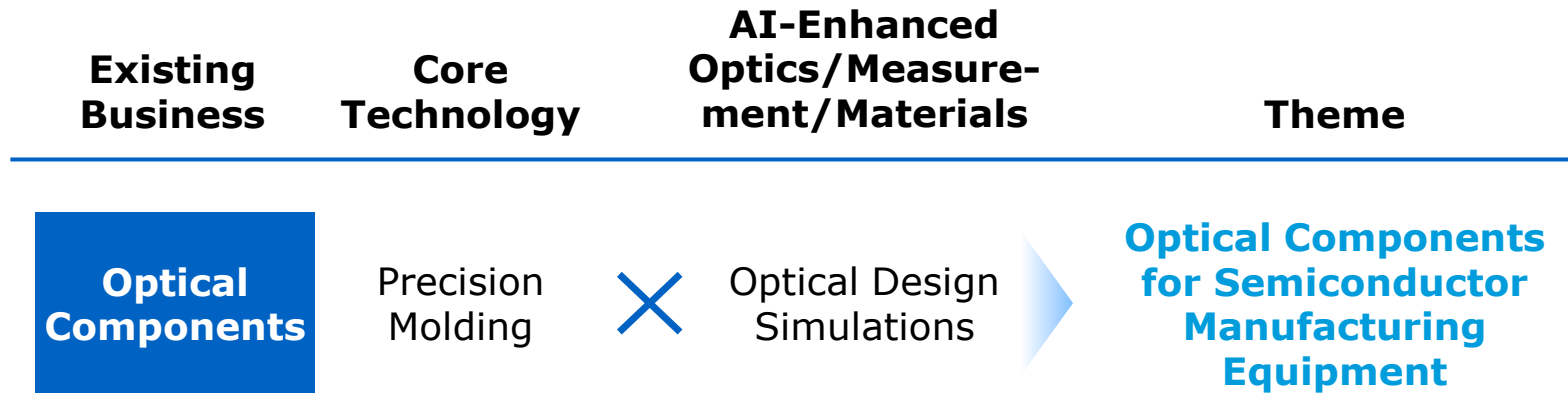
USD: 145.00
EUR: 150.00



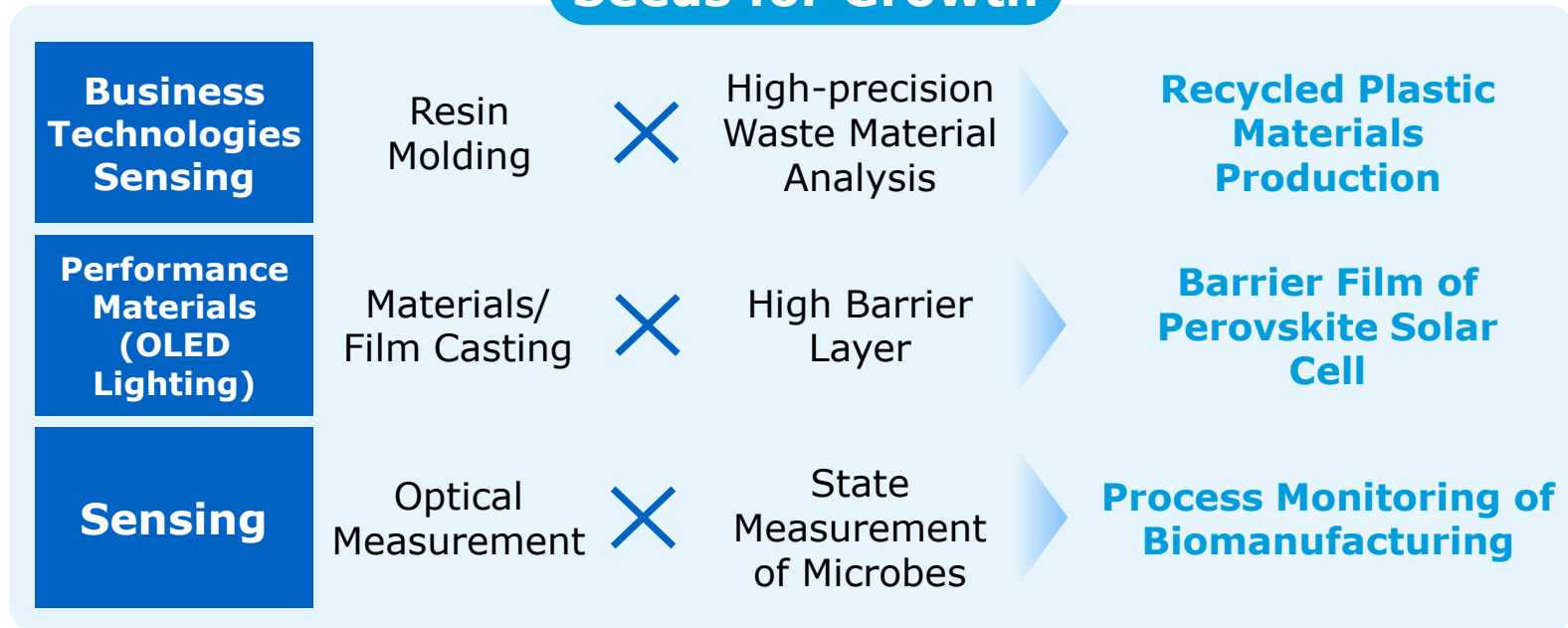
For Mid- to Long-term Profit Growth

Accelerating technology development contributing to gross profit

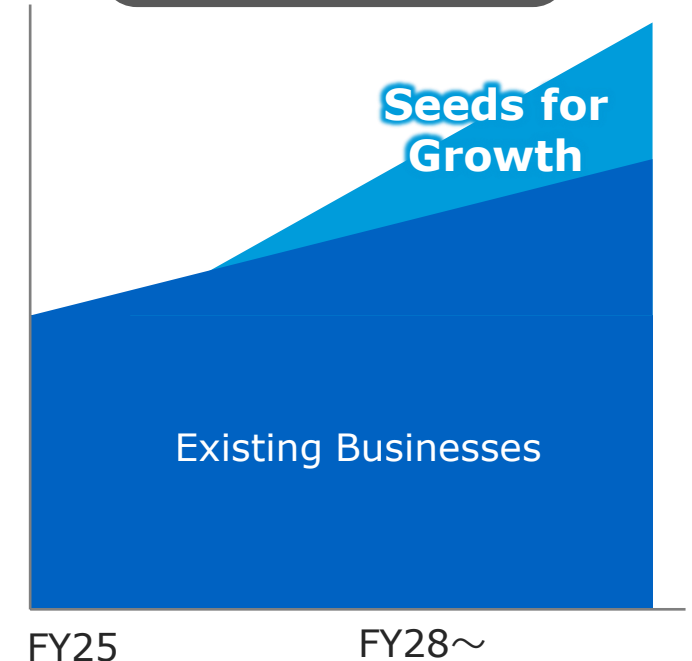
Mid- to Long-term Growth Seeds with AI-Enhanced Core Technologies



Seeds for Growth



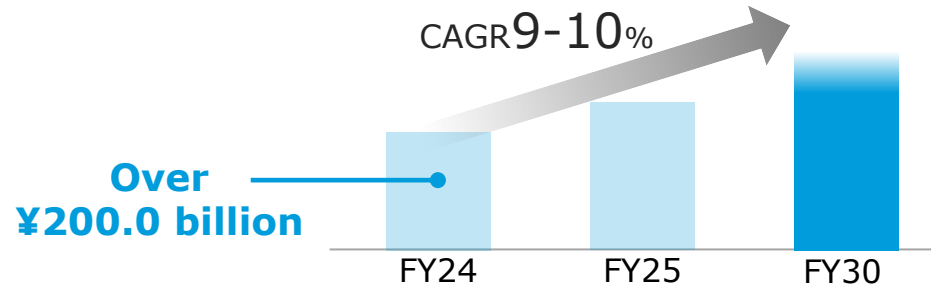
Concept of the Profit Growth



Optical Components for Semiconductor Manufacturing Equipment

For Inorganic Growth Capturing Market Growth and Industry Structure Changes

Growth of the Target Market



Market Growth × Industry Structure Changes

Opportunity

- Shortages of capacity of major suppliers amid the growth of the middle range[※]
- Demand for semiconductors for AI and autonomous driving
- Advanced manufacturing processes for multi-chip package

Customization Based on the Ultra-High-Precision Molding and Assembling Technologies

Strength

- High-end optical design technology
- Ultra-high-precision molding technologies (grinding and polishing, thin film, etc.)
- Precision assembly and alignment technology
- Customization by open collaboration with customers

Strategy and Action

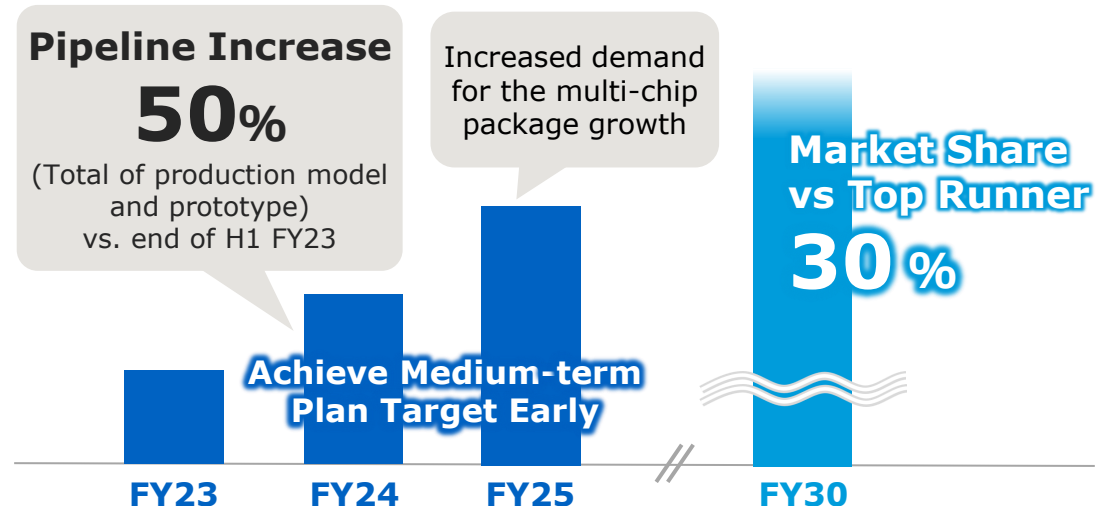
Capacity in the Middle Range: Short-term Growth

- Capex and New Ultra-High-Precision Molding Facility Establishment

Expansion into DUV[※] : Mid/Long-term Growth

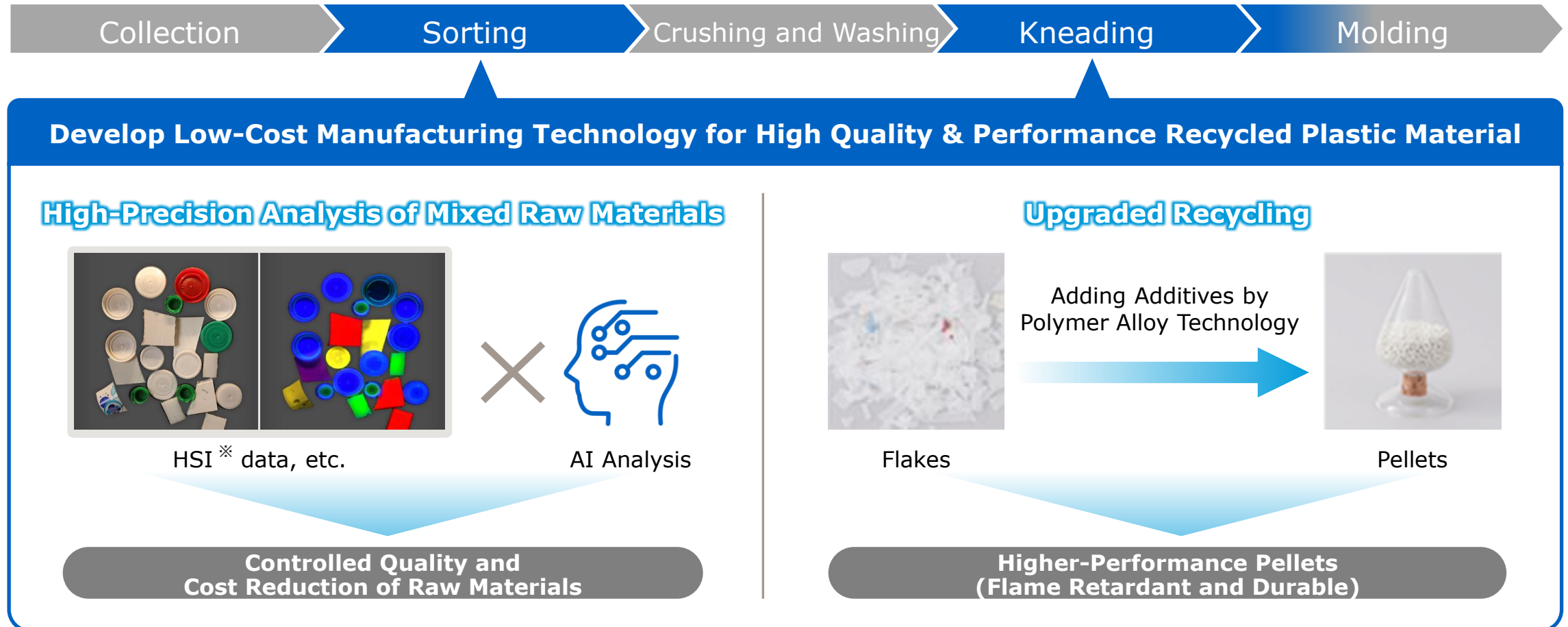
- Investment on the next-gen processing technology, clean technology, etc.

Revenue Trend (CAGR > 20%)



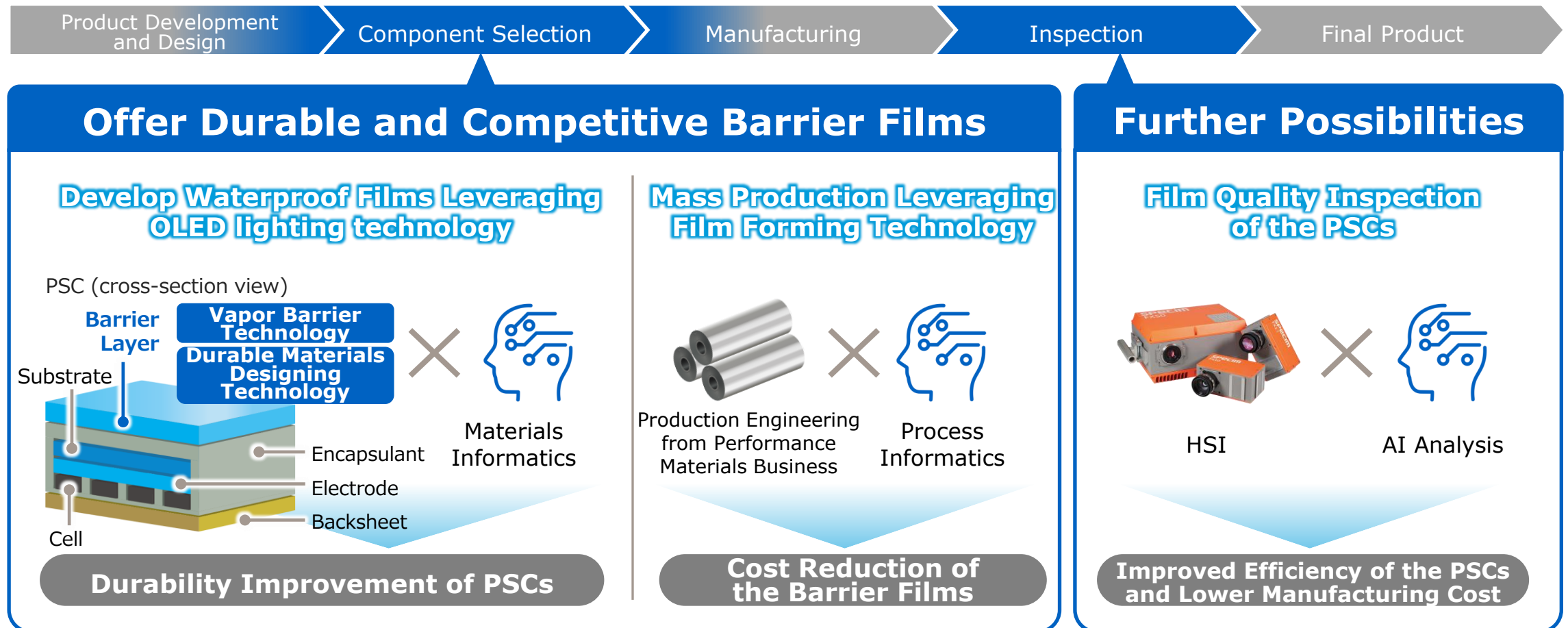
Seeds for Growth | Recycled Plastic Materials Production

- Challenges: Varied quality and higher cost compared to virgin materials
- Needs: More use of easy-to-use recycled plastics in products to abide by environmental regulations
- Market Size (for electronic devices): ¥50 to ¥100 billion (FY25); CAGR of 9% through FY30



Seeds for Growth | Barrier Film of Film-Type Perovskite Solar Cell (PSC)

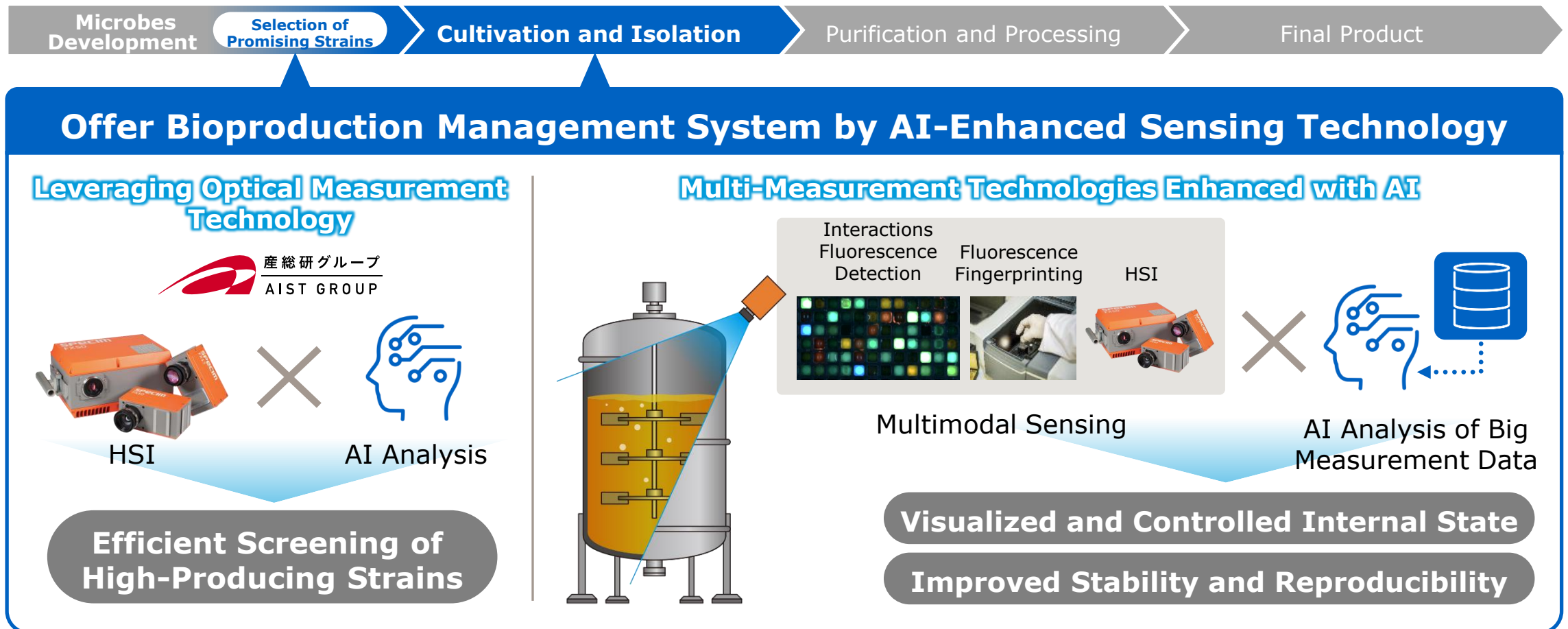
- Challenges: Durability of PSC and cost of components that remained high
- Needs: Affordable barrier film of PSCs that enables high power generation efficiency and durability
- Market Size (Barrier Film): Estimated ¥30 to ¥50 billion in FY30^{*1}



*1: Based on estimated barrier film volume required for power generation levels in 2030

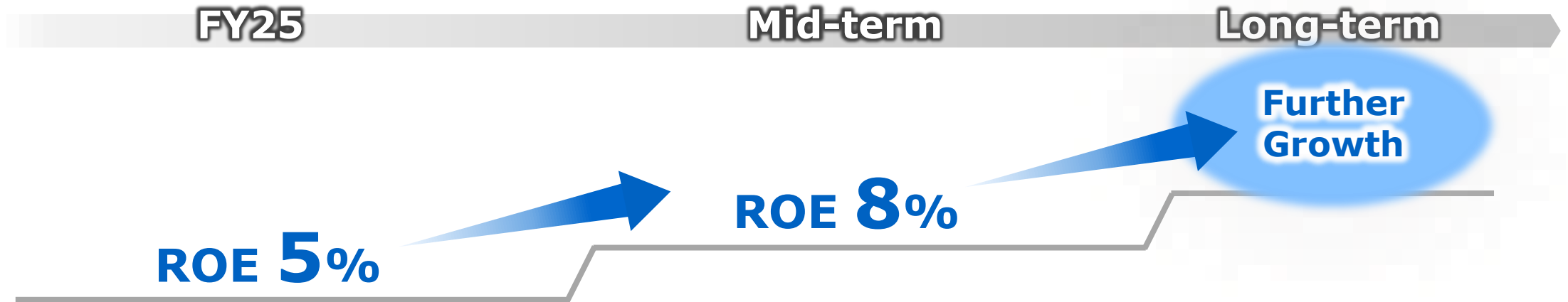
Seeds for Growth | Process Monitoring of Biomanufacturing

- Challenges: Complex phenomena from microbes have significant impact on yield and quality of products
- Needs: Higher productivity by visualized internal state of culture tank and easier control
- Market Size (Biomanufacturing Analysis and Measurement System): Estimated ¥50 to ¥100 billion in FY30^{*1}



^{*1}: Estimated market size of monitoring system for cultivation and isolation based on the estimated market size of biomanufacturing excluding pharmaceuticals in FY30

Shift to TSR conscious management for PBR 1.0x



Top line growth

- Developing and maintaining No.1 field
- Growth of Industry and Professional Print Business
- Achieving early profit contribution from the seeds for growth

Cost reduction

- Further cost reduction with manufacturing DX
- Procurement efficiency with Global Procurement Partners
- Cost reduction with sales and service DX
- Stricter continuation/withdrawal process based on profitability

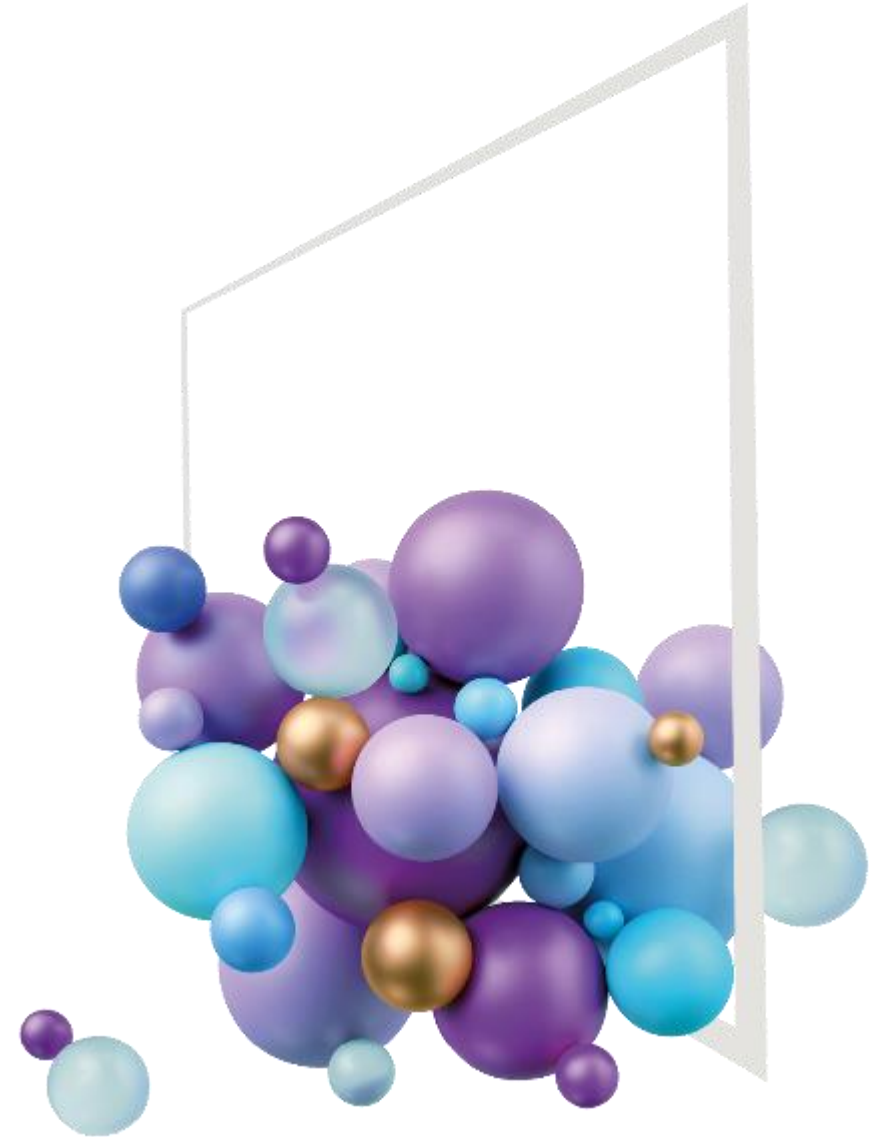
Financial structure

- Non-operating profit and loss improvement
- Working capital improvement
- Effective tax rates optimization

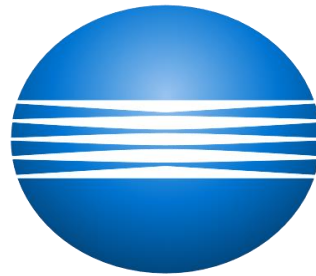
Capital allocation

- Business investment (incl. inorganic growth)
- Shareholder returns

APPENDIX



P3	Business Contribution Profit	Original index of the Company, the profit subtracted sales cost, SG&A from revenue
P6	MPM	Marketing Print Management. The service helps clients optimize return on investment of print production of promotional materials for marketing divisions of major global corporations
P6	Business Technologies Business	A collective term for Digital Workplace Business and Professional Print Business
P14	AI SaaS services	Services developed in-house such as AI-based interpretation, knowledge management, and learning support
P14	SANUQI	Trademark of a new resin film, used as a material in electronic devices for display. Well-balanced between phase difference performance and durability
P14	SAZMA	Trademark of a new acrylic resin film, used as a material for displays. SAZMA is used for display surface protection for its flexibility and high impact resistance
P14	HPP/MPP	Production print machine segments Heavy Production Print, Monthly printing volume:1 million sheets or more Mid Production Print, Monthly printing volume: 0.3-1 million
P18	Middle range and DUV	Wavelength range of light source used for design and inspection of fine circuit board patterns; VIS (visible), UV (ultraviolet), DUV(deep ultraviolet), and VUV(vacuum ultraviolet) in descending order of length. Middle range refers to VIS and UV
P19	HSI	Hyperspectral imaging. An imaging technique in which a wide range of wavelengths are divided into multi-wavelengths. This technique can be used to sort different types of plastics that cannot be identified by the human eye or an RGB camera



KONICA MINOLTA

Cautionary Statement:

The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.

Remarks:

Yen amounts are rounded to the nearest 100 million.