

"Konica Minolta, Inc." Q&A from Q4/March 2023 Financial Results Briefing Session

Date and time: May 14, 2023, 17:00 to 18:00 JST

Method: Online/Telephone Conference

Cautionary Statement

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

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

[Company overall]

Q. We understand that the top priority in FY23 was returning to profitability in profit attributable to owners of the Company. Please let us know the message to the market that the profit will be 0 in the earnings forecast in FY24. In some cases, would it be possible to implement more measures and make a loss in the profit?

A. As explained at the briefing on the medium-term business plan update on April 4th, we will implement selection and concentration of businesses in FY23 and FY24 and not carry them over to FY25. We will complete optimizing human capital in FY24. As a result, we will make the situation in which we will not look back the past. There are some uncertainties in the selection and concentration of businesses because we will discuss with some counterparties. We set the profit at 0 based on the linkage between the measures and the impact on the profit. Our priority is not to postpone the measures to the future.

Q. Regarding P.20 of the briefing materials, the revenue in FY25 will be reduced ¥150 billion. Is it the outcome of the selection and concentration of businesses? The business contribution profit (BCP) may seem to be a little weak. Does it suggest that there are some plans for selling profitable businesses?

- A. Regarding revenue, your understanding is correct. After we accomplish the BCP of ¥40 in FY24, we will aim for the BCP rate of 5% or more in FY25. We consider informing the market at an appropriate time after improving the certainty in FY24.
- Q. Regarding the plan in FY24, please let us know the balance between H1 and H2. Also, please let us know when the structural reform expenses will be incurred.
- A. The revenue in the H1 of FY23 was around 48% of the full fiscal year. We plan the revenue in the H1 of FY24 to be 47%, partly because the Industry Business is expected to recover in the H2. It is the similar structure in the BCP. We don't change the structural reform expenses as ¥20 billion per year. It is difficult to answer the timing clearly in FY24 currently because we are under negotiation with the unions by countries and regions.

[Business Technologies Business]

- Q. Regarding the alliance with FUJIFILM Business Innovation Corp. in P.12 of the briefing materials, there are description of toner development and production business alliance, and other business alliances to be separately agreed related to the subject business. Please let us know the concepts and benefits in medium to long term.
- A. Regarding the toner, in addition to the earthquake and natural disasters, we experienced explosion accidents at the toner plant in FY21. We believe it is crucial to provide stable toner supply to our customers. We aim to build a supply system that is not threatened even in emergent situations by taking advantage of the strengths of both companies. In addition, joint development and production will depend on our future discussions.
- There is nothing we can disclose at this time regarding any other matters that will be separately agreed upon. We will discuss and consider the possibility of expanding the scope in the future.

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