

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Independent Auditors' Reports contained in this document have also been translated by the Company. KPMG AZSA LLC, the Accounting Auditor, has never been involved in this translation and therefore assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

**NOTICE OF CONVOCATION OF
THE 117TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Konica Minolta, Inc.

Konica Minolta Philosophy

Konica Minolta has formulated “Imaging to the People,” a long-term management vision that looks forward to 2030. In concert with these initiatives, we redeveloped our philosophy. Now, Konica Minolta Philosophy comprises Our Philosophy, unchanged since its formulation in 2003, Our Vision, which defines our aspirations for 2030, and 6 Values that guide the development of Konica Minolta’s corporate culture as the wellspring of our value creation.

Our Philosophy

The Creation of New Value

Our Vision

Imaging to the People

A global company that is vital to society, bringing vision to reality.

A robust and innovative company, continually evolving and contributing to the sustainable growth of the society and individuals.

6 Values

Open and honest

Customer-centric

Innovative

Passionate

Inclusive and collaborative

Accountable

Brand Proposition

Giving Shape to Ideas

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 117TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

KONICA MINOLTA, INC. ("the Company") hereby announces that the 117th Ordinary General Meeting of Shareholders ("the Meeting") will be held as detailed below.

The General Meeting of Shareholders is an important opportunity for communication between the Company and our shareholders, and fundamentally, the Company is honored to have many shareholders attend.

However, with a view to preventing the spread of the novel coronavirus disease (COVID-19), the Company requests that you exercise your voting rights this year, as was the case in the last year, prior to the meeting by returning the voting form or using the Internet, if at all possible, and refrain from attending the meeting in person. (Because the proceedings of the Meeting will be livestreamed over the Internet, shareholders who do not attend in person are encouraged to watch the broadcast of the Meeting.)

Please examine the attached Reference Documents for the General Meeting of Shareholders on pages 7 to 26, indicate your approval or disapproval on the enclosed voting form and return it so it reaches us by 5:40 p.m., Wednesday, June 16, 2021, 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: Thursday, June 17, 2021 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 117th Fiscal Year (from April 1, 2020 to March 31, 2021); 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 117th Fiscal Year (from April 1, 2020 to March 31, 2021)

Matters to be Resolved:

Agenda Item: Election of Eleven (11) 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., Thursday, June 17, 2021.

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., Wednesday, June 16, 2021.

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., Wednesday, June 16, 2021.

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 Wednesday, June 16, 2021, 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 or smartphone 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.
- 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.

**REFERENCE DOCUMENTS
FOR
THE GENERAL MEETING OF SHAREHOLDERS**

**AGENDA ITEM
Election of Eleven (11) 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 eleven (11) 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 10 through 23.

Please refer to pages 70 through 72 for information on the Company’s corporate governance structure and refer to page 9 for information on the policies regarding the nomination of Director candidates, procedures and other items.

No.	Name	Current Position and Responsibilities at the Company		Board of Directors meeting attendance	Term of office	Committee the candidate is scheduled to join (◎ to serve as committee chairperson)
		Nominating Committee	Audit Committee			Compensation Committee
1	Masatoshi Matsuzaki	Director and Chairman of the Board Member of Nominating Committee	Re-election Non-executive	13/13 (100%)	15 years	○ — —
2	Shohei Yamana	Director, President and CEO, and Representative Executive Officer	Re-election	13/13 (100%)	15 years	— — —
3	Taketsugu Fujiwara	Director Chairperson of Nominating Committee Member of Audit Committee	Re-election Outside Independent	13/13 (100%)	3 years	◎ ○ —
4	Chikatomo Kenneth Hodo	Director Member of Nominating Committee and Audit Committee	Re-election Outside Independent	13/13 (100%)	3 years	○ ○ —
5	Sakie Tachibana Fukushima	Director Chairperson of Compensation Committee Member of Nominating Committee	Re-election Outside Independent	13/13 (100%)	2 years	○ — ◎
6	Soichiro Sakuma	Director Member of Nominating Committee, Audit Committee and Compensation Committee	Re-election Outside Independent	9/9 (100%)	1 year	— ◎ ○
7	Akira Ichikawa		First-time candidate Outside Independent	—	—	○ ○ ○
8	Toyotsugu Itoh	Director Member of Audit Committee and Compensation Committee	Re-election Non-executive	13/13 (100%)	3 years	— ○ ○
9	Hiroyuki Suzuki	Director Member of Audit Committee and Compensation Committee	Re-election Non-executive	13/13 (100%)	2 years	— ○ ○
10	Toshimitsu Taiko	Director and Senior Managing Executive Officer	Re-election	13/13 (100%)	3 years	— — —
11	Seiji Hatano	Director and Senior Executive Officer	Re-election	13/13 (100%)	7 years	— — —

No.	Name	Expertise and experience expected of candidates for Directors							
		Corporate executive experience in listed company	Global executive management experience (Note 3)	R&D and manufacturing	Sales and marketing	Finance and accounting, and understanding of investor perspective	HR management	Governance, internal control, legal affairs	Business transformations and new business development (DX)
1	Masatoshi Matsuzaki	•	•	•				•	•
2	Shoei Yamana	•	•		•				•
3	Taketsugu Fujiwara	•	•	•					•
4	Chikatomo Kenneth Hodo		•			•			•
5	Sakie Tachibana Fukushima		•				•	•	
6	Soichiro Sakuma		•				•	•	•
7	Akira Ichikawa	•	•		•				
8	Toyotsugu Itoh			•				•	
9	Hiroyuki Suzuki				•			•	
10	Toshimitsu Taiko		•		•				•
11	Seiji Hatano		•			•		•	

- Notes:
1. “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.
 2. As Mr. Soichiro Sakuma was newly elected as a Director at the previous Ordinary General Meeting of Shareholders (held on June 30, 2020), the number of his Board of Directors meeting attendance is different.
 3. “Global executive management experience” includes both actual experience at a global business and experience relating to overseas business operation.

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 pages 24 through 25.

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, from that standpoint, we chose the candidates who have extensive management experience as corporate executives and a broad range of knowledge in ESG/SDGs 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. For information regarding the expertise and experience expected of candidates for Directors, please refer to page 8.

<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 Chairperson 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 Chairperson of the Nominating Committee and the Chairman of the Board visit candidates to inquire about taking office as Outside Directors.

<Procedures for Selection of Inside Director Candidates>

- 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



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. (scheduled to retire in June 2021)

Outside Director of LIXIL Corporation

- 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.

- Number of shares of the Company held:
144,608 shares
- Board of Directors meeting attendance:
13 / 13 times (100%)
- Nominating Committee attendance:
6 / 7 times (86%)
- Term of office:
fifteen years

No.
2

Shoei Yamana

(November 18, 1954)

Re-election



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 management experience and expertise. At the Company and its Group companies, Mr. Yamana has been an Executive Officer in charge of management strategy and IR, served as General Manager of the Sales Division of Image Information Products and been in charge of operations, among other positions. Mr. Yamana has led the management of the Group, serving as President and CEO since April 2014, and through promoting “TRANSFORM 2016” and “SHINKA 2019,” the Company’s Medium-Term Business Plans, while achieving business growth by strengthening the intangible assets of the customer base, human resources and technology. Mr. Yamana has also focused on “Sustainable Development Goals (SDGs) management,” “environment and quality management,” “health management,” etc.

As the Chief Executive Officer of the Group, Mr. Yamana is formulating the Medium-term Business Strategy “DX2022” aimed at sustainable growth through business portfolio transformation and Digital Transformation (DX) and leading the entire Group to promote management strategies and various measures in this challenging business environment.

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.

- Number of shares of the Company held:
112,671 shares
- Board of Directors meeting attendance:
13 / 13 times (100%)
- Term of office:
fifteen years

No.

3

Taketsugu Fujiwara (February 19, 1947)

Re-election

Outside

Independent



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
June 2020	Special Advisor of Asahi Kasei Corporation (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:

**13 / 13 times
(100%)**

- Nominating Committee attendance:

7 / 7 times (100%)

- Audit Committee attendance:

13 / 13 times (100%)

- Term of office:

three years

Important position concurrently held

Special Advisor of Asahi Kasei Corporation

Outside Director of KOKUYO Co., Ltd.

Outside Director of IHI Corporation (scheduled to retire in June 2021)

- 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 management 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 2020 activities are listed in “Primary activities of Outside Directors” in the business report (pages 60 through 62). Mr. Fujiwara has been in charge of the duty, securing sufficient time.

Therefore, the Company expects that Mr. Fujiwara can continue contributing to the maintenance and upgrading of its corporate governance as before, 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 has served as Outside Director of IHI Corporation from June 2015 through June 2021. 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.	Chikatomo Kenneth	Re-election
4	Hodo	Outside
	(July 31, 1960)	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:
13 / 13 times (100%)
- Nominating Committee attendance:
7 / 7 times (100%)
- Audit Committee attendance:
10 / 10 times (100%)
- Compensation Committee attendance:
2 / 2 times (100%)
- Term of office:
three years

Important position concurrently held

Senior Corporate Advisor of Accenture Japan Ltd
Outside Director of Sumitomo Mitsui DS Asset Management Company, Limited
Outside Director of Mynavi Corporation
Outside Director of Mitsubishi Chemical Holdings Corporation
Outside Director of ORIX Corporation (scheduled to assume office in June 2021)

- 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 2020 activities are listed in “Primary activities of Outside Directors” in the business report (pages 60 through 62). Mr. Hodo has been in charge of the duty, securing sufficient time.
Therefore, the Company expects that Mr. Hodo can continue contributing to the maintenance and upgrading of its corporate governance as before, 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.	Sakie Tachibana	Re-election
5	Fukushima	Outside
	(September 10, 1949)	Independent



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)
June 2019	Director of the Company (position which she continues to hold)

- Number of shares of the Company held:

0 shares

- Board of Directors meeting attendance:

13 / 13 times

(100%)

- Nominating Committee attendance:

7 / 7 times (100%)

- Audit Committee attendance:

3 / 3 times (100%)

- Compensation Committee attendance:

9 / 9 times (100%)

- Term of office:

two years

Important position concurrently held

President and Representative Director of G&S Global Advisors Inc.

Outside Director of USHIO INC.

Outside Director of Kyushu Electric Power Company, Incorporated

- 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.

Following her election as a Director in June 2019, Ms. Fukushima has performed well as a member of the Board of Directors and other committees. Fiscal 2020 activities are listed in “Primary activities of Outside Directors” in the business report (pages 60 through 62). Ms. Fukushima has been in charge of the duty, securing sufficient time.

Therefore, the Company expects that Ms. Fukushima can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests shareholders 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 had served as Outside Director of J. Front Retailing Co., Ltd. from May 2012 through May 2020. 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 had supervised the J. Front Retailing Group's thorough compliance management by strengthening and enhancing its in-house training plans and monitoring structure.

No.
6
Soichiro Sakuma
(February 15, 1956)

Re-election
Outside
Independent



Career history, position and responsibilities at the Company

April 1978	Joined Nippon Steel Corporation
April 2009	Director (under the Executive Management System) of Nippon Steel Corporation
April 2012	Managing Director (under the Executive Management System) of Nippon Steel Corporation
June 2012	Managing Director (Member of the Board) of Nippon Steel Corporation
October 2012	Managing Director, Member of the Board of Nippon Steel & Sumitomo Metal Corporation
April 2014	Representative Director and Executive Vice President (in charge of General Administration, Legal, Internal Control & Audit, Business Process Innovation, Human Resources and Environment) of Nippon Steel & Sumitomo Metal Corporation
April 2018	Director of Nippon Steel & Sumitomo Metal Corporation
June 2018	Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
April 2019	Senior Advisor of Nippon Steel Corporation
July 2020	Advisor of Nippon Steel Corporation (position which he continues to hold)
June 2020	Director of the Company (position which he continues to hold)

Important position concurrently held

Advisor of Nippon Steel 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 Nippon Steel Corporation and Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation), Mr. Soichiro Sakuma was involved for many years in management in the manufacturing sector and was in charge of main head office functions, including general administration, human resources, environment and IT, mainly in legal and internal control & audit. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Sakuma has a high degree of independence from the Company as stated below.
Following his election as a Director in June 2020, Mr. Sakuma has performed well as a member of the Board of Directors and other committees. Fiscal 2020 activities are listed in “Primary activities of Outside Directors” in the business report (pages 60 through 62). Mr. Sakuma has been in charge of the duty, securing sufficient time.
Therefore, the Company expects that Mr. Sakuma can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests that shareholders elect him as an Outside Director.
- Information concerning independence
Nippon Steel 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. Sakuma 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

Akira Ichikawa (November 12, 1954)

First-time
candidate

Outside

Independent



• Number of shares of the
Company held:

0 shares

Career history, position and responsibilities at the Company

April 1978	Joined Sumitomo Forestry Co., Ltd.
June 2007	Executive Officer, General Manager of Corporate Planning Division of Sumitomo Forestry Co., Ltd.
June 2008	Director, Managing Executive Officer of Sumitomo Forestry Co., Ltd.
April 2010	President and Representative Director of Sumitomo Forestry Co., Ltd.
April 2020	Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd. (position which he continues to hold)

Important position concurrently held

Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd.

Chairman of Wooden Home Builders Association of Japan

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)
Mr. Akira Ichikawa has been a senior executive at Sumitomo Forestry Co., Ltd., which operates various businesses, including those related to lumber and building materials, housing and construction, and overseas housing and real estate, where he promoted sustainability management, and raised that company's corporate value over the medium- to long-term. In addition to such extensive management experience and broad-ranging insight as a corporate executive, he has a high degree of independence with respect to the Company as described below. Therefore, the Company expects that Mr. Ichikawa can contribute to maintaining and upgrading its corporate governance through monitoring and advice based on his management experience, and requests shareholders to newly elect him as an Outside Director.
- Information concerning independence
Sumitomo Forestry Co., 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. Ichikawa 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.
8 **Toyotsugu Itoh**
(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 Technopproducts 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

● 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 Itoh 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. Itoh 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. Itoh has engaged in supervising management as an Inside Director at the Company not concurrently serving as Executive Officer and properly fulfilled his duties at the Audit and Compensation Committees as an Inside Member.

Therefore, the Company believes that Mr. Itoh can continue enhancing corporate value by securing the effective operation of its corporate governance, and requests that shareholders elect for him to continue.

- Number of shares of the Company held:
42,266 shares
- Board of Directors meeting attendance:
13 / 13 times (100%)
- Audit Committee attendance:
13 / 13 times (100%)
- Compensation Committee attendance:
9 / 9 times (100%)
- Term of office:
three years

No.
9

Hiroyuki Suzuki

(March 16, 1957)

Re-election
Non-executive



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
June 2019	Director of the Company (position which he continues to hold)

- Number of shares of the Company held:
44,089 shares
- Board of Directors meeting attendance:
13 / 13 times (100%)
- Audit Committee attendance:
13 / 13 times (100%)
- Compensation Committee attendance:
9 / 9 times (100%)
- Term of office:
two years

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. Since 2019, Mr. Suzuki has engaged in supervising management as an Inside Director at the Company not concurrently serving as Executive Officer and properly fulfilled his duties at the Audit and Compensation Committees as an Inside Member.

Therefore, the Company believes that Mr. Suzuki can continue enhancing corporate value by securing the effective operation of its corporate governance, and requests that shareholders elect for him to continue.

No.
10 **Toshimitsu Taiko**
(November 30,1962)

Re-election



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 of the Company, 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
April 2020	Director and Senior Vice President and Executive Officer, lead officer responsible for Business Technologies, and responsible for Corporate Planning, Investor Relations, Corporate Communications and DX Branding of the Company
July 2020	Director and Senior Vice President and Executive Officer, lead officer responsible for Business Technologies, and responsible for Corporate Planning, Investor Relations and Corporate Communications 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 Managing Executive Officer of the Company in charge of Management Planning, IR, etc., and 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 Strategy "DX2022." 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.
11 **Seiji Hatano**
(December 17, 1959)

Re-election



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 of the Company 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 Strategy “DX2022.” The Company believes Mr. Hatano can continue demonstrating accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him to continue.

- Number of shares of the Company held:
30,830 shares
- Board of Directors meeting attendance:
13 / 13 times (100%)
- Term of office:
seven years

- 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. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Tachibana Fukushima and Mr. Soichiro Sakuma, 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 Mr. Akira Ichikawa, the first-time candidate for Outside Director, if he is elected.
 3. If the candidates for Director are elected, the Company plans to enter into an indemnity agreement with each of them as provided for in Article 430-2, Paragraph 1 of the Companies Act. Under this agreement, the Company will provide indemnity for expenses under Item 1 of the same paragraph and losses under Item 2 of the same paragraph within the scope stipulated by law.
 4. The Company has entered into a directors and officers liability insurance policy, in which the Directors of the Company are the insured, with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The policy covers the insured for any damages or litigation expenses, etc. due to receiving claims for damages arising from action carried out in accordance with their position as a director or officer, etc. and the Company bears the full amount of insurance premiums. Upon their election, all of the candidates for Director will be included as insured persons under this directors and officers liability insurance policy. Furthermore, the insurance policy is scheduled to be renewed in October 2021, which is during the terms of office of the candidates for Director.

[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 eleven (11) 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 Itoh and Mr. Hiroyuki Suzuki who do not concurrently hold Executive Officer posts, and the five Outside Directors. The Company appoints the Chairperson 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 (Chairperson), Chikatomo Kenneth Hodo, Sakie Tachibana Fukushima, Akira Ichikawa, Masatoshi Matsuzaki,
Audit Committee	Soichiro Sakuma (Chairperson), Taketsugu Fujiwara, Chikatomo Kenneth Hodo, Akira Ichikawa, Toyotsugu Itoh, Hiroyuki Suzuki
Compensation Committee	Sakie Tachibana Fukushima (Chairperson), Soichiro Sakuma, Akira Ichikawa, Toyotsugu Itoh, Hiroyuki Suzuki

[Frequently Asked Questions]

Q: What do you think about opinions on the importance of diversity, including gender and internationality, which should be needed for the Board of Directors?

A: While the Company fully recognizes the importance of diversity, including gender and internationality, in selecting candidates, in order to composing a Board of Directors of an appropriate size, the Company places the highest priority on matching requirements for the overall balance of knowledge, experience and capabilities, and appropriate supervisors for the Company's management issues.

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 70 through 72.

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 2020 on pages 60 through 62 of the business report and attendance at Board of Directors meetings and each committee meetings of 10 candidates for re-election on the page of each candidate in this proposal.

BUSINESS REPORT

From April 1, 2020 to March 31, 2021

1. Overview of Konica Minolta Group business activities

(1) Developments and results of business activities

Looking back on the economic situation during the fiscal year ended March 31, 2021 (hereafter, “the current fiscal year”), the spread of the novel coronavirus (COVID-19) to every corner of the world had a material impact on global economic activities. In Europe, the economy was on the recovery helped by the easing of full lockdowns implemented since March 2020 in the region. However, the pace of the economic recovery then decelerated as activities were again restricted amid the resurgence of COVID-19. In the U.S., economic activities shrank sharply during the first quarter of the current fiscal year on the back of lockdown measures. Also, subsequent economic recovery remained moderate despite a massive stimulus package put in place, as restrictions on economic activities were tightened again. In China, economic activities reopened in March 2020, well ahead of other countries. In fact, the Chinese economy has continued to grow since its recovery during the first quarter of the current fiscal year. The Japanese economy showed signs of picking up after the declaration of state of emergency was lifted in May 2020, reopening economic activities in the country. Since the economic reopening, while the business activities in the non-manufacturing sector stagnated, the manufacturing sector continued to recover backed by strong exports especially to China. The global economy now appears on the path to recovery, as the number of new cases dropped with the progress of vaccine rollouts particularly in the U.S. and Europe in March 2021.

Under such a business environment, the Group’s revenue on a consolidated basis came in at ¥863.3 billion (down 13.3% year on year) for the current fiscal year. Specifically, revenue continued to recover since it bottomed out in May, with the rates of year-on-year decline getting smaller quarter by quarter. As a result, during the fourth quarter of the current fiscal year (hereinafter, “the quarter under review”), overall revenue recovered to a near year-ago level. By business segment, the IT services solution, Workplace Hub, measuring instruments, imaging-IoT solution, and performance materials businesses recorded increased revenues for the current fiscal year, while the industrial printing, Healthcare, and inkjet (IJ) component businesses also recorded increased revenues for the quarter under review. By geography, during the third quarter of the current fiscal year, revenues from Japan and other Asian countries as well as China turned upward, while revenues from Europe and the U.S. recovered to slightly less than 90% and slightly more than 80% of the year-ago levels respectively. During the quarter under review, revenues from China, Japan and other Asian countries continued to pick up, while revenues from Europe and the U.S. recovered to slightly more than 90% of the year-ago levels.

In the office products business unit, Europe and the U.S. saw a slower recovery in sales volume, while China saw a significant year-on-year growth in sales volume, which, combined, turned the revenues from hardware items upward during the quarter under review. By contrast, revenues from non-hardware items such as supplies and services decreased year on year as recovery in Europe and the U.S. delayed. Nonetheless, the IT services solution business unit and the Workplace Hub business unit recorded year-on-year increases in revenue by successfully capturing growing demand for IT services, etc. in Europe and the U.S. In the production print business unit, sales volume in China increased significantly over the year and surpassed the year-before level, and also sales volume in Europe and the U.S. increased in significantly in the quarter under review, however, revenue declined year on year on the back of delayed recovery of non-hardware items such as supplies and services. In the Healthcare Business Unit, revenue

declined year on year for the current fiscal year but has been trended up since the third quarter, driven by brisk sales to hospitals in Japan. In fact, the Healthcare Business Unit recorded increased revenues during the quarter under review. Further, in the precision medicine business unit, which is operating primarily in the U.S., revenue declined in line with decreases in outpatients and volunteers participating in clinical trials, whereas the number of generic testing samples received recovered to pre-COVID-19 pandemic levels during the quarter under review. In the Industry Business Unit, the performance materials and measuring instruments business units, many of whose major customers are Chinese companies, recorded year-on-year increases in revenues by fully capturing the growing demand in the country, with the overall revenue for this business segment almost unchanged from the previous fiscal year.

As a result, the Group recorded operating loss of ¥16.2 billion (compared with operating profit of ¥8.2 billion in the previous fiscal year), which is attributable in part to the recognition of structural reform expenses worth about ¥8.0 billion. Although operating profit marked a sharp year-on-year decline, the Group managed to maintain the current level of selling, general and administrative expenses which were curbed during the first quarter of the current fiscal year, while making efforts to recover revenue. As a result, the Group secured operating profit of ¥8.3 billion during the quarter under review, a further increase from the third quarter. The Group also worked on initiatives, such as structural reforms and production cost cuts, as well as shifts to new products with a higher added value, launched with the aim of enhancing its competitiveness in sales, to ultimately improve the profitability of the Office Business Unit to the fiscal 2018 level. During the current fiscal year, these initiatives progressed as planned. The Group expects that the structural reforms will show larger profit-boosting effects in the next fiscal year than the spending injected during the current fiscal year.

Loss before tax came in at ¥20.0 billion (profit before tax of ¥200 million in the previous fiscal year), while loss for the year attributable to owners of the Company amounted to ¥15.2 billion (loss attributable to owners of the Company of ¥3.0 billion in the previous fiscal year).

The Company formulated and has worked on the Medium-term Business Strategy DX2022. The biggest challenge with DX2022 will be to finish any remaining issues taken over from the previous SHINKA 2019 plan and to diligently develop the established groundwork into results. The fundamental objectives of DX2022 are to “leap to highly profitable business through DX” and to “evolve into a company clearly committed to solving social issues.” The plan is also designed so we can further enhance the value for our customers through reclassification of the three “core, growth, and new” business categories and recasting of the strategies in each business segment.

In the office products business, while the decrease in print output volume in offices has accelerated in line with changes in workstyles of customers, the Company will implement reform measures aimed at building the revenue structure resilient to changes in business environment by the end of the current fiscal year, and restart the business as the Digital Workplace Business combining IT services solution and Workplace Hub businesses, leveraging the solid customer base it has nurtured so far, to enhance customer value. In the Professional Print, Healthcare and Industry Business Units, the Company will combine AI with our strengths in the imaging technology to deliver customer value in the areas of measurement, inspection and diagnosis, to ultimately position these businesses as the pillars of growth for the future.

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

(Hundred millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Increase (Decrease)	
Digital Workplace Business				
Revenue	4,652	5,490	(838)	(15.3)%
Operating profit	(27)	177	(204)	—
Professional Print Business				
Revenue	1,695	2,100	(405)	(19.3)%
Operating profit	(78)	43	(122)	—
Healthcare Business				
Revenue	1,090	1,185	(94)	(7.9)%
Operating profit	(64)	(43)	(20)	—
Industry Business				
Revenue	1,182	1,171	10	0.9%
Operating profit	156	144	11	8.2%
Subtotal				
Revenue	8,620	9,947	(1,326)	(13.3)%
Operating profit	(13)	321	(335)	—
Others and Adjustments				
Revenue	12	13	(0)	(1.8)%
Operating profit	(148)	(239)	90	—
Total				
Revenue	8,633	9,961	(1,327)	(13.3)%
Operating profit	(162)	82	(244)	—

Notes:

1. Business conditions have been prepared on the basis of International Financial Reporting Standards ("IFRS").
2. "Revenue" refers to revenue from external customers.
3. Since the beginning of the current fiscal year, the business segments have been reclassified to reflect the reorganization aimed at promoting DX2022. The figures for the previous fiscal year above have been adjusted for such a reclassification.

The Office Business has combined Workplace Hub segment, which was included in "Other" before the reorganization, and has been renamed to the Digital Workplace Business. The Healthcare Business has combined the generic diagnostics and drug discovery support services segments, which were included in "Other" before the reorganization. The Industrial Business has combined the business segments related to sensing, and materials and components, as well as the business segments related to imaging-IoT solutions, which were conventionally included in "Other," and has been renamed to the "Industry Business."

Regarding the dividend at the end of the current fiscal year, we will pay ¥15 per share as initially planned. We will pay a full-year dividend of ¥25 per share, including the dividend distributed on September 30, 2020.

i. Digital Workplace Business

Business Details

Development, manufacture, and sale of multifunctional peripherals and related supplies, and provision of related service solutions and IT service solutions

Business report for the current fiscal year

In the office products business unit, revenue from hardware items turned upward as the sales volume of A3 MFPs recovered to 90% and 107% of the year-ago levels during the current fiscal year and the quarter under review respectively. The sales volume of color A3 MFPs made a steady recovery to 86% and 92% of the year-ago levels during the current fiscal year and the quarter under review respectively. The sales volume of monochrome models showed a marked recovery to 140% of the year-ago level during the quarter under review, compared to a recovery to 97% for the current fiscal year, which is attributable partly to the positive effect of a new model launched in October 2020. By geography, sales volume soared to 123% and 260% of the year-ago levels during the current fiscal year and the quarter under review respectively in China where lockdowns had a material impact on sales performance in the previous fiscal year, while the sales volume recovered to 84% and 95% in Japan. Elsewhere, the pace of recovery was slower at 76% and 85% in Europe and 73% and 84% in North America as the effects of lockdowns have persisted in these regions. Meanwhile, non-hardware items such as supplies and services have fallen behind hardware items in sales recovery as the rate of employees working in office has continued to decline. In fact, revenue from non-hardware items declined year on year as the recovery was slower than expected especially in Europe and the U.S. As a consequence, the office products business unit as a whole recorded year-on-year decreases in both revenue and operating profit. The unit, however, recorded an increase in operating profit during the quarter under review, as both revenue and operating profit continued to recover quarter by quarter after bottoming out in the first quarter of the current fiscal year.

In the IT services solution business unit, despite the fact that 90% of its revenue came from the U.S. and Europe which were significantly impacted by the COVID-19 pandemic, the pace of revenue growth accelerated quarter by quarter, backed mainly by increasing demand for managed IT service, which takes care of the entire IT platform of customers; security service, which includes vulnerability assessment; and digital workflow solution service. Also, online sales negotiations and activities to promote implementation, as well as collaboration with the office products business unit to increase potential customers contributed to year-on-year increases in both revenue and operating profit.

The Workplace Hub business unit recorded a steady year-on-year increase in revenue during the current fiscal year mainly because a successor model based on the MFP “bizhub-i Series,” the first fully remodeled MFP in past seven years, was released as “Workplace Hub Smart” in May 2020 in Japan and in November 2020 in the United States and Europe. Although the business unit remained unprofitable as profit decreased year on year, net loss significantly narrowed during the quarter under review, backed by an increase in gross profit coupled with increased revenue, and optimization of sales and administrative expenses through reallocation of development resources. In addition, the Company successfully provided digital transformation support service to local governments in Japan, including major prefectures and government-designated cities. Specifically, the Company conducted research on workload for more than 50 local governments mainly through partnership agreements and analyzed such data using AI to make proposals on digital transformation initiatives, and actually has been awarded some projects.

As a result of the above, the Digital Workplace Business segment recorded revenue of ¥465.2 billion (down 15.3% year on year) and operating loss of ¥2.7 billion (compared with operating profit of ¥17.7 billion in the previous fiscal year).

ii. Professional Print Business

Business Details

Development, manufacture, 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, sales volume came in at 72% of the year-ago level during the current fiscal year due to delays in the recovery of printing demand and as well as investment decisions by printing companies amid continued lockdowns around the world and delays or cancellations of corporate marketing activities and events as a result of such lockdowns. Sales volume, however, has recovered to 99% of the year-ago level during the quarter under review. The “AccurioPress C14000 Series,” the Company’s first heavy production model launched in February 2020, successfully received orders from medium- and large-sized printing companies mainly through online demonstrations; and the “AccurioPress C4080 Series,” a new light production model released in December 2020, have come to contribute to overall sales volume. As a result, sales volume of color models came in at 73% and 100% of the year-ago levels during the current fiscal year and the quarter under review respectively. Monochrome models also marked a solid recovery to 95% of the year-ago level during the quarter under review. By geography, sales volume soared in China where lockdowns had a material impact on sales performance in the previous fiscal year, marking a strong recovery to 128% and 200% of the year-ago levels during the current fiscal year and the quarter under review respectively. Likewise, sales volumes recovered to 67% and 87% in Europe and 71% and 108% in North America respectively, both recording a marked recovery during the quarter under review, despite slowed recovery under the influence of lockdowns in the preceding quarters. Meanwhile, although non-hardware items such as supplies and services have fallen behind hardware items in sales recovery, the pace of declines has continued to narrow quarter by quarter. The printing systems sold and installed during the quarter under review are expected to contribute to non-hardware revenue in the next fiscal year onwards. Accordingly, we reaffirm our view that the demand for our digital printing systems will grow further in the future, while the overall demand for printing, including analog printing, will continue to decline.

In the industrial printing business unit, sales volume of hardware items including main bodies declined for reasons such as limited opportunities for customers to install printing systems during the current fiscal year. Revenue, however, has turned upward during the quarter under review on the back of an increase in sales volume led by “AccurioJet KM-1e” and “AccurioLabel 230.” Meanwhile, revenue from non-hardware items including supplies and services has continued to rise since the second quarter of the current fiscal year and their sales are expected to grow further in the future.

In the marketing services business unit, revenue from the marketing production management services was negatively affected by a decline in marketing-related printing demand in Europe, but the revenue turned upward to record near year-ago levels in Japan and other Asian countries. In Japan, Kinko’s stores, which offer on-demand printing services, saw a declining trend in orders and customer footfall due to cancellation and delay of marketing events and a shift to online training by corporate customers amid the declaration of state of emergency. However, revenue during March improved to a near year-ago level backed by the recovery of demand for printing of training materials and from students. Although the business unit recorded decreased revenue for both the current fiscal year and the quarter under review, operating profit increased helped by reduction of sales and administrative expenses, which is attributable partly to the positive effect of structural reforms.

As a result, the Professional Print Business segment recorded revenue of ¥169.5 billion (down 19.3% year on year) and operating loss of ¥7.8 billion (compared with operating profit of ¥4.3 billion during the previous fiscal year).

iii. Healthcare Business

Business Details

<Healthcare>

Development, manufacture, 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.

<Precision medicine>

Genetic testing; provision of services related to primary care; and provision of drug discovery support services

Business report for the current fiscal year

In the healthcare business unit, the sales volume of the digital radiography (DR)^{*1} to hospitals during the current fiscal year came in almost unchanged from the previous fiscal year. Although, during the quarter under review, the impact of the COVID-19 varied from region to region, sales to hospitals remained strong in Japan, while the sales volume also recovered in other regions including Europe, China, and India. During the current fiscal year, the sales volume of diagnostic ultrasound systems increased year on year, with sales to orthopedic surgery, dialysis treatment, and obstetrics departments having remained solid in Japan during the quarter under review. For medical IT, sales of “Informity,” an IT service supporting medical image management and collaboration between medical institutions, continued to grow steadily in Japan throughout the current fiscal year. By contrast, sales of the Picture Archiving and Communication System (PACS)^{*2} slowed in the United States during the current fiscal year due to deteriorated management environment for medical institutions and subdued investment amid the COVID-19 pandemic. As such, overall revenue for the healthcare business unit declined year on year due in part to a reduction in the sales of purchased products, which was aimed at improving sales efficiency. Nevertheless, overall revenue for this business unit continued to increase during the quarter under review like in the third quarter.

In the precision medicine business unit, the number of genetic testing services saw a declining trend in the United States due to a drop in the number of patients coming into hospitals as the pandemic unfolded; however, the number has continued to pick up since the third quarter ended December 31, 2020, having risen to the pre-pandemic level in March. Also, although the number of the COVID-19 testing services has declined in line with the progress of vaccine rollouts in the country, the Company has continued to offer the services under the contract from Orange County in California. Meanwhile, the drug discovery support service saw ongoing delay in clinical trials by pharmaceutical companies in the U.S. due to a decrease in the number of clinical trial volunteers amid the COVID-19 pandemic. The service, however, is expected to recover in the next fiscal year as the number of unfilled orders has increased substantially. As a result, although the overall revenue for the precision medicine business unit declined, the genetic testing service has remained profitable since the third quarter of the current fiscal year.

Consequently, the Healthcare Business segment recorded revenue of ¥109.0 billion (down 7.9% year on year) and operating loss of ¥6.4 billion (operating loss of ¥4.3 billion in the previous fiscal year).

(Company-business related glossary)

*¹ DR (Digital Radiography)

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. Industry Business

Business Details

<Sensing>

Development, manufacture, and sale of measuring instruments

<Materials and components>

Development, manufacture and sale of products, such as functional films used for liquid-crystal displays, inkjet heads for industrial use, and lenses for industrial and professional uses

<Imaging-IoT Solutions>

Development, manufacture, and sale of instruments related to imaging-IoT and visual; provision of related solution services

Business report for the current fiscal year

In the sensing segment (the measuring instruments business unit), revenue increased year on year as sales of object color measurement instruments remained strong in China and demand for light source color measurement instruments from major customers picked up more than expected.

Also, in the field of visual inspection, the business unit received a number of new orders and sales from Finland-based Specim, Spectral Imaging Oy Ltd., acquired in November 2020, contributed to revenue for the segment during the quarter under review.

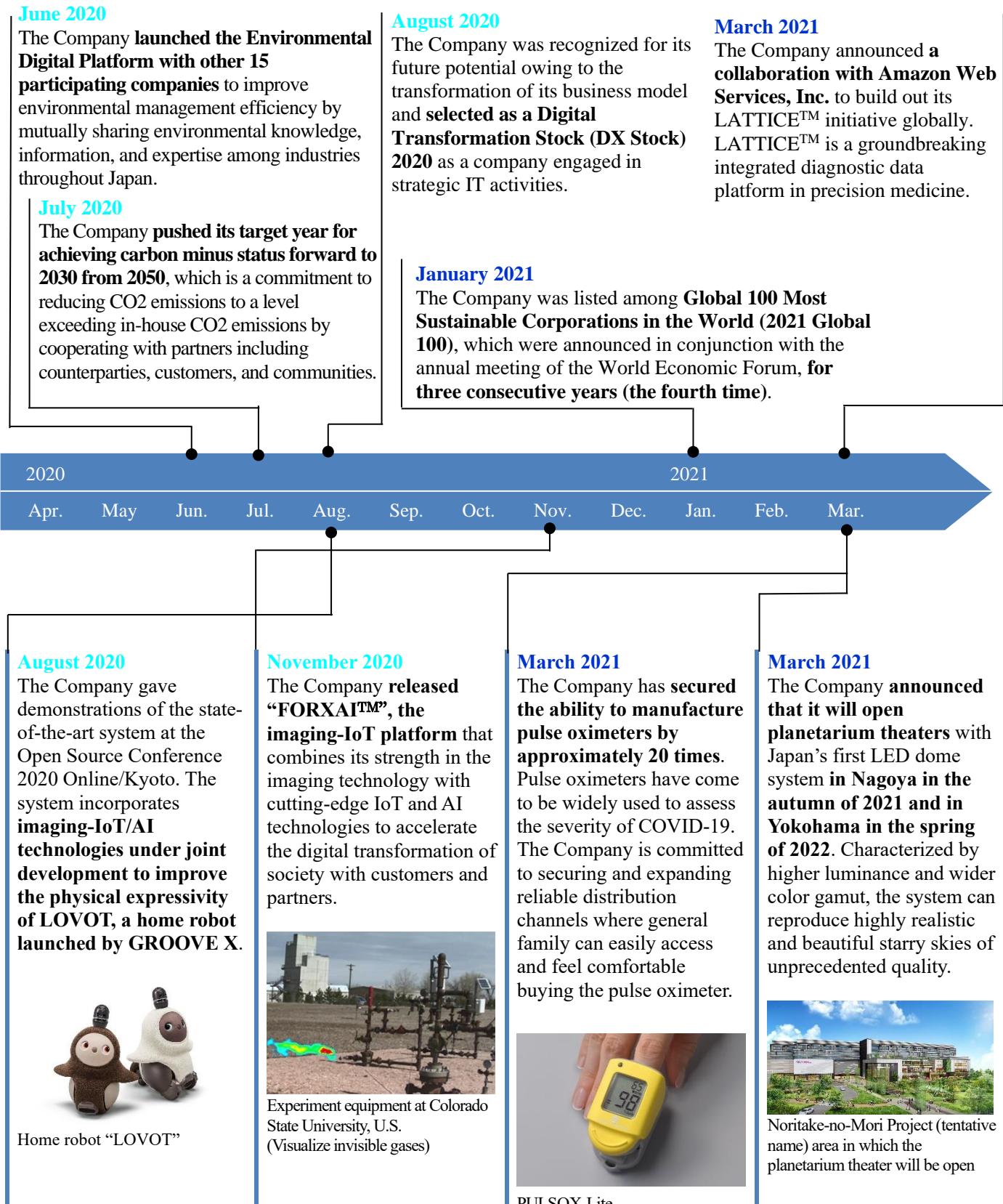
In the materials and components field, the performance materials business unit has focused on high value-added products such as phase difference films for LCD TVs and thin films for PCs, tablets and smartphones. During the current fiscal year, sales volume outperformed the market owing to the unit's efforts to meet growing demand for these products. In addition, sales volume of and the target customer base for the new resin film "SANUQI" have been expanding, driven by growing awareness about the intrinsic value of the film in the market. As a result of the above, revenue for the business unit increased year on year. In the optical component unit, sales of components for industrial use, such as for in-vehicle equipment, have been growing, whereas revenue from the components for existing applications such as for entertainment declined year on year, as the COVID-19 pandemic has negatively affected the demand. The inkjet (IJ) components unit recorded a year-on-year decrease in revenue during the current fiscal year, but has been on the recovery, as the demand in the core Chinese market has recovered and the demand in other Asian regions is also on the recovery. Further, in the wide-format printing market, revenue turned upward during the quarter under review, as the business unit expanded the market share by meeting growing speed-up demand.

In the imaging-IoT solutions unit, revenue decreased during the quarter under review due in part to lockdowns in Europe amid the COVID-19 pandemic. The revenue for the current fiscal year, however, increased year on year, backed by the delivery of thermal camera solutions developed by MOBOTIX AG, which allow for contact-less measurement of body surface temperature; the release of "FORXAI," an imaging-IoT platform; and the launch of monitoring and other services that give visibility to the security and safety of plants, warehouses, and logistics sites, using its imaging-IoT technologies.

In the visual solutions unit, the declaration of state of emergency negatively affected the directly operated planetariums in Japan, but revenue increased during the quarter under review and recovered to the near year-ago level during the current fiscal year, helped by strict measures against COVID-19 infection taken and communicated at these planetariums, large-scale orders for the manufacture of equipment coming in from science museums and other cultural institutions, and the launch of the platform-based service linked to network and cloud called "Connected Dome."

As a result, the Industry Business segment recorded revenue of ¥118.2 billion (up 0.9% year on year) and operating profit of ¥15.6 billion (up 8.2% year on year).

(Reference) Business Activity Highlights of the fiscal year



(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 ¥57.7 billion, with the emphasis on expenditure for the development and manufacture of new products mainly in the Digital Workplace Business, the Professional Print Business, and the Industrial Business.

(3) Business results

	114 th Term Fiscal Year Ended March 31, 2018	115 th Term Fiscal Year Ended March 31, 2019	116 th Term Fiscal Year Ended March 31, 2020	117 th Term Fiscal Year Ended March 31, 2021 (current fiscal year)
Revenue (Hundred millions of yen)	10,312	10,591	9,961	8,633
Operating profit (loss) (Hundred millions of yen)	538	624	82	(162)
Profit (loss) for the year attributable to owners of the Company (Hundred millions of yen)	322	417	(30)	(152)
Basic earnings (loss) per share (Note 2) (yen)	65.17	84.33	(6.21)	(30.75)
Equity attributable to owners of the Company (Hundred millions of yen)	5,245	5,556	5,237	5,398
Total assets (Hundred millions of yen)	12,039	12,189	12,767	12,997
Equity per share attributable to owners of the Company (Note 2) (yen)	1,060.72	1,123.39	1,058.29	1,093.98
Dividend per share (yen) [of which, interim dividend per share]	30 [15]	30 [15]	25 [15]	25 [10]
ROE (Note 3) (%)	6.1	7.7	(0.6)	(2.9)

Notes: 1. Business results have been prepared on the basis of International Financial Reporting Standards ("IFRS").
 2. 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 equities at beginning and end of fiscal year)

(4) Issues to be handled

1. The Company's long-term vision and material issues

Under the corporate philosophy “The Creation of New Value,” the Company has reconstructed the purpose of its existence by gaining insights into social issues that may emerge in 2030 and pursuing “what we need to do now” with its strengths in intangible assets such as customer engagement, technologies, and human capital. Over nearly 150 years since its founding, the Company has supported people to achieve their purpose in life by utilizing the imaging technology focusing on input/output of images and image processing cultivated in its camera and photograph businesses and meeting desires to “see” among global customers. We believe such support to people for achievement of their purpose in life is the origin of our DNA that we should continue to pass on.

The Company has then defined the purpose of its existence as the following two ways: i) drastically improving the productivity and creativity of professionals working in the fields of client companies and improving fulfillment in their work by advancing the imaging technology as the times change, sharing experiences with those professionals, and visualizing issues that the corporate customers may not be aware of; and ii) helping realize a prosperous and sustainable society including people beyond the corporate customers. With the intention of practicing “human-centric management,” we have decided to employ the statement “Imaging to the People” at the beginning of its management vision.

In addition to this statement, looking at the world in ten years, we have identified five material issues as themes with which we can generate significant social value by concentrating our strengths in intangible assets and enhancing them further with digital transformation. These five material issues are “Improving fulfillment in work and corporate dynamism,” “Supporting healthy, high-quality living,” “Ensuring social safety and security,” “Addressing climate change,” and “Using limited resources effectively.” In these five material issues, while enhancing customer value and growing our businesses, we will generate both social and environmental value, thereby increasing our medium- to long-term corporate value.

For addressing climate change in particular, as one of the leading companies in terms of environmental initiatives, we have significantly advanced and changed the target of the original long-term environmental vision “Eco Vision 2050” to the more ambitious target of achieving “Carbon Minus” in 2030. By transferring/sharing our environmental management know-how and technologies to/with partners such as customers and counterparties, we are strengthening various activities to make CO₂ emissions negative in 2030, combining our CO₂ emissions and those reductions at our partners.

2. Medium-term Business Strategy “DX2022”

Under such long-term vision, we formulated a Medium-term Business Strategy “DX2022” with fiscal 2022 as its final fiscal year.

COVID-19 has significantly changed people’s workstyles, lifestyles and values. More specifically, remote working has become established due to prolonged restrictions on activities, hastening the time for a decline in office printing demand far beyond our expectation. Even under the increasingly severe business environment in line with the decreasing volume of in-office printing, we will successfully achieve office business structural reforms that enable us to generate profit on an ongoing basis. Meanwhile, it has become apparent that what people truly desire for value is “safe and secure,” “remote and non-face-to-face” and “personalized and decentralized.” For creating such value, we can fully leverage our technologies such as imaging and sensing.

Toward fiscal 2022, we will speedily work on two streams of transformation while promoting in-house digital use, thereby further strengthening our structure that has been streamlined amid the COVID-19 pandemic. Specifically, one of the streams is a shift to the Digital Workplace Business that will identify the needs of office client companies in the post-COVID-19 world and serve them in a meticulous manner in reforming their workstyles by providing support to enable

remote working, assisting with the introduction of ICT services and security services, and assisting with the transformation of operational workflows. The other one is the transformation of our business portfolio, which allows us to reduce dependency on the office products business and accelerate growth in the areas of measurement, inspection and diagnosis by engaging the entire company. We will strive to grow to position the following three businesses as the pillars of our business for years to come: the Professional Print Business that digitally enables “personalization, decentralization and labor-saving operations,” the Healthcare Business that responds to the needs for “safety, security, remote diagnosis and personalization” by digitally advancing the functions of early diagnosis including genetic diagnosis, and the Industry Business that transforms the industrial value chain by utilizing materials and its film technology while responding to the needs for “safe, secure, remote and labor-saving” measurement and inspection by using an imaging-IoT platform.

Although we set the ultimate target year as fiscal 2025, we aim to achieve certain results in fiscal 2022, the last fiscal year of the Medium-term Business Strategy “DX2022.” For this reason, we will significantly shift our management resources such as R&D and human capital to growing areas. We will continue to focus on making strategic investments for growth in order to successfully complete the transformation of our business portfolio. In managing our business portfolio, we will pursue the optimization of each business unit in terms of adaptability of our corporate strategy, growth potential and profitability, thereby improving capital efficiency. We will also actively return profit to shareholders while ensuring financial soundness.

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

a. Main business offices, plants, etc.

The Group is comprised of the Company, 171 consolidated subsidiaries, and two affiliated companies accounted for by the equity method. 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 Mechatronics Co., Ltd. (Toyokawa City, Aichi Prefecture)
- (4) Konica Minolta Technopproducts 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.)
- (6) Konica Minolta Sensing Europe B.V. (Netherlands)

Asia, etc.

- (7) Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)
- (8) Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong)
- (9) Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)
- (10) Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China)
- (11) Konica Minolta Business Solutions Asia Pte. Ltd. (Singapore)
- (12) Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. (Malaysia)
- (13) 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	1,767	20.5%
U.S.A.	2,254	26.1%
Europe	2,501	29.0%
China	857	9.9%
Asia	721	8.4%
Other	531	6.1%
Total	8,633	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
40,979	Decrease of 2,982

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, healthcare equipment, industrial measuring equipment and related supplies in Japan, and providing related service solutions and IT service solutions
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 200	100%	Manufacturing and sale of supplies for multi-functional peripherals and digital printing systems
Konica Minolta Mechatronics Co., Ltd.	Millions of yen 90	100%	Manufacturing and sale of supplies for multi-functional peripherals and optical devices (Pickup-lens and lens-unit etc.)
Konica Minolta Technoproduts 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 and related supplies in the U.S., and providing related service solutions and IT service solutions
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 service solutions and IT service solutions
Konica Minolta Business Solutions Deutschland GmbH	Thousand euro 10,025	*100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Germany, and providing related service solutions and IT service solutions
Konica Minolta Business Solutions France S.A.S.	Thousand euro 46,290	*100%	Sale of multi-functional peripherals, digital printing systems and related supplies in France, and providing related service solutions and IT service solutions
Konica Minolta Business Solutions (UK) Limited	Thousand British pound 21,000	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in the U.K., and providing related service solutions and IT service solutions
Konica Minolta Marketing Services EMEA Limited	Thousand British pound 440	*100%	Print management service providers in Europe, supporting sales promotion activities and providing consulting services

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 and related supplies in China, and providing related service solutions and IT service solutions
Konica Minolta Business Technologies Manufacturing (HK) Limited	Thousand HK dollar 195,800	100%	Manufacturing and sale of multi-functional peripherals 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 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 and related supplies
Konica Minolta Business Solutions Asia Pte. Ltd.	Thousand US dollar 56,064	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Southeast Asia, and providing related service solutions and IT service solutions
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	Thousand Malaysian ringgit 135,000	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems and related supplies
Konica Minolta Business Solutions Australia Pty Ltd	Thousand Australian dollar 27,950	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Australia, and providing related service solutions and IT service solutions
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
Konica Minolta Sensing Europe B.V.	Thousand euro 41,960	100%	Sale of industrial measuring instruments and other products in Europe
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.	973
Sumitomo Mitsui Banking Corporation	415
Resona Bank, Limited.	306
Nippon Life Insurance Company	188
The Norinchukin Bank	154

(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 6,346,561 shares)

(3) Number of shareholders 108,609

(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)	51,942	10.47
Custody Bank of Japan, Ltd. (Trust account)	32,769	6.60
MUFG Bank, Ltd.	12,000	2.42
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
Custody Bank of Japan, Ltd. (Trust account 9)	9,261	1.87
Daido Life Insurance Company	9,040	1.82
Custody Bank of Japan, Ltd. (Trust account 7)	8,838	1.78
Custody Bank of Japan, Ltd. (Trust account 5)	6,220	1.25

Note: While the Company has 6,346,561 shares of treasury share in its possession, it is excluded from the shareholders in the above list. Ratio of shares held is calculated by deducting treasury shares. Treasury shares do not include the Company's shares held by trust accounts related to the BIP (Board Incentive Plan) trust for compensation for Directors (2,809,437 shares).

(5) Status of the shares distributed to Directors and Executive Officers of the Company as compensation for the execution of duties during the fiscal year under review

Name of shareholder	Number of shares distributed (shares)	Number of persons to whom shares are distributed
Directors (excluding Outside Directors) and Executive Officers	478,308	25
Outside Directors	0	0

(6) Other significant matters regarding shares

With regard to the "Matters regarding the determination policy for amount of Director or Executive Officer compensation or for method of calculating them," 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 (non-performance-based)" as well as "long-term stock bonus" and to Executive Officers as a "medium-term stock bonus (performance-based)" as well as "long-term stock bonus." As of March 31, 2021, the trust accounts related to the BIP trust for compensation for Directors held 2,809,437 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, Executive Officer and Corporate Vice President 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
	Number of rights	25	20
	Number of shares	12,500 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, Executive Officer and Corporate Vice President 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
	Number of rights	22	53
	Number of shares	11,000 shares	26,500 shares
		26,500 shares	

	Seventh Series Fiscal Year Ended March 31, 2012	Eighth Series Fiscal Year Ended March 31, 2013
Number of share acquisition rights	479	571
Type and number of shares under share acquisition rights	Ordinary shares 239,500 shares	Ordinary shares 285,500 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 24, 2011 - June 30, 2031	August 23, 2012 - June 30, 2032
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, Executive Officer and Corporate Vice President 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
	Number of rights	68
	Number of shares	34,000 shares
		47,000 shares

	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, Executive Officer and Corporate Vice President 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	6
	Number of rights	131
	Number of shares	65,500 shares
		60,200 shares

	11 th Series Fiscal Year Ended March 31, 2016	12 th Series Fiscal Year Ended March 31, 2017
Number of share acquisition rights	1,101	1,714
Type and number of shares under share acquisition rights	Ordinary shares 110,100 shares	Ordinary shares 171,400 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 19, 2015 - June 30, 2045	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, Executive Officer and Corporate Vice President 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	9
	Number of rights	528
	Number of shares	52,800 shares
		13
		1,082
		108,200 shares

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. One Executive Officer who was incumbent at the end of the current fiscal year acquired a total of 40 share acquisition rights when he was a Group Executive (defined in page50) as consideration for the exercise of his duty. 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.

12 th 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, Executive Officer and Corporate Vice President 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 the Group Executives	Number of holders	1
	Number of rights	40 (100 shares per right)
	Number of shares	4,000 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 LIXIL Corporation
Director	Shoei Yamana	(President and CEO, and Representative Executive Officer)	
Outside Director	Takashi Hatchojoji	Member of Audit Committee (Chairperson) Member of Compensation Committee	Outside Director of Nitto Denko Corporation Outside Director of Marubeni Corporation
Outside Director	Taketsugu Fujiwara	Member of Nominating Committee (Chairperson) Member of Audit Committee	Special Advisor of Asahi Kasei Corporation Outside Director of KOKUYO Co., Ltd. Outside Director of IHI Corporation
Outside Director	Chikatomo Kenneth Hodo	Member of Nominating Committee Member of Audit Committee	Senior Corporate Advisor of Accenture Japan Ltd Outside Director of Sumitomo Mitsui DS Asset Management Company, Limited Outside Director of Mynavi Corporation Outside Director of Mitsubishi Chemical Holdings Corporation.
Outside Director	Sakie Tachibana Fukushima	Member of Compensation Committee (Chairperson) Member of Nominating Committee	President & Representative Director of G&S Global Advisors Inc. Outside Director of USHIO INC. Outside Director of Kyushu Electric Power Company, Incorporated
Outside Director	Soichiro Sakuma	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	Senior Advisor of Nippon Steel Corporation
Director	Toyotsugu Itoh	Member of Audit Committee Member of Compensation Committee	
Director	Hiroyuki Suzuki	Member of Audit Committee Member of Compensation Committee	
Director	Toshimitsu Taiko	(Senior Vice President and Executive Officer)	
Director	Seiji Hatano	(Senior Executive Officer)	
Director	Masafumi Uchida	(Senior Executive Officer)	

- Notes:
- The five Directors Mr. Takashi Hatchojoji, Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Fukushima Tachibana and Mr. Soichiro Sakuma 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.
 - At the 116th Ordinary General Meeting of Shareholders held on June 30, 2020, the terms of office of all 12 Directors expired. The following eleven Directors were reelected: Mr. Masatoshi Matsuzaki, Mr. Shoei Yamana, Mr. Takashi Hatchojoji, Mr. Tatetsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Fukushima Tachibana, Mr. Toyotsugu Itoh, Mr. Hiroyuki Suzuki, Mr. Toshimitsu Taiko, Mr. Seiji Hatano and Mr. Masafumi Uchida and one Director: Mr. Soichiro Sakuma was newly elected and assumed office the same day.
 - Upon the close of the 116th Ordinary General Meeting of Shareholders held on June 30, 2020, the term of office of Mr. Kimikazu Noumi expired and he retired from the office of Director.
 - Mr. Toyotsugu Itoh and Mr. Hiroyuki Suzuki 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	Shohei Yamana	Responsible for Diversity Enhancement
Senior Vice President and Executive Officer	Kiyotaka Fujii	Division President of Healthcare Business Headquarters and Chairman and CEO, Konica Minolta Precision Medicine, Inc.
Senior Vice * President and Executive Officer	Toshimitsu Taiko	Lead Officer responsible for Business Technologies and Responsible for Corporate Planning, Investor Relations and Corporate Communications
* Senior Executive Officer	Seiji Hatano	Responsible for Business Management, Accounting, Financial and Risk Management
Senior Executive Officer	Noriyasu Kuzuhara	Division President of Materials & Component Business Headquarters and General Manager, Corporate R&D Headquarters
Senior Executive Officer	Yuji Ichimura	Responsible for Digital Transformation, DX Branding and Public Relations
* Senior Executive Officer	Masafumi Uchida	Responsible for Technologies
Senior Executive Officer	Hajime Takei	Division President of Digital Workplace Business Headquarters and Responsible for BIC (Business Innovation Center) and One KM Business Promotion
Executive Officer	Ken Osuga	Representative Director and President, Konica Minolta Japan, Inc.
Executive Officer	Atsuo Takemoto	General Manager, Manufacturing and Procurement Headquarters
Executive Officer	Richard K. Taylor	CEO, Konica Minolta Business Solutions U.S.A., Inc.
Executive Officer	Takaji Ito	Deputy General Manager, Manufacturing and Procurement Headquarters and General Manager, Manufacturing Operations
Executive Officer	Toshiya Eguchi	Responsible for IoT Service Platform Development, Imaging-IoT Solution Business and Visual Solutions Business
Executive Officer	Koji Sugie	General Manager, Quality Management Headquarters
Executive Officer	Tetsuya Matsueda	General Manager, Legal Division and Responsible for General Affairs, Intellectual Property, Compliance and Crisis Management
Executive Officer	Kazumi Atago	Company Secretary and General Manager, Secretarial Division
Executive Officer	Hitoshi Kamezawa	General Manager, Sensing Business Unit
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	General Manager, R&D Headquarters, Business Technologies
Executive Officer	Toshitaka Uemura	Division President of Professional Print Business Headquarters
Executive Officer	Kazuhiro Kobayashi	Division Vice President of Healthcare Business Headquarters and General Manager, Healthcare Business Unit
Executive Officer	Shinichiro Oka	Responsible for Human Resources

- Notes:
1. Executive officers marked with * hold concurrent Director positions.
 2. The above Executive Officers were, after the close of the 116th Ordinary General Meeting of Shareholders held on June 30, 2020, elected at the meeting of the board of Directors held the same day.
 3. Mr. Atsuo Takemoto, Mr. Richard K. Taylor, Ms. Kazumi Atago and Mr. Jean-Claude Cornillet resigned as Executive Officers as of March 31, 2021.
 4. Mr. Toshiya Eguchi and Mr. Shinichiro Oka were promoted to Executive Vice President & Executive Officer as of April 1, 2021. Due to a change in the Company's officer system, Executive Officers Mr. Ken Osuga, Mr. Takaji Ito, Mr. Koji Sugie, Mr. Tetsuya Matsueda, Mr. Hitoshi Kamezawa, Mr. Keiji Okamoto, Mr. Yoshihiko Hirota, Mr. Toshitaka Uemura and Mr. Kazuhiro Kobayashi took office of Corporate Senior Vice President since April 1, continuing their duty on business management. Executive Officers and their responsibilities changed as of April 1, 2021 as follows.

Executive Officer as of April 1, 2021

Position	Name	Responsibilities and important positions concurrently held
President & CEO, Representative Executive Officer	Shoei Yamana	Responsible for Diversity Enhancement
Senior Executive Vice President & Executive Officer	Kiyotaka Fujii	Division President of Healthcare Business Headquarters and Chairman and CEO, Konica Minolta Precision Medicine, Inc.
Senior Executive Vice President & Executive Officer	Toshimitsu Taiko	Lead Officer responsible for Business Technologies and Responsible for Corporate Planning, Investor Relations and Corporate Communications
Executive Vice President & Executive Officer	Seiji Hatano	Responsible for Business Management, Accounting, Finance and Risk Management
Executive Vice President & Executive Officer	Noriyasu Kuzuhara	Division President of Materials & Component Business Headquarters and General Manager, Corporate R&D Headquarters
Executive Vice President & Executive Officer	Yuji Ichimura	Responsible for Digital Transformation, DX Brand Communication and Public Relations
Executive Vice President & Executive Officer	Masafumi Uchida	Responsible for Special Assignments
Executive Vice President & Executive Officer	Hajime Takei	Division President of Digital Workplace Business Headquarters and Responsible for BIC (Business Innovation Center)
Executive Vice President & Executive Officer	Toshiya Eguchi	Responsible for Technologies, IoT Service Platform Development, Imaging-IoT Solution Business and Visual Solutions Business
Executive Vice President & Executive Officer	Shinichiro Oka	Responsible for Human Resources

Note: After this Ordinary General Meeting of Shareholders, Senior Executive Officer, Mr. Masafumi Uchida is scheduled to retire from the position of Executive Vice President & Executive Officer at the Board of Directors meeting to be 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	64	6	64	-	-	-	-
	Inside	188	3	124	-	-	3	64
	Total	253	9	188	-	-	3	64
Executive Officers		724	22	465	22	121	22	137

Notes: 1. The number above includes one (1) Outside Director who resigned at the date of the 116th Ordinary General Meeting of Shareholders held on June 30, 2020 and one Executive Officer who resigned at May 31 the same year. At the end of the period (March 31, 2021), the Company has five (5) Outside Directors, three (3) Inside Directors (not concurrently holding Executive Officer posts) and 23 Executive Officers.

2. In addition to the three (3) 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.
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 estimated amount of stock bonus of the Company in the future according to estimated points to be allotted to Directors (excluding Outside Directors) and Executive Officers as part of their compensation.

The amount includes medium-term stock bonus (performance-based) to be distributed according to the target attainment rate in the period of the medium-term management plan.

(3) Matters related to performance-based compensation

- a. Details of the performance indicators selected as the basis for calculating the amount or number of performance-based compensation and the reasons for selecting these indicators.

1) Annual performance-based cash bonus

<Detail of performance indicators>

Item	Portion according to performance level	Portion according to attainment of performance targets				Portion according to personal appraisal
Assessment index and others	Operating profit	Corporate divisions/core business divisions				New business divisions
		Operating Profit 25%	Operating profit ratio 25%	Operating cash flow 25%	KMCC-ROIC 25%	Individual divisions targets
	Linked with Group consolidated performance result level	Linked with Annual performance target achievement rate				Linked with individual target attainment rate

- Notes: 1. The corporate divisions include management affairs divisions of Konica Minolta, Inc. and those with group-wide horizontal functions.
 2. KMCC-ROIC is the ROIC for calculating the performance-based cash bonus for the fiscal year, and the invested capital is the assets that can be individually controlled and improved by each business division.

<Reason for selection of these performance indicators>

The indicator for the portion according to performance level is the amount of Group consolidated operating profit. It was judged that operating profit is one of the most appropriate indicators for determining the responsibility for performance that should be taken on by Executive Officers with the aim of realizing sustainable growth and enhanced corporate value by achieving higher levels of operating profit.

For corporate departments and core business departments, operating profit, operating profit ratio, operating cash flows, and KMCC-ROIC are the indicators used to calculate the portion according to attainment of performance targets. These indicators attach strong significance to the Company's sustainable growth and the enhancement of medium- to long-term corporate value. Operating profit amounts are determined with the goal of strengthening the earning power of the core business, operating profit ratio for realizing a shift to a highly profitable system, operating cash flows for allowing timely and appropriate development of strategies and procurement of underlying capital, and KMCC-ROIC for improving the efficiency of invested capital.

Each indicator is evenly weighted at 25%.

For new business departments, the indicators are individual targets set by each business unit in light of the business's characteristics and fiscal key measures.

For the portion according to personal appraisal, factors such as progress of each Executive Officer's key operational measures are used as indicators. Matters are evaluated from a different perspective from the portion according to performance level and the portion according to attainment of performance targets.

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

<Detail of performance indicators>

Item	Medium-term stock bonus (performance-based)		
Assessment index	Group consolidated operating profit	Group consolidated operating cash flow	Group consolidated ROIC
	(Cumulative total for 3 years from FY2020 to FY2022)		(3-year average from FY2020 to FY2022)
	40%	30%	30%
	Linked with attainment rate of medium-term business plan targets		

<Reasons for the selection of these indicators>

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

Operating profit is determined with the goal of strengthening the earning power of the core business, operating cash flows for allowing timely and appropriate development of strategies and procuring the underlying capital, and ROIC for improving the efficiency of invested capital over the medium to long term.

These indicators have been weighted at 40%, 30% and 30%, respectively.

b. Method of calculating the amount or number of performance-based compensation.

1) Annual performance-based cash bonus

The amount paid for the portion according to performance level is calculated by multiplying a value determined according to the amount of Group consolidated operating profit in the fiscal year by a number of points set for each position. Said value is decided in accordance with a table formulated in advance.

For corporate departments and core business departments, the amount paid for the portion according to attainment of performance targets is calculated by multiplying the payment rate calculated from the annual performance target attainment rate (calculated based on the weighting of each indicator) by a set amount according to position. The respective business's consolidated performance is factored into the payment for Executive Officers responsible for the core business department, and the Group's consolidated performance is factored into the payment for those responsible for the corporate department.

In addition, payment for Executive Officers responsible for new business departments is calculated by multiplying the payment rate calculated from that business department's individual target attainment rate by a set amount according to position.

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

The amount paid for the portion according to personal appraisal is calculated by multiplying the total of the standard amounts determined for the portion according to performance level and portion according to attainment of performance targets by an appraisal value (value in the range of -30% to +30%) for each Executive Officer stipulated in a proposal drafted by the President & CEO.

The payment amounts in the three items listed above are discussed and settled by the Compensation Committee.

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

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

The payment rate varies from 0% to 200% depending on target attainment rate.

Points set for the position is calculated by dividing the amount of resources allocated for the position by a reference stock price.

The reference stock price is the average price paid by the trustee entrusted by the Company, the trustor, when purchasing the number of shares of the Company required to pay the stock bonus on the stock market in the period of the medium-term management plan or at the time of start of the period of the medium-term management plan or medium-term strategy plan.

The number of shares transferred listed above are discussed and settled by the Compensation Committee.

c. Performance pertaining to the performance indicators in above paragraph a., used to calculate the amount or number of performance-based compensation.

1) Annual performance-based cash bonus

	Operating profit	Operating profit ratio	Operating cash flow	KMCC-ROIC
Attainment rate	78%	79%	183%	78%

* As a special measure for purpose of achieving a fast and solid recovery of business performance, the attainment rate for the performance targets in the Group's consolidated plan for the second half of the fiscal year was selected as the "attainment rate" for fiscal 2020 (as resolved by the Compensation Committee).

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

	Operating profit	Operating cash flow	ROIC
Attainment rate	—	—	—

* The attainment rate will be determined at the end of the period of medium-term management plan.

(4) Matters related to non-monetary compensation

The Company distributes stock bonus as non-monetary compensation.

Name	Type of shares	Method of calculating number of stock to distribute	Accessory conditions
Medium-term stock bonus (performance-based)		As described in (3) b 2) above.	
Medium-term stock bonus (non-performance-based)	Ordinary shares of the Company	The number of shares to be distributed is calculated at one share equals one point basis, based on the cumulative total of number of points set for the position accumulated over the period of the medium-term management plan. Other matters are as described in (3) b 2) above.	The shares to be distributed shall be held in principle for one (1) year after the date of retirement
Long-term stock bonus		The number of shares to be distributed is calculated as one share equals one point basis, by multiplying the points set for the position by the period they are in office. Other matters are as described in (3) b 2) above.	

(5) Matters regarding the determination policy for amount of Director or Executive Officer compensation or for method of calculating them

a. Method of determining the policy

These policies are resolved by the Compensation Committee.

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 enhancement of the value of the Group as a whole. 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 follows, and determines the amount of individual compensation entitlement of Directors and Executive Officers in line with this policy.

b. Summary of detail of the policy

1) Compensation system

a) 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 “stock bonus.” “Stock bonus” shall consist of “medium-term stock bonus (non-performance-based)” and “long-term stock bonus.”

Outside Directors receive base salary only which includes remuneration based on their roles.

b) Compensation packages for Executive Officers consist of “base salary,” “annual performance-based cash bonus” which reflects business performance, and “stock bonus.” “Stock bonus” shall consist of “medium-term stock bonus (performance based)” and “long-term stock bonus.”

- 2) The total amount of individual compensation entitlement and “base salary” are set at an appropriate level with each position and its value taken into account, based upon objective data, evaluation data and other data collected at regular intervals, etc.
- 3) The amount of the “annual performance-based cash bonus” is determined based on the level of performance result for the fiscal year (consolidated operating 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 200% range of the standard amount of compensation. The targets are major consolidated performance indicators (operating profit, operating profit ratio, operating cash flow and KMCC-ROIC*) associated with results of operations. Executive Officers’ key operational measures include those related to non-financial indicators, such as ESG (environmental, social and governance).

*KM-ROIC is ROIC for calculating “Annual performance-based cash bonus,” defining invested capital as assets that can be separately managed and improved by each business segment.

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

- a) In the “medium-term stock bonus (non-performance-based)” 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 in medium term and promote holdings of the Company’s own shares.
- b) In the “medium-term stock bonus (performance-based)” 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 200% range, according to their attainment of performance target. 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, operating cash flow and ROIC) associated with the medium term management policy.
- c) In the “long-term stock bonus” plan to Directors (inside, not concurrently holding Executive Officer posts) and Executive Officers, the Company’s shares are distributed to Directors and Executive Officers after their retirement, according to their positions or roles and years they are in office. The plan is aimed to enhance their motivation toward contribution to improvement of the shareholder value in long term.
- d) 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.
- e) Certain portions of shares are distributed in cash on assumption that they are exchanged for cash.
- f) Shares of the Company obtained as stock bonus shall be held in principle for one (1) year after the date of retirement from the post of each Director or Executive Officer.

- 5) The standard for compensation to the President and Chief Executive Officer is a 50:25:25 mix of “base salary,” “annual performance-based cash bonus” and “stock bonus.” For the other Executive Officers, the “base salary” ratio is set higher than that for the President. “Stock bonus” is approximately a 60:40 mix of “medium-term stock bonus (performance-based)” and “long-term stock bonus.”
- 6) Compensation for non-Japan residents may be handled in different ways from the treatment said above according to legal and other circumstances.
- 7) When the Board of Directors resolved a correction to financial statements after the announcement due to a material accounting error or fraud, the Compensation Committee considers corrections to performance-based bonuses and limit payment or request return of the bonuses when necessary.
- 8) The Company reviews levels, composition and others of compensation in a timely and proper manner in accordance with changes in the management environment. Regarding the conventional retirement benefit system abolished in June 2005, the Compensation Committee has determined individual entitlements within reason based upon certain criteria established by the Company, and will pay such entitlement upon the retirement of each Director or Executive Officer in office prior to the abolition of this system.
- c. Reasons for the Compensation Committee’s determination that the individual compensation for the Directors and Executive Officers for the fiscal year under review is in line with the policy

The Compensation Committee determines the policy as described on pages 57 through 59, and the committee has confirmed that it follows such policy when it makes resolutions over the details of compensation for each individual Director and Executive Officer for the fiscal year.

d. Compensation structure

Director

Inside (Not concurrently holding Executive Officer posts)	Base salary	Medium-term stock bonus (non-performance- based)	Long-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 15%	Long-term stock bonus 10%
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 12%	Long-term stock bonus 8%

(6) Matters regarding Outside Directors

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

Name	Name of company, etc.	Position
Sakie Tachibana Fukushima	G&S Global Advisors Inc.	President and Representative Director

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
Takashi Hatchojo	Nitto Denko Corporation Marubeni Corporation	Outside Director Outside Director
Taketsugu Fujiwara	KOKUYO Co., Ltd. IHI Corporation	Outside Director Outside Director
Chikatomo Kenneth Hodo	Sumitomo Mitsui DS Asset Management Company, Limited Mynavi Corporation Mitsubishi Chemical Holdings Corporation	Outside Director Outside Director Outside Director
Sakie Tachibana Fukushima	USHIO INC. Kyushu Electric Power Company, Incorporated	Outside Director Outside Director

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. Takashi Hatchojo

Mr. Hatchojo attended all 13 meetings of the Board of Directors that were held during the fiscal year under review, one meeting of the Nominating Committee that was held when he was a committee member until June 2020, all 13 meetings of the Audit Committee that were held during the fiscal year under review, and all seven meetings of the Compensation Committee that were held after he became a committee member in June 2020. At the Board of Directors, Mr. Hatchojo used his experience as a corporate executive to provide supervision and advice concerning management for sustainability, financial strategies, emphasis on customers and business sites, and other subjects. In addition, as Chairperson of the Audit Committee, Mr. Hatchojo 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.

2) Mr. Taketsugu Fujiwara

Mr. Fujiwara attended all 13 meetings of the Board of Directors, all seven meetings of the Nominating Committee and all 13 meetings of the Audit Committee that were held during the fiscal year under review. At the Board of Directors, Mr. Fujiwara used his experience as a corporate executive to provide supervision and advice concerning new business strategies, production strategies, transformation of business portfolio and optimization of management resources, and other subjects. As Chairperson of the Nominating Committee, Mr. Fujiwara 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. 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.

3) Mr. Chikatomo Kenneth Hodo

Mr. Hodo attended all 13 meetings of the Board of Directors and all seven meetings of the Nominating Committee that were held during the fiscal year under review, all ten meetings of the Audit Committee that were held after he became a committee member in June 2020, and both two meetings of the Compensation Committee that were held when he was a committee member until June 2020. At the Board of Directors, Mr. Hodo used his experience as a corporate executive, primarily from perspective of stakeholders, to provide supervision and advice concerning alliance strategies, digital transformation 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.

4) Ms. Sakie Tachibana Fukushima

Ms. Fukushima attended all 13 meetings of the Board of Directors and all seven meetings of the Nominating Committee that were held during the fiscal year under review, three meetings of the Audit Committee that were held when she was a committee member until June 2020, and all nine meetings of the Compensation Committee that were held during the fiscal year under review. At the Board of Directors, Ms. Fukushima used her experience as a corporate executive to provide supervision and advice concerning talent management strategies, promotion of diversity, risk management and other subjects. In addition, as Chairperson of the Compensation Committee, Ms. Fukushima made efforts for the management with objectivity and transparency in partial revision of compensation system for Directors as well as in determining individual compensation amount.

5) Mr. Soichiro Sakuma (elected at the Ordinary General Meeting of Shareholders held June 2020)

Mr. Sakuma attended all nine meetings of the Board of Directors, all six meetings of the Nominating Committee, all ten meetings of the Audit Committee and all seven meetings of the Compensation Committee that were respectively held after his appointment as Director during the fiscal year. At the Board of Directors, Mr. Sakuma used his experience as a corporate executive to provide supervision and advice concerning internal control system including monitoring and compliance based on management environment and market environment, and other subjects. In addition, at the Audit

Committee, Mr. Sakuma used his experience and knowledge to make statements on risk management, crisis management and other subjects 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 (5) Outside Directors Mr. Takashi Hatchojoji, Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Tachibana Fukushima and Mr. Soichiro Sakuma 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	¥247 million
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Act	¥— million
Total	¥ 247 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.

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

¥312 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 Corporate Vice Presidents and the effectiveness of instructions received from the Audit Committee, personnel matters regarding the Audit Committee Office including appointment, personnel changes and disciplinary action, shall be approved in advance by the Audit Committee.
- c. The Company's Executive Officers or Corporate Vice Presidents in charge of the Group's internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee, shall report on the status of operation to the Audit Committee on a regular basis and without delay if an urgent situation that must be reported has arisen or if requested to make a report by the Audit Committee. The subsidiaries' internal audit division, risk management division, compliance division and auditors shall report on the status of operation to the Audit Committee without delay if requested to make a report by the Company's Audit Committee.
- d. The Company will secure and manage a budget that is necessary and appropriate for paying expenses arising from the execution of work duties by the Audit Committee members.
- e. The Company will provide opportunity for Audit Committee members elected by the Audit Committee to attend management consultation committee and other important meetings. The Executive Officers or Corporate Vice Presidents in charge of internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee shall report without delay if requested to make investigations, reports, etc. by the Audit Committee members.

<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 and Corporate Vice President shall manage the minutes of management consultation committee and other important meetings, documents requesting formal approval and other information concerning the performance of their duties to ensure that documents are preserved in an appropriate manner and made available for inspection in accordance with the provisions of the Executive Officer document management rules and internal rules concerning the management of other documents.
- 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 or Corporate Vice President appointed by the Board of Directors shall be responsible for the development of risk management systems including the following, in accordance with the Risk Management Committee Regulations.

- 1) With respect to management of the business risks and operational risks, each Executive Officer and Corporate Vice President shall be responsible in accordance with respective assigned area. The Risk Management Committee shall provide support to each Executive Officer and Corporate Vice President. Further, the Risk Management Committee shall periodically conduct selection, assessment and review of risks material to Group management, develop measures, and confirm management status.
 - 2) The Executive Officer or Corporate Vice President in charge of risk management appointed by the Board of Directors shall be responsible for establishing the contingency plans and countermeasures to minimize the damages by a crisis which is supposed to adversely affect the corporate value.
 - 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 or Corporate Vice President appointed by the Board of Directors shall be responsible for establishing and operating the compliance systems including the following, in accordance with the Compliance Committee Regulations.
- 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. The Company shall establish a dedicated organization, which shall help each group company to strengthen its internal controls.

1. 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. Continuing from fiscal 2018, the committee regularly monitored new laws and regulations mostly stemming from the US-China trade frictions. The Committee has systemically organized and shared information of the impact to risk management from COVID-19 infections which has increased its impact since the end of fiscal 2019. In addition, as represented in a fact that the Financial Services Agency selected the descriptions of business risks in the Company’s Securities Report, the Company is working actively on information disclosing.

Furthermore, the Company has reporting rules for the purpose of responding to a crisis in a rapid and suitable manner. Crisis reporting rules are well known to Executive Officers, 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. In fiscal 2020, the emergency internal system to handle COVID-19 infection, under the oversight of the Representative Executive Officer as chief executive and chaired by the Executive Officer in charge of crisis management, took actions inside and outside Japan.

<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 continued to thoroughly comply with the “Guideline for evaluation of safety,” “Guideline for product security,” “Guideline for prevention of quality-related fraud,” and others and made efforts for securing the quality of 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 performs internal audits of the Company and its subsidiaries. Audits use the risk approach for efficiency from the standpoint of

the reliability of financial reports, the efficiency and effectiveness of business operations, and compliance with laws and regulations. There are also follow-up audits to confirm that actions have been taken concerning items requiring improvements that were identified during audits.

Major subsidiaries also have their own internal audit departments. These departments strengthen the internal audit function of the entire Group while working with the Konica Minolta Corporate Audit Division. In fiscal 2020, the Company worked to perform follow-up audits lead by overseas branch offices of the Audit Division (at U.S.A., Germany and Singapore) and regular monitoring activities with the aim of establishing the Group's audit system supported by regional autonomy to enable early actions taken for issues.

<Internal control over financial reporting>

To prevent fraudulent accounting activities, the Company prepares an internal controls report that is based on internal evaluations that cover the entire Group of 143 consolidated companies inside and outside Japan. This report is prepared in accordance with the Financial Instruments and Exchange Act for the purpose of ensuring the reliability of financial reports. After an audit by the Accounting Auditor, the report is submitted with the Securities Report. In fiscal 2020, the Company introduced its internal controls assessment at newly established or acquired 5 companies.

<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. The Committee held one meeting in fiscal 2020. 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.

For the purpose of enhancing the awareness of compliance, the Company obtained declarations of placing a top priority on compliance from all officers and employees at the Company and subsidiaries inside and outside Japan and made efforts once again to make the whistle blowing system well known within the Group.

<Whistle blowing system>

The Company has a whistle blowing system for compliance and is always seeking ways to improve this system. In Japan, officers and employees of the Group can use a telephone call, e-mail, letter or other method to contact general manager of the Corporate Legal Division or an external attorney about a compliance problem or for a consultation. Reported claim is considered for necessity of investigation in fair and sincere manner and the reporter is informed of the actions to be taken. The information obtained from the whistleblowing are shared only among the persons involved in the investigation so to ensure that there will be no negative consequences for the individual who submitted the whistleblowing report. The Compliance Officer submits reports to the Audit Committee about these whistle blowings on a regular basis. The Group has established contacts for notification and consultation with the full regional coverage in North America, Europe, China and Southeast Asia. In fiscal 2020, the Company renewed its registration obtained in fiscal 2019 as one of the registered businesses for declaration of conformity for the whistleblowing compliance management system certification under the jurisdiction of Japanese Consumer Affairs Agency. Since last November, contacts have been extended to the external procurement sources inside and outside Japan for purpose of further enhancing the whistle

blowing system. There were 14 notifications in Japan and 44 overseas, but there was no issue falling under a serious violation of laws and regulations.

<Administration of group companies>

The Company has established an organization dedicated to supporting internal controls at its subsidiaries in Japan and overseas. The organization supports the preparation and improvement of the internal controls system at each subsidiary in cooperation with related departments. In fiscal 2020, it edited and published a handbook for each subsidiary to understand and practice internal control. It also continued initiative for each subsidiary to diagnose the situation and improve it on its own, confirming that the improvement is smoothly in progress.

*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 72 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.

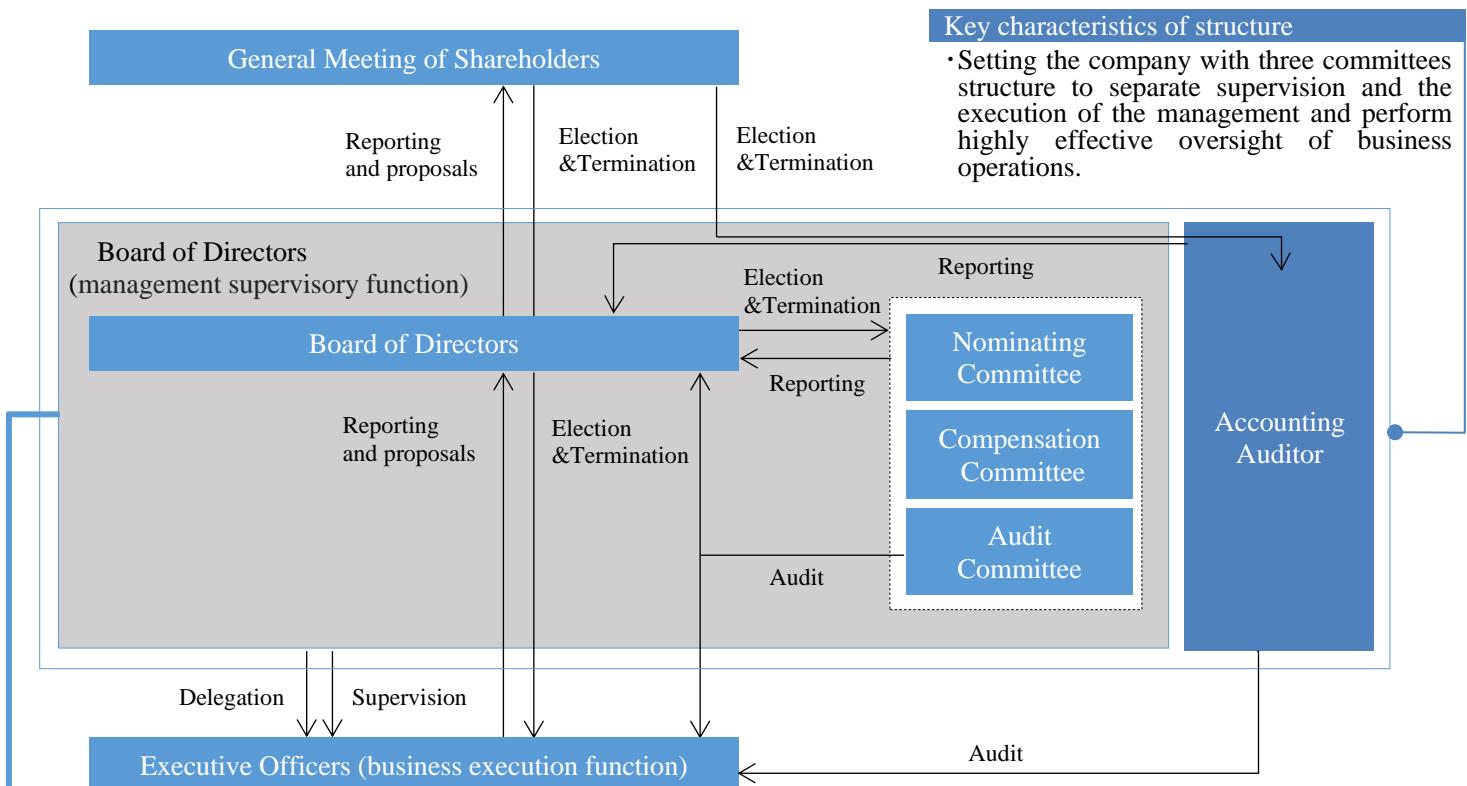
(7) Analysis and Assessment of Effectiveness of Governance

The Company has evaluated the effectiveness of the Board of Directors since 2004.

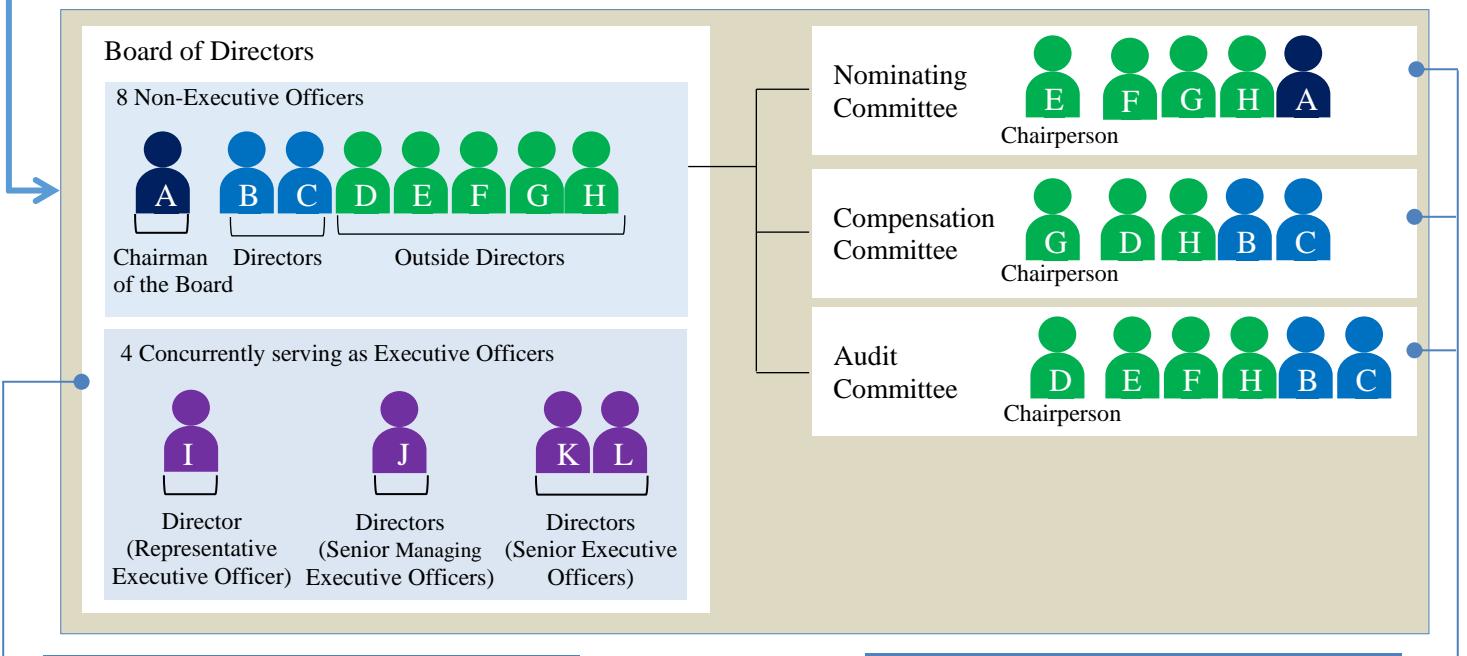
Each year, the Company reflects on the activities for the past one year and self-evaluate the effectiveness of the Board of Directors and three committees, with the aim of confirming whether the corporate governance system has been established and the system has been operated to contribute to the purposes of the Company's corporate governance, which are sustainable growth and realization of corporate value for the medium and long term. Based on the results, the Company plans to find out matters 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, 2021)



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
- All outside Directors are Independent Directors.
- Directors who are not concurrently Executive Officers are the majority of the Board of Directors

Key characteristics of the three committees

- Chairpersons 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, 2021)

(Millions of yen)

Item	Amount
Assets	
Current assets	
Cash and cash equivalents	123,823
Trade and other receivables	262,849
Inventories	156,942
Income tax receivables	7,609
Other financial assets	3,203
Other current assets	27,595
Total current assets	582,024
Non-current assets	
Property, plant and equipment	292,535
Goodwill and intangible assets	347,478
Investments accounted for using the equity method	9
Other financial assets	36,997
Deferred tax assets	36,365
Other non-current assets	4,342
Total non-current assets	717,728
Total assets	1,299,752

(Millions of yen)

Item	Amount
Liabilities	
Current liabilities	
Trade and other payables	185,793
Bonds and borrowings	92,072
Lease liabilities	18,833
Income tax payables	2,234
Provisions	12,270
Other financial liabilities	34,974
Other current liabilities	53,487
Total current liabilities	399,667
Non-current liabilities	
Bonds and borrowings	223,247
Lease liabilities	76,547
Retirement benefit liabilities	18,191
Provisions	7,054
Other financial liabilities	5,795
Deferred tax liabilities	11,219
Other non-current liabilities	7,327
Total non-current liabilities	349,382
Total liabilities	749,049
Equity	
Share capital	37,519
Share premium	203,753
Retained earnings	294,283
Treasury shares	(9,694)
Share acquisition rights	551
Other components of equity	13,475
Equity attributable to owners of the Company	539,888
Non-controlling interests	10,814
Total equity	550,703
Total liabilities and equity	1,299,752

Consolidated Statement of Profit or Loss

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	Amount
Revenue	863,381
Cost of sales	488,726
Gross profit	374,654
Other income	14,031
Selling, general and administrative expenses	389,672
Other expenses	15,280
Operating profit (loss)	(16,266)
Finance income	5,010
Finance costs	8,756
Share of profit of investments accounted for using the equity method	12
Profit (loss) before tax	(20,000)
Income tax expense (income)	(5,349)
Profit (loss) for the year	(14,650)
 Profit (loss) attributable to:	
Profit (loss) attributable to owners of the Company	(15,211)
Profit (loss) attributable to non-controlling interests	(560)

Consolidated Statement of Changes in Equity

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Equity attributable to owners of the Company						
	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Other components of equity	
						Remeasurements of defined benefit pension plans	
Balance as of April 1, 2020	37,519	196,135	307,179	(9,684)	728	-	2,154
Profit (loss) for the year	-	-	(15,211)	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	8,158	4,811
Total comprehensive income (loss)	-	-	(15,211)	-	-	8,158	4,811
Dividends	-	-	(9,904)	-	-	-	-
Acquisition and disposal of treasury shares	-	-	(133)	(10)	-	-	-
Share-based payments	-	(404)	-	-	(177)	-	-
Equity and other transactions with non-controlling shareholders	-	(104)	-	-	-	-	-
Put options written on non-controlling interests	-	8,127	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	12,354	-	-	(8,158)	(4,196)
Total transactions with owners	-	7,617	2,315	(10)	(177)	(8,158)	(4,196)
Balance as of March 31, 2021	37,519	203,753	294,283	(9,694)	551	-	2,769

(Millions of yen)

	Equity attributable to owners of the Company				Total	Non-controlling interests	Total equity			
	Other components of equity			Total						
	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							
Balance as of April 1, 2020	60	(10,331)	(15)	(8,133)	523,745	10,020	533,766			
Profit (loss) for the year	-	-	-	-	(15,211)	560	(14,650)			
Other comprehensive income (loss)	(299)	21,276	15	33,962	33,962	256	34,219			
Total comprehensive income (loss)	(299)	21,276	15	33,962	18,750	817	19,568			
Dividends	-	-	-	-	(9,904)	(23)	(9,928)			
Acquisition and disposal of treasury shares	-	-	-	-	(143)	-	(143)			
Share-based payments	-	-	-	-	(582)	-	(582)			
Equity and other transactions with non-controlling shareholders	-	-	-	-	(104)	-	(104)			
Put options written on non-controlling interests	-	-	-	-	8,127	-	8,127			
Transfer from other components of equity to retained earnings	-	-	-	(12,354)	-	-	-			
Total transactions with owners	-	-	-	(12,354)	(2,608)	(23)	(2,631)			
Balance as of March 31, 2021	(239)	10,944	(0)	13,475	539,888	10,814	550,703			

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: 171 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: 2 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 and holds 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 those 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, the financial assets are sequentially measured at fair value, 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 doubtful 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 doubtful 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, the hedging instruments are assessed as to whether they are highly effective in offsetting changes in 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 cash flow of 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 (excluding right-of-use assets)

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. Right-of-use assets

Excluding short-term leases and leases of small assets, the Group recognizes right-of-use assets and lease liabilities at the commencement dates of leases.

Right-of-use assets are measured at the initial measurements of lease liabilities adjusted by initial direct costs and other items, plus costs to restore the original conditions and others.

After the initial measurement, the right-of-use assets are measured using the cost model that is, at cost less accumulated depreciation and accumulated impairment losses, and presented in property, plant and equipment in the consolidated statement of financial position.

Lease liabilities are measured at present value of the unpaid lease fees at the commencement dates discounted by the interest rates implicit in the leases. If the interest rates cannot be calculated easily, the lessee's incremental borrowing rates are used. Interest expenses are distributed at fixed rates in the lease liability balances over the lease terms and recognized as costs during the terms.

Lease fees associated with short-term leases and leases of small amounts are recognized as costs using the straight-line method over their lease terms.

e. 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.

f. Impairment of non-financial assets

The Group assesses 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 indefinite 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 a 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 (excluding right-of-use assets)

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. Right-of-use assets

Right-of-use assets are depreciated under the straight-line method over their estimated useful lives or lease terms, whichever is shorter.

c. 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 indefinite useful lives and those not yet available for use

Intangible assets with indefinite useful lives and those not yet available for use are not amortized. These assets are tested for impairment each fiscal year or when signs of impairment are recognized.

(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, which is the estimated future cash flows discounted 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 discount rates, a discount period is determined based on the period until the expected date of benefit payment in each fiscal year, and each discount rate is determined by reference to market yields for the period corresponding to the discount period at the end of each 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's post-retirement benefit 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. Assets recognized from contract costs are amortized over the customer's estimated contract terms using the straight-line method.

(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 on 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>

Not applicable.

<Note Concerning Accounting Estimates>

Amounts that are reported as accounting estimates on consolidated financial statements for the fiscal year under review, and that have the potential for having a material impact on consolidated financial statements for the following fiscal year, are as follows.

1. Impairment of non-financial assets

Amount recorded in the consolidated financial statements for the fiscal year under review

Property, plant and equipment	¥292,535 million
Goodwill and intangible assets	¥347,478 million

The Group conducts impairment tests whenever there is any indication that the recoverable amount of a non-financial asset (excluding inventories, deferred tax assets and post-retirement benefit plan assets) may fall below its carrying amount. For goodwill and intangible assets with indefinite useful lives or that are not yet in use, an impairment test is performed each year and whenever there is any indication of impairment.

When conducting an impairment test, principal factors indicating that impairment may have occurred include a substantial worsening of business performance compared with past or estimated operating performance, significant changes in the uses of acquired assets or changes in overall strategy, or a substantial worsening of industry or economic trends.

Goodwill is allocated to an asset, CGU or group of CGUs based on the region where business is conducted and business category, and impairment tests are conducted on goodwill once each year or when there is an indication of impairment.

Calculations of recoverable amounts used in impairment tests are based on assumptions set using such factors as an asset's useful life, future cash flows, the pre-tax discount rates that reflect the risks specific to the asset, and long-term growth rates. These assumptions are based on the best estimates and judgments made by management.

However, these assumptions may be affected by changes in uncertain future economic conditions, which may have a material impact on the consolidated financial statements in the next fiscal year.

2. Provisions

Amount recorded in the consolidated financial statements for the fiscal year under review

Provisions	¥19,325 million
------------	-----------------

The Group records various provisions in the consolidated statement of financial position, including provision for product warranties and provision for restructuring.

These provisions are recognized based on the best estimates of the expenditures required to settle the obligations taking into consideration of risks and the uncertainty related to the obligations as of the fiscal year-end date.

Expenditures required to settle the obligations are calculated by taking possible results into account comprehensively. However, they may be affected by the occurrence of unexpected events or changes in conditions which may have a material impact on the consolidated financial statements in the next fiscal year.

3. Post-retirement benefits

Amount recorded in the consolidated financial statements for the fiscal year under review

Retirement benefit liabilities	¥18,191 million
--------------------------------	-----------------

The Group has in place various post-retirement benefit plans, including defined benefits plans. The present value of defined benefit obligations on each of these plans and the service costs are calculated based on actuarial assumptions. These actuarial assumptions require estimates and judgments on variables, such as discount rates. The Group obtains advice from external pension actuaries with respect to the appropriateness of these actuarial assumptions including these variables.

The actuarial assumptions are determined based on the best estimates and judgments made by management.

However, there is the possibility that these assumptions may be affected by changes in uncertain future economic conditions, or by the publication or the amendment of related laws, which may have a material impact on the consolidated financial statements in the next fiscal year.

4. Recoverability of deferred tax assets

Amount recorded in the consolidated financial statements for the fiscal year under review

Deferred tax assets	¥36,365 million
---------------------	-----------------

In recognizing deferred tax assets, when judging the possibility of the future taxable income, the Group estimates the timing and amount of future taxable income based on the business plan.

The timing when taxable income arises and the amount of such income may be affected by changes in uncertain future economic conditions. Therefore, this may have a material impact on the consolidated financial statements in the next fiscal year.

5. Fair value of financial instruments

Amount recorded in the consolidated financial statements for the fiscal year under review

Other financial assets	¥5,855 million
Other financial liabilities	¥32,961 million

To assess fair value of certain financial instruments, the Group uses valuation techniques using inputs that are not based on observable market data. Inputs that are not based on observable market data may be affected by the result of changes in uncertain future economic conditions, and may have significant impact on amounts reported in the consolidated financial statements when the inputs need to be reviewed.

<Notes to Consolidated Statement of Financial Position>

1. Allowances for doubtful accounts deducted directly from assets

Trade and other receivables	¥7,247 million
Other financial assets	¥472 million

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

Accumulated depreciation on property, plant and equipment	¥568,184 million
---	------------------

3. Balance of guaranteed obligations

Guaranteed obligations (The Group guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.)	¥232 million
--	--------------

<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)
Balance as of April 1, 2020	1,200,000,000	502,664,337	7,764,241
Increase	-	-	2,165,863
Decrease	-	-	774,106
Balance as of March 31, 2021	1,200,000,000	502,664,337	9,155,998

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 held by trust accounts related to the BIP trust for compensation for Directors included in each of the figures in the table are as follows: Balance as of April 1, 2020: 1,184,094 shares, Increase: 2,162,300 shares, Decrease: 536,957 shares, and Balance as of March 31, 2021: 2,809,437 shares.

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 26, 2020	Ordinary shares	4,960	10.00	March 31, 2020	June 10, 2020	Retained earnings
Board of Directors' meeting held on October 29, 2020	Ordinary shares	4,962	10.00	September 30, 2020	November 27, 2020	Retained earnings

- Notes:
1. The total dividend payment according to the resolution at the Board of Directors' meeting held on May 26, 2020 includes dividends of ¥11 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 29, 2020 includes dividends of ¥6 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 14, 2021	Ordinary shares	7,444	15.00	March 31, 2021	May 28, 2021	Retained earnings

Note: The total dividend payment includes dividends of ¥42 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 FY2020

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	10,000 shares
Fourth issue of stock compensation-type stock options for 2008	Ordinary shares	11,000 shares
Fifth issue of stock compensation-type stock options for 2009	Ordinary shares	33,500 shares
Sixth issue of stock compensation-type stock options for 2010	Ordinary shares	41,000 shares
Seventh issue of stock compensation-type stock options for 2011	Ordinary shares	60,500 shares
Eighth issue of stock compensation-type stock options for 2012	Ordinary shares	74,500 shares
Ninth issue of stock compensation-type stock options for 2013	Ordinary shares	114,500 shares
Tenth issue of stock compensation-type stock options for 2014	Ordinary shares	112,100 shares
11 th issue of stock compensation-type stock options for 2015	Ordinary shares	81,700 shares
12 th issue of stock compensation-type stock options for 2016	Ordinary shares	141,600 shares
Total		702,900 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 FY2020 are as follows.

(Millions of yen)

	Book value	Fair value
<Financial assets>		
Cash and cash equivalents	123,823	123,823
Trade and other receivables	225,135	225,135
Other financial assets	40,200	40,200
<Financial liabilities>		
Trade and other payables	185,793	185,793
Bonds and borrowings	315,320	307,938
Other financial liabilities	7,977	7,977

Other than the above, there are finance lease receivables worth ¥37,484 million, contract assets worth ¥230 million, and put options vested in non-controlling shareholders worth ¥32,792 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	¥1,093.98
2. Basic loss per share	¥30.75

Note: In calculating per-share information, 2,809,437 shares and 1,457,025 shares are deducted from the numbers of shares at the end of the fiscal year and those averaged 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. Other income

Other income is mainly subsidy income including compensation for sustaining businesses of ¥7,447 million.

2. Other expenses

Other expenses are mainly comprised of business structure improvement expenses of ¥7,608 million and loss on disposal of property, plant and equipment and intangible assets of ¥1,385 million. The business structure improvement expenses include expenses related to structural reform of sales sites in Europe and North America, etc. for the Digital Workplace Business and Professional Printing Business.

3. 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, 2021)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	240,226	Current liabilities	190,387
Cash and deposits	43,143	Notes payable - trade	5,857
Notes receivable - trade	1,599	Accounts payable - trade	47,186
Accounts receivable – trade	77,126	Short-term borrowings	51,194
Inventories	37,622	Current portion of long-term borrowings	31,331
Prepaid expenses	3,318	Lease liabilities	79
Short-term loans receivable	54,979	Accounts payable - other	39,990
Current portion of long-term loans receivable	6,413	Accrued expenses	5,308
Accounts receivable – other	6,856	Income taxes payable	369
Income taxes receivable	3,435	Advances received	1,131
Other current assets	5,735	Provision for bonuses	4,573
Allowance for doubtful accounts	(4)	Provision for bonuses for directors (and other officers)	119
Non-current assets	529,401	Provision for product warranties	199
Property, plant and equipment	112,548	Other current liabilities	3,044
Buildings, net	45,565	Non-current liabilities	245,302
Structures, net	1,761	Bonds payable	30,000
Machinery and equipment, net	15,095	Long-term borrowings	191,449
Vehicles, net	24	Lease liabilities	62
Tools, furniture and fixtures, net	7,641	Deferred tax liabilities for land revaluation	3,019
Land	39,473	Provision for retirement benefits	11,984
Leased assets	172	Provision for stock bonuses	276
Construction in progress	2,813	Asset retirement obligations	5,342
Intangible assets	17,550	Other noncurrent liabilities	3,167
Software	11,392	Total liabilities	435,690
Other intangible assets	6,158	Net assets	
Investments and other assets	399,302	Shareholders' equity	322,417
Investment securities	15,649	Share capital	37,519
Shares of subsidiaries and associates	269,938	Capital surplus	135,592
Investments in capital of subsidiaries and associates	84,943	Legal capital surplus	135,592
Long-term loans receivable	5,395	Retained earnings	158,999
Long-term prepaid expenses	2,304	Other retained earnings	158,999
Deferred tax assets	13,811	Retained earnings brought forward	158,999
Other investment	7,277	Treasury shares	(9,694)
Allowance for doubtful accounts	(17)	Valuation and translation adjustments	10,969
Total assets	769,628	Valuation difference on available-for-sale securities	3,011
		Deferred gains or losses on hedges	1,127
		Revaluation reserve for land	6,830
		Share acquisition rights	551
		Total net assets	333,938
		Total liabilities and net assets	769,628

Statement of Income
 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	Amount
Revenue	
Cost of sales	243,325
Gross profit	100,995
Selling, general and administrative expenses	121,516
Operating profit (loss)	20,520
Non-operating income	
Interest and dividend income	30,787
Foreign exchange gain	2,038
Miscellaneous revenue	3,419
	36,244
Non-operating expenses	
Interest expenses	1,862
Commission for syndicate loan	1,556
Miscellaneous expenses	2,195
	5,614
Ordinary profit	10,109
Extraordinary income	
Gain on sales of non-current assets	7
Gain on sales of investment securities	6,488
	6,496
Extraordinary losses	
Loss on sales and retirement of non-current assets	648
Loss on sales of investment securities	32
Loss on valuation of investment securities	421
Loss on sales of shares of subsidiaries and associates	183
Impairment loss	547
	1,833
Profit before income taxes	14,772
Income taxes-current	(137)
Income taxes-deferred	(1,630)
Profit	16,539

Statement of Changes in Equity
 (From April 1, 2020 to March 21, 2021)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Retained earnings brought forward		
Balance at April 1, 2020	37,519	135,592	135,592	152,516	152,516	(9,684)	315,944
Changes of items during period							
Dividends of surplus	-	-	-	(9,923)	(9,923)	-	(9,923)
Profit	-	-	-	16,539	16,539	-	16,539
Purchase of treasury shares	-	-	-	-	-	(809)	(809)
Disposal of treasury shares	-	-	-	(133)	(133)	798	665
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-
Total changes of items during period	-	-	-	6,483	6,483	(10)	6,472
Balance at March 31, 2021	37,519	135,592	135,592	158,999	158,999	(9,694)	322,417

	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, 2020	2,213	3,751	6,830	12,794	728	329,468
Changes of items during period						
Dividends of surplus	-	-	-	-	-	(9,923)
Profit	-	-	-	-	-	16,539
Purchase of treasury shares	-	-	-	-	-	(809)
Disposal of treasury shares	-	-	-	-	-	665
Net changes of items other than shareholders' equity	798	(2,623)	-	(1,825)	(177)	(2,002)
Total changes of items during period	798	(2,623)	-	(1,825)	(177)	4,470
Balance at March 31, 2021	3,011	1,127	6,830	10,969	551	333,938

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.

Past 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 from 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.

9. Application of tax effect accounting for transition from the consolidated taxation system to the group tax sharing system

The Company applies the treatment under Article 3 of “The Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ Practical Issues Task Force No. 39, March 31, 2020) in relation to items that are revised for the transition to the group tax sharing system established under the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 8 of 2020) and for the non-consolidated tax payment system in conjunction with the transition to the group tax sharing system, but do not apply the prescriptions under Article 44 of the “Implementation Guidance on Accounting Standards for Tax Effect Accounting, etc.” (ASBJ Implementation Guidance No. 28, February 16, 2018) and treats the amount of deferred income tax assets and deferred tax liabilities in accordance with the tax law provisions before the revision.

<Note Concerning Change in Presentation>

(Application of “Accounting Standard for Disclosure of Accounting Estimates”)

The “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020, Accounting Standards Board of Japan) has been applied in financial statements starting from the fiscal year under review, and notes concerning accounting estimates have been included.

<Note Concerning Accounting Estimates>

1. Valuation of property, plant and equipment, and intangible assets

Amount recorded in the financial statements for the fiscal year under review	
Property, plant and equipment	¥112,548 million
Intangible assets	¥17,550 million

The calculation methods and calculation assumptions for amounts reported on financial statements for the fiscal year under review, as well as the impact on financial statements for the following fiscal year, are given in “1. Impairment of non-financial assets” under Note Concerning Accounting Estimates, within Notes to Consolidated Financial Statements.

2. Valuation of shares of subsidiaries and associates, and investments in capital of subsidiaries and associates

Amount recorded in the financial statements for the fiscal year under review	
Shares of subsidiaries and associates	¥269,938 million
Investments in capital of subsidiaries and associates	¥84,943 million

The Company records a valuation loss if the Company deems that the actual value of the shares of subsidiaries and associates that do not have fair market values, or investments in capital of subsidiaries and associates, is markedly below their book value, and that the decline in the actual value is not temporary. The duration and degree of the decline, as well as the financial position and the outlook for operating results, are included in criteria for judging whether or not the decline in actual value is temporary.

While the Company believes that its criteria for judging valuation losses are reasonable, there is the possibility of a significant impact on the valuation of shares of subsidiaries and associates, and investments in capital of subsidiaries and associates in the financial statements for the following fiscal year, if there have been changes to the circumstances surrounding individual investments due to market changes, or unforeseeable changes to the economic or business-related assumptions.

With respect to the shares of subsidiaries and associates with fair market value, the Company recognizes impairment loss when their fair market value decreases significantly.

3. Recoverability of deferred tax assets

Amount recorded in the financial statements for the fiscal year under review	
Deferred tax assets	¥13,811 million

The Company has adopted a consolidated tax payment system. The recoverability of deferred tax assets is estimated based on the taxable income in accordance with future business plans of a company with a consolidated tax payment system. The Company estimates said taxable income, in particular, using our business plans as the basis for estimates. However, said plans entail uncertainty with regard to predictions of future revenue and we rely considerably on the estimates and judgments of managers. Said estimates may be impacted by factors including future fluctuations in uncertain economic conditions. If the periods and amounts of actual taxable income differ from estimates, there is the possibility of a material impact on the amount of deferred tax assets in the following fiscal year’s financial statements.

4. Provision for retirement benefits

Amount recorded in the financial statements for the fiscal year under review	
Provision for retirement benefits	¥11,984 million

The calculation methods and calculation assumptions for amounts of provision for retirement benefits reported on financial statements for the fiscal year under review, as well as the impact on financial statements for the following fiscal year, are given in “3. Post-retirement benefits” under Note Concerning Accounting Estimates, within Notes to Consolidated Financial Statements, and in “(5) Provision for retirement benefits” under 5. Standards for allowances, under Notes to Basis of Significant Accounting Policies, within Notes to Financial Statements.

<Notes to Balance Sheet>

1. Accumulated depreciation of property, plant and equipment ¥304,335 million

2. Balance of guaranteed obligations

The Company guarantees obligations for lease contracts of affiliated companies.

Konica Minolta Business Solutions U.S.A., Inc. ¥8,204 million

The Company guarantees tariffs payable by affiliated companies.

Konica Minolta (Xiamen) Medical Products Co., Ltd. ¥842 million

3. Receivables from and payables to subsidiaries and associates

Short-term receivables	¥122,818 million
Long-term receivables	¥5,395 million
Short-term payables	¥67,165 million

4. Inventories

Merchandise and finished goods	¥23,817 million
Work in process	¥8,353 million
Raw materials and supplies	¥5,452 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

¥(6,742) million

6. Loan commitment

The Company has loan agreements with subsidiaries concerning financial matters for group companies and has established credit lines for sixteen 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	¥254,809 million
<u>Disbursed loan balance</u>	¥58,068 million
Available loan balance	¥196,740 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	8,560	-	8,560
Defined benefit pension plan	9,764	6,340	3,423
Total	18,324	6,340	11,984

<Notes to Statement of Income>

Transactions with subsidiaries and associates

Operating revenue	¥247,875 million
Operating expense	¥186,794 million
Other operating transactions	¥28,829 million
Other non-operating transactions	¥7,620 million

<Notes to Statement of Changes in Equity>

Type and number of treasury shares at end of period

Ordinary shares	9,155,998 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
Net operating tax loss carried forward	¥8,517 million
Provision for retirement benefits	¥7,889 million
Excess of depreciation and amortization over deductible limit	¥1,762 million
Asset retirement obligations	¥1,439 million
Loss on valuation	¥1,437 million
Provision for bonuses	¥1,419 million
Other	¥3,808 million
Deferred tax assets subtotal	¥43,927 million
Valuation allowance for operating loss carryforwards	¥(1,885) million
Valuation allowance for total of deductible temporary differences and others	¥(22,442) million
Subtotal of valuation allowances	¥(24,327) million
Total deferred tax assets	¥19,599 million
Deferred tax liabilities	
Loss (gain) on transfer of business	¥(1,384) million
Gain on establishment of employee pension trust	¥(1,382) million
Retirement costs corresponding to asset retirement obligations	¥(1,317) million
Valuation difference on available-for-sale securities	¥(1,120) million
Other	¥(583) million
Total deferred tax liabilities	¥(5,788) million
Net deferred tax assets	¥13,811 million

2. Deferred tax liabilities related to revaluation

Deferred tax liabilities for land revaluation	¥(3,019) million
---	------------------

<Notes on Related-Party Transactions>

Subsidiaries, etc.

(Millions of yen)

Attribute	Name of company, etc.	Equity ownership percentage	Relationship	Description of transactions	Transaction amount	Account item	Ending balance
Subsidiary	Konica Minolta Business Solutions Europe GmbH	(Ownership) Direct 100%	Sales of the Company's products Lending of cash Concurrent director(s)	Sales of products (Note 1)	74,406	Accounts receivable - trade	11,729
				Lending of funds (Note 2)	22,169	Short-term loans receivable	35,775
Subsidiary	Konica Minolta Business Solutions U.S.A., Inc.	(Ownership) Direct 100%	Sales of the Company's products Guarantees Concurrent director(s)	Sales of products (Note 1)	51,499	Accounts receivable - trade	10,443
				Guarantees (Note 3)	8,204	-	-
Subsidiary	Konica Minolta Japan, Inc.	(Ownership) Direct 100%	Sales of the Company's products Concurrent director(s)	Sales of products (Note 1)	39,828	Accounts receivable - trade	15,783
Subsidiary	Konica Minolta Business Technologies Manufacturing (HK) Ltd.	(Ownership) Direct 100%	Manufacturing of the Company's products	Purchases of products (Note 1)	51,172	Accounts payable - trade	10,038
Subsidiary	Konica Minolta Business Technologies (WUXI) Co., Ltd.	(Ownership) Direct 15% Indirect 85%	Manufacturing of the Company's products	Purchases of products (Note 1)	30,132	Accounts payable - trade	8,566
Subsidiary	Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	(Ownership) Indirect 100%	Manufacturing of the Company's products	Purchases of products (Note 1)	41,027	Accounts payable - trade	3,947
Subsidiary	Konica Minolta PM.,Inc.	(Ownership) Indirect 60%	Lending of cash Concurrent director(s)	Lending of funds (Note 2)	11,569	Short-term loans receivable	10,841
						Long-term loans receivable	3,495

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.
3. Guarantees have been provided with respect to lease contracts and the Company has received guarantee commissions calculated based on the amount guaranteed.

Note that Transaction amount shows the balance of the guarantee as of the end of the fiscal year under review.

<Notes on Per Share Information>

Net assets per share	¥675.54
Earnings per share	¥33.43

Note: In calculating per-share information, 2,809,437 shares and 1,479,769 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 stock bonus program linked with medium-term performance, which we call the BIP trust for compensation for Directors, was adopted from FY2017 to FY2019. We have decided to continue this program in FY2020 and beyond, with the trust period extending to August 31, 2023 (tentatively). Accompanying the continuation of the program, “stock bonus linked with medium-term performance” will now be described as “medium-term stock bonus (performance-linked),” and “medium-term stock bonus” will now be described as “medium-term stock bonus (non-performance linked).” Additionally, we have newly established a “long-term stock bonus” for executive officers and others, with this new program granting shares, etc. according to officers’ roles and number of years in service.

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. 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 13, 2021

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Otani Akihiro (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

Auditor's Opinion

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, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 444 (4) of the Companies Act.

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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in those standards is stated in "Auditor's Responsibility in Audit of the Consolidated Financial Statements." In accordance with the provisions for professional ethics in Japan, we are independent from the Company and its consolidated subsidiaries and fulfill other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's and Audit Committee'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 the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare those statements based on the going concern assumption. Management is also responsible for disclosing matters regarding the going concern, in accordance with the provisions of the latter part of Article 120-1 of the Ordinance on Company Accounting, which approve the omission of certain items required to be disclosed by the International Financial Reporting Standards, if it is necessary to do so.

The Audit Committee is responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the financial reporting processes.

Auditor's Responsibility in Audit of the Consolidated Financial Statements

Our responsibility is to express as independent auditor an opinion on the financial statements based on our audit in the Auditor's Report, after we obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Misstatements may occur due to fraud or error. They are recognized as being important when they are reasonably expected to have an effect, separately or in total, on decision making of users of the consolidated financial statements.

In accordance with the accounting principles generally accepted in Japan, the auditor shall conduct the following with professional judgment and professional skepticism during the process of audit:

- Identify and assess risks of material misstatements, whether due to fraud or error. Plan and conduct audit procedure responding to the risks of material misstatements. The choice and application of the audit procedure is based on the auditor's judgment. Moreover, obtain satisfactory and appropriate audit evidence on which the auditor's opinion will be based.
- The purpose of audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control. However, the auditor shall consider the internal control associated with audit in order to plan the appropriate audit procedure suitable for the situation in conducting risk assessment.
- Assess the appropriateness of management's accounting policy and its application method, the reasonableness of accounting estimates made by management and the validity of related notes.
- Conclude whether management's preparing the consolidated financial statements on the going concern assumption is appropriate and whether there are significant uncertainties related to events or conditions that may cast significant doubt upon the going concern assumption, based on obtained audit evidence. It is requested that the auditor draw attention to the notes to the consolidated financial statements in the auditor's report when there are significant uncertainties related to the going concern assumption or that the auditor express a qualified opinion on the consolidated financial statements when the notes to significant uncertainties in the consolidated financial statements are inappropriate. Though the auditor's conclusion is based on the audit evidence the auditor had obtained by the date of the audit report, the Company may not be able to survive as a going concern depending on future events and conditions.
- Assess whether the presentation and notes in the consolidated financial statements comply with

the provisions of the latter part of Article 120-1 of the Ordinance on Company Accounting, which approve the omission of certain items required to be disclosed by the International Financial Reporting Standards. Assess the presentation, configuration and contents of the consolidated financial statements, including the related notes, and whether the consolidated financial statements appropriately present underlying transactions and accounting events.

- Obtain satisfactory and appropriate audit evidence on financial information of the Company and its consolidated subsidiaries to express an opinion about the consolidated financial statements. The auditor is responsible for the instruction, supervision and exercise in association with audit of the consolidated financial statements. The auditor assumes independent responsibility for its audit opinion.

The auditor reports to the Audit Committee on the scope of its planned audit and schedule of implementation, material findings on audit that were recognized in the implementation process of audit, including significant deficiencies in internal control, and other matters required by the audit standards.

The auditor reports to the Audit Committee that it complied with the code of professional ethics for independence in Japan. The auditor also reports to the Audit Committee on matters that are reasonably considered affecting the auditor's independence and, if applicable, on safeguards to remove or mitigate impeding factors.

Interest

There is no interest between the Company and its consolidated subsidiaries and our auditing firm or executive officers 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 13, 2021

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Otani Akihiro (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

Auditor's Opinion

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 ("the Financial Statements") of Konica Minolta, Inc. ("the Company") as at March 31, 2021 and for the 117th business year from April 1, 2020 to March 31, 2021 in accordance with Article 436 (2) (i) of the Companies Act.

In our opinion, the Financial Statements 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 were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in those standards is stated in "Auditor's Responsibility in Audit of the Financial Statements." In accordance with the provisions for professional ethics in Japan, we are independent from the Company and fulfill other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's and Audit Committee's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the accounting principles generally accepted in Japan. 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 the Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Financial Statements based on the going concern assumption and, if it is necessary to do so, disclose matters regarding the going concern in accordance with the accounting principles generally accepted in Japan.

The Audit Committee is responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the financial reporting processes.

Auditor's Responsibility in Audit of the Financial Statements

Our responsibility is to express as independent auditor an opinion on the financial statements based on our audit in the Auditor's Report, after we obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Misstatements may occur due to fraud or error. They are recognized as being important when they are reasonably expected to have an effect, separately or in total, on decision making of users of the financial statements.

In accordance with the accounting principles generally accepted in Japan, the auditor shall conduct the following with professional judgment and professional skepticism during the process of audit:

- Identify and assess risks of material misstatements, whether due to fraud or error. Plan and conduct audit procedure responding to the risks of material misstatements. The choice and application of the audit procedure is based on the auditor's judgment. Moreover, obtain satisfactory and appropriate audit evidence on which the auditor's opinion will be based.
- The purpose of audit of the financial statements is not to express an opinion on the effectiveness of internal control. However, the auditor shall consider the internal control associated with audit in order to plan the appropriate audit procedure suitable for the situation in conducting risk assessment.
- Assess the appropriateness of management's accounting policy and its application method, the reasonableness of accounting estimates made by management and the validity of related notes.
- Conclude whether management's preparing the financial statements on the going concern assumption is appropriate and whether there are significant uncertainties related to events or conditions that may cast significant doubt upon the going concern assumption, based on obtained audit evidence. It is requested that the auditor draw attention to the notes to the financial statements in the auditor's report when there are significant uncertainties related to the going concern assumption or that the auditor express a qualified opinion on the financial statements when the notes to significant uncertainties in the financial statements are inappropriate. Though the auditor's conclusion is based on the audit evidence the auditor had obtained by the date of the audit report, the Company may not be able to survive as a going concern depending on future events and conditions.
- Assess whether the presentation and notes in the Financial Statements comply with the accounting principles generally accepted in Japan. Assess the presentation, configuration and contents of the Financial Statements, including the related notes, and whether the Financial Statements appropriately present underlying transactions and accounting events.

The auditor reports to the Audit Committee on the scope of its planned audit and schedule of implementation, material findings on audit that were recognized in the implementation process of audit, including significant deficiencies in internal control, and other matters required by the audit standards.

The auditor reports to the Audit Committee that it complied with the code of professional ethics for independence in Japan. The auditor also reports to the Audit Committee on matters that are reasonably considered affecting the auditor's independence and, if applicable, on safeguards to remove or mitigate impeding factors.

Interest

There is no interest between the Company and our auditing firm or executive officers 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 117th business year from April 1, 2020 to March 31, 2021. 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 using web-based conferencing systems (as a countermeasure to COVID-19) in some audits and other related occasions, in cooperation with the internal audit division and other internal control divisions of the Company we verified the process and details of decision-making at important meetings, etc., the details of the primary decision documents and other important documents, etc. related to business execution, as well as the status of the performance of duties by 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 14, 2021

Audit Committee of Konica Minolta, Inc.

Audit Committee Member	Takashi Hatchoiji	(Seal)
Audit Committee Member	Taketsugu Fujiwara	(Seal)
Audit Committee Member	Chikatomo Kenneth Hodo	(Seal)
Audit Committee Member	Soichiro Sakuma	(Seal)
Audit Committee Member (Full-time)	Toyotsugu Itoh	(Seal)
Audit Committee Member (Full-time)	Hiroyuki Suzuki	(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 Hatchoiji, Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo and Mr. Soichiro Sakuma are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.