Konica Minolta, Inc.
Main Q&A from Growth Seeds Briefing:
"Intelligent Recycled Materials"

Date and time: Wednesday, October 8, 2025, 14:00–15:00 JST

Method: Online/Telephone Conference

Cautionary Statement

This material was prepared for those who were unable to attend the financial results briefing in person and is intended only for reference purposes. Readers are asked to acknowledge in advance that the following text is not a verbatim account of everything that was said at the briefing but a basic summary whose content was determined by Konica Minolta.

Moreover, readers are asked to further acknowledge in advance that the business performance outlook and other content concerning future results in this document is based upon information that the Company has at present and upon a rational evaluation based on certain assumptions and, additionally, that actual business performance can greatly vary due to number of factors.

[Technology]

Q. Sensing and AI are used to stabilize quality of Intelligent Recycled Materials. Are there other companies using similar approaches? If so, what are your points of differentiation or technological advantages?

A. Our sensing and AI technologies for Intelligent Recycled Materials are proprietary. A key feature is the ability to identify resin types and control physical properties. We can utilize a broader range of raw materials, which contributes to supply stability and cost reduction.

Q. Isn't it difficult to ensure quality when sourcing resin materials in an open environment? Also, regarding the use of AI for compounding conditions, are the conditions optimized for each batch?

A. We use MJ Material's sorting technology to select resins, and our sensing technology further stabilizes the materials. The compounding conditions (recipes) are derived by AI at specific intervals, ensuring optimal processing and quality. It's essential to produce moldable materials that brand owners can use with confidence.

Q. What are the key breakthroughs in this technology? How much has the range of usable materials expanded?

A. The first breakthrough is the technology for quality stabilization, including material sorting. The second is the technology that supports molding. Recycled materials often result in 10–30% defective molded products due to variability,

but these two technologies have proven effective in resolving such issues. As a result, even mixed resins that were previously unusable can now be used as raw materials, significantly expanding the range of usable materials.

Q. How is hyperspectral imaging technology involved? It seems the technology is mainly used for printing-related businesses, but are there plans to expand into measurement equipment sales or data business as part of the company-wide strategic initiatives?

A. We also utilize hyperspectral imaging technology from Specim. In the future, we are considering expanding into data business and industrial applications using this technology.

[Numerical Targets & Business Scale]

Q. What is MJ Material's expected sales growth rate? What is the target operating profit margin?

A. MJ Material is targeting a sales growth rate of over 10%. By improving quality and reducing defect rates in the manufacturing process, we aim to deliver value and achieve a profit margin exceeding the industry average of 10–20%.

Q. You mentioned plans to expand customer base and industries in the mid-to-long term. What is the potential for expansion into the automotive industry and other customer segments?

A. We have conducted interviews with over a dozen companies, including Tier 1 and 2 suppliers to major Japanese automakers and electronics manufacturers, all of whom have shown strong interest. We plan to continue following up**.**

Q. Will Konica Minolta's business model mainly focus on licensing revenue?

A. Yes, licensing revenue will be the core. Konica Minolta will also participate in sales activities alongside MJ Material, aiming for expansion. The business model involves receiving compensation based on sales revenue in addition to technology provision. The compensation is directly linked to profit.

Q. For the early goal of achieving 10 billion yen in sales, how much raw material is required annually?

A. We will need to procure 20,000 to 30,000 tons of raw materials annually. We have already secured this amount and can handle future expansion.

Q. What is the production volume per line using this technology?

A. Each line will start with an annual production scale of several thousand tons, and we are considering expansion to multiple lines in the future.

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