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NOTICE OF CONVOCATION OF THE 115TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Konica Minolta, Inc.

Konica Minolta Philosophy

Our Philosophy

The Creation of New Value

Our 6 Values

Our 6 Values are the essence of our innermost beliefs, our inherited DNA, and define how we go about our business and act towards all our partners. They articulate what we stand for and direct our decision making.

Open and honest

We are convinced that only by acting with integrity and communicating with all our partners in an open and honest way can we create long-lasting partnerships of mutual trust and true significance.

Customer-centric

We exist solely for our customers; always thinking on their behalf, undertaking challenges together with them, and working tirelessly to bring them success and provide excitement that exceeds expectations both now and in the future.

Innovative

Innovation is what drives us. We constantly strive to develop ground-breaking ideas that will form the basis of everything we do going forward, every step of the way.

Passionate

Being passionate, strong-willed and determined is essential to making a meaningful contribution to our customers' businesses and society as a whole.

Inclusive and collaborative

We believe that the power of inclusiveness and collaboration with customers, partners and each other is the best way to come up with game-changing ideas that provide ultimate benefits.

Accountable

Not only must we be individually and collectively responsible and accountable for what we do, all our actions should contribute to the creation of a sustainable society and Konica Minolta.

Our Vision

A global company that is vital to society

Possessing a mindset that drives us to best serve and improve the quality of society in all our activities, we are determined to become a company that is vital to global society by providing excitement that exceeds the expectations of all.

An innovative company that is robust and constantly evolving

We are committed to becoming an innovative company that stands tall in difficult times with a solid and quality business base, ensuring we remain courageous to provide new value in the face of any challenge.

Brand Proposition

Giving Shape to Ideas

It is our pledge to bring the ideas of customers and society to life through innovation and contribute to the creation of a high quality society.

Message from the President

I would like to begin by expressing my appreciation to shareholders for your strong support.
I am pleased to share my thoughts about our goals as part of this notice of the 115th ordinary general meeting of shareholders.
In fiscal 2018 (from April 1, 2018 to March 31, 2019), the interim year of our Medium-Term Business Plan "SHINKA 2019," we further strengthened the earning power of our basic businesses and fostered new businesses, which will be mainstays of income in the future.
There have been unprecedented reforms in every industry and society due to the remarkable progress of digital technologies, including the Internet of Things (IoT) and artificial intelligence (AI). Taking these changes of the era as business opportunities, we will gain insight into potential issues of business and human society, and aim to evolve into a "digital company with insight into implicit challenges" capable of proposing optimum solutions by making the most of the Group's technological strengths and the relations established with customers.
To help our shareholders understand our efforts, we will display the examples of efforts of Konica Minolta Group at the general meeting of shareholders, as we did in the previous years. I would appreciate it very much if you could attend the meeting and take a look at the display.
Based on our management philosophy "The Creation of New Value," we are leveraging the collective strengths of the group as "One Konica Minolta" and aim to achieve sustainable growth.
I ask for your continued support and encouragement as we make progress toward our goals.

*SHINKA means evolution.

May 2019
Shoei Yamana
Director, President and CEO
Representative Executive Officer

Konica Minolta, Inc.

Securities Code: 4902
May 28, 2019

To Our Shareholders

Shoei Yamana
Director, President and CEO
Representative Executive Officer
Konica Minolta, Inc.
2-7-2 Marunouchi, Chiyoda-ku, Tokyo

NOTICE OF CONVOCATION OF THE 115TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

KONICA MINOLTA, INC. ("the Company") respectfully requests your attendance at the 115th Ordinary General Meeting of Shareholders ("the Meeting"), which will be held as detailed below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or by an electronic method (via the Internet). In this case, please examine the attached Reference Documents for the General Meeting of Shareholders, indicate your approval or disapproval on the enclosed Voting Form and return it so it reaches us by 5:40 p.m., Monday, June 17, 2019, or vote on the website for exercising voting rights designated by the Company (https://evote.tr.mufg.jp/) no later than the above-mentioned deadline.

1. Date and Time: Tuesday, June 18, 2019 at 10.00 a.m.

2. Place: Tokyo Marriott Hotel, B1F "The GOTENYAMA Ballroom"
4-7-36, Kitashinagawa, Shinagawa-ku, Tokyo, Japan

3. Objectives:

Matters to be Reported:
1. Reports on the Business Report, the Consolidated Financial Statements for the 115th Fiscal Year (from April 1, 2018 to March 31, 2019); and Audit Reports by the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements
2. Reports on the Non-consolidated Financial Statements for the 115th Fiscal Year (from April 1, 2018 to March 31, 2019)

Matters to be Resolved:
Agenda Item: Election of Twelve (12) Directors

4. Guide to the Exercise of Voting Rights, etc.
Please refer to "Guide to the Exercise of Voting Rights, etc."

- Method of Publication in the Event of Revisions to the Reference Documents, Business Report, Consolidated Financial Statements and the Non-Consolidated Financial Statements

In case of any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, the revised matters will be posted on the Company's website.
Website: https://www.konicaminolta.com/jp-ja/investors/event/stock/meeting.html

Guide to the Exercise of Voting Rights, etc.

You may exercise your voting rights in the following three ways.
Please examine the attached Reference Documents for the General Meeting of Shareholders and indicate your approval or disapproval.

Attending Meeting to exercise voting rights

Please bring the enclosed voting form and submit at the reception desk. Meeting will be held at 10:00 a.m., Tuesday, June 18, 2019.

Using mail to exercise voting rights

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it so it reaches us by 5:40 p.m., Monday, June 17, 2019.

Using the Internet to exercise voting rights

Please use the Company's designated voting website (https://evote.tr.mufg.jp/) to submit votes concerning the proposals. Votes can be submitted until 5:40 p.m., Monday, June 17, 2019.

About the exercise of voting rights

1. Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
2. If any voting right is exercised more than once by mail, the latest exercise will be upheld as a valid exercise of the voting right.
3. Shareholders are respectfully requested to notify the Company in writing of any diverse exercising of voting rights and the reason therefore not later than three days before the Meeting.
4. If any voting right is exercised both by mail and by the Internet, the exercise via the Internet will be upheld as valid exercise of the voting right.
5. If any voting right is exercised more than once via the Internet, the latest exercise will be upheld as a valid exercise of the voting right.
6. If you intend to attend the Meeting in person, voting in writing or using the Internet is unnecessary.

How to exercise your voting rights via the Internet
Although the exercise of voting rights via the Internet will be acceptable until 5.40 p.m. on Monday, June 17, 2019, we recommend that you exercise your voting rights earlier. If you have any enquiries, please contact the helpdesk shown below.

Exercise of voting rights by scanning QR Code:
You can log in the voting website without entering your "Login ID" and "Temporary Password" described on the side slip of the voting form.

1 Please scan the QR Code on the side slip (right side) of the voting form.
  * "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.
2 Please follow the instructions on the screen thereafter and enter approval or disapproval.

You can log in to the website using the QR Code only once.
If you exercise your voting right again or exercise your voting right without using the QR Code, please follow the "Exercise of voting rights by entering Login ID and Temporary Password" below.

Exercise of voting rights by entering Login ID and Temporary Password:
Voting website: https://evote.tr.mufg.jp/

1 Please access the voting website.
2 Please enter your "Login ID" and "Temporary Password" described on the voting form and click "Log in."
3 Please register a new password and click "Send."
4 Please follow the instructions on the screen thereafter, and enter approval or disapproval.

For enquiries with respect to the system, including how to use the devices, please call:

Mitsubishi UFJ Trust and Banking Corporation
Stock Transfer Agency Department **(helpdesk**)
Telephone: 0120-173-027
(Operating Hours: 9.00 to 21.00, toll-free number)
(Japanese language only)

To Institutional Investors

As an additional method for exercising your voting rights via the Internet described above, any trust management bank or other nominal shareholders (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ, Inc. subject to prior request for the use of the platform. The exercise deadline may be set earlier than the voting right exercise period designated by the Company in the voting rights exercise system which institutional investors contracted separately. Please check and we recommend that you exercise your voting rights earlier.

Note in exercising voting rights via the Internet:

- You may only exercise voting rights via the Internet by accessing the website for exercising voting rights designated by the Company (https://evote.tr.mufg.jp/) through a personal computer, smartphone or cellular phone (i-mode, EZweb or Yahoo! Mobile etc.)* or scanning the “QR code for log-in” on the side slip (right side) of the voting form. Please note that you will not be able to access the above URL from 2.00 a.m. to 5.00 a.m. each day during the exercise period.
  * “i-mode” is a trademark or registered trademark of NTT DoCoMo Inc., “EZweb” is a trademark or registered trademark of KDDI Corporation and “Yahoo!” is a trademark or registered trademark of Yahoo! Inc. in the United States.
- In some network environments (including, but not limited to, the case in which you use firewall, etc. antivirus programs or a Proxy Server for Internet access), you may not be able to exercise voting rights.
- Please note that if you wish to exercise your voting rights via the Internet, you will be asked to change your “Temporary Password” on the website for exercising voting rights in order to prevent unauthorized access (web spoofing) or alteration of the voting by any other person than you.
- The “Login ID” and the “Temporary Password” will be renewed and sent to you for each general meeting of shareholders to be held in the future.
- Any costs arising from access to the website for exercising voting rights (the Internet connection fees, communication fees, etc.) shall be paid by you. In addition, data transmission or other fees are required when using a cellular phone and you are responsible for these fees, too.

REFERENCE DOCUMENTS
FOR
THE GENERAL MEETING OF SHAREHOLDERS

AGENDA ITEM
Election of Twelve (12) Directors

Upon the close of this Ordinary General Meeting of Shareholders (“the Meeting”) of Konica Minolta, Inc. (“the Company”), the terms of office of all the twelve (12) Directors will expire. Accordingly, shareholders are requested to elect twelve (12) Directors based on the nominations of the Nominating Committee.

The candidates for the position of Director are as follows. For career histories, please refer to pages 11 through 25.

Please refer to pages 69 through 71 for information on the Company’s corporate governance structure and refer to page 10 for information on the policies regarding the nomination of Director candidates, procedures and other items.

No.	Name	Current Position and Responsibilities at the Company		Term of office	Board of Directors meeting attendance	Committee meeting attendance	Committee the candidate is scheduled to join (◎ to serve as committee chairman)
						Nominating Committee Audit Committee Compensation Committee	Nominating Committee Audit Committee Compensation Committee
1	Masatoshi Matsuzaki	Director and Chairman of the Board Member of Nominating Committee	Re-election Non-executive	13 years	12/12 (100%)	7/7 (100%) – –	○ – –
2	Shoei Yamana	Director, President and CEO, and Representative Executive Officer	Re-election	13 years	12/12 (100%)	– – –	– – –
3	Kimikazu Noumi	Director Chairman of Compensation Committee Member of Nominating Committee	Re-election Outside Independent	3 years	12/12 (100%)	7/7 (100%) 3/3 (100%) 6/6 (100%)	– ○ ◎
4	Takashi Hatchoji	Director Chairman of Audit Committee Member of Compensation Committee	Re-election Outside Independent	2 years	12/12 (100%)	– 13/13 (100%) 6/6 (100%)	○ ◎ –
5	Taketsugu Fujiwara	Director Member of Nominating Committee, Audit Committee and Compensation Committee	Re-election Outside Independent	1 year	9/9 (100%)	7/7 (100%) 10/10 (100%) 5/5 (100%)	◎ ○ –
6	Chikatomo Kenneth Hodo	Director Member of Nominating Committee, Audit Committee and Compensation Committee	Re-election Outside Independent	1 year	9/9 (100%)	7/7 (100%) 10/10 (100%) 5/5 (100%)	○ – ○
7	Sakie Tachibana Fukushima		First-time candidate Outside Independent	–	–	– – –	○ ○ ○
8	Toyotsugu Ito	Director Member of Nominating Committee, Audit Committee and Compensation Committee	Re-election Non-executive	1 year	9/9 (100%)	7/7 (100%) 10/10 (100%) 5/5 (100%)	– ○ ○
9	Hiroyuki Suzuki	Executive Officer	First-time candidate Non-executive	–	–	– – –	– ○ ○

No.	Name	Current Position and Responsibilities at the Company		Term of office	Board of Directors meeting attendance	Committee meeting attendance Nominating Committee Audit Committee Compensation Committee	Committee the candidate is scheduled to join (◎ to serve as committee chairman) Nominating Committee Audit Committee Compensation Committee
10	Seiji Hatano	Director and Senior Executive Officer	Re-election	5 year	12/12 (100%)	– – –	– – –
11	Toshimitsu Taiko	Director and Senior Executive Officer	Re-election	1 years	9/9 (100%)	– – –	– – –
12	Masafumi Uchida	Senior Executive Officer	First-time candidate	–	–	– – –	– – –

Notes:
"Re-election" means a candidate for Director to be reelected, "First-time candidate" means a candidate for Director to be newly elected, "Outside" means a candidate for Outside Director, "Non-executive" means a candidate for (Inside) Director who does not concurrently serve as Executive Officer, and "Independent" refers to a candidate reported to the stock exchange as Independent Director.
As Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Mr. Toyotsugu Ito and Mr. Toshimitsu Taiko were newly elected as Directors at the previous Ordinary General Meeting of Shareholders (held on June 19, 2018), the numbers of their Board of Directors meeting attendance and committee meeting attendance are different. As Mr. Kimikazu Noumi assumed the office as a member of the Audit Committee from April 2018 to the close of the previous Ordinary General Meeting of Shareholders, the number of his Audit Committee attendance is different.

Policies and Procedures for the Nomination of Director Candidates

The Nominating Committee has formulated Director election standards and independence standards for Outside Directors, which are shown on page 26.

Prior to selecting candidates, the Nominating Committee reviews the composition of the Board of Directors and committees and deliberates on the number of Director candidates for the upcoming fiscal year. Concerning the size of the Board of Directors, the Company considers the current membership of 10 to 12 Directors to be appropriate, considering the composition and combination of Inside Directors who do not concurrently serve as Executive Officers, Inside Directors who concurrently serve as Executive Officers and Outside Directors.

Based on principles prescribing limitations to the number of years re-election is possible and identifying directors who are scheduled to step down, the Nominating Committee assumes the number of candidates for new election, separating them according to Inside Directors and Outside Directors, and proceeds with candidate selection.

Among candidates for Inside Directors of the Company, we find that those who can serve as Chairman of the Board of Directors and enhance the effectiveness of corporate governance and those who can secure a certain level of audit at meetings of the Audit Committee as full-time Members of the Audit Committee should be selected for Inside Directors who do not serve as Executive Officers. For Inside Directors who serve as Executive Officers, we find that those in title who are in charge of primary duties along with President and CEO, Representative Executive Officer, should be selected so that they are able to engage in active and essential discussions at meetings of the Board of Directors.

In selecting candidates for Outside Directors, to supervise business operation from a variety of perspectives, the Company places priority on considering diversity and balance of their expertise, experience, and industry, and on whether they have expertise and experiences to supervise the Company's medium-term management issues in an appropriate manner.

In the selection of candidates for this year, we focused on that standpoint the most and chose the candidates who have extensive experience and a broad range of knowledge in the global management of human resources and can provide useful supervision and advice.

We confirm the Director election standards at the Nominating Committee in determining the candidates for Directors and the independence standards in determining the candidates for Outside Directors.

<Procedures for Selection of Outside Director Candidates>

a. In reference to the database of candidates, such as "chairmen," etc. of excellent companies, prepared by the Nominating Committee secretariat, which includes information on the independence from the Company, their age, concurrent positions and amount of sales of their companies, the Chairman of the Nominating Committee requests that Nominating Committee members, other Outside Directors and President and CEO, Representative Executive Officer recommend candidates according to the policies described above.
b. From recommended candidates, the Nominating Committee discusses who are more appropriate as candidates, narrows down their number, and determines their order.
c. In order of ranking, the Chairman 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>

a. President and CEO 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.
b. The Nominating Committee discusses the proposal and makes its decision.

No. 1

Masatoshi Matsuzaki

(July 21, 1950)

Re-election

Non-executive

・Number of shares of the Company held:
95,500 shares

・Board of Directors meeting attendance:
12 / 12 times (100%)

・Nominating Committee attendance
7 / 7 times (100%)

・Term of office:
thirteen years

Career history, position and responsibilities at the Company

April 1976	Joined Konishiroku Photo Industry Co., Ltd.
November 1997	General Manager of Development Group No. 2, Color Business Machines Development Div., Business Machines Headquarters of Konica Corporation
May 1998	General Manager of Development Center No. 1, System Technology Development Div., Business Machines Headquarters of Konica Corporation
October 2003	Director of Konica Minolta Business Technologies, Inc.
April 2005	Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc.
April 2006	Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc.
June 2006	Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc.
April 2009	Director, President and CEO, and Representative Executive Officer of the Company
April 2014	Director and Chairman of the Board of the Company (positions which he continues to hold)

Important position concurrently held

Outside Director of Ichigo Inc.
Outside Director of Nomura Research Institute, Ltd.
Outside Director of Nippon Sheet Glass Co. Ltd.

- Reasons for selecting the candidate for Director

  Mr. Masatoshi Matsuzaki has extensive experience and expertise. At the Company and its Group companies, under the company split and holding company structure, Mr. Matsuzaki has been in charge of research and product strategies for the Business Technologies Business, served as president of a subsidiary handling basic research and development of elemental technologies and served as Executive Officer in charge of technology strategy at the Company. In addition, Mr. Matsuzaki led the management reforms of the Konica Minolta Group (“the Group”), serving as President and CEO from April 2009 through March 2014. Since April 2014, as Chairman of the Board of Directors, he has worked to further enhance corporate governance while managing the Board of Directors.

  It has been confirmed by the annual evaluation of the effectiveness of the Board of Directors that Mr. Matsuzaki properly chooses matters for discussion as a specialized supervisor with a very high level of familiarity of the Company’s management, draws on capabilities of Outside Directors, and enhances the quality of supervision with questions and opinions that support the others. He also leads the Company’s corporate governance reform aiming at realizing sustainable growth and enhancing corporate value. Therefore, the Company requests that shareholders elect for him to continue. Mr. Matsuzaki has been in charge of supervision of the management, securing sufficient time to fulfill his duties as full-time Chairman of the Board of Directors.

No. 2

Shoei Yamana

(November 18, 1954)

Re-election

・Number of shares of the Company held: **69,300 shares**

・Board of Directors meeting attendance: **12 / 12 times (100%)**

・Term of office: **thirteen years**

Career history, position and responsibilities at the Company

April 1977	Joined Minolta Camera Co., Ltd.
July 1996	General Manager of Management Planning Div. of Minolta Co., Ltd.
January 2001	CEO of Minolta QMS Inc.
July 2002	Executive Officer, General Manager of Management Planning Div., Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd.
August 2003	Senior Executive Officer of the Company, and Executive Officer and General Manager of MFP Operations and Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd.
October 2003	Senior Executive Officer of the Company, and Managing Director of Konica Minolta Business Technologies, Inc.
April 2006	Senior Executive Officer of the Company
June 2006	Director and Senior Executive Officer of the Company
April 2011	Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc.
April 2013	Director and Senior Managing Executive Officer of the Company
April 2014	Director, President and CEO, and Representative Executive Officer of the Company (positions which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director

  Mr. Shoei Yamana has extensive 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 has worked to enhance corporate value by promoting “TRANSFORM 2016,” the Company’s Medium-Term Business Plan.

  The Company believes that, as the Chief Executive Officer of the Group, Mr. Yamana can continue leading the Company to ongoing profit growth by steadily implementing “SHINKA 2019,” a medium-term business plan through fiscal 2019 that aims at the Company’s sustainable growth through business transformation. In addition to demonstrating accountability on the Board of Directors as Representative Executive Officer, Mr. Yamana can continue contributing to the enhancement of the function of making important decisions from a management standpoint. Therefore, the Company requests that shareholders elect for him to continue.

No. 3

Kimikazu Noumi

(October 24,1945)

Re-election

Outside

Independent

・Number of shares of the Company held: **8,600 shares**

・Board of Directors meeting attendance: **12 / 12 times (100%)**

・Nominating Committee attendance **7 / 7 times (100%)**

・Audit Committee attendance **3 / 3 times (100%)**

・Compensation Committee attendance **6 / 6 times (100%)**

・Term of office: **three years**

Career history, position and responsibilities at the Company

April 1969	Joined The Norinchukin Bank
June 1999	Senior Executive Trustee of The Norinchukin Bank
June 2002	Senior Managing Executive Trustee of The Norinchukin Bank
June 2004	Representative Director and President of Norinchukin Zenkyoren Asset Management Co., Ltd
June 2006	Representative Director and Vice Chairman of Aozora Bank, Ltd.
February 2007	Representative Director, Chairman and CEO of Aozora Bank, Ltd.
July 2009	Representative Director, President and CEO of Innovation Network Corporation of Japan
July 2015	Executive Advisor of J-WILL CORPORATION (position which he continues to hold)
June 2016	Director of the Company (position which he continues to hold)

Important position concurrently held

Executive Advisor of J-WILL CORPORATION
Outside Director of Nishimoto Co., Ltd.
Outside Director of SPARX Group Co., Ltd.

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)

  Mr. Kimikazu Noumi has experience at The Norinchukin Bank and Aozora Bank, Ltd. in the management of the finance sector and also engaged in new business cultivation through investment activities, as well as supporting corporate transformation at Innovation Network Corporation of Japan. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Noumi has a high degree of independence from the Company as stated below. Following his election as a Director in June 2016, Mr. Noumi has performed well as a member of the Board of Directors and other committees. Fiscal 2018 activities are listed in “Primary activities of Outside Directors” in the business report (page 61). Mr. Noumi has been in charge of the duty, securing sufficient time.

  Therefore, the Company believes that Mr. Noumi can continue contributing to the maintenance and upgrading of corporate governance through the activities of the board of Directors and the committees, and requests shareholders to elect him as an Outside Director.

- Information concerning independence
  J-WILL CORPORATION and the Company do not have any business transaction. Furthermore, the two companies are not major shareholders of each other. Mr. Noumi meets the independence standards for Outside Directors established by the Company’s Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No. 4

Takashi Hatchoji

(January 27,1947)

Re-election

Outside

Independent

・Number of shares of the Company held:
0 shares

・Board of Directors meeting attendance:
12 / 12 times (100%)

・Audit Committee attendance
13 / 13 times (100%)

・Compensation Committee attendance
6 / 6 times (100%)

・Term of office:
two years

Career history, position and responsibilities at the Company

April 1970	Joined Hitachi, Ltd.
June 2003	Vice President and Executive Officer of Hitachi, Ltd.
April 2004	Senior Vice President and Executive Officer of Hitachi, Ltd.
April 2006	Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd.
April 2007	Director of Hitachi Research Institute
June 2007	President and Representative Director of Hitachi Research Institute
April 2009	Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd.
June 2011	Director of Hitachi, Ltd.
June 2015	Advisor of Hitachi, Ltd.
June 2016	Retired from Advisor of Hitachi, Ltd. (position which he continues to hold)
June 2017	Director of the Company (position which he continues to hold)

Important position concurrently held

Outside Director of Nitto Denko Corporation
Outside Auditor of Marubeni Corporation

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)
  At Hitachi, Ltd., Mr. Takashi Hatchoji was involved for many years in the management of the electronics manufacturing business, including promotion of global management and business transformation. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Hatchoji has a high degree of independence from the Company as stated below. Following his election as a Director in June 2017, Mr. Hatchoji has performed well as a member of the Board of Directors and other committees. Fiscal 2018 activities are listed in "Primary activities of Outside Directors" in the business report (page 61). Mr. Hatchoji has been in charge of the duty, securing sufficient time. Therefore, the Company believes that Mr. Hatchoji can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an Outside Director.
- Information concerning independence
  Hitachi, Ltd. and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.
  Mr. Hatchoji meets the independence standards for Outside Directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No. 5 **Taketsugu Fujiwara**
(February 19,1947)

Re-election

Outside

Independent

・Number of shares of the Company held:
0 shares
・Board of Directors meeting attendance:
9 / 9 times (100%)
・Nominating Committee attendance
7 / 7 times (100%)
・Audit Committee attendance
10 / 10 times (100%)
・Compensation Committee attendance
5 / 5 times (100%)
・Term of office:
one year

Career history, position and responsibilities at the Company

April 1969	Joined Asahi Chemical Industry Co., Ltd.
June 1998	President and Representative Director of Asahi-Schwebel Co., Ltd.
June 2000	Director of Asahi Chemical Industry Co., Ltd.
June 2003	Senior Executive Officer of Asahi Kasei Corporation
October 2003	President of Asahi Kasei Chemicals Corporation
April 2009	Vice-Presidential Executive Officer of Asahi Kasei Corporation
June 2009	Director, Vice-Presidential Executive Officer of Asahi Kasei Corporation
April 2010	President and Representative Director of Asahi Kasei Corporation
April 2014	Vice Chairman and Director of Asahi Kasei Corporation
June 2014	Vice Chairman of Asahi Kasei Corporation
June 2015	Standing Counsellor of Asahi Kasei Corporation
June 2018	Counsellor of Asahi Kasei Corporation (position which he continues to hold)
June 2018	Director of the Company (position which he continues to hold)

Important position concurrently held

Counsellor of Asahi Kasei Corporation
Outside Director of IHI Corporation
Outside Director of SHIMADZU CORPORATION
Chairman of Japan Society for Safety Engineering
Outside Director of KOKUYO Co., Ltd.

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)
  Mr. Taketsugu Fujiwara has been in charge of management of a comprehensive chemicals maker for years at Asahi Kasei Corporation, which diversified from chemicals and textiles to electronic materials, pharmaceuticals, and housing. His duties at Asahi Kasei included fostering businesses through mergers and acquisitions. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Fujiwara has a high degree of independence from the Company as stated below. Following his election as a Director in June 2018, Mr. Fujiwara has performed well as a member of the Board of Directors and other committees. Fiscal 2018 activities are listed in “Primary activities of Outside Directors” in the business report (page 61). Mr. Fujiwara has been in charge of the duty, securing sufficient time. Therefore, the Company believes that Mr. Fujiwara can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an Outside Director.
- Information concerning independence
  Asahi Kasei Corporation and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major

shareholders of each other.
Mr. Fujiwara meets the independence standards for Outside Directors established by the Company’s Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

- Other
  Mr. Fujiwara served as a Director of Asahi Kasei Corporation from June 2009 through June 2014. In 2015, it came to light that Asahi Kasei Construction Materials Corporation, a subsidiary of Asahi Kasei Corporation engaging in construction materials business, had appropriated and manipulated data in 360 of 3,052 cases of piling work for building construction it had undertaken in the preceding ten years. Mr. Fujiwara had no previous knowledge about the facts. While assuming the office as a Director, he made proper remarks about the importance of full compliance with laws and regulations at Board of Directors meetings.
  Mr. Fujiwara has been Outside Director of IHI Corporation since June 2015. In March and April 2019, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport, and Tourism launched administrative sanctions against IHI concerning inadequate practices occurring in the company’s aero engine maintenance business. Mr. Fujiwara has made remarks on the importance of compliance with laws and regulations at the Board of Directors meetings of IHI and on other occasions. After the disclosure of the practices, he requested that IHI take comprehensive measures to prevent the recurrence of similar practices and maintain compliance.

No. 6 Chikatomo Kenneth Hodo
(July 31,1960)

Re-election

Outside

Independent

Career history, position and responsibilities at the Company

September 1982	Joined Accenture Japan Ltd
September 2005	Representative Director of Accenture Japan Ltd
April 2006	Representative Director and President of Accenture Japan Ltd
September 2015	Director and Chairman of Accenture Japan Ltd
September 2017	Director and Senior Corporate Advisor of Accenture Japan Ltd
July 2018	Senior Corporate Advisor of Accenture Japan Ltd (position which he continues to hold)
June 2018	Director of the Company (position which he continues to hold)

・Number of shares of the Company held:
0 shares
・Board of Directors meeting attendance:
9 / 9 times (100%)
・Nominating Committee attendance
7 / 7 times (100%)
・Audit Committee attendance
10 / 10 times (100%)
・Compensation Committee attendance
5 / 5 times (100%)
・Term of office:
one year

Important position concurrently held

Senior Corporate Advisor of Accenture Japan Ltd
Outside Director of Sumitomo Mitsui Asset Management Company, Limited
Outside Director of Mynavi Corporation

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)
  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. In addition, Mr. Hodo has a high degree of independence from the Company as stated below. Following his election as a Director in June 2018, Mr. Hodo has performed well as a member of the Board of Directors and other committees. Fiscal 2018 activities are listed in "Primary activities of Outside Directors" in the business report (pages 61 through 62). Mr. Hodo has been in charge of the duty, securing sufficient time. Therefore, the Company believes that Mr. Hodo can continue contributing to the maintenance and upgrading of corporate governance through his activities at the Board of Directors and the committees, and requests that shareholders elect him as an Outside Director.
- Information concerning independence
  Accenture Japan Ltd and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.
  Mr. Hodo meets the independence standards for Outside Directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No. 7 Sakie Tachibana Fukushima
(September 10, 1949)

First-time candidate

Outside

Independent

・Number of shares of the Company held:
0 shares

Career history, position and responsibilities at the Company

June 1980	Joined Braxton International
September 1987	Joined Bain & Company, Inc.
August 1991	Joined Korn/Ferry International-Japan
May 1995	Member of the Board of Korn/Ferry International (Global Headquarters)
September 2000	Regional Managing Director of Korn/Ferry International-Japan and Member of the Board of Korn/Ferry International (Global Headquarters)
July 2001	President and Representative Director of Korn/Ferry International-Japan and Member of the Board of Korn/Ferry International (Global Headquarters)
September 2007	President and Representative Director of Korn/Ferry International-Japan
May 2009	Chairman and Representative Director of Korn/Ferry International-Japan
July 2010	President and Representative Director of G&S Global Advisors Inc. (position which she continues to hold)

Important position concurrently held

President and Representative Director of G&S Global Advisors Inc.
Outside Director of J. Front Retailing Co., Ltd.
Outside Director of USHIO INC.

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)
  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. In addition, Ms. Fukushima has a high degree of independence from the Company as stated below. Therefore, the Company believes that Ms. Fukushima can contribute to the maintenance and upgrading of corporate governance through her activities at the Board of Directors and the committees, and requests shareholders to newly elect her as an Outside Director.
- Information concerning independence
  G&S Global Advisors Inc. and the Company do not have any business transaction. Furthermore, the two companies are not major shareholders of each other.
  Ms. Fukushima meets the independence standards for Outside Directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

- Other
  Ms. Fukushima has served as Outside Director of J. Front Retailing Co., Ltd. since May 2012. Its business subsidiary, Daimaru Matsuzakaya Department Stores Co. Ltd., received a cease and desist order and a surcharge payment order under the Antimonopoly Act, concerning orders received for business uniforms, from the Japan Fair Trade Commission in January 2018. Ms. Fukushima, who had expressed opinions from the standpoint of compliance with laws and regulations, made remarks seeking comprehensive measures to prevent the recurrence of a similar event and has supervised the J. Front Retailing Group’s thorough compliance management by strengthening and enhancing its in-house training plans and monitoring structure.

No. 8 **Toyotsugu Ito** (December 20,1955)

Re-election

Non-executive

Career history, position and responsibilities at the Company

April 1979	Joined Konishiroku Photo Industry Co., Ltd.
October 2002	General Manager, Technology Center of Konica Minolta Technoproducts Co., Ltd.
October 2003	General Manager, Production Technology Center, Production Technology Headquarters of Konica Minolta Business Technologies, Inc.
April 2005	Vice President (in charge of Corporate Planning, Quality, Environment, Technology) of Konica Minolta Business Technologies (Wuxi) Co. Ltd.
October 2008	General Manager, Manufacturing Technology Center of Konica Minolta Technology Center, Inc.
June 2011	Director, General Manager, Manufacturing Technology Center of Konica Minolta Technology Center, Inc.
April 2013	Executive Officer, General Manager, Corporate Production Operation Division of the Company
April 2015	Senior Executive Officer, General Manager, Corporate Production Operation Division in charge of Group Production Engineering of the Company
April 2016	Senior Executive Officer in charge of Management Quality Improvement of the Company
April 2018	Senior Executive Officer of the Company
June 2018	Director of the Company (position which he continues to hold)

Important position concurrently held

None

・Number of shares of the Company held:
21,900 shares

・Board of Directors meeting attendance:
9 / 9 times (100%)

・Nominating Committee attendance
7 / 7 times (100%)

・Audit Committee attendance
10 / 10 times (100%)

・Compensation Committee attendance
5 / 5 times (100%)

・Term of office:
one year

- Reasons for selecting the candidate for Director
  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. Mr. Toyotsugu Ito attends management meetings of Executive Officers as a Member of the Audit Committee. He works 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.
  Mr. Ito has engaged in operations of the Company, such as production technologies, business administration of subsidiaries, and reforms of the management quality as the Company’s Senior Executive Officer and has extensive experience and considerable expertise related to business administration and internal control. Since 2018, Mr. Ito 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 Nominating, Audit and Compensation Committees as an Inside Member. Therefore, the Company believes that Mr. Ito can continue enhancing corporate value by maintaining and strengthening the corporate governance, and requests that shareholders elect for him to continue.

No. 9

Hiroyuki Suzuki

(March 16, 1957)

First-time Candidate

Non-executive

・Number of shares of the Company held: **10,900 shares**

Career history, position and responsibilities at the Company

April 1979	Joined Minolta Camera Co., Ltd.
July 1997	Senior Managing Director, Minolta MBK Digital Studio, Inc.
April 2004	General Manager, China Sales Promotion Office, MFP Overseas Sales Department, Konica Minolta Business Technologies, Inc.
June 2006	General Manager in charge of Audit Committee Office of the Company
June 2009	General Manager, Corporate Audit Division of the Company
April 2012	Executive Officer, General Manager, Corporate Audit Division of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  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. 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, and the Company expects that Mr. Suzuki will engage in supervising management as an Inside Director at the Company not concurrently serving as Executive Officer and properly fulfill his duties at the Audit and Compensation Committees as an Inside Member.
  Therefore, the Company believes that Mr. Suzuki can enhance corporate value by maintaining and strengthening the corporate governance, and requests shareholders to newly elect him as a Director.

No. 10

Seiji Hatano

(December 17, 1959)

Re-election

・Number of shares of the Company held:
16,800 shares

・Board of Directors meeting attendance:
12 / 12 times (100%)

・Term of office:
five years

Career history, position and responsibilities at the Company

April 1982	Joined the Mitsubishi Bank, Ltd.
June 2011	Resigned the Bank of Tokyo-Mitsubishi UFJ, Ltd.
July 2011	Joined the Company
April 2013	Executive Officer and General Manager, Corporate Strategy Division of the Company
April 2014	Senior Executive Officer and General Manager, Corporate Strategy Division of the Company
June 2014	Director, Senior Executive Officer and General Manager, Corporate Strategy Division of the Company
April 2016	Director, Senior Executive Officer and General Manager, Management Planning Division of the Company
April 2017	Director and Senior Executive Officer in charge of Management Planning, Administration, and Risk Management of the Company
April 2018	Director and Senior Executive Officer in charge of Administration, Accounting, Financial Affairs, and Risk Management of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  The Company believes that it is important to select Executive Officers in title who are in charge of primary duties so that they can engage in active and essential discussions at meetings of the Board of Directors.
  As a Senior Executive Officer in charge of Administration, Accounting, Financial Affairs, and Risk Management, Mr. Seiji Hatano has worked to enhance corporate value of the Group by promoting the medium-term business plan. The Company believes Mr. Hatano can continue demonstrating accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him to continue.

No.
11

Toshimitsu Taiko

(November 30,1962)

Re-election

・Number of shares of the Company held:
12,200 shares
・ Board of Directors meeting attendance:
9 / 9 times (100%)
・Term of office:
one year

Career history, position and responsibilities at the Company

April 1986	Joined Minolta Camera Co., Ltd.
April 2002	Executive Vice President of Minolta QMS Printing Solutions USA Inc.
April 2005	General Manager, Business Strategy Division, Business Headquarters of Konica Minolta Business Technologies, Inc.
June 2012	Director, General Manager, Corporate Planning Division, General Manager, Business Innovation Division of Konica Minolta Business Technologies, Inc.
April 2013	Group Executive of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.
April 2015	Executive Officer, CEO of Konica Minolta Business Solutions U.S.A., Inc.
April 2016	Executive Officer, General Manager, Business Technologies Business, Business Planning Headquarters of the Company
April 2017	Executive Officer, General Manager, Professional Printing Business Headquarters of the Company
April 2018	Senior Executive Officer, lead officer responsible for Business Technologies Business, General Manager, Office Business Headquarters of the Company
June 2018	Director and Senior Executive Officer, lead officer responsible for Business Technologies Business, General Manager, Office Business Headquarters of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  The Company believes that it is important to select Executive Officers in title who are in charge of primary duties so that they can engage in active and essential discussions at meetings of the Board of Directors.
  As a Senior Executive Officer of the Company, lead officer responsible for supervision of the Company’s mainstay Business Technologies Business, Mr. Toshimitsu Taiko has worked to enhance corporate value of the Group by promoting the medium-term business plan. The Company believes Mr. Taiko can continue demonstrating accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him to continue.

No.
12

Masafumi Uchida

(January 22,1959)

First-time Candidate

・Number of shares of the Company held:
9,381 shares

Career history, position and responsibilities at the Company

April 1983	Joined Konishiroku Photo Industry Co., Ltd.
April 2012	General Manager in charge of Production Technology Division, Konica Minolta Business Technologies, Inc.
April 2013	Deputy General Manager, Production Headquarters of the Company
April 2015	General Manager, Corporate Social Responsibility Operations of the Company
April 2016	Executive Officer, General Manager, Environment Management and Quality Promotion Division, and in charge of Business Technologies Quality Assurance of the Company
April 2018	Senior Executive Officer, General Manager, Quality Headquarters and in charge of Promotion of Sustainability of the Company
April 2019	Senior Executive Officer in charge of Engineering, General Manager, Quality Headquarters of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  The Company believes that it is important to select Executive Officers in title who are in charge of primary duties so that they can engage in active and essential discussions at meetings of the Board of Directors.
  As a Senior Executive Officer of the Company in charge of all aspects of the technology sector as well as the quality, Mr. Masafumi Uchida has worked to enhance corporate value of the Group by promoting the medium-term business plan. The Company believes Mr. Uchida can demonstrate accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests shareholders to newly elect him as a Director.

Notes: 1. No conflicts of interest exist between the Company and the Director candidates.
2. The Company has entered into liability limitation agreements with Outside Directors Mr. Kimikazu Noumi, Mr. Takashi Hatchoji, Mr. Taketsugu Fujiwara and Mr. Chikatomo Kenneth Hodo, the content of which is summarized in "Liability limitation agreements" on page 62 of the Business Report. The Company will enter into similar agreements with them if they are re-elected, and with Ms. Sakie Tachibana Fukushima, the first-time candidate for Outside Director, if she is elected.

[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. Especially, in principle, existing terms of office for Outside Directors are up to four years.
(8) 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]

Regarding standards for the independence of Outside Directors, the Company's Nominating Committee selects Outside Director candidates, provided that none of the following criteria apply.

(1) Person affiliated with Konica Minolta
- Former employee of the Group
- Having a family member (spouse, child, or any blood or marital relative twice removed or less) that has served as a Director, executive officer, auditor or top manager in the 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 Group or vice versa

(3) Specialized service provider (lawyer, accountant, consultant, etc.)
- Specialized service provider that received annual compensation of ¥5 million or more from the 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, auditor or equivalent position-holder of a company that competes with the Group, or a person holding 3% or more of the shares of a competing company
- Having some other significant conflict of interest with the Group

[The members of each of the committees (planned)]

If the twelve Directors are elected at the Meeting, the members of each of the committees under the company with three committees provided for in Article 2, Item 12 of the Companies Act will be appointed as follows from among three Inside Directors, Mr. Masatoshi Matsuzaki, Mr. Toyotsugu Ito and Mr. Hiroyuki Suzuki who do not concurrently hold Executive Officer posts, and the five Outside Directors. The Company appoints the Chairman of each committee especially from among Outside Directors. The Representative Executive Officer and President serves as neither member of the committees. Thus, the

Company continues to strive to ensure the transparency of the administration of three committees. Committees are composed of three to four Outside Directors and one or two Inside Directors, and consideration is given to cooperation among the committees and between the individual committees and the senior management.

Nominating Committee	Taketsugu Fujiwara (Chairman), Takashi Hatchoji, Chikatomo Kenneth Hodo, Sakie Tachibana Fukushima, Masatoshi Matsuzaki,
Audit Committee	Takashi Hatchoji (Chairman), Kimikazu Noumi, Taketsugu Fujiwara, Sakie Tachibana Fukushima, Toyotsugu Ito, Hiroyuki Suzuki
Compensation Committee	Kimikazu Noumi (Chairman), Chikatomo Kenneth Hodo, Sakie Tachibana Fukushima, Toyotsugu Ito, Hiroyuki Suzuki

[Frequently Asked Questions]

Q: What do you think about opinions about the importance of diversity, including gender and internationality, which should be needed for the Board of Directors?
A: In order to form a Board of Directors of an appropriate size, the Company considers the most important requirements of an individual to have an overall balance of knowledge, experience, and ability, and suitability for providing supervision to tackle management issues facing the Company. Although diversity in that point of view is something we should place importance, the Company does not consider it realistic to be obligated to select a woman or a foreigner on the grounds of gender or nationality.
Ms. Sakie Tachibana Fukushima, whom we request to be elected as Director at the current Ordinary General Meeting of Shareholders, has extensive experience and a broad range of knowledge about human resources management in Japan as well as in the United States, and the Company believes that she is an appropriate candidate from the standpoint of the balance of careers and skills at the Board of Directors. Ms. Fukushima is the first-ever female candidate for Director of the Company.
The Company also believes that many of Outside Directors and Inside Directors have internationality through each own global management experience.

Q: Isn’t there any problem that an Inside Director becomes a Member of the Audit Committee?
A: The Company does not believe that the Audit Committee comprised of only Outside Directors can secure the quality of audits. In order to secure the auditing quality, Inside Directors become full-time members of the Audit Committee and are in charge of investigation under the Companies Act. Due to collection of information by the Inside Members, the committee not only fulfills its own auditing function, but also enhances information brought to the committee, where Outside Directors account for a majority, and secures the quality of its auditing function.

Q: Isn’t there any problem that Outside Directors do not account for a majority of the Board of Directors?
A: In its “Basic Policy on Corporate Governance,” the Company provides that “one-third or more of Directors are Independent Outside Directors, and (Outside and Inside) Directors who do not concurrently serve as Executive Officers constitute the majority of the total number of Directors.” This is because the Company is aware of the need not only for Outside Directors, but also for “Directors who do not concurrently serve as Executive Officers” versed in the Company, as the Chairman of the Board of Directors or as full-time members of the Audit Committee. Namely, the Company believes that (Outside and Inside) Directors who do not concurrently serve as Executive Officers constitute the majority of the total number of Directors.
The Nominating Committee reviews the structure of the Board of Directors every year and selects candidates for Directors after confirming the validity of the structure of the Board of Directors.
Please refer to “Reference: Corporate Governance” on pages 69 through 71.

Q: Is there any impact of concurrent positions served by Directors on their duties as the Company’s Directors?
A: In selecting candidates for Directors, the Company makes deliberate consideration from the standpoint of whether they are able to secure sufficient time for the duties at the Board of Directors and each committee. They make sufficient contribution to the Company’s governance as we showed attendance and comments at Board of Directors meetings and each committee meetings of the Outside Directors in fiscal 2018 on pages 60 through 62 of the business report and attendance at Board of Directors meetings and each committee meetings of nine candidates for re-election on the page of each candidate in this proposal.

[Provided Documents]

BUSINESS REPORT

From April 1, 2018 to March 31, 2019

1. Overview of Konica Minolta Group business activities

(1) Developments and results of business activities

Looking back at the economic situation during the fiscal year ended March 31, 2019 (hereafter, "the current fiscal year"), economic growth in Europe slowed down because of lower manufacturing exports to China and other countries and continuing uncertainty over Brexit. In the United States, despite a decline in exports to China during the latter half of the current fiscal year, strong consumer spending continued to drive domestic demand growth, and capital expenditures demonstrated steady growth. Meanwhile, in China, economic growth has slowed due to a lower level of capital expenditures in the manufacturing industry affected by the China-United States trade friction. The uncertainty in the global economy slowed down export growth and led to sluggish capital expenditures in Japan; however, Japan was able to sustain moderate growth overall.

Under such economic environment, the Group's revenue on a consolidated basis for the current fiscal year was ¥1,059.1 billion (up 2.7% year on year). By business segment, revenue in the Office Business grew due to a higher sales volume of color MFPs, primarily sales of high-speed color models, along with a contribution by expansion in revenue from IT services solutions. The Professional Print Business posted growth in revenue, reflecting a higher sales volume of digital printing systems, mainly color and monochrome equipment of high-speed models, and expansion of sales in the industrial printing business unit, which is positioned as a growth business of the Group. In the Healthcare Business, the discontinuation of sales of certain purchased products led to a year-on-year decrease in revenue. Revenue in the Industrial Business remained at the same level as in the previous fiscal year with higher sales in the performance materials business unit and the inkjet component business unit offsetting a decline in revenue due to slowing demand for products in the measuring instruments unit.

Operating profit was ¥62.4 billion (up 16.0% year on year). Various initiatives taken to boost the profitability of the Group's core business under the Medium-Term Business Plan contributed to generate the intended performance, and as a result, there was an increase in operating profit in the Office Business and the Professional Print Business, which led to a year-on-year increase in profit overall.

Profit before tax came in at ¥60.1 billion (up 22.4% year on year), while profit attributable to owners of the Company amounted to ¥41.7 billion (up 29.3% year on year).

With an aim of becoming a high-profit company, the Company is actively engaged in developing businesses in the following three areas under its Medium Term Business Plan, "SHINKA 2019."

1. High value-added services appropriate to an Internet of Things (IoT) era in which things are connected to other things
2. Full-scale promotion of digitization in commercial and industrial printing
3. Full-scale entry into the area of precision medicine

During the current fiscal year, which marks the half-way point of the Medium Term Business Plan, the Company identified the following two focal points to actively play its part in solving its customers' business issues and social issues.

1. Fundamental strengthening of profitability in core businesses

2. Steady business growth in new fields

Regarding the “Fundamental strengthening of profitability in core businesses,” the Company’s unique approach of value-added sales led to an increase in sales of high-speed models in the Office Business and Professional Business. In addition, by focusing on usability and appealing levels of quality, development and preparation for production of new products that are expected to be released in the fiscal year ending March 31, 2020, made a steady progress. In the Industrial Business, development and preparation for commercial production of new resin films progressed as planned in the performance materials business unit, and it is now ready for their full-scale sales.

Regarding the “Steady business growth in new fields,” sales of the Workplace Hub, an edge IoT platform provided by the Company, commenced in Europe and North America. Subsequent to the confirmation of assumed customer values (customer needs) and the acceptability of the price setting, the sales area has now expanded to nine countries. In the precision medicine business field, the Company established a company dedicated to this business field in Japan and commenced business activities, and also established a global headquarter in the United States to execute strategies that will generate synergies through centralized management of the combined businesses, including the two companies acquired in the United States.

As a result of initiatives such as those described above, the foundation of the business activities for the fiscal year ending March 31, 2020, which is the final year of the “SHINKA 2019,” and further development of the Group’s business in coming years has been firmly established.

Business conditions in each segment during the current fiscal year are as follows.

(Hundred millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	Increase (Decrease)	
Office Business				
Revenue	5,878	5,838	39	0.7%
Operating profit	471	449	22	5.1%
Professional Print Business				
Revenue	2,277	2,142	134	6.3%
Operating profit	138	92	45	49.2%
Healthcare Business				
Revenue	909	965	(55)	(5.8)%
Operating profit	23	55	(31)	(57.0)%
Industrial Business				
Revenue	1,167	1,182	(15)	(1.3)%
Operating profit	209	234	(25)	(10.7)%
Subtotal				
Revenue	10,232	10,129	103	1.0%
Operating profit	843	832	11	1.4%
Others and Adjustments				
Revenue	358	183	174	95.4%
Operating profit	(219)	(293)	74	—
Total				
Revenue	10,591	10,312	278	2.7%
Operating profit	624	538	85	16.0%

Notes: 1. Business conditions have been prepared on the basis of International Financial Reporting Standards (“IFRS”).
2. “Revenue” refers to revenue from external customers.

Regarding the payment of dividends from retained earnings at the end of the fiscal year, we will pay ¥15 per share as planned. Including the dividend distributed on September 30, 2018, we will pay a full-year dividend of ¥30 per share.

Business Activity Highlights of the fiscal year

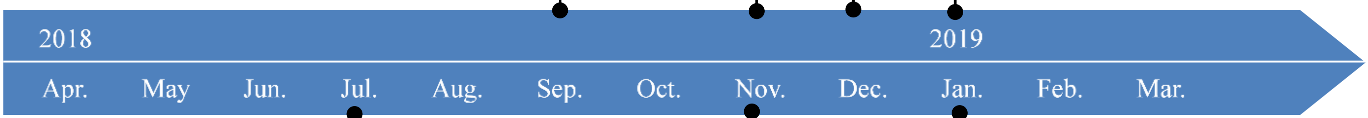
September 2018
The Company was named Industry Leader on the Dow Jones Sustainability World Index, one of the most prestigious global indices of ESG investment, for two years in a row.

November 2018
The Company was ranked first in the overall rankings in the 10th Quality Management Level Research of the Union of Japanese Scientists and Engineers (JUSE).

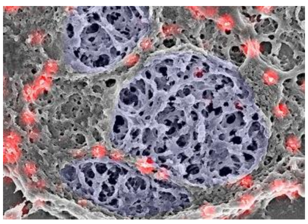
January 2019
Konica Minolta was listed among the "2019 Global 100 Most Sustainable Corporations in the World" (2019 Global 100) in conjunction with the annual meeting of the World Economic Forum (Davos Meeting).

November 2018
Konica Minolta developed Dynamic Digital Radiography system enabling the shooting of videos via ordinary X-ray equipment, and launched the KINOSIS, Workstation for Dynamic X-ray.

December 2018
The Company announced that it will integrate and reorganize some of R&D and production functions in Japan where those functions have been located in multiple facilities and sites, as a step to accelerate the digital transformation initiative via the global optimization of R&D and production.



July 2018
The Company established Konica Minolta Precision Medicine Japan, Inc., which provides precision medicine-related services to pharmaceuticals companies and medical institutions in Japan.



Emission of fluorescent nanoparti[cles] on a cell

November 2018
The Company won a Good Design Gold Award for the Cosmo Leap Σ, an optical planetarium, at the Good Design Award 2018 held by the Japan Institute of Design Promotion. The Cosmo Leap Σ has been introduced at Konica Minolta Planetaria Tokyo in Yurakucho, Tokyo, etc.

Cosmo Leap Σ at Konica Minolta Planetaria Tokyo

November 2018
The Company announced the Japan launch of its Workplace Hub platform, optimized for the Japanese market, **and its related applications and services, scheduled for the spring of 2019.**

Workplace Hub AIO (All-In-One BOX with MFP)

January 2019
The Company joined RE100, a global leadership initiative bringing together influential businesses committed to source 100% renewable power for their global operations. The Company will aim to source the electricity used in its business operations from 100% renewable power by 2050.

i. Office Business

Business Details

Development, manufacturing and sale of multifunctional peripherals and related supplies, and provision of related solution services

Business report for the current fiscal year

In the office products business unit, the sales volume of monochrome A3 MFPs declined, but the sales of color models grew considerably, resulting in an overall increase in the sales volume year-on-year. Among color models, in developed countries such as Europe, the United States, and Japan, sales of the high-speed products launched in the previous fiscal year expanded. In growth countries such as China, the ASEAN region, and India, there was a considerable increase in the sales of a wide range of models, from low speed to high speed, producing the results as targeted in strategic initiatives undertaken for the current fiscal year, under the Group's regional strategy.

In the IT services solution business unit, in addition to the effects of newly consolidated subsidiaries arising from acquisitions in the United States and Europe, strengthening sales and service delivery capabilities of the managed IT services*, as part of efforts to develop a sales structure for the Workplace Hub, an edge IoT platform, achieved the optimum results, driving year-on-year increase in revenue.

As a result, the Office Business segment recorded revenue of ¥587.8 billion (up 0.7 % year on year), and operating profit of ¥47.1 billion (up 5.1% year on year).

(Company-business related glossary)

* Managed IT service

This is a service to support comprehensive operations at IT sections of companies. It prepares plans to introduce PCs/Servers, OS, software, networks and others, and introduces, operates, supports, manages, and maintains them and collect aged equipment for customer companies, covering the lifecycle of IT-related hardware and software.

ii. Professional Print Business

Business Details

Development, manufacturing, and sale of digital printing systems and related supplies, and provision of various printing service and solution services

Business report for the current fiscal year

In the production print business unit, the sales volume of both monochrome and color equipment increased considerably year-on-year. Sales of color models were driven by Europe, while there was a considerable increase in sales in growth countries, including China, India, and the ASEAN region. Sales of monochrome models increased in United States and growth countries.

In the industrial printing business unit, the sales volume of the "AccurioJet KM-1" digital inkjet press significantly increased, while sales of label printers and digital decoration printing* equipment made by MGI achieved the highest market share in the targeted markets. As the sales area expanded beyond Europe and the United States over growth countries, such as China, the ASEAN region, and India, the sales structure was strengthened by allocating resources with the right level of expertise.

In the marketing services business unit, in addition to an increase in revenue from recovering demand from major corporate customers, accelerated transition to a business that provides high value-added services had the profitability improved.

As a result, the Professional Print Business segment recorded revenue of ¥227.7 billion (up 6.3% year on year), and operating profit of ¥13.8 billion (up 49.2% year on year).

(Company-business related glossary)

* Decoration printing

Printing that adds value to printed matters, such as conveying a sense of luxury through the expression of a three-dimensional effect through raised printing with varnish and embossing jobs by gold and silver.

iii. Healthcare Business

Business Details

Development, manufacturing, and sale of medical diagnostic imaging systems (such as X-ray photography and ultrasonic diagnostic imaging system), provision of services related to those systems and other solution services for digitizing and networking medical treatment.

Business report for the current fiscal year

In the healthcare (modality) business unit, despite the increase in the sales volume of the digital radiography*[1] in Japan, sales to hospitals in the United States slightly decreased, leading to a lower volume of sales than that in the previous fiscal year. Dynamic Digital Radiography designed to enhance conventional diagnostic methods using X-ray, released in November 2018, received favorable responses from medical institutions which implemented the system. Diagnostic ultrasound systems continued to hold the top-seller position in the field of orthopedics, and sales from the obstetrics and gynecology business acquired in the previous fiscal year also contributed to an increase in sales of such system. As a result, the sales volume grew steadily mainly in Japan and United States. In the medical IT business unit, the sales volume of Picture Archiving and Communication system[*2] decreased, but revenue from service solutions grew mainly due to "Informity," a medical IT service platform.

For the business segment as a whole, the discontinuation of sales of low-margin purchased products led to a year-on-year decrease in revenue. In addition, since the temporary income that was generated from the liquidation of assets through sale and leaseback arrangements recorded in the previous fiscal year is not present in the current fiscal year and the sales of DR decreased in the United States, it resulted in lower operating profit compared with the previous fiscal year.

As a result, the Healthcare Business segment recorded revenue of ¥90.9 billion (down 5.8% year on year), and operating profit of ¥2.3 billion (down 57.0% year on year).

(Company-business related glossary)

*[1] Digital Radiography (DR)

A technique that detects the intensity distribution of the X-rays that pass through the body when an X-ray is taken, and then converts the data to a digital signal, which is processed by computer. Also refers to systems that perform this function.

*[2] PACS (Picture Archiving and Communication System)

PACS is an image archiving and communication system for medical treatments. It manages a huge amount of images including photos taken by DR and other X-ray photography, CT, MRI and other methods.

iv. Industrial Business

Business Details

<Materials and components>

Development, manufacturing and sale of TAC film* used for liquid crystal displays, OLED lighting, ink jet heads for industrial use and lenses for industrial and professional uses and others.

<Optical systems for industrial use>

Development, manufacturing and sale of measuring equipment and others

Business report for the current fiscal year

In the field of materials and components, the performance materials business unit grew at a steady pace primarily in the growing market, backed by sales of high value-added products, such as phase difference film. As a result, revenue rose significantly year on year. Development of new resin products that will be a key to the Group’s future strategy, has progressed significantly, and their market recognition has also enhanced. In the optical component business unit, steady sales of optical materials for projectors and of interchangeable lenses for camera continued to be seen; however, the sales volume of other optical parts fell, resulted in a decrease in revenue compared with the previous year. In the inkjet component business unit, revenue increased year on year due to an increase in orders received from the existing customers in Asia throughout the current fiscal year.

In the field of optical systems for industrial use, while a trend of business-opportunity expansion is still continuing through capturing the surge of demand from customers in the measuring instruments business unit, revenue fell year on year due to the effects of the concentrated display-related investments by customers that drove revenue in the previous fiscal year.

As a result, the Industrial Business segment recorded revenue of ¥116.7 billion (down 1.3% year on year), and operating profit of ¥20.9 billion (down 10.7% year on year), reflecting a decline in revenue in the field of optical systems for industrial use.

(Company-business related glossary)

* TAC (triacetyl cellulose) film

Primarily composed of cellulose acetate, it is mainly used as a protective film for polarizers, a key component of LCDs. TAC was originally developed as a substrate for photographic film, but because of its superior flame resistance, transparency, surface appearance, and electric insulation characteristics, we are pursuing development of new applications.

(2) Financing, etc.

a. Financing

In the fiscal year under review, the Company did not procure new funds by issuing new shares or corporate bonds.

b. Capital expenditure

The capital expenditure of the Group during the fiscal year under review totaled ¥52.5 billion, with the emphasis on expenditure for the development and manufacture of new products mainly in the Office Business, the Professional Printing Business and the Industrial Business.

(3) Business results

		112th Term Fiscal Year Ended March 31, 2016	113th Term Fiscal Year Ended March 31, 2017	114th Term Fiscal Year Ended March 31, 2018	115th Term Fiscal Year Ended March 31, 2019 (current fiscal year)
Revenue	(Hundred millions of yen)	10,317	9,625	10,312	10,591
Operating profit	(Hundred millions of yen)	600	501	538	624
Profit attributable to owners of the company	(Hundred millions of yen)	319	315	322	417
Basic earnings per share (Note 2)	(yen)	64.39	63.65	65.17	84.33
Equity attributable to owners of the company	(Hundred millions of yen)	5,142	5,243	5,245	5,556
Total assets	(Hundred millions of yen)	9,763	10,054	12,039	12,189
Equity per share attributable to owners of the Company (Note 2)	(yen)	1,037.96	1,057.92	1,060.72	1,123.39
Dividend per share [of which, interim dividend per share]	(yen)	30 [15]	30 [15]	30 [15]	30 [15]
ROE (Note 3)	(%)	6.1	6.1	6.1	7.7

Notes: 1. From the year ended March 31, 2016, business results have been prepared on the basis of International Financial Reporting Standards (“IFRS”).
2. From the year ended March 31, 2018, treasury shares, on which basic earnings per share and equity per share attributable to owners of the Company are based, include the Company’s shares held by trust accounts related to the BIP (Board Incentive Plan) trust for compensation for Directors.
3. The following methods are used to calculate the return on equity.
Profit attributable to owners of the company divided by equity attributable to owners of the company (average of equity at beginning and end of fiscal year)

(4) Issues to be handled

The Group has expanded its businesses and developed high value-added services through providing products globally in the office, production print, healthcare, and industrial businesses by embedding IT services that enhance those product values by resolving business issues specific to industries and businesses.

Meanwhile, the advance of technologies, such as IoT, artificial intelligence, and robotics, has been accelerating the speed of digital transformations in various industries. At the same time, the expectation and social needs for the Group have also been increasing as an entity that will resolve issues faced by society for realizing the sustainable world.

Under these circumstances, the Group believes that it is necessary to attempt to expand its business size in the new fields within growth and new businesses, in addition to honing the Group's strength, which is competitive edges and profitability in its existing businesses, to realize further growth of the Group.

In the existing businesses, the Group will strive to improve efficiency and enhance profitability through the following: bringing new and innovative products to market that are tightly focused on usability and appealing levels of quality, and competitiveness; reducing manufacturing costs by promoting automation; reducing service costs through expanded use of predictive maintenance and remote support; and enhancing productivity of administration and indirect operations by utilizing information and digital technology.

In the growth and new businesses, the Group is highly committed to images, which is one of the Group's strength, and focuses on "make the invisible visible" using the Group's proprietary digital technologies. Such data and images generated will be accumulated and analyzed to create new values with high-security.

In particular, the Group has made a full-scale effort on working style reforms by ramping the Workplace Hub business, innovating printing processes and enhancing the "genre-top" strategy through industrial printing, inheriting technologies and skills in the manufacturing field as well as ensuring safety, pursuing nursing care based on scientific data, and promoting precision medicines. During the current fiscal year, customer values delivered by the Group received expected response, which provided reassurance that the Group is able to further strengthen its competitive edge. In the fiscal year ending March 31, 2020, the Group will prioritize allocation of management resources in order to expand the size of its growth. As a result, one of the management targets for FY2019, which is the operating profit target of at least ¥75.0 billion previously announced in the Medium Term Business Plan, "SHINKA 2019," has been revised to ¥66.0 billion. That said, the Group is committed to build the solid foundations for growth and new businesses to develop those into the future revenue pillars for the Group.

Through these businesses, the Group aims to support all business person in demonstrating their creativity and contributes to improve the quality of life in an aging society in addition to realizing significant efficiency in operations, leading to the progress in business and human society.

In order to realize the sustainable world, it is vital for companies to continuously create innovations and enhance the human capital that can upgrade such innovations into the values to resolve issues faced by society. The Group will continue to discover and nurture diverse human resources from a global perspective, constantly invest in human capital in younger generations, and spread the awareness of the code of conduct “6 Values” with everyone in the Group, striving together as one, and continue to pursue the corporate philosophy “The Creation of New Value.”

(5) Network of the Group (as of fiscal year end)

a. Main business offices, plants, etc.

The Group is comprised of the Company, 174 consolidated subsidiaries, and five affiliated companies accounted for by the equity method and jointly controlled entities. The Group has product and technology development, manufacturing, and sales bases worldwide.

Main business offices in Japan

The Company

(1) Head Office (Chiyoda-ku, Tokyo)
(2) Kansai Branch (Osaka City, Osaka)

Other domestic offices

a) Hino City (Tokyo), Hachioji City (Tokyo), b) Chuo City (Yamanashi Prefecture),
c) Toyokawa City (Aichi Prefecture), d) Sakai City (Osaka), Osakasayama City (Osaka),
e) Kobe City (Hyogo Prefecture)

Subsidiaries

(1) Konica Minolta Japan, Inc. (Minato-ku, Tokyo)
(2) Konica Minolta Supplies Manufacturing Co., Ltd. (Kofu City, Yamanashi Prefecture)
(3) Konica Minolta Technoproducts Co., Ltd. (Sayama City, Saitama Prefecture)

Main business offices overseas

Subsidiaries

U.S.A.

(1) Konica Minolta Business Solutions U.S.A., Inc.
Konica Minolta Healthcare Americas, Inc.
(2) Ambry Genetics Corporation

Europe

(3) Konica Minolta Business Solutions Europe GmbH (Germany)
Konica Minolta Business Solutions Deutschland GmbH (Germany)
Instrument Systems GmbH (Germany)
(4) Konica Minolta Business Solutions France S.A.S. (France)
(5) Konica Minolta Business Solutions (UK) Limited (U.K.)
Konica Minolta Marketing Services EMEA Limited (U.K.)

Asia, etc.

(6) Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)
(7) Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong)
(8) Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)
(9) Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China)
(10) Konica Minolta Business Solutions Asia Pte. Ltd. (Singapore)
(11) Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. (Malaysia)
(12) Konica Minolta Business Solutions Australia Pty. Ltd. (Australia)

(Reference)

External revenue by Region (the fiscal year under review)

External revenue of the fiscal year by geographical area is as follows.

Region	Revenue (Hundred millions of yen)	Sales proportion of each region
Japan	1,976	18.7%
U.S.A.	2,937	27.7%
Europe	3,185	30.1%
China	867	8.2%
Asia	833	7.9%
Other	791	7.4%
Total	10,591	100%

Note: Revenue classifications are based on customers' countries. When there are no key countries for customers in any of the regions above, they are classified into the respective regions.

b. Employees of the Group

Number of employees	Compared with end of previous fiscal year
44,360	Increase of 1,061

Note: The number of employees indicates the number of employees currently on duty.

(6) Significant subsidiaries (as of the fiscal year end)

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Japan, Inc.	Millions of yen 397	100%	Sale of multi-functional peripherals, digital printing systems, printers, healthcare equipment, industrial measuring equipment and related supplies in Japan, and providing related solution services
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 200	100%	Manufacturing and sale of supplies for multi-functional peripherals, digital printing systems and printers
Konica Minolta Technoproducts Co., Ltd.	Millions of yen 350	100%	Manufacturing and sale of equipment for medical system
Konica Minolta Business Solutions U.S.A., Inc.	Thousand US dollar 40,000	*100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in the U.S., and providing related solution services
Konica Minolta Business Solutions Europe GmbH	Thousand euro 88,101	100%	Sale of multi-functional peripherals, digital printing systems, medical imaging systems and related supplies in Europe and others, and providing related solution services
Konica Minolta Business Solutions Deutschland GmbH	Thousand euro 10,025	*100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in Germany, and providing related solution services
Konica Minolta Business Solutions France S.A.S.	Thousand euro 46,290	*100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in France, and providing related solution services
Konica Minolta Business Solutions (UK) Limited	Thousand British pound 21,000	100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in the U.K., and providing related solution services
Konica Minolta Marketing Services EMEA Limited	Thousand British pound 440	*100%	Print management service providers in Europe

Note: The ratio of voting rights marked with * include those held by subsidiaries.

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Solutions (CHINA) Co., Ltd.	Thousand RMB 96,958	100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in China, and providing related solution services
Konica Minolta Business Technologies Manufacturing (HK) Limited	Thousand HK dollar 195,800	100%	Manufacturing and sale of multi-functional peripherals, printers, and related supplies
Konica Minolta Business Technologies (WUXI) Co., Ltd.	Thousand RMB 289,678	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers, and related supplies
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.	Thousand RMB 141,201	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers, and related supplies
Konica Minolta Business Solutions Asia Pte. Ltd.	Thousand US dollar 56,064	100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in Southeast Asia, and providing related solution services
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	Thousand Malaysian ringgit 135,000	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers, and related supplies
Konica Minolta Business Solutions Australia Pty Ltd	Thousand Australian dollar 24,950	100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in Australia, and providing related solution services
Konica Minolta Healthcare Americas, Inc.	Thousand US dollar 5,300	*100%	Sale of medical imaging systems and other products in the United States and other countries
Instrument Systems GmbH	Thousand euro 600	100%	Manufacturing and sale of LED light sources, light measurement systems and other products
Ambry Genetics Corporation	US dollar 102	*60%	Providing genetic testing service centering on cancer area

Note: The ratio of voting rights marked with * includes those held by subsidiaries.

(7) Principal lenders and the amount of loans of the Group (as of the fiscal year end)

(Hundred millions of yen)

Lender	Outstanding amount of loan
MUFG Bank, Ltd.	857
Sumitomo Mitsui Banking Corporation	339
Resona Bank, Limited.	186
Nippon Life Insurance Company	179
Daido Life Insurance Company	97

(8) Policy on exercise of authority if Articles of Incorporation allow distribution of dividends from retained earnings by the resolution of the Board of Directors (Article 459, Paragraph 1 of the Companies Act)

The policy regarding the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance and funding requirements to promote strategic investments in growth fields while seeking to implement proactive shareholder returns. The Company strives to enhance shareholder returns through higher dividends as well as a flexible acquisition of the treasury shares.

(9) Other significant matters of the Group

No significant matters worth mentioning.

2. State of shares (as of the fiscal year end)

(1) Total number of shares authorized to be issued ······· 1,200,000,000 shares

(2) Total number of shares issued ···························· 502,664,337 shares
(of which, treasury shares 6,758,446 shares)

(3) Number of shareholders ···································· 39,033

(4) Major shareholders (the top ten shareholders)

Name of shareholder	Number of shares held (thousand shares)	Ratio of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	45,068	9.09
Japan Trustee Services Bank, Ltd. (Trust account)	31,637	6.38
MUFG Bank, Ltd.	13,945	2.81
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.39
Nippon Life Insurance Company	10,809	2.18
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for MUFG Bank, Ltd.)	10,801	2.18
GOLDMAN SACHS INTERNATIONAL	10,088	2.03
Daido Life Insurance Company	9,040	1.82
Japan Trustee Services Bank, Ltd. (Trust account 9)	8,741	1.76
Japan Trustee Services Bank, Ltd. (Trust account 5)	8,583	1.73

Note: 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 (1,250,538 shares).

(5) Other significant matters regarding shares

With regard to the "Summary of policy for amount of Director or Executive Officer compensation and the method of calculation," the Company has adopted a system called the BIP (Board Incentive Plan) trust for compensation for Directors in distributing shares to Directors as a "medium-term stock bonus" and to Executive Officers as a "stock bonus linked with medium-term performance." As of March 31, 2019, the trust accounts related to the BIP trust for compensation for Directors held 1,250,538 shares of the Company.

3. Share acquisition rights, etc. of the Company

(1) Summary of share acquisition rights, etc., issued to/held by Directors and Executive Officers of the Company as compensation for the execution of duties (as of the fiscal year end)

Starting in fiscal 2005, the Company began issuing share acquisition rights to Directors (excludes Outside Directors) and Executive Officers in the form of a compensation-type stock option plan, in accordance with its compensation determination policy.

Upon the exercise of share acquisition rights, treasury shares owned by the Company will be transferred.

		First Series Fiscal Year Ended March 31, 2006	Second Series Fiscal Year Ended March 31, 2007	Third Series Fiscal Year Ended March 31, 2008
Number of share acquisition rights		389	211	226
Type and number of shares under share acquisition rights		Ordinary shares 194,500 shares	Ordinary shares 105,500 shares	Ordinary shares 113,000 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 23, 2005 - June 30, 2025	September 2, 2006 - June 30, 2026	August 23, 2007 - June 30, 2027
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until five (5) years from that starting date.		
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.		
Holdings of Directors and Executive Officers	Number of holders	2	2	2
	Number of rights	25	20	20
	Number of shares	12,500 shares	10,000 shares	10,000 shares

		Fourth Series Fiscal Year Ended March 31, 2009	Fifth Series Fiscal Year Ended March 31, 2010	Sixth Series Fiscal Year Ended March 31, 2011
Number of share acquisition rights		256	399	376
Type and number of shares under share acquisition rights		Ordinary shares 128,000 shares	Ordinary shares 199,500 shares	Ordinary shares 188,000 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 19, 2008 - June 30, 2028	August 20, 2009 - June 30, 2029	August 28, 2010 - June 30, 2030
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until five (5) years from that starting date.		
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.		
Holdings of Directors and Executive Officers	Number of holders	2	3	3
	Number of rights	22	67	65
	Number of shares	11,000 shares	33,500 shares	32,500 shares

<table>
<tr><td colspan="2"></td><td>Seventh Series
Fiscal Year Ended
March 31, 2012</td><td>Eighth Series
Fiscal Year Ended
March 31, 2013</td></tr>
<tr><td colspan="2">Number of share acquisition rights</td><td>479</td><td>571</td></tr>
<tr><td colspan="2">Type and number of shares under share acquisition rights</td><td>Ordinary shares
239,500 shares</td><td>Ordinary shares
285,500 shares</td></tr>
<tr><td colspan="2">Amount to be paid upon exercise of the share acquisition rights</td><td>One (1) yen per share</td><td>One (1) yen per share</td></tr>
<tr><td colspan="2">Exercise period of share acquisition rights</td><td>August 24, 2011 -
June 30, 2031</td><td>August 23, 2012 -
June 30, 2032</td></tr>
<tr><td colspan="2">Primary condition for exercise of share acquisition rights</td><td colspan="2">The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until five (5) years from that starting date.</td></tr>
<tr><td colspan="2">Primary events and conditions for acquisition of share acquisition rights</td><td colspan="2">The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.</td></tr>
<tr><td rowspan="3">Holdings of Directors and Executive Officers</td><td>Number of holders</td><td>4</td><td>8</td></tr>
<tr><td>Number of rights</td><td>100</td><td>186</td></tr>
<tr><td>Number of shares</td><td>50,000 shares</td><td>93,000 shares</td></tr>
</table>

		Ninth Series Fiscal Year Ended March 31, 2014	Tenth Series Fiscal Year Ended March 31, 2015
Number of share acquisition rights		515	1,596
Type and number of shares under share acquisition rights		Ordinary shares 257,500 shares	Ordinary shares 159,600 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 23, 2013 - June 30, 2043	September 12, 2014 - June 30, 2044
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until ten (10) years from that starting date.	
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.	
Holdings of Directors and Executive Officers	Number of holders	11	11
	Number of rights	201	901
	Number of shares	100,500 shares	90,100 shares

<table>
<tr><td colspan="2"></td><td>11th Series
Fiscal Year Ended
March 31, 2016</td><td>12th Series
Fiscal Year Ended
March 31, 2017</td></tr>
<tr><td colspan="2">Number of share acquisition rights</td><td>1,101</td><td>1,714</td></tr>
<tr><td colspan="2">Type and number of shares under share acquisition rights</td><td>Ordinary shares
110,100 shares</td><td>Ordinary shares
171,400 shares</td></tr>
<tr><td colspan="2">Amount to be paid upon exercise of the share acquisition rights</td><td>One (1) yen per share</td><td>One (1) yen per share</td></tr>
<tr><td colspan="2">Exercise period of share acquisition rights</td><td>August 19, 2015 -
June 30, 2045</td><td>September 1, 2016 -
June 30, 2046</td></tr>
<tr><td colspan="2">Primary condition for exercise of share acquisition rights</td><td colspan="2">The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until ten (10) years from that starting date.</td></tr>
<tr><td colspan="2">Primary events and conditions for acquisition of share acquisition rights</td><td colspan="2">The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.</td></tr>
<tr><td rowspan="3">Holdings of Directors and Executive Officers</td><td>Number of holders</td><td>14</td><td>18</td></tr>
<tr><td>Number of rights</td><td>756</td><td>1,446</td></tr>
<tr><td>Number of shares</td><td>75,600 shares</td><td>144,600 shares</td></tr>
</table>

Notes: 1 The number of shares issued upon the exercise of each share acquisition right was 500 from the first to the ninth series and is 100 from the tenth series.

2. Two Directors who were incumbent at the end of the current fiscal year acquired a total of 80 share acquisition rights when they were Group Executive Officers as consideration for the exercise of their duties. These share acquisition rights were described in (2) below.

3. The stock compensation-type stock option plan was abolished with the twelfth issue.

(2) Summary of share acquisition rights, etc., issued to/held by Group Executives of the Company ("the Group Executives") as compensation for the execution of duties (as of the fiscal year end)

In fiscal 2016, the Company began issuing share acquisition rights to the Group Executives in the form of a compensation-type stock option plan, based on a decision by the President, CEO and Representative Executive Officer.

Upon the exercise of share acquisition rights, treasury shares held by the Company will be transferred.

		12th Series Fiscal Year Ended March 31, 2017
Number of share acquisition rights		200 (100 shares per right)
Type and number of shares under share acquisition rights		Ordinary shares 20,000 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share
Exercise period of share acquisition rights		September 1, 2016 - June 30, 2046
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company or Group Executive up until ten (10) years from that starting date.
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.
Holdings of the Group Executives	Number of holders	4
	Number of rights	160 (100 shares per right)
	Number of shares	16,000 shares

Note: The stock compensation-type stock option plan was abolished with the twelfth issue.

4. Status of the Company's management members

(1) Names, etc. of Directors and Executive Officers
a. Directors (as of the fiscal year end)

Position	Name	Responsibilities	Important positions concurrently held
Director	Masatoshi Matsuzaki	Chairman of the Board Member of Nominating Committee	Outside Director of Ichigo Inc. Outside Director of Nomura Research Institute, Ltd. Outside Director of Nippon Sheet Glass Co. Ltd.
Director	Shoei Yamana	(President and CEO, and Representative Executive Officer)	
Outside Director	Hiroshi Tomono	Member of Nominating Committee (Chairman) Member of Audit Committee	Senior Advisor of Nippon Steel & Sumitomo Metal Corporation Outside Director of Sumitomo Chemical Company, Limited Outside Director of JAPAN NUCLEAR FUEL LIMITED Administrative Director of Tekkou Gakuen
Outside Director	Kimikazu Noumi	Member of Compensation Committee (Chairman) Member of Nominating Committee	Executive Advisor of J-WILL CORPORATION Outside Director of Nishimoto Co., Ltd. Outside Director of SPARX Group Co., Ltd.
Outside Director	Takashi Hatchoji	Member of Audit Committee (Chairman) Member of Compensation Committee	Outside Director of Nitto Denko Corporation Outside Auditor of Marubeni Corporation
Outside Director	Taketsugu Fujiwara	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	Counsellor of Asahi Kasei Corporation Outside Director of SHIMADZU CORPORATION Outside Director of KOKUYO Co., Ltd. Outside Director of IHI Corporation Chairman of Japan Society for Safety Engineering
Outside Director	Chikatomo Kenneth Hodo	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	Senior Corporate Advisor of Accenture Japan Ltd Outside Director of Sumitomo Mitsui Asset Management Company, Limited Outside Director of Mynavi Corporation
Director	Ken Shiomi	Member of Audit Committee Member of Compensation Committee	
Director	Toyotsugu Ito	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	
Director	Seiji Hatano	(Senior Executive Officer)	
Director	Kunihiro Koshizuka	(Senior Executive Officer)	
Director	Toshimitsu Taiko	(Senior Executive Officer)	

Notes: 1. The five Directors Mr. Hiroshi Tomono, Mr. Kimikazu Noumi, Mr. Takashi Hatchoji, Mr. Taketsugu Fujiwara and Mr. Chikatomo Kenneth Hodo are Outside Directors, as provided for in Article 2, Item 15 of the Companies Act and Independent Directors, as provided for under Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

2. At the 114th Ordinary General Meeting of Shareholders held on June 19, 2018, the terms of office of all ten (10) Directors expired. The following eight Directors were reelected: Mr. Masatoshi Matsuzaki, Mr. Shoei Yamana, Mr. Hiroshi Tomono, Mr. Kimikazu Noumi, Mr. Takashi Hatchoji, Mr. Ken Shiomi, Mr. Seiji Hatano and Mr. Kunihiro Koshizuka; and four Directors: Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Mr. Toyotsugu Ito and Mr. Toshimitsu Taiko were newly elected and assumed office the same day.

3. Upon the close of the 114th Ordinary General Meeting of Shareholders held on June 19, 2018, the term of office of Mr. Kazuaki Kama and Mr. Yoshiaki Ando expired and they retired from the office of Director.
4. Audit Committee member Mr. Ken Shiomi had been in charge of the business administration of the Company as the Executive Officer and has considerable knowledge of corporate finance and corporate accounting.
5. Mr. Ken Shiomi and Mr. Toyotsugu Ito are full-time members of the Audit Committee. In this role, they constantly collect information, receive periodic reports from business units, visit business sites to perform inspections, and conduct other activities. Sharing information acquired from these activities with all members of the Audit Committee allows this committee to perform effective examinations of various subjects and issues.

b. Executive Officers (as of the fiscal year end)

Position	Name	Responsibilities and important positions concurrently held
* President and CEO, and Representative Executive Officer	Shoei Yamana	In charge of Promotion of Diversity
Senior Managing Executive Officer	Kiyotaka Fujii	General Manager, Healthcare Business Headquarters Chairman and CEO, Konica Minolta Precision Medicine, Inc.
Senior Executive Officer	Tsukasa Wakashima	In charge of Human Resources and General Affairs
* Senior Executive Officer	Kunihiro Koshizuka	In charge of Engineering
Senior Executive Officer	Ken Osuga	In charge of Special Mission
* Senior Executive Officer	Seiji Hatano	In charge of Administration, Accounting, Financial Affairs, and Risk Management
Senior Executive Officer	Shingo Asai	General Manager, Production Headquarters
Senior Executive Officer	Noriyasu Kuzuhara	General Manager, Materials and Components Business Headquarters General Manager, Corporate R&D Headquarters
Senior Executive Officer	Yuji Ichimura	General Manager, Industrial Optical Systems Business Headquarters, In charge of Business Innovation Center (BIC) In charge of Public Relations
Senior Executive Officer	Masafumi Uchida	General Manager, Quality Headquarters In charge of Promotion of Sustainability
* Senior Executive Officer	Toshimitsu Taiko	Lead officer responsible for Business Technologies Business General Manager, Office Business Headquarters
Senior Executive Officer	Ikuo Nakagawa	In charge of Digital Workplace Business, Promotion of DX (Digital Transformation) Brand and IT
Senior Executive Officer	Kazuyoshi Hata	General Manager, Management Planning Division In charge of IR, Public Relations, and Promotion of One KM Head of Kansai Branch
Executive Officer	Hiroyuki Suzuki	General Manager, Corporate Audit Division
Executive Officer	Atsuo Takemoto	Deputy General Manager, Production Headquarters
Executive Officer	Hajime Takei	General Manager, Business Technologies Development Headquarters
Executive Officer	Richard K. Taylor	CEO, Konica Minolta Business Solutions U.S.A., Inc.
Executive Officer	Takaji Ito	General Manager, Corporate Business Management Division
Executive Officer	Toshiya Eguchi	General Manager, IoT Service PF Development
Executive Officer	Koji Sugie	General Manager, Professional Printing Business Headquarters
Executive Officer	Tetsuya Matsueda	General Manager, Corporate Legal Division In charge of Intellectual Property Center, Compliance and Crisis Management
Executive Officer	Kazumi Atago	Head, Secretarial Office, In charge of Company Secretary
Executive Officer	Hitoshi Kamezawa	General Manager, Sensing Business Division, Industrial Optical Systems Business Headquarters
Executive Officer	Toru Hasegawa	Deputy General Manager, Healthcare Business Headquarters General Manager, Healthcare Business Division, Healthcare Business Headquarters
Executive Officer	Jean-Claude Cornillet	President, Konica Minolta Business Solutions France S.A.S.

Notes: 1. Executive officers marked with * hold concurrent Director positions.
2. The above Executive Officers were, after the close of the 114th Ordinary General Meeting of Shareholders held on June 19, 2018, elected at the meeting of the board of Directors held the same day.
3. Mr. Shingo Asai resigned as Executive Officers as of March 31, 2019.
4. Mr. Ken Osuga changed his position to Executive Officer and Mr. Keiji Okamoto and Mr. Yoshihiko Hirota newly assumed Executive Officer posts as of April 1, 2019. Executive Officers and their responsibilities changed as of April 1, 2019 as follows.

Executive Officer as of April 1, 2019

Position	Name	Responsibilities and important positions concurrently held
President and CEO, and Representative Executive Officer	Shoei Yamana	In charge of Promotion of Diversity
Senior Managing Executive Officer	Kiyotaka Fujii	General Manager, Healthcare Business Headquarters General Manager, Precision Medicine Business Division Chairman and CEO, Konica Minolta Precision Medicine, Inc.
Senior Executive Officer	Tsukasa Wakashima	In charge of Human Resources and General Affairs
Senior Executive Officer	Kunihiro Koshizuka	In charge of Special Mission
Senior Executive Officer	Seiji Hatano	In charge of Administration, Accounting, Financial Affairs, and Risk Management
Senior Executive Officer	Noriyasu Kuzuhara	General Manager, Materials and Components Business Headquarters General Manager, Corporate R&D Headquarters
Senior Executive Officer	Yuji Ichimura	General Manager, Industrial Optical Systems Business Headquarters, In charge of Business Innovation Center (BIC) In charge of Public Relations
Senior Executive Officer	Masafumi Uchida	In charge of Engineering General Manager, Quality Headquarters
Senior Executive Officer	Toshimitsu Taiko	Lead officer responsible for Business Technologies Business General Manager, Office Business Headquarters
Senior Executive Officer	Ikuo Nakagawa	In charge of Digital Workplace Business, Promotion of DX (Digital Transformation) Brand and IT
Senior Executive Officer	Kazuyoshi Hata	General Manager, Management Planning Division In charge of IR, Public Relations, and Promotion of One KM Head of Kansai Branch
Executive Officer	Ken Osuga	Vice President, Konica Minolta Japan, Inc.
Executive Officer	Hiroyuki Suzuki	General Manager, Corporate Audit Division
Executive Officer	Atsuo Takemoto	General Manager, Production Headquarters
Executive Officer	Hajime Takei	General Manager, Business Technologies Development Headquarters
Executive Officer	Richard K. Taylor	CEO, Konica Minolta Business Solutions U.S.A., Inc.
Executive Officer	Takaji Ito	General Manager, Corporate Business Management Division
Executive Officer	Toshiya Eguchi	General Manager, IoT Service PF Development
Executive Officer	Koji Sugie	General Manager, Professional Printing Business Headquarters
Executive Officer	Tetsuya Matsueda	General Manager, Corporate Legal Division In charge of Intellectual Property Center, Compliance and Crisis Management
Executive Officer	Kazumi Atago	Head, Secretarial Office, In charge of Company Secretary
Executive Officer	Hitoshi Kamezawa	General Manager, Sensing Business Division, Industrial Optical Systems Business Headquarters
Executive Officer	Toru Hasegawa	Deputy General Manager, Healthcare Business Headquarters General Manager, Healthcare Business Division, Healthcare Business Headquarters
Executive Officer	Jean-Claude Cornillet	President, Konica Minolta Business Solutions France S.A.S.
Executive Officer	Keiji Okamoto	President, Konica Minolta Business Solutions Europe GmbH
Executive Officer	Yoshihiko Hirota	Deputy General Manager, IoT Service PF Development Deputy General Manager, Quality Headquarters

Note: After the close of the Meeting, Senior Executive Officer, Mr. Kunihiro Koshizuka and Executive Officer, Mr. Hiroyuki Suzuki are scheduled to retire from the position of Executive Officer at the Board of Directors meeting held on the same day.

(2) Total compensation to Directors and Executive Officers

		Compensation (Millions of yen)						
		Total	Base salary		Performance-based cash bonus		Stock bonus	
			Persons	Amount	Persons	Amount	Persons	Amount
Directors	Outside	57	6	57	-	-	-	-
	Inside	159	4	127	-	-	4	31
	Total	216	10	184	-	-	4	31
Executive Officers		1,063	24	561	24	272	24	229

Notes: 1. The number above includes one Outside Director and one Inside Director, both of whom resigned at the date of the 114th Ordinary General Meeting of Shareholders held on June 19, 2018. At the end of the period (March 31, 2019), the Company has five (5) Outside Directors, three (3) Inside Directors (not concurrently holding Executive Officer posts) and 25 Executive Officers.

2. In addition to the four (4) Inside Directors shown above, 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. As to one Executive Officer, who resigned at the date of the 114th Ordinary General Meeting of Shareholders and assumed the post of Director, was separately counted as Executive Officer and Director in the table and compensation was also set forth separately as the portion as Executive Officer and that as Director.

3. Regarding the performance-based cash bonus, the amounts which were recorded as expense in the period are stated.

4. Regarding the stock bonus, the amounts which were recorded as expense in the period are stated, based on a calculation of future share allocations according to estimated points to be allotted to Directors (excluding Outside Directors) and Executive Officers as part of their compensation.

(3) Summary of policy for determining amount of Director or Executive Officer compensation and the method of calculation

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.

a. Compensation system
   1) Compensation packages for Directors (excluding Directors who concurrently hold Executive Officer posts) 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 "medium-term stock bonus" that links with improvement of the shareholder value for the medium term. Outside Directors receive base salary only.
   2) Compensation packages for Executive Officers consist of "base salary," "annual performance-based cash bonus," which reflects the performance of the Group and the performance of the business of which they are in charge in each year, and "stock bonus linking with medium-term performance," which reflects the degree of attainment of the Medium Term Business Plan and improvement of the shareholder value for the medium term.
b. 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.
c. The amount of the "annual performance-based cash bonus" is determined based on the level of performance result for the fiscal year (consolidated operating profit) 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 150 % range of the standard amount of compensation. The targets are major consolidated performance indicators (operating profit, operating profit margin, ROA and others) associated with results of operations. Executive officers' key operational measures include those related to non-financial indicators, such as ESG (environmental, social and governance).
d. Details of the stock bonus plan are as follows.
   1) In the "medium-term stock bonus" plan 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 improvement of the shareholder value and promote holdings of the Company's own shares.
   2) In the "medium-term stock bonus" plan 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 150 % 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 own shares. The medium-term targets are major consolidated performance indicators (operating profit, ROE and others) associated with the medium term management policy.

3) 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.

4) Certain portions of shares are distributed in cash on assumption that they are exchanged for cash.

5) 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.

e. The standard for compensation to the President and Chief Executive Officer is a 50:25:25 mix of “base salary,” “annual performance-based cash bonus” and “medium term performance-based stock bonus.” For the other Executive Officers, the “base salary” ratio is set higher than that for the President.

Structure of Konica Minolta’s Directors’ compensation

Director

Inside	Base salary	Medium-term stock bonus
Outside	Base salary	

Executive Officer

President and Chief Executive Officer	Base salary 50%	Annual performance-based cash bonus 25%	Medium term performance-based stock bonus 25%
Senior Managing Executive Officer Senior Executive Officer Executive Officer	Base salary 51-55%	Annual performance-based cash bonus 29-25%	Medium term performance-based stock bonus 20%

Structure of annual performance-based cash bonus

<table>
<tr><td rowspan="2">Item</td><td colspan="5">Annual performance-based cash bonus</td></tr>
<tr><td>Performance-based portion</td><td colspan="3">Portion according to attainment of performance targets</td><td>Portion according to personal appraisal</td></tr>
<tr><td rowspan="2">Indicators for appraisal, others</td><td>Amount of Operating profit</td><td>Amount of Operating profit
50%</td><td>Operating profit margin
25%</td><td>ROA
25%</td><td rowspan="2">Reflects progress of each Executive Officer’s key operational measures</td></tr>
<tr><td>Linked with Group’s consolidated performance level</td><td colspan="3">Linked with attainment rate of annual performance targets</td></tr>
</table>

Structure of stock bonus

Item	**Medium-term stock bonus**	**Medium term performance-based stock bonus**	
Recipients of compensation	Director (Inside, Non-executive)	Executive Officer (Including Executive Officer who concurrently serves as Director)	
Indicators for appraisal	Roles and years in office	Amount of Group consolidated operating profit 50%	Group consolidated ROE 50%
		Linked with attainment rate of medium-term management plan	

f. Compensation for non-Japan residents may be handled in different ways from the treatment said above according to legal and other circumstances.
g. 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.
h. 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.

(4) Matters regarding Outside Directors

a. Persons serving as Executive Officers at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Hiroshi Tomono	Tekkou Gakuen	Administrative Director
Taketsugu Fujiwara	Japan Society for Safety Engineering	Chairman

There is no material transaction with the Company.

b. Persons serving as Outside Directors at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Hiroshi Tomono	Sumitomo Chemical Company, Limited JAPAN NUCLEAR FUEL LIMITED	Outside Director Outside Director
Kimikazu Noumi	Nishimoto Co., Ltd. SPARX Group Co., Ltd.	Outside Director Outside Director
Takashi Hatchoji	Nitto Denko Corporation Marubeni Corporation	Outside Director Outside Auditor
Taketsugu Fujiwara	SHIMADZU CORPORATION KOKUYO Co., Ltd. IHI Corporation	Outside Director Outside Director Outside Director
Chikatomo Kenneth Hodo	Sumitomo Mitsui Asset Management Company, Limited Mynavi Corporation	Outside Auditor Outside Auditor

There is no material transaction with the Company.

c. Family relationship with an Executive Officer, etc. of the Company or of a specified related business operator of the Company

Not applicable.

d. Primary activities of Outside Directors

Outside Directors of the Company participate in Board of Directors meetings by making constructive statements on the decision-making and supervision of management, and they are also in charge of duties of the three committees: the Nominating Committee, the Audit Committee and the Compensation Committee, as stated in “(1) Names, etc. of Directors and Executive Officers.” Also, where appropriate, Outside Directors also observe development, production and marketing and other actual operations as part of their supervision and auditing work, and exchange information with the President, the Chairman and other Directors of the Board on various aspects including the running of Board of Directors meetings. The principal activities of Outside Directors are as follows.

1) Mr. Hiroshi Tomono

During the fiscal year that ended in March 2019, Mr. Tomono attended all 12 meetings of the Board of Directors, all seven meetings of the Nominating Committee, nine out of all ten meetings of the Audit Committee that were held after he was named to this committee in June 2018, and one meeting of the Compensation Committee that was held when he was a committee member until June 2018. As a Director, Mr. Tomono used his experience as a manager to provide supervision and advice concerning corporate strategies to strengthen competitive edge, cost reductions and quality improvement from the viewpoint of manufacturing, enhancement of customer satisfaction and other subjects. As Chairman of the Nominating Committee, Mr. Tomono engaged in determining candidates for Directors and supervision of a plan pertaining to successor candidates prepared by the President and CEO, and made efforts for the management of the committee with objectivity and transparency. At the Audit Committee meetings held in June 2018 and later, Mr. Tomono used his experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

2) Mr. Kimikazu Noumi
During the fiscal year under review that ended in March 2019, Mr. Noumi attended all 12 meetings of the Board of Directors held, all seven meetings of the Nominating Committee that were held after he became a committee member in June 2018, all three meetings of the Audit Committee that were held when he was a committee member until June 2018, and all six meetings of the Compensation Committee held during the fiscal year under review. As a Director, Mr. Noumi used his experience as an investor and manager to provide supervision and advice concerning M&A strategies, new businesses, financial strategies, and other subjects. As Chairman of the Compensation Committee, he made efforts for the management with objectivity and transparency in determining the compensation system for Directors and individual compensation amounts. In addition, at the Audit Committee, Mr. Noumi used his experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

3) Mr. Takashi Hatchoji
During the fiscal year under review that ended in March 2019, Mr. Hatchoji attended all 12 meetings of the Board of Directors, all 13 meetings of the Audit Committee, and all six meetings of the Compensation Committee. As a Director, Mr. Hatchoji used his experience as a manager to provide supervision and advice concerning business portfolio management, area strategies, emphasis on customers and business sites, and other subjects. In addition, as Chairman of the Audit Committee, Mr. Hatchoji made efforts for the effective management of the committee as he expressed opinions on the internal control system, including risk management. He also used his experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

4) Mr. Taketsugu Fujiwara (elected at the Ordinary General Meeting of Shareholders held June 2018)
Mr. Fujiwara attended all nine meetings of the Board of Directors held after his appointment, all seven meetings of the Nominating Committee, all ten meetings of the Audit Committee, and all five meetings of the Compensation Committee, which were respectively held after his appointment as Director during the fiscal year. As a Director, Mr. Fujiwara used his experience as a manager to provide supervision and advice concerning the advancement of management and business strategies, new business strategies, management for sustainability, and other subjects. In addition, at the Audit Committee, Mr. Fujiwara used his experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

5) Mr. Chikatomo Kenneth Hodo (elected at the Ordinary General Meeting of Shareholders held June 2018)
Mr. Hodo attended all nine meetings of the Board of Directors held after his appointment, all seven meetings of the Nominating Committee, all ten meetings of the Audit Committee, and all five meetings of the Compensation Committee, which were respectively held after his appointment as Director during the fiscal year. As a Director,

Mr. Hodo used his experience as a manager to provide supervision and advice concerning global management, reforms of business models, IoT strategies, and other subjects. In addition, at the Audit Committee, Mr. Hodo used his experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

e. Liability limitation agreements

To attract skillful people as Outside Directors and to enable them to fully demonstrate their expected role, the Company stipulates in its current Articles of Incorporation that the Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Outside Directors which limits 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. Based on these stipulations, the five Outside Directors Mr. Hiroshi Tomono, Mr. Kimikazu Noumi, Mr. Takashi Hatchoji, Mr. Taketsugu Fujiwara and Mr. Chikatomo Kenneth Hodo have entered into an agreement with the Company limiting their liabilities for payment of damages, and the content of this agreement is summarized as follows.

The maximum amount of liability of an Outside Director who, with the best of intentions and without gross negligence, fails to execute his or her duties while in office and causes damage to the Company shall be limited to the aggregate sum of the amounts prescribed in Article 113 of the Companies Act Enforcement Regulations multiplied by two (Article 425, Paragraph 1, Item 1 (c) of the Companies Act).

5. Status of Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Compensation to the Accounting Auditor

a. Compensation paid by the Company to the Accounting Auditor during the fiscal year under review

Compensation for audit certification in accordance with Article 2, Section 1 of the Certified Public Accountants Act	¥227 million
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Act	¥8 million
Total	¥236 million

Notes: 1. Under an audit contract between the Company and the Accounting Auditor, compensation is the total of compensation for the Accounting Auditor’s audit under the Companies Act and audit compensation under the Financial Instruments and Exchange Act, as there is no clear separation between the two.

2. The Audit Committee has agreed on the amount of compensation to be paid to the Accounting Auditor as well as other items related to the Accounting Auditor’s duties under Article 2, Paragraph 1 of the Certified Public Accountants Act after the committee examined the fiscal year auditing plan, number of audit days, assignment of personnel and other items as explained by the Accounting Auditor and Executive Officer for accounting and finance. The committee also confirmed and assessed audits performed in the previous fiscal year, checked the status and suitability of audits by the Accounting Auditor, and examined the basis used for calculations of estimates used as the premise for determining compensation.

3. The Company pays considerations to the Accounting Auditor for tax advisory and other services, which are not included in the duties under Article 2-1 of the Certified Public Accountants Act (non-audit duties).

b. Total amount of other property benefits paid by the Company and its subsidiaries

¥314 million

(3) Policy regarding decisions to dismiss or deny reappointment to Accounting Auditor

The Audit Committee will examine dismissing or denying reappointment of the Accounting Auditor if the Accounting Auditor has committed a serious violation or infringement of the Companies Act, the Certified Public Accountants Act or other relevant laws or regulations, or if the Accounting Auditor is deemed to have difficulty in properly conducting audits. If, as a result of this examination, it is deemed appropriate to dismiss the Accounting Auditor or deny reappointment of the Accounting Auditor, a proposition calling for the dismissal or denial of reappointment of the Accounting Auditor will be submitted to the General Meeting of Shareholders.

The Audit Committee also examines the status of the performance of the Accounting Auditor and decides the reappointment or denial every fiscal year.

(4) Matters regarding audits of subsidiaries

Of the Company’s significant subsidiaries, overseas subsidiaries are subject to audits of other accounting auditors than the Accounting Auditor above.

6. Establishment of system to ensure appropriate business operations

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 a stock company and its subsidiaries (Article 416, Paragraph 1, Item 1 (e) of the Companies Act). A summary of the resolutions is as follows.

<I. 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 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 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 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.

<II. 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>

f. Each Executive Officer 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.
g. 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 nominated 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.

1) With respect to management of the business risks and operational risks, each Executive Officer shall be responsible in accordance with respective assigned area. The Risk Management Committee shall provide support to each Executive Officer. Further, the Risk Management Committee shall periodically conduct selection, assessment and review of risks material to Group management, develop measures, and confirm management status.
2) The Executive Officer in charge of risk management nominated 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.
3) Provide support to the development and strengthening of risk management systems at each group company.

h. 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.

i. 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.

j. The Company set up the Compliance Committee which is in charge of establishing and operating the Group's compliance systems, and the Executive Officer nominated 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.

1) 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.
2) 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.
3) 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.
4) 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 notifications 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.

k. 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.

l. 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.

7. Framework for ensuring appropriate business operations and status

The Company has established the framework described in "Establishment of system to ensure appropriate business operations" and has the following activities in accordance with the goals of this system.

Executive Officers 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 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 the fiscal year under review, the Risk Management Committee held two meetings. Amid the global protectionist trend stemming from the US-China trade frictions, the committee specified regions and countries that have large effects on the Company's businesses and regularly monitored applicable sanctions, new laws and regulations, and other subjects.

The Company has reporting rules for the purpose of responding to a crisis in a rapid and suitable manner. Crisis reports are sent to Executive Officers, executives of subsidiaries and others. Based on these rules, the Executive Officer 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.

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

The Company has established the Quality Headquarters as a company-wide organization for the maintenance of product quality, prevention of market outflow of defective products, and strengthening of governance in connection with quality. During the fiscal year under review, it issued 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 marketed products, 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 oversees the internal auditing function for the entire Group and 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.

<Internal control over financial reporting>
To prevent fraudulent accounting activities, an internal controls report that is based on internal evaluations that cover the entire Group of 144 consolidated companies. 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.

<Compliance>
The Executive Officer 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 for a variety of business and corporate functions, serves as an advisory body to the Compliance Officer. In addition, 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 the fiscal year under review, the Group Compliance Committee held one meeting and determined important measures. At the same time, the committee implemented following initiatives; (1) in a bid to strengthen the whistle blowing system that supports compliance, the committee added the Compliance Officer of the Company as a contact for internal notification from subsidiaries that have designated their presidents as the contacts for whistle blowing; and (2) the committee expanded the range of recipients of education given to the subsidiary presidents, to other management members with the aim of strengthening the function of the other management members to supervise their presidents.

<Whistle blowing system>
The Company has a whistle blowing system for compliance and is always seeking ways to improve this system. In Japan, Group employees can use a telephone call, e-mail, letter or other method to contact the representative Executive Officer, Compliance Officer, general manager of the Corporate Legal Division or an external attorney about a compliance problem or for a consultation. The Group has established contacts for notification and consultation with the full regional coverage in North America, Europe, China and Southeast Asia. During the fiscal year under review, there were 23 notifications in Japan and 24 overseas, but there was no issue falling under a serious violation of laws and regulations.

When a whistle blowing report is received, an investigation is performed while ensuring that there will be no negative consequences for the individual who submitted the whistle blowing report. Departments involved in this investigation determine a solution in a timely manner. The Compliance Officer submits reports to the Audit Committee about these whistle blowings on a regular basis.

<Administration of group companies>
In January 2019, the Company established an organization dedicated to securing the effectiveness of internal controls at its subsidiaries and has promoted support for the purpose. It also strengthened internal controls by taking measures like appointing compliance officers at U.S. subsidiaries it acquired in 2018.

*Amounts and numbers of shares shown in this business report are rounded down to the nearest whole unit.

Reference: Corporate Governance

(1) Basic Concept for Corporate Governance

The Company has established a corporate governance framework from the standpoint of supervision. This is based on the conviction that corporate governance that contributes to medium and long-term corporate value growth must encourage suitable risk-taking in business operations and have a highly effective supervisory function for business operations. In 2003, the "company with committees" (currently "company with three committees") structure was selected as the organizational structure in accordance with the Companies Act. In addition, to maintain a governance system devoid of personal characteristics, there have been measures to operate a governance system in a distinctive Konica Minolta style. The followings are our basic policies for corporate governance concept:

- Ensure management oversight for corporate value growth by separating the roles of management oversight and operation of business activities;
- Election of independent Outside Directors who can perform supervision from the standpoint of shareholders; and
- Using these measures for improving the transparency, integrity and efficiency of management

The diagram on page 71 shows the structure of this corporate governance system centered on the Board of Directors and three committees.

(2) Board of Directors

The Company believes that determining strategic goals is the primary role of the Board of Directors. The Board of Directors makes decisions about basic management policies and other matters that must be decided by the Board of Directors in accordance with laws and regulations. In addition, the Board of Directors make decisions for expenditures only for matters of at least a certain amount or other items that may have a significant effect on the operations of the Group. Furthermore, there are Outside Directors and Inside Directors who do not concurrently serve as Executive Officers for the purpose of performing highly effective oversight of business operations exercised by Executive Officers from an objective perspective.

(3) Executive Officers

Executive Officers make decisions and conduct business activities in the business sectors designated for each Executive Officer by the Board of Directors. The Company grants Executive Officers considerable autonomy by the Board of Directors within the legally permitted limit for a Company with three committee management structure. This authority allows them to speed up the decision-making process.

(4) Nominating Committee

This committee makes decisions about proposals submitted at General Meeting of Shareholders meetings about the election and termination of Directors. Committee members also receive reports about the Representative Executive Officer's succession plan and oversee this plan as needed.

(5) Audit Committee

This committee audits the performance of Directors and Executive Officers, prepares audit reports, and makes decisions about proposals submitted at General Meeting of Shareholders for the election, termination or reappointment denial of the Accounting Auditor.

(6) Compensation Committee

This committee makes decisions about the compensation of individual Directors and Executive Officers. To reach these decisions, this committee determines suitable compensation structures for each role of the Directors and Executive Officers. This committee also establishes a

Compensation Policy for Directors and Executive Officers that takes into account linking compensation with the Company’s medium to long-term performance and combining cash and stock compensation.

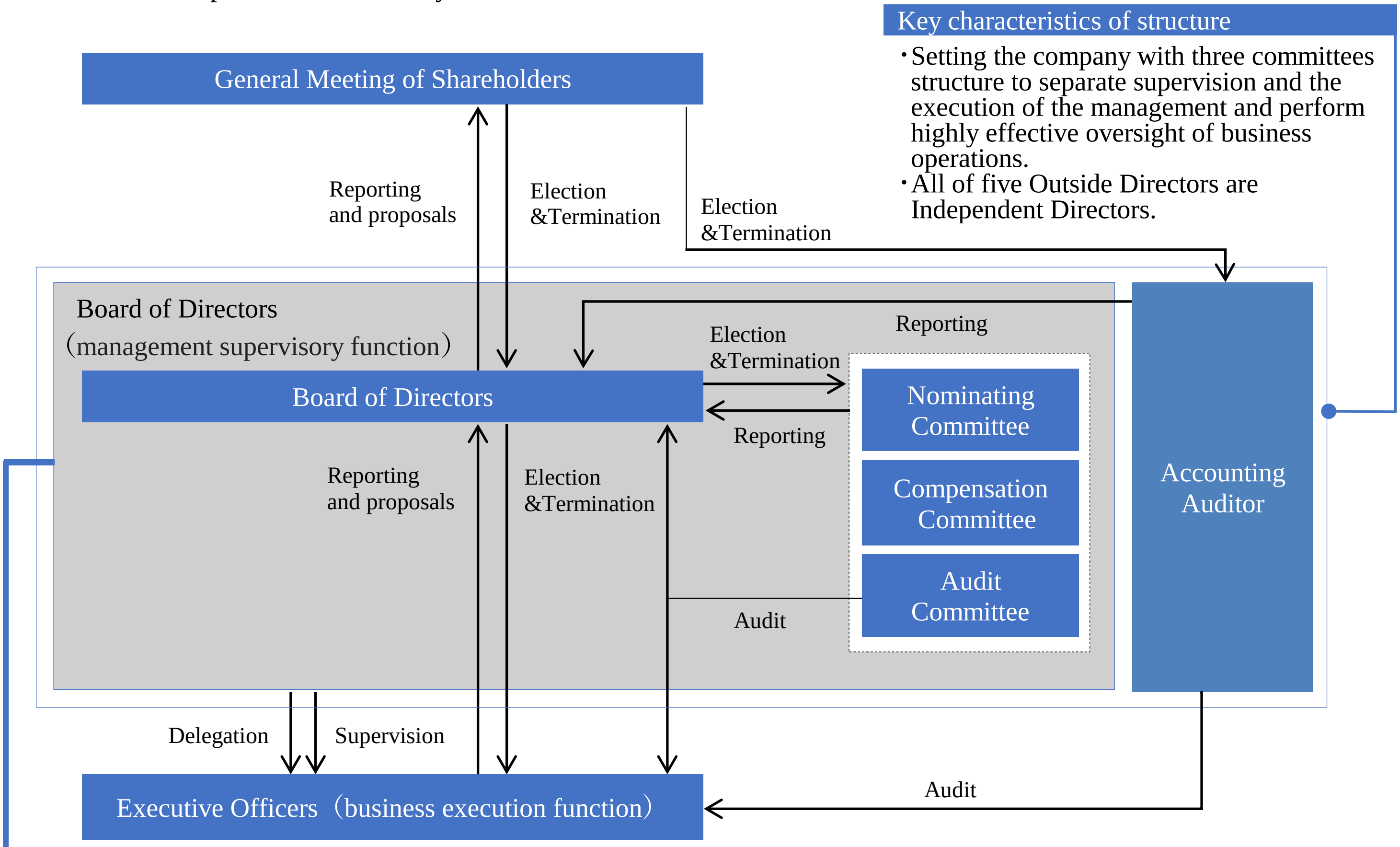
(7) Analysis and Assessment of Effectiveness of Governance

The Company has evaluated the effectiveness of the Board of Directors since 2004. Directors are required to complete questionnaires concerning the composition and operation of the Board of Directors and three committees, as well as communication, support by the secretariat of the committees, among other matters. The overall effectiveness of the Board of Directors is then analyzed and evaluated each year, issues are identified, and improvements are made continuously.

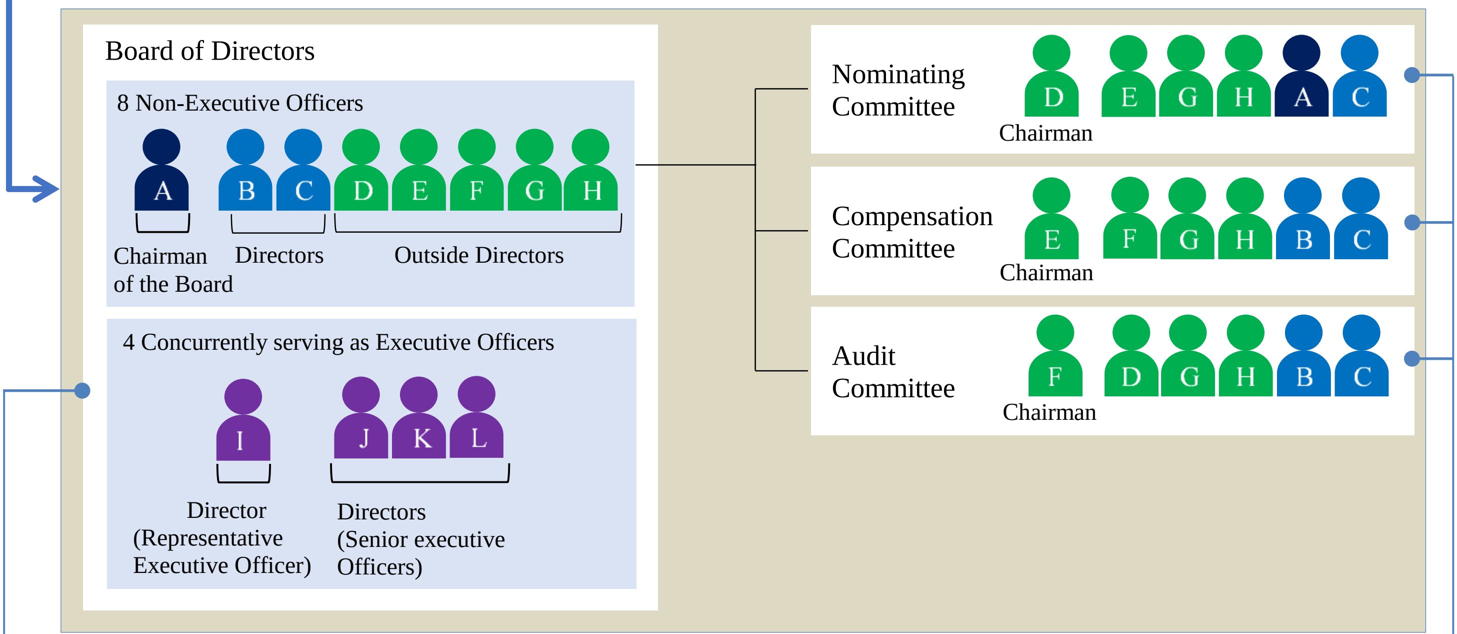
In the fiscal year that ended in March 2019, the Company conducted the evaluation of the effectiveness from the standpoint whether the governance system has been established and the system has been operated to meet the purposes of the Company’s corporate governance, which are sustainable growth and enhancement of corporate value for the medium and long term. Based on the results, the Company plans to find out issues to be tackled by the Board of Directors in the next fiscal year and enhance the effectiveness further.

Distinctive Characteristics of Governance at Konica Minolta

Structure of Corporate Governance Systems



Board of Directors and three Committees (as of March 31, 2019)



Key characteristics of the Board of Directors

- Chairman is not an Executive Officer
- Outside Directors are at least one-third of the Board of Directors
- Directors who are not concurrently Executive Officers are the majority of the Board of Directors

Key characteristics of the three committees

- Chairmen are Outside Directors
- Directors who are concurrently Executive Officers are not allowed to be committee members

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

(As of March 31, 2019)

(Millions of yen)

Item	Amount
Assets	
Current assets	
Cash and cash equivalents	124,830
Trade and other receivables	275,563
Inventories	144,703
Income tax receivables	3,305
Other financial assets	3,406
Other current assets	27,128
Total current assets	**578,937**
Non-current assets	
Property, plant and equipment	207,138
Goodwill and intangible assets	346,133
Investments accounted for using the equity method	913
Other financial assets	46,711
Deferred tax assets	32,505
Other non-current assets	6,647
Total non-current assets	**640,048**
Total assets	**1,218,986**

(Millions of yen)

Item	Amount
Liabilities	
Current liabilities	
Trade and other payables	175,268
Bonds and borrowings	24,648
Income tax payables	7,875
Provisions	12,260
Other financial liabilities	463
Other current liabilities	50,857
Total current liabilities	**271,374**
Non-current liabilities	
Bonds and borrowings	249,088
Retirement benefit liabilities	38,457
Provisions	15,540
Other financial liabilities	58,284
Deferred tax liabilities	12,497
Other non-current liabilities	7,760
Total non-current liabilities	**381,628**
Total liabilities	**653,002**
Equity	
Share capital	37,519
Share premium	188,333
Retained earnings	324,628
Treasury shares	(9,979)
Share acquisition rights	836
Other components of equity	14,350
Equity attributable to owners of the Company	555,689
Non-controlling interests	10,294
Total equity	**565,983**
Total liabilities and equity	**1,218,986**

Consolidated Statement of Profit or Loss

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount
Revenue	**1,059,120**
Cost of sales	550,231
Gross profit	**508,888**
Other income	25,402
Selling, general and administrative expenses	458,194
Other expenses	13,652
Operating profit	**62,444**
Finance income	6,091
Finance costs	7,772
Share of loss of investments accounted for using the equity method	624
Profit before tax	**60,138**
Income tax expense	18,409
Profit for the year	**41,729**
Profit attributable to	
Owners of the Company	41,705
Non-controlling interests	24

Consolidated Statement of Changes in Equity

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Equity attributable to owners of the Company						
						Other components of equity	
	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit pension plans	Net gain (loss) on revaluation of financial assets measured at fair value
Balance at April 1, 2018	37,519	184,841	298,366	(10,189)	934	-	8,018
Effect of changes in accounting policies	-	-	188	-	-	-	-
Restated balance	37,519	184,841	298,554	(10,189)	934	-	8,018
Profit for the year	-	-	41,705	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	(1,770)	(1,701)
Total comprehensive income	-	-	41,705	-	-	(1,770)	(1,701)
Dividends	-	-	(14,836)	-	-	-	-
Acquisition and disposal of treasury shares	-	-	(91)	210	-	-	-
Share-based payments	-	342	-	-	(98)	-	-
Change in non-controlling interests due to changes in subsidiaries	-	-	-	-	-	-	-
Equity and other transactions with non-controlling shareholders	-	(33)	-	-	-	-	-
Put options written on non-controlling interests	-	3,183	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	(703)	-	-	1,770	(1,067)
Total transactions with owners	-	3,492	(15,631)	210	(98)	1,770	(1,067)
Balance at March 31, 2019	37,519	188,333	324,628	(9,979)	836	-	5,248

(Millions of yen)

	Equity attributable to owners of the Company						
	Other components of equity						
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using the equity method	Total	Total	Non-controlling interests	Total equity
Balance at April 1, 2018	(137)	5,144	15	13,041	524,513	11,075	535,588
Effect of changes in accounting policies	-	-	-	-	188	-	188
Restated balance	(137)	5,144	15	13,041	524,701	11,075	535,776
Profit for the year	-	-	-	-	41,705	24	41,729
Other comprehensive income (loss)	977	3,119	(18)	605	605	(681)	(75)
Total comprehensive income	977	3,119	(18)	605	42,311	(656)	41,654
Dividends	-	-	-	-	(14,836)	(46)	(14,882)
Acquisition and disposal of treasury shares	-	-	-	-	118	-	118
Share-based payments	-	-	-	-	243	-	243
Change in non-controlling interests due to changes in subsidiaries	-	-	-	-	-	20	20
Equity and other transactions with non-controlling shareholders	-	-	-	-	(33)	(97)	(130)
Put options written on non-controlling interests	-	-	-	-	3,183	-	3,183
Transfer from other components of equity to retained earnings	-	-	0	703	-	-	-
Total transactions with owners	-	-	0	703	(11,323)	(123)	(11,447)
Balance at March 31, 2019	839	8,264	(2)	14,350	555,689	10,294	565,983

Notes to Consolidated Financial Statements

＜NOTES TO BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS＞

1. Basis for the preparation of consolidated financial statements

   The consolidated financial statements for the Group are prepared in accordance with International Financial Reporting Standards (hereinafter, "IFRS") as provided by Article 120-1 of the Ordinance on Company Accounting. Part of the descriptions and notes required under IFRS have been omitted, in accordance with the provisions in the latter part of this item.

2. Scope of Consolidation

   Number of consolidated subsidiaries and names of principal consolidated subsidiaries
   Number of consolidated subsidiaries: 174 companies

   The names of principal consolidated subsidiaries are omitted because they are described in "Business Report 1. Overview of Konica Minolta Group business activities (6) Significant subsidiaries (as of the fiscal year end)."

3. Scope of the Use of Equity Accounting

   Number of associates and jointly controlled entities accounted for using the equity method (hereinafter "companies accounted for using the equity method")
   Number of companies accounted for using the equity method: 5 companies

4. Accounting policies

(1) Asset valuation standards and methods

a. Financial instruments

1) Non-derivative financial assets

At the time of initial recognition, the Group classifies non-derivative financial assets as financial assets measured at amortized cost, those measured at fair value through other comprehensive income (FVTOCI) (debt instruments and equity instruments), and those measured at fair value through profit or loss (FVTPL).

i) Financial assets measured at amortized cost

The Group classifies financial assets as financial assets measured at amortized cost only if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at particular dates. Of those financial assets, trade receivables that include no significant financial factors are measured at transaction prices initially. Other financial assets are measured at fair value plus transaction costs initially. After initial recognition, these financial assets are measured at amortized cost using the effective interest method.

ii) Financial assets measured at FVTOCI

Upon initial recognition, the Group elects to recognize the valuation differences of equity instruments held to expand its revenue base by maintaining or strengthening relations with business partners in other comprehensive income. In case equity instruments are recognized for accounting by the FVTOCI method, the method is applied consistently assuming that the election is irrevocable.

The Group recognizes financial assets as debt instruments and classifies them as financial assets measured at FVTOCI only if the financial asset is held within a business model whose objective is achieved by both collection and sale of contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at particular dates.

Financial assets measured at FVTOCI are initially recognized at their fair value plus transaction costs. After initial recognition, fair value is measured, and any changes in fair value are recognized in other comprehensive income. Upon derecognition of these financial assets or when their fair values fall substantially, the cumulative gains or losses recognized in other comprehensive income are transferred to retained earnings.

The Group recognizes dividends from financial assets measured at FVTOCI as financial income in the profit and loss account.

iii) Financial assets measured at FVTPL

The Group measures all financial assets, which are not classified as those measured at fair value through amortized cost or at FVTOCI, at fair value and recognizes changes in those assets as profit or loss.

Transaction costs associated with financial assets measured at FVTPL are recognized in profit or loss as they occur.

iv) Impairment on financial assets

The Group recognizes allowances for doubtful accounts on expected credit losses associated with impairment on financial assets measured at amortized cost, lease receivables, contract assets, and debt instruments measured at FVTOCI. As of each term end date, the Group assesses whether credit risks associated with financial assets to be measured have sharply increased or not since initial recognition. If the credit risks have not increased sharply since the initial recognition, the Group recognizes an amount equal to expected credit losses for 12 months as an allowance for dubious accounts. If the credit risks have sharply increased since the initial recognition, the Group recognizes an amount equal to expected credit losses for the entire period as an allowance for dubious accounts.

For trade receivables and lease receivables and contract assets not including significant financial factors, however, the Group does not assess whether the credit risks have sharply increased since initial recognition and does always recognize an amount equal to expected credit risks for the entire period as an allowance for doubtful accounts. On a quarterly basis, the Group assesses whether there is any objective evidence of impairment, such as significant worsening in the financial condition of the borrower or a group of borrowers, a default or delinquency in payments, and bankruptcy of the borrower.

For individually significant financial assets, expected credit losses are assessed individually. Expected credit losses for financial assets that are not individually significant are collectively assessed by grouping together financial assets with similar risk characteristics. As a result, the expected credit losses are measured as a whole.

The expected credit losses are measured at the difference between all cash flows to be paid to the Group according to contracts and all cash flows expected by the companies to receive, discounted at the initial effective interest rate. The expected credit losses are recognized in profit or loss through an allowance for doubtful accounts. The carrying amount of these financial assets is directly reduced when they are expected to become non-recoverable due to situations like the worsening of financial position at trading partners, offsetting the carrying amount by the allowance for doubtful accounts.

2) Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognized at fair value less transaction costs. After initial recognition, these liabilities are measured at amortized cost using the effective interest method. However, the Company remeasures contingent consideration, which is financial liability, at a fair value and recognizes a change in the value as profit or loss.

3) Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognized at fair value, with any attributable transaction costs recognized in profit or loss as they occur. After initial recognition, fair value is remeasured, and the following accounting policies are applied for changes depending on whether derivative financial instruments designated as hedging instruments satisfy the conditions for hedge accounting. The Group designates those derivative financial instruments that satisfy the conditions for hedge accounting as hedging instruments, and applies hedge accounting to those instruments.

i) Derivative financial instruments that do not satisfy the conditions for hedge accounting

Changes in fair value are recognized in profit or loss. However, changes in the fair value of put options granted to non-controlling shareholders are recognized as share premium.

ii) Derivative financial instruments that satisfy the conditions for hedge accounting

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, and the objectives and strategies of risk management for undertaking the hedge, as well as the method for assessing the effectiveness of the hedge. At the inception of the hedge and on an ongoing basis thereafter, hedges are assessed as to whether they are highly effective in offsetting changes in cash flows of the hedging instrument and the cash flows of the hedged item.

As to cash flow hedge, the effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income (hereafter, “OCI”), while the ineffective portion is recognized immediately in profit or loss. The cumulative gains or losses recognized through OCI are reclassified from OCI to profit or loss in the consolidated statement of comprehensive income in the same period during which the hedged item affects profit and loss.

If the hedging instrument no longer satisfy the conditions for hedge accounting, expires or is sold, terminated or exercised, or if the forecast transaction is no longer expected to occur, then hedge accounting is discontinued prospectively.

b. Inventories

The cost of inventories includes purchase costs, processing costs and all other costs incurred to bring inventories to their present location and condition.

Inventories are measured at the lower of cost or net realizable value after the initial recognitions. If net realizable value is less than the purchase cost, that difference is accounted for as a write off and recognized as an expense. The weighted average method is used to calculate cost. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and estimated costs necessary to make the sale.

c. Property, plant and equipment

The cost of property, plant and equipment includes any costs directly attributable to the acquisition of the asset and dismantlement, removal and restoration costs, as well as borrowing costs that satisfy the conditions for capitalization.

After the initial recognition, property, plant and equipment is measured using the cost model that is, at cost less accumulated depreciation and accumulated impairment losses.

d. Intangible assets

Intangible assets acquired separately are measured at cost at the initial recognition, and the cost of intangible assets acquired through business combinations are recognized at fair value at the acquisition date.

Expenses on internally generated intangible assets are recognized as expense in the period when incurred, except for those that satisfy the criteria for recognition as assets. Internally generated intangible assets that satisfy the criteria for recognition as assets are stated at cost in the total amount of spending that is incurred after the assets first met recognition standards.

Intangible assets are subsequently measured using the cost model that is, at cost less accumulated amortization and accumulated impairment losses.

e. Impairment of non-financial assets

The Group assesses for at each fiscal year-end whether there is any indication that a non-financial asset (excluding inventories, deferred tax assets and post-retirement benefit plan assets) may be impaired. If any such indication exists, then an impairment test is performed. For goodwill and intangible assets with infinite useful lives or that are not yet in use, an impairment test is performed each year and whenever there is any indication of impairment.

In an impairment test, the recoverable amount is estimated, and the carrying amount and recoverable amount are compared. The recoverable amount of an asset, Cash generating unit (hereafter, "CGU") or group of CGUs is determined at the higher of its fair value less costs of disposal or its value in use. In determining the value in use, estimated future cash flows are discounted to the present value, using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.

If as the result of the impairment test, the recoverable amount of an asset, CGU or group of CGUs is below its carrying amount, an impairment loss is recognized. In recognizing impairment losses on CGUs, including goodwill, first the carrying amount of goodwill allocated to the CGUs is reduced. Next, the carrying amounts of other assets within the CGUs are reduced proportionally.

If there is any indication that an impairment loss recognized in previous periods may be reversed, the impairment loss is reversed if the recoverable amount exceeds the carrying amount as a result of estimating the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Impairment losses on goodwill are not reversed.

(2) Depreciation method for depreciable assets and amortization method for amortizable assets

a. Property, plant and equipment

The historical costs less residual values of property, plant and equipment other than land (excluding some portions) and those in the construction in progress account are depreciated using the straight-line method over their estimated useful lives.

b. Intangible assets

1) Intangible assets with finite useful lives

Intangible assets for which useful life can be determined are amortized on a straight-line method over their estimated useful lives from the date the assets are available for use.

2) Intangible assets with infinite useful lives

Intangible assets for which useful life cannot be determined are not amortized. These assets are tested for impairment each fiscal year or when signs of impairment are recognized.

c. Leased assets

Assets used in leases are depreciated under the straight-line method over their estimated useful lives or lease terms, whichever is shorter.

(3) Accounting standards for provisions

The Group has present legal or constructive obligations resulting from past events and recognizes provisions when it is probable that the obligations are required to be settled and the amount of the obligations can be estimated reliably.

Where the effect of the time value of money is material to the provisions, the amount of provisions is measured at the present value of the estimated future cash flows discounted to present value using the pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount associated with the passage of time is recognized as a financial cost.

(4) Accounting methods related to post-retirement benefits

The Group employs defined benefit plans and defined contribution plans as post-retirement benefit plans for employees.

a. Defined benefit plans

The Group calculates the present value of the defined benefit obligations, related current service cost and past service cost using the projected unit credit method.

For a discount rate, a discount period is determined based on the period until the expected date of benefit payment in each fiscal year, and the discount rate is determined by reference to market yields for the period corresponding to the discount period at the end of the fiscal year on high-quality corporate bonds.

Assets and liabilities related to the post-retirement benefit plans are calculated by the present value of the defined benefit obligation, deducting the fair value of any plan assets, and their amounts are recognized in the consolidated statement of financial position. The net amount of interest income related to plan assets in the post-

retirement benefit plans, interest costs related to defined benefit obligation, and current service cost is recognized as profit or loss.
Remeasurements of defined benefit plans are recognized in full in OCI in the period when they are incurred and transferred immediately from other components of equity to retained earnings. The entire amount of past service costs is recognized as profit or loss in the period when incurred.

b. Defined contribution plans
The cost for defined-contribution post-retirement benefit plans is recognized as an expense at the time of contribution.

(5) Criteria for revenue recognition
The Group recognizes revenue by applying the following five steps.
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation in the contract
Step 5: Recognize revenue when (or as) a performance obligation is satisfied

Revenue from sales of goods is recognized when control of the goods is transferred to a customer, and revenue is measured at an amount of the consideration promised in a contract with a customer less returns, discounts, rebates, and other similar items.
Revenue from providing services is recognized upon completion of providing services when the performance obligation is satisfied at a point in time, and it is recognized over the term of a contract depending on the progress at the end of each reporting period when the performance obligation is satisfied over time.
The incremental costs of obtaining a contract with a customer, and the costs incurred to fulfill a contract with a customer, are capitalized if they are expected to be recovered. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

(6) Foreign currency translation
a. Functional currency and presentation currency
The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company. The foreign operations of the Group principally use local currencies as their functional currencies. However, if the currency of the primary economic environment in which an entity operates is other than its local currency, the functional currency other than the local currency is used.

b. Foreign currency transactions
Foreign currency transactions, or transactions that occur in currencies other than entities' functional currencies, are translated to the respective functional currencies of the Group entities at exchange rates at the transaction dates or approximate rates. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate on the fiscal year-end date, and foreign currency differences are recognized in profit or loss.
However, foreign currency differences resulting from financial instruments measured at FVTOCI, cash flow hedges and a hedge of the net investment in a foreign operation are recognized in OCI. Items denominated in foreign currencies due to their measurement at historical cost are translated using the exchange rate on their acquisition dates.

c. Foreign operations
The assets and liabilities of foreign operations employing functional currencies other than Japanese yen are translated to Japanese yen at the exchange rates as of the fiscal year-end date, while income, expenses and cash flows are translated to Japanese yen at the exchange rates on their transaction dates or at the average exchange rates for the fiscal period that approximates the exchange rates on their transaction dates. Resulting foreign currency differences are recognized in OCI, and their cumulative amounts are presented in other components of equity.
In the event all interests in a foreign operation are disposed or a portion of the interest is disposed such that the control is lost, these cumulative amounts in the other components of equity are reclassified in whole or in part, from other comprehensive income to profit or loss.

(7) Other important items regarding the preparation of consolidated financial statements
Accounting for consumption taxes
The tax-exclusion method is used to account for consumption taxes and regional consumption taxes.

<Note Concerning Changes in Accounting Policy>
(Adoption of IFRS 15 “Revenue from Contracts with Customers”)
From the fiscal year under review, the Group adopted IFRS 15 “Revenue from Contracts with Customers” (issued in May 2014) and “Clarifications to IFRS 15” (issued in April 2016) (hereafter, collectively referred to as “IFRS 15”). According to a transitional measure, the Group retroactively applied IFRS 15 and recognized the cumulative effect of the initial application of IFRS 15 as an adjustment to the opening balance of retained earnings at the beginning of the fiscal year under review.
In association with the application of IFRS 15, the Group recognizes revenue by applying the following five steps.
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation in the contract
Step 5: Recognize revenue when (or as) a performance obligation is satisfied

Revenue from sales of goods is recognized when control of the goods is transferred to a customer, and revenue is measured at an amount of the consideration promised in a contract with a customer less returns, discounts, rebates, and other similar items.
Revenue from providing services is recognized upon completion of providing services when the performance obligation is satisfied at a point in time, and it is recognized over the term of a contract depending on the progress at the end of each reporting period when the performance obligation is satisfied over time.
The incremental costs of obtaining a contract with a customer, and the costs incurred to fulfill a contract with a customer, are capitalized if they are expected to be recovered. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.
Associated with the adoption of IFRS 15, some of the incremental costs for obtaining a contract that were previously recognized as expenses when incurred are recognized as assets effective from the fiscal year ended March 31, 2019. As a result, other current assets and retained earnings increased by 190 million yen and 188 million yen, respectively, in the consolidated statement of financial position at the beginning of the fiscal year ended March 31, 2019, compared with those accounted for under the previous accounting standard. The impact of this change on the consolidated statement of profit or loss is immaterial.
Other than the above, there are no significant changes in accounting policies due to the adoption of IFRS 15.

(Adoption of IFRS 9 “Financial Instruments”)
From the fiscal year under review, the Group adopted IFRS 9 “Financial Instruments” (revised in July 2014) (hereafter, “IFRS 9”).
As a result of the adoption of IFRS 9, the incurred loss model in IAS 39 is replaced with the expected credit loss model. This new impairment model is applied to financial assets measured at amortized cost, lease receivables, contract assets, and debt instruments measured at fair value through other comprehensive income, but not to equity instruments and financial assets measured at fair value through profit or loss.
The Group previously classified all of its debt instruments as financial assets measured at amortized cost. As a result of the adoption of IFRS 9, debt instruments that meet both of the following conditions are classified as financial assets measured at fair value through other comprehensive income: debt instruments held within a business model whose objective is achieved by both collecting contractual cash flows and selling debt instruments; and the contractual terms of the debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.’’ The adoption of IFRS 9 has no significant effect on the Group’s consolidated financial statements for the fiscal year under review.

<Notes to Consolidated Statement of Financial Position>
1. Allowances for doubtful accounts deducted directly from assets

Trade and other receivables	¥5,764 million
Other financial assets	¥529 million

2. Accumulated depreciation on assets (including accumulated impairment losses)

Accumulated depreciation on property, plant and equipment	¥497,311 million

3. Balance of guaranteed obligations

Guaranteed obligations	¥233 million
(The Group guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.)	

<Notes to Consolidated Statement of Changes in Equity>
1. Issued shares and treasury shares (shares)

	Number of authorized shares	Number of issued shares (Note 1) (Note 2)	Number of treasury shares (Note 3)
At March 31, 2018	1,200,000,000	502,664,337	8,175,975
Increase	-	-	5,003
Decrease	-	-	171,994
At March 31, 2019	1,200,000,000	502,664,337	8,008,984

Notes:
1. Shares issued by the Company are non-par value ordinary shares.
2. Issued shares have been fully paid.
3. The number of treasury shares as of March 31, 2018 included 1,274,000 shares held by trust accounts related to the BIP trust for compensation for Directors and the number of treasury shares as of March 31, 2019 included 1,250,538 shares held by the same trust.

2. Dividends

(1) Dividend payments

Resolution Date	Class of shares	Amount of dividends (millions of yen) (Note 1) (Note 2)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Board of Directors' meeting held on May 14, 2018	Ordinary shares	7,436	15.00	March 31, 2018	May 30, 2018	Retained earnings
Board of Directors' meeting held on October 30, 2018	Ordinary shares	7,437	15.00	September 30, 2018	November 27, 2018	Retained earnings

Notes: 1. The total dividend payment according to the resolution at the Board of Directors' meeting held on May 14, 2018 includes dividends of ¥19 million to shares of the Company held by trust accounts related to the BIP trust for compensation for Directors

2. The total dividend payment according to the resolution at the Board of Directors' meeting held on October 30, 2018 includes dividends of ¥18 million to shares of the Company held by trust accounts related to the BIP trust for compensation for Directors

(2) Of dividends with record dates during the fiscal year, those whose effective periods start after the fiscal year-end date

Resolution Date	Class of shares	Amount of dividends (millions of yen) (Note)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Board of Directors' meeting held on May 13, 2019	Ordinary shares	7,438	15.00	March 31, 2019	May 29, 2019	Retained earnings

Note: The total dividend payment includes dividends of ¥18 million to shares of the Company held by trust accounts related to the BIP trust for compensation for Directors.

3. Share acquisition rights

Type and number of shares under share acquisition rights at the end of FY2018

Breakdown of share acquisition rights	Type of shares under share acquisition rights	Number of shares under share acquisition rights
First issue of stock compensation-type stock options for 2005	Ordinary shares	12,500 shares
Second issue of stock compensation-type stock options for 2006	Ordinary shares	10,000 shares
Third issue of stock compensation-type stock options for 2007	Ordinary shares	14,000 shares
Fourth issue of stock compensation-type stock options for 2008	Ordinary shares	15,000 shares
Fifth issue of stock compensation-type stock options for 2009	Ordinary shares	45,500 shares
Sixth issue of stock compensation-type stock options for 2010	Ordinary shares	75,500 shares
Seventh issue of stock compensation-type stock options for 2011	Ordinary shares	124,500 shares
Eighth issue of stock compensation-type stock options for 2012	Ordinary shares	174,500 shares
Ninth issue of stock compensation-type stock options for 2013	Ordinary shares	208,000 shares
Tenth issue of stock compensation-type stock options for 2014	Ordinary shares	153,000 shares
11th issue of stock compensation-type stock options for 2015	Ordinary shares	102,400 shares
12th issue of stock compensation-type stock options for 2016	Ordinary shares	186,000 shares
Total		1,120,400 shares

<Notes to Financial Instruments>

1. Matters relating to the status of financial instruments

The Group actively monitors and manages its capital and debt structure in relation to economic conditions and current company circumstances, and raises necessary funds for working capital, capital expenditure, investment and loans and other items.

The Group works to reduce credit risk on trade and other receivables through credit management based on regulations.

The Group uses forward exchange contracts and currency swap transactions to reduce foreign exchange risk on claims and obligations denominated in foreign currencies. The Group also uses interest rate swap transactions to reduce interest rate fluctuation risk on certain borrowings. Derivative transactions are conducted only to hedge foreign exchange risk and interest rate fluctuation risk, and are not engaged in for speculative purposes.

The Group reduces liquidity risk related to procuring funds through borrowing by maintaining and securing appropriate on-hand liquidity.

The Company decreases fluctuation risks of its shareholdings by regularly observing their market prices and the financial positions of the issuers.

2. Fair value of financial instruments

Amounts stated in the consolidated statement of financial position and their fair value at the end of FY2018 are as follows.

(Millions of yen)

	Book value	Fair value
<Financial assets>		
Cash and cash equivalents	124,830	124,830
Trade and other receivables	241,464	241,464
Other financial assets	50,117	50,117
<Financial liabilities>		
Trade and other payables	175,268	175,268
Bonds and borrowings	268,290	264,030
Other financial liabilities	58,747	58,747

Other than the above, there are finance lease receivables worth ¥33,805 million, contract assets worth ¥293 million, and finance lease obligations worth ¥5,446 million.

The fair value of financial assets and financial liabilities is calculated as described below.

(1) Derivative financial assets and liabilities

Fair value of currency derivatives is based on forward quotations and prices quoted by financial institutions that enter into these contracts. Fair value of interest rate derivatives is based on prices quoted by financial institutions that enter into these contracts. The value of put options granted to non-controlling interests is computed based on the current value of the amount, which may be required to pay to the counterparty to the contract.

(2) Investment securities

Where market prices are available, fair value is based on market prices. For financial instruments whose market prices are not available, fair value is measured by discounting future cash flows or using other appropriate valuation methods, taking into account the individual nature, characteristics and risks of the assets.

(3) Borrowings

As short-term loans payable are to be settled in a short period of time, their fair value is assumed to be equivalent to the carrying amounts.

For long-term borrowings with fixed interest rates, fair value is calculated by discounting the total amount of principal and interest using assumed interest rate of a new similar borrowing. As the interest rate of long-term borrowings with variable interest rates is revised periodically and their fair value is approximate to carrying amounts, their fair value is assumed to be equivalent to carrying amounts.

(4) Bonds

Fair value is calculated on the basis of market value.

(5) Contingent consideration

Fair value is calculated by estimating amounts of possible additional payments in the future using a proper evaluation method.

(6) Financial instruments other than those indicated above

Financial instruments other than those indicated above are mainly settled in the short term, so fair value is assumed to be equivalent to their carrying amounts.

<Notes on Per-Share Information>

1. Equity per share attributable to owners of the company ¥1,123.39
2. Basic earnings per share ¥84.33

Note: In calculating per-share information, 1,250,538 shares and 1,257,860 shares are deducted from the numbers of shares at the end of the fiscal year and those during the fiscal year, respectively, as the shares of the Company held by trust accounts related to the BIP trust for compensation for Directors are treated as treasury shares.

<Note Concerning Significant Subsequent Events>

Not applicable.

<Other Notes>

1. Business combinations

(Finalization of adjustment and allocation of consideration for the acquisition of Ambry Genetics Corporation)

With respect to the acquisition of Ambry Genetics Corporation on October 18, 2017, the Company reported provisional amounts in the previous fiscal year because the adjustment and allocation of the consideration for the acquisition were yet to be completed. The relevant amounts were determined in the fiscal year under review. Major corrections to the provisional amounts include an increase of ¥1,616 million in intangible assets, an increase of ¥1,662 million in indemnification assets and provisions, an increase of ¥614 million in deferred tax liabilities, and a decrease of ¥1,277 million in goodwill. The breakdown of the finalized amounts is as follows:

Fair value of the consideration for the acquisition and recognized value of assets acquired and liabilities assumed, as of the acquisition date

(Millions of yen)

Fair value of the consideration for the acquisition (Note 1)	
Cash	86,224
Payable amount (Note 2)	2,369
Contingent consideration (Note 3)	1,914
Total	90,509
Recognized value of assets acquired and liabilities assumed	
Cash and cash equivalents	2,162
Trade and other receivables	2,991
Inventories	474
Property, plant and equipment	4,052
Intangible assets	37,110
Indemnification assets (Note 4)	1,662
Other assets	2,711
Trade and other payables	(723)
Bonds and borrowings	(1,995)
Provisions (Note 4)	(1,662)
Deferred tax liabilities	(13,903)
Other liabilities	(2,854)
Total	30,026
Goodwill (Note 5)	60,483

Notes: 1. The fair value of the consideration for acquisition includes proceeds from share issuance to non-controlling shareholders. With respect to non-controlling interests, because put options are attached hereto, these are transferred to financial liabilities. The difference between the fair value of said financial liabilities and the transfer amount of ¥35,419 million is recorded as share premium.

2. This amount was payable as of the date of acquisition and has been paid in full at the end of the fiscal year under review.
3. Contingent consideration was calculated using a Monte Carlo simulation and has been withdrawn in full at the end of the fiscal year under review.
4. Indemnification assets and provisions were the amounts as of the date of acquisition. At the end of the fiscal year under review, the Group has completed the recovery of indemnification assets and settlement of provisions.
5. Goodwill largely represents excess earnings power of the acquired company and synergy effect expected from the acquisition, no part of which is expected to be tax-deductible.

(Finalization of adjustment and allocation of consideration for the acquisition of equity interest in Invicro, LLC)

With respect to the acquisition of an equity interest in Invicro, LLC and its inclusion into consolidation on November 10, 2017, the Company reported provisional amounts in the previous fiscal year because the adjustment and allocation of the consideration for the acquisition were yet to be completed. The relevant amounts were determined in the fiscal year under review. Major corrections to the provisional amounts include an increase of ¥187 million in consideration payment, a decrease of ¥193 million in trade and other payables, a decrease of ¥215 million in other liabilities, and a decrease of ¥193 million in goodwill. The breakdown of the finalized amounts is as follows:

Fair value of the consideration for the acquisition and recognized value of assets acquired and liabilities assumed, as of the acquisition date

(Millions of yen)

Fair value of the consideration for the acquisition	
Cash	31,330
Recognized value of assets acquired and liabilities assumed	
Cash and cash equivalents	261
Trade and other receivables	1,755
Inventories	34
Property, plant and equipment	1,296
Intangible assets	10,643
Other assets	405
Trade and other payables	(377)
Bonds and borrowings	(1,564)
Other liabilities	(2,052)
Total	10,402
Non-controlling interests (Note 2)	520
Goodwill (Note 3)	21,447

Notes: 1. There was no contingent consideration.
2. Non-controlling interests are measured using the ratio of equity attributable to non-controlling interest shareholders to the fair value of the identifiable net assets of the acquired company.
3. Goodwill largely represents excess earnings power of the acquired company and synergy effect expected from the acquisition. The estimate amount of goodwill in tax accounting that is expected to be tax deductible is ¥17,735 million.

2. Other income

Other income is mainly comprised of profit on sales of property, plant and equipment and intangible assets of ¥20,490 million. This profit stems mainly from sales of non-current assets in Japan, using sale-and-leaseback transactions which correspond to operating leases for the purpose of liquidating non-current assets.

3. Other expenses

Other expenses are mainly comprised of loss on disposal of property, plant and equipment and intangible assets of ¥3,095 million and business structure improvement expenses of ¥2,902 million. The loss on disposal of property, plant and equipment and intangible assets is mainly comprised of expenses for relocating domestic business sites. Business structure improvement expenses include expenses related to structural reform of sales sites in Europe and North America, etc. for the Office Business and Professional Printing Business.

4. Figures given in the text have been rounded down to the nearest millions of Yen.

NON-CONSOLIDATED FINANCIAL STATEMENTS
Balance Sheet
(As of March 31, 2019)

(Millions of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**238,626**	**Current liabilities**	**156,920**
Cash and deposits	54,000	Notes payable - trade	10,471
Notes receivable - trade	2,580	Accounts payable - trade	48,016
Accounts receivable – trade	71,450	Short-term loans payable	35,430
Securities	4,000	Current portion of long-term loans payable	14,195
Inventories	38,695	Lease obligations	127
Prepaid expenses	3,487	Accounts payable - other	29,734
Short-term loans receivable	48,601	Accrued expenses	6,237
Current portion of long-term loans receivable	1,387	Income taxes payable	4,249
Accounts receivable – other	7,660	Advances received	839
Other	6,768	Provision for bonuses	5,245
Allowance for doubtful accounts	(6)	Provision for Directors' bonuses	245
		Provision for product warranties	415
Non-current assets	**528,053**	Other	1,711
Property, plant and equipment	**115,414**	**Non-current liabilities**	**274,757**
Buildings, net	54,098	Bonds payable	40,000
Structures, net	1,717	Long-term loans payable	198,079
Machinery and equipment, net	16,192	Lease obligations	223
Vehicles, net	16	Deferred tax liabilities for land revaluation	3,740
Tools, furniture and fixtures, net	11,104	Provision for retirement benefits	15,819
Land	27,276	Provision for share-based compensation	448
Leased assets	513	Asset retirement obligations	13,839
Construction in progress	4,495	Other	2,606
		Total liabilities	**431,677**
Intangible assets	**18,023**	**Net assets**	
Software	11,682		
Other	6,341	**Shareholders' equity**	**316,927**
		Capital stock	**37,519**
Investments and other assets	**394,614**	**Capital surplus**	**135,592**
Investment securities	22,291	Legal capital surplus	135,592
Shares of subsidiaries and associates	257,642	**Retained earnings**	**153,795**
Investments in capital of subsidiaries and associates	84,943	Other retained earnings	153,795
		Retained earnings brought forward	153,795
Long-term loans receivable	4,162	**Treasury shares**	**(9,979)**
Long-term prepaid expenses	2,558		
Deferred tax assets	8,774	**Valuation and translation adjustments**	**17,238**
Other	14,260	Valuation difference on available-for-sale securities	5,337
Allowance for doubtful accounts	(17)	Deferred gains or losses on hedges	3,437
		Revaluation reserve for land	8,463
		Share acquisition rights	**836**
		Total net assets	**335,001**
Total assets	**766,679**	**Total liabilities and net assets**	**766,679**

Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount	
Net sales		**452,680**
Cost of sales		302,833
Gross profit		**149,847**
Selling, general and administrative expenses		144,101
Operating profit		**5,745**
Non-operating income		
Interest and dividend income	8,473	
Miscellaneous income	1,821	10,294
Non-operating expenses		
Interest expenses	2,059	
Commission for syndicate loan	1,100	
Foreign exchange losses	800	
Loss on disposal of mass-produced trial products	1,777	
Miscellaneous expenses	2,326	8,064
Ordinary profit		**7,976**
Extraordinary income		
Gain on sales of non-current assets	20,280	
Gain on sales of investment securities	1,564	
Gain on sales of shares of subsidiaries and associates	446	22,292
Extraordinary losses		
Loss on sales and retirement of non-current assets	2,444	
Loss on valuation of investment securities	8	
Loss on valuation of shares of subsidiaries and associates	14,355	
Impairment loss	22	16,830
Profit before income taxes		**13,437**
Income taxes-current	2,892	
Income taxes-deferred	2,849	5,742
Profit		**7,695**

Statement of Changes in Equity

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings		
Balance at April 1, 2018	37,519	135,592	135,592	161,065	161,065	(10,189)	323,987
Changes of items during period							
Dividends of surplus	-	-	-	(14,873)	(14,873)	-	(14,873)
Profit	-	-	-	7,695	7,695	-	7,695
Purchase of treasury shares	-	-	-	-	-	(5)	(5)
Disposal of treasury shares	-	-	-	(91)	(91)	215	123
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-
Total changes of items during period	-	-	-	(7,270)	(7,270)	210	(7,060)
Balance at March 31, 2019	37,519	135,592	135,592	153,795	153,795	(9,979)	316,927

	Valuation and translation adjustments				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at April 1, 2018	8,310	1,390	8,463	18,163	934	343,086
Changes of items during period						
Dividends of surplus	-	-	-	-	-	(14,873)
Profit	-	-	-	-	-	7,695
Purchase of treasury shares	-	-	-	-	-	(5)
Disposal of treasury shares	-	-	-	-	-	123
Net changes of items other than shareholders' equity	(2,972)	2,047	-	(925)	(98)	(1,024)
Total changes of items during period	(2,972)	2,047	-	(925)	(98)	(8,084)
Balance at March 31, 2019	5,337	3,437	8,463	17,238	836	335,001

Notes to Financial Statements

<NOTES TO BASIS OF SIGNIFICANT ACCOUNTING POLICIES>

1. Valuation Standards and Methods for Securities

(1) Shares of subsidiaries and associates

Shares of subsidiaries and associates are recorded at cost using the moving-average method.

(2) Other securities

Securities with fair market value are recorded using the mark-to-market method based on the market price as of the balance sheet date. (Valuation difference is directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.)

Other securities that do not have fair market values are primarily recorded at cost using the moving-average method.

2. Valuation Standards and Methods for Derivatives

Derivatives are recorded using the mark-to-market method.

3. Valuation Standards and Methods for Inventories

The value of inventories is determined by using the cost method based on the gross-average method (book values are reduced to reflect declines in profitability).

4. Amortization Method for Non-current Assets

(1) Property, plant and equipment (excluding leased assets)

The straight-line method is used.

(2) Intangible assets (excluding leased assets)

The straight-line method is used.

We have adopted the straight-line method based on an estimated in-house working life of five years for the software we use.

(3) Leased assets

Leased assets arising from finance lease transactions that do not transfer ownership

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

5. Standards for allowances

(1) Allowance for doubtful accounts

To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectability. For specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.

(2) Provision for bonuses

To prepare for the payment of employee bonuses, an amount corresponding to the current portion of estimated bonus payments to employees for the fiscal year is recorded.

(3) Provision for Directors' bonuses

To prepare for the payment of Directors' bonuses, an amount corresponding to the current portion of estimated bonus payments to Directors for the fiscal year is recorded.

(4) Provision for product warranty

The provisioning of free after-sales service for products is recorded based on past after-sales service expenses as a percentage of net sales.

(5) Provision for retirement benefits

In order to provide employee retirement benefits, the amount recorded by the Company is based on projected benefit obligations and pension assets at the end of the fiscal year. In determining retirement benefit obligations, the Group attributes the expected amount of retirement benefit to the period until this fiscal year-end based on the benefit formula.

Prior service cost is being amortized as incurred by the straight-line method over periods (10 years), which are shorter than the average remaining years of service of the employees.

Actuarial gains and losses are amortized in the year following the year in which the gains or losses are recognized, primarily by the straight-line method over periods (10 years) which are shorter than the average remaining years of service of the employees.

The accounting method for undisposed unrecognized past service expenses and unrecognized actuarial gains and losses is different from the accounting method used for the consolidated financial statements.

(6) Provision for stock bonuses

To prepare for future share allocations to Directors and others, the Company basically records the amount of payments according to estimated points to be allotted to Directors and others under the share allocation regulations.

6. Accounting methods for hedge transactions

(1) Hedge accounting methods

The deferred hedge method is mainly used. Deferral hedge accounting is used for currency swaps that meet the conditions, and special accounting methods are used for interest rate swaps that meet certain conditions, respectively.

(2) Hedging methods and hedging targets

The hedge methods used are forward exchange contracts, currency option transactions, currency swaps and interest rate swaps.

The hedge targets are scheduled foreign currency denominated transactions, loans and borrowings.

(3) Hedge policy

The Company and consolidated subsidiaries enter into forward foreign exchange contracts and currency option transactions as hedging instruments only, not for trading purpose to make profits, within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates.

In addition, the Company and consolidated subsidiaries enter into currency swaps and interest rate swaps to make interest rates on borrowings stable, to reduce the risk of cost fluctuations for future capital procurement, not for speculation purpose, within the limit of actual financial or operating transactions.

(4) Methods for evaluating the effectiveness of hedges

Verification is made to ascertain a high correlation between value fluctuations of hedged items, cash flows and hedge instruments.

7. Consumption tax

The tax-exclusion method is used to account for consumption taxes and local consumption taxes. In addition, asset-related consumption tax that cannot be excluded is accounted for as deferred consumption taxes, etc., in the long-term prepaid expenses item and amortized over a five-year period by the straight-line method.

8. Consolidated tax payment system

Consolidated tax payment system is adopted.

<Note to Change in Presentation>

(Change in association with application of ‘Partial Amendments to “Accounting Standard for Tax Effect Accounting”’)

The Group applied ‘Partial Amendments to “Accounting Standard for Tax Effect Accounting”’ (ASBJ Statement No. 28, February 16, 2018) from the fiscal year under review and presented deferred tax assets under investments and other assets and deferred tax liabilities under non-current liabilities in the balance sheet.

<**Notes to Balance Sheet**>

1. Accumulated depreciation of property, plant and equipment ¥295,524 million

2. Balance of guaranteed obligations

The Company guarantees obligations for lease contracts of affiliated companies.

Konica Minolta Business Solutions U.S.A., Inc. ¥5,905 million

3. Receivables from and payables to subsidiaries and associates

Short-term receivables	¥115,458 million
Long-term receivables	¥4,165 million
Short-term payables	¥88,511 million

4. Inventories

Merchandise and finished goods	¥26,079 million
Work in process	¥6,593 million
Raw materials and supplies	¥6,022 million

5. Land revaluation

Land for industrial purposes that had been revaluated based on the Law Concerning Land Revaluation (Law No. 34 promulgated on March 31, 1998) was received from Minolta Co., Ltd. on October 1, 2003, at the time of the merger. The amount corresponding to taxes on the amount of the land revaluation is included under the item deferred tax liabilities for land revaluation. An amount equivalent to the amount of the revaluation less the deferred tax liability has been entered in shareholders' equity as the revaluation reserve for land.

(1) Method of revaluation

The value of the land has been evaluated according to the value appraisal method for land fronting major roads, as provided for in Article 2−4 of the Enforcement Orders for the Law Concerning Land Revaluation (Enforcement Orders No. 119, promulgated on March 31, 1998) or the method for valuation of non-current assets provided for in Article 2−3 of the Enforcement Orders.

(2) Date of revaluation March 31, 2002

(3) The difference between the market value of the revalued land at the end of the fiscal year under review and the book value following revaluation ¥(7,925) million

6. Loan commitment

The Company has loan agreements with subsidiaries concerning financial matters for group companies and has established credit lines for eleven of these subsidiaries. The available loan balance at the end of the fiscal year under review under these agreements is as follows.

Total loan limit	¥100,255 million
Disbursed loan balance	¥49,026 million
Available loan balance	¥51,229 million

7. Pension assets in retirement benefit trust

The Company operates with two types of retirement benefit plans: a lump-sum payment plan and a defined benefit pension plan.

Provision for retirement benefits and pension assets in retirement benefit trust at year end by retirement benefit plan are as follows.

(Millions of yen)

	Provision for retirement benefits (Before deduction of pension assets in retirement benefit trust)	Pension assets in retirement benefit trust	Provision for retirement benefits (After deduction of pension assets in retirement benefit trust)
Lump-sum payment plan	8,739	-	8,739
Defined benefit pension plan	14,105	7,025	7,079
Total	22,844	7,025	15,819

<Notes to Statement of Income>

Transactions with subsidiaries and associates

Operating revenue	¥339,236 million
Operating expense	¥242,670 million
Other operating transactions	¥35,748 million
Other non-operating transactions	¥11,559 million

<Notes to Statement of Changes in Equity>

Type and number of treasury shares at end of period

Ordinary shares	8,008,984 shares

Note: The number of treasury shares includes those held by trust accounts related to the BIP trust for compensation for Directors.

<Notes on Tax Effect Accounting>

1. Breakdown by cause of deferred tax assets and liabilities

Deferred tax assets	
Loss on valuation of shares of subsidiaries and associates	¥17,652 million
Provision for retirement benefits	¥9,533 million
Net operating tax loss carried forward	¥8,073 million
Asset retirement obligations	¥4,020 million
Loss on valuation	¥1,631 million
Provision for bonuses	¥1,606 million
Excess of depreciation and amortization over deductible limit	¥1,159 million
Allowance for doubtful accounts	¥7 million
Other	¥4,478 million
Deferred tax assets subtotal	¥48,163 million
Valuation allowance for operating loss carryforwards	¥(7,828) million
Valuation allowance for total of deductible temporary differences and others	¥(21,057) million
Subtotal of valuation allowances	¥(28,885) million
Total deferred tax assets	¥19,277 million
Deferred tax liabilities	
Retirement costs corresponding to asset retirement obligations	¥(3,947) million
Valuation difference on available-for-sale securities	¥(2,196) million
Loss (gain) on transfer of business	¥(1,384) million
Gain on establishment of employee pension trust	¥(1,372) million
Other	¥(1,602) million
Total deferred tax liabilities	¥(10,502) million
Net deferred tax assets	¥8,774 million

2. Deferred tax liabilities related to revaluation

Deferred tax liabilities for land revaluation	¥ (3,740) million

<Notes on Related-Party Transactions>

Subsidiaries, etc.

(Millions of yen)

Attribute	Name of company, etc.	Equity ownership percentage	Relationship with the Company		Description of transactions	Transaction amount	Account item	Ending balance
			Executive posts concurrently held	Business relationship				
Subsidiary	Konica Minolta Business Solutions Europe GmbH	(Ownership) Direct 100%	-	Sale of multi-functional peripherals, digital printing systems, printers, healthcare equipment and related supplies in Europe and others, and providing related solution services	Sales of products (Note 1)	108,039	Accounts receivable - trade	13,383
					Lending of funds (Note 2)	40,872	Short-term loans	30,938
Subsidiary	Konica Minolta Business Solutions U.S.A., Inc.	(Ownership) Indirect 100%	One Executive of the Company	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in the U.S., and providing related solution services	Sales of products (Note 1)	84,281	Accounts receivable - trade	9,443
Subsidiary	Konica Minolta Japan, Inc.	(Ownership) Direct 100%	One Executive of the Company	Sale of multi-functional peripherals, digital printing systems, printers, healthcare equipment, industrial measuring equipment and related supplies in Japan, and providing related solution services	Sales of products (Note 1)	42,993	Accounts receivable - trade	14,859
Subsidiary	Konica Minolta Business Technologies Manufacturing (HK) Ltd.	(Ownership) Direct 100%	-	Manufacturing and sale of multi-functional peripherals, printers and related supplies	Purchases of products (Note 1)	74,111	Accounts payable - trade	10,189
Subsidiary	Konica Minolta Business Technologies (WUXI) Co., Ltd.	(Ownership) Direct 15% Indirect 85%	-	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers and related supplies	Purchases of products (Note 1)	50,263	Accounts payable - trade	11,287

The transaction amount does not include consumptions tax. The ending-balance of the accounts receivable-trade and accounts payable-trade includes consumption tax.

(Notes) Transaction terms and policy for determining transaction terms

1. Terms for purchases and sales of products and other items are determined by price negotiations in each fiscal year that take into account market prices and the cost of sales.
2. Regarding the lending of funds, the Company enters into loan agreements concerning group financing with subsidiaries, setting a limit. The interest rate is determined based on market rates.
   The transaction amount is the average loan balance over the period under review.

<Notes on Per Share Information>

Net assets per share ¥675.55

Earnings per share ¥15.56

Note: In calculating per-share information, 1,250,538 shares and 1,257,860 shares are deducted from the numbers of shares at the end of the fiscal year and those during the fiscal year, respectively, as the shares of the Company held by trust accounts related to the BIP trust for compensation for Directors are treated as treasury shares.

<Note Concerning Significant Subsequent Events>

Not applicable.

<Other Notes>

1. The Company introduced a stock compensation scheme linking with medium-term performance called the BIP (Board Incentive Plan) trust for compensation for Directors, with the aim of linking its performance targets in the new Medium-Term Business Plan "SHINKA 2019," which covers fiscal 2017 to fiscal 2019, with compensation to Executive Officers and others.
   As accounting treatment of the trust, the Company applies "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. Through Trusts" (Practical Issues Task Force No. 30; March 26, 2015) and includes the Company's shares outstanding in the trust as treasury shares, based on their book values (excluding the amount of incidental expenses).
2. Profit on sales of non-current assets stems from a sale of part of the ownership of land with leaseholds and others at the Company's Tokyo Site Hachioji (Hachioji City, Tokyo) and Tokyo Site Hino (Hino City, Tokyo), conducted for the efficient use of assets by utilizing the management resources and strengthening of the financial position. After the sale, the Company continues to use the land based on a lease contract with the buyer.
3. Loss on valuation of shares of subsidiaries and associates is mainly that on shares of MOBOTIX AG (Germany)
4. Figures given in the text have been rounded down to the nearest millions of Yen.

AUDITOR'S REPORTS

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

May 10, 2019

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Shigeo Kobayashi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yosuke Sato (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to consolidated financial statements of Konica Minolta, Inc. ("the Company") as at March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 444 (4) of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards, as approved under the latter part of Article 120-1 of the Ordinance on Company Accounting. Management is also responsible for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which were prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards, as approved under the latter part of Article 120-1 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act

AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Independent Auditor's Report

May 10, 2019

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Shigeo Kobayashi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yosuke Sato (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in equity and the notes to financial statements, and the supporting schedules of Konica Minolta, Inc. ("the Company") as at March 31, 2019 and for the 115th business year from April 1, 2018 to March 31, 2019 in accordance with Article 436 (2) (i) of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supporting schedules in accordance with accounting principles generally accepted in Japan, and for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and the supporting schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supporting schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supporting schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supporting schedules. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supporting schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supporting schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supporting schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and supporting schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

AUDIT COMMITTEE'S REPORT

AUDIT REPORT

We, the Audit Committee of Konica Minolta, Inc. ("the Company"), have audited the performance of duties by Directors and Executive Officers during the 115th business year from April 1, 2018 to March 31, 2019. We report the method and results as follows.

1. Method and details of audit

    We, the Audit Committee, have received reports from the Executive Officers and employees on a regularly basis on the details of the board resolutions with respect to items prescribed in Article 416, Paragraph 1, Item 1, b) and e) of the Companies Act, and the status of the establishment and operation of the system established based on such board resolutions (internal control system), sought explanations, whenever the necessity arose, and expressed our opinions. Also, in accordance with the audit standards, audit policy, audit plan, assignment of duties, etc. determined by the Audit Committee and in cooperation with the internal audit division and other internal control divisions of the Company and the auditors of subsidiaries, we verified the process and details of the decision-making at the important meetings, etc., the details of the primary decision documents and other important documents, etc. on the performance of business operations, the status of the performance of the duties of Directors, Executive Officers and others, and the status of business operations and assets of the Company.

    With respect to subsidiaries, we confirmed the status of their business and management by communicating and exchanging information with Directors and corporate auditors of the subsidiaries, visiting and attending important meetings, and inspecting important decision documents, etc., whenever the necessity arose.

    Moreover, in addition to monitoring and examining whether the Accounting Auditor maintained an independent position and performed auditing appropriately, we received reports from the Accounting Auditor on the performance of its duties and requested explanations when necessary. In addition, we received notice from the Accounting Auditor that "The systems for ensuring the proper performance of duties" (set forth in each item of Article 131 of the Regulations of Corporate Financial Calculation) are organized in accordance with the "Standards for Quality Control of Audit" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations whenever necessity arose.

    Based on the above methods, we examined the business report, financial statements (balance sheet, statement of income, statement of changes in equity, notes to financial statements), supporting schedules, and the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, notes to consolidated financial statements, which were prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards, pursuant to the latter part of Article 120-1 of the Ordinance on Company Accounting) for the fiscal year under review.

2. Results of audit

    (1) Results of audit of business report, etc.

        i) In our opinion, the business report and accompanying schedules fairly represent the condition of the Company in accordance with the laws, regulations and Articles of Incorporation of the Company.

        ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws, regulations or the Company's Articles of Incorporation by any Directors or Executive Officers in carrying out their duties.

        iii) We believe the details of resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters of note with respect to the execution of duties of Executive Officers regarding the internal control system.

    (2) Results of audit of financial statements and accompanying schedules

        In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA LLC are appropriate.

    (3) Results of audit of consolidated financial statements

        In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA LLC are appropriate.

May 13, 2019

Audit Committee of Konica Minolta, Inc.

Audit Committee Member	Takashi Hatchoji	(Seal)
Audit Committee Member	Hiroshi Tomono	(Seal)
Audit Committee Member	Taketsugu Fujiwara	(Seal)
Audit Committee Member	Chikatomo Kenneth Hodo	(Seal)
Audit Committee Member (Full-time)	Ken Shiomi	(Seal)
Audit Committee Member (Full-time)	Toyotsugu Ito	(Seal)

Notes to the Reader of Audit Report:

1. The Audit Report herein is the English translation of the Audit Report as required by the Companies Act.
2. Mr. Takashi Hatchoji, Mr. Hiroshi Tomono, Mr. Taketsugu Fujiwara and Mr. Chikatomo Kenneth Hodo are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.