

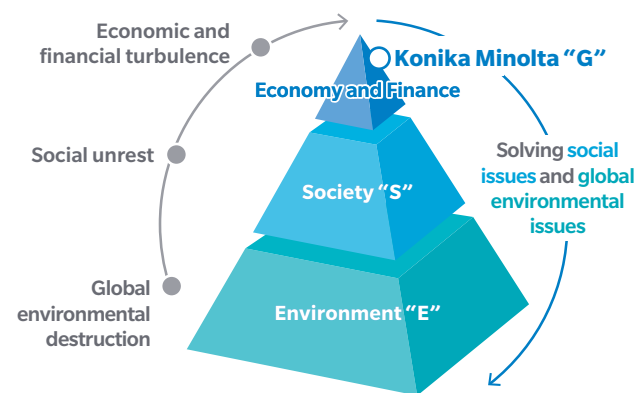
Sustainability Strategy

Basic Views

Konica Minolta has prospered together with society by continuing to provide the new value required in each era, living up to its philosophy, "The Creation of New Value." We believe that continuing to help build a sustainable society also promotes corporate sustainability.

If greater social unrest is triggered by the destruction of the global environment, it will inevitably impact economies and financial systems. However, by working to solve global environmental and social problems, Konica Minolta can minimize future risks while creating opportunities for growth.

Basic Approach to Sustainability Management

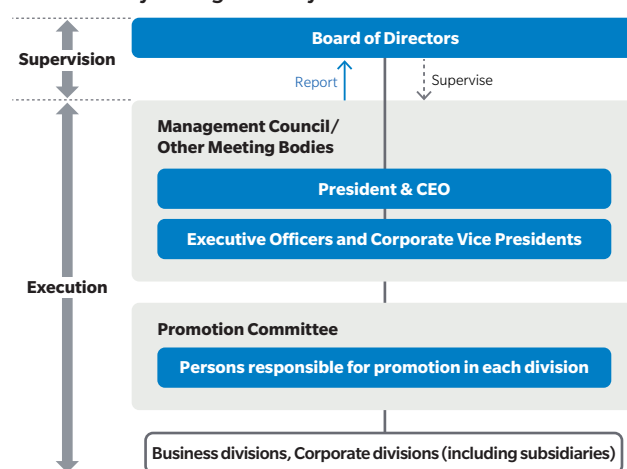


Management System

The President & CEO, Representative Executive Officer, has the highest responsibility and authority for overall sustainability management and is responsible for its effectiveness. Under the President & CEO, Representative Executive Officer, each executive responsible for sustainability promotes sustainability management for the entire Group. Discussions and decision-making on important sustainability issues are conducted at the Management Council and other meeting bodies, which are decision-making bodies, in the same manner as other important management issues, in order to increase connectivity with management and business strategies.

Promotion committees are set up when needed as a forum to discuss and promote the Medium-term Plan on Sustainability. For example, the Group Environmental Promotion Committee is attended by persons responsible for promotion appointed by the head of each business division, corporate division, and other organizations, and deliberates on medium-term and annual plans related to the environment, checks progress on a quarterly basis, and examines environmental issues facing the Group.

Sustainability Management System



Material Issue Identification Process

After gaining insight into social and environmental issues expected to be critical by 2030 by examining the UN Sustainable Development Goals (SDGs), macro trends and various stakeholder requirements, Konica Minolta conducted a materiality analysis from the perspectives of social and environmental issues that must be solved and Konica Minolta's business growth. This led to the identification of five material issues for Konica Minolta to tackle.

In the process of identifying material issues, we refer to various international frameworks and guidelines, as well as requests made through dialogue with investors and other stakeholders.

By addressing these five material issues, Konica Minolta will achieve a high-level balance of supporting people to achieve their own purpose and realizing a sustainable society to enhance its corporate value over the long term. In addition, material issues are periodically verified when a new medium-term business plan is formulated.

Identification Process for Material Issues

Step 1. Issue Awareness

We have compiled an extensive list of environmental, social, and economic issues by referring to international frameworks and guidelines such as the GRI Standards and SDGs, macro trends in each specialized field, as well as requests from various ESG surveys and dialogues with investors and other stakeholders.

Step 2. Issue Identification and Prioritization































From the issues listed, areas of particular relevance to Konica Minolta's business were identified and then rated in terms of importance.

Step 3. Validity Confirmation and Issue Identification

The evaluation process for these material issues and the validity of the analysis results are verified by the Group Promotion Committee, and the material issues that should be prioritized are confirmed. After deliberation by management, the Board of Directors approves the material issues.




For more details: Material Issue Evaluation and Identification Process
<https://www.konicaminolta.com/about/csr/process.html>

Value Creation through Efforts toward Material Issues

Material issues	 Improving fulfillment in work and corporate dynamism	 Supporting healthy, high-quality living	 Ensuring social safety and security	 Addressing climate change	 Using limited resources effectively
Industry	Automation and labor-saving of production processes and inspection procedures		Bringing about a safe work environment Quality assurance and market incidents suppression	Reduction of energy and CO ₂ burdens of manufacturing and inspection processes	Reduction of losses in manufacturing and inspection processes Promotion of resource recycling
Digital Workplace	Supplying an environment where anyone can work anywhere and any time		Ensuring information security in the workplace	Realization of energy- and resource-saving workstyles	
Professional Print	Automated, labor-saving printing processes that reduce the need for skills		Improved safety of printing processes and work environments	Reduction of energy loss in the printing supply chain	
Imaging Solutions	Mitigating burden on doctors and nurses	Early detection and diagnosis of diseases	Detection of signs of accidents Improving the quality of medical care	Early detection of greenhouse gas leaks	
Vision for 2030	        <p>Improving the productivity of the Company, its customers, and all of society, make time for creativity, and encourage people to thrive</p>	   <p>Providing the Company, its customers, and all of society with healthy, high-quality living, and let everyone have a prosperous life</p>	    <p>Enhancing the safety and security of the jobs and lives of customers and society, while minimizing the risks posed by the Company's products and services</p>	    <p>Reducing the Company's CO₂ emissions as well as further reducing CO₂ emissions of customers and suppliers</p>	      <p>Promoting efficient use of the Company's resources while creating resources' efficient usage contribution amounts for customers, suppliers, and others</p>
Impact on the Company's Corporate Value	<ul style="list-style-type: none"> Higher profitability from providing solutions that increase corporate clients' productivity Higher labor productivity from strengthening the Company's human capital 	<ul style="list-style-type: none"> Higher profitability from providing solutions in the fields of healthcare and caregiving Better products and services from innovation and a higher level of engagement by the Company's employees 	<ul style="list-style-type: none"> Higher profitability from providing solutions that facilitate social safety Less risk of business losses from major incidents involving the Company's products and services 	<ul style="list-style-type: none"> Higher sales of products and services that contribute to the decarbonization of corporate clients Lower energy costs Prevention of lost sales opportunities by responding to customers' demands vis-à-vis CO₂ reduction 	<ul style="list-style-type: none"> Higher sales of products and services that contribute to corporate clients' efficient use of resources Lower costs for resources used by the Company

Targets and Results for Each Material Issue

(FY)

Material Issues	Themes		Indicators		2022 Results	2023		2024 Targets	2025 Targets	2030 Targets	
						Targets	Results				
 Improving fulfillment in work and corporate dynamism	Increasing customer productivity and making time for creativity		To be formulated and released								
	Creating an organization that draws out potential talent so that individuals can thrive	Social and environmental value	DX specialized technical human resources *1		814	1,000	1,085	40% or more engineers in each business unit	50% or more engineers in each business unit		
			GES score*2	Employee engagement score*3		6.6	–	6.8	–	7.7 (Industry benchmark average)	Industry benchmark top 25%
				Equity*4 Note 1		7.4 (6.1)	7.6(6.4)	7.6(6.6)	7.8(6.7)	8.0 (7.0) or more	–
				Freedom of opinion*5 Note1		7.2 (6.6)	7.5(6.9)	7.3(6.8)	7.7(7.2)	8.0 (7.5) or more	–
			Percentage (%) of management positions*6 held by women*7		9.9	11% or more	10.7	12% or more	13% or more	18% or more*8	
			Percentage of women among new graduate recruits (%)*7		37	30% or more	39	30% or more	30% or more	–	
Note: Target scope: Konica Minolta, Inc. However, the scope of targets of the GES score (*2) is the Konica Minolta Group (worldwide) and the data for Konica Minolta, Inc. in parentheses in Note 1.											
 Supporting healthy, high-quality living	Promote health and high quality of life at corporate clients		To be formulated and released								
	Building safe and comfortable workplaces where employees feel motivated	Improve organizational health	Social and environmental value	Percentage of workplaces where stress levels exceed the appropriate range*9		13.3%	12.5%	5.3%	11.3%	9.3%	–
				Average score of the organizational health survey (10-point scale) results		6.1	6.4	6.3	6.9	7.7	–
		Employee health		Presenteeism: Percentage of employees with moderate or greater impaired work function due to health problems*10		18.2%	17.1%	20.0%	16.1%	15.1%	–
				Absenteeism*11:Average reduction*12 in the number of days of leave for the person on leave*13		–	3% decrease	2% increase	9% decrease	17% decrease	–
Note. Target scope: Konica Minolta, Inc.											
 Ensuring social safety and security	Provide safety and security in the work and daily lives of corporate clients		To be formulated and released								
	Minimizing risks related to the safety and security of Konica Minolta products and services	Eliminate substances that affect health	Social and environmental value	Number of serious accidents*14 caused by chemical substances		0	0	0	0	0	0
		Reinforce efforts to ensure safety when products and services are used		Number of serious product-related accidents*15		0	0	0	0	0	0
		Completely eliminate serious information security incidents		Number of serious information security incidents*16		0	0	0	0	0	0

^{*1} DX specialized technical human resources: Specialists who leverage data from products, services, and business processes, as well as digital and AI technologies, to create solutions for internal and external challenges. ^{*2} GES score: The average score of responses, on a scale of 0 to 10, to relevant questions in the Global Employee Survey ^{*3} Engagement: Applicable question "How likely is it you would recommend Konica Minolta as a place to work?" (This has been corrected due to an error in the question description. The same question has been used in the evaluation since FY2021) ^{*4} Equity: Applicable question "people of all backgrounds treated fairly in my department/team?" ^{*5} Freedom of opinion: Applicable question "Is your opinion respected in your department/team?" ^{*6} Management positions referred to as "Exempt" in Konica Minolta, Inc. ^{*7} Time of compilation: As of April 1 of the following fiscal year. ^{*8} Target value as of April 1, 2030. ^{*9} Workplaces with stress levels that exceed the appropriate range: Workplaces with a total health risk of 120 or higher in stress check (A total health risk of 100 is the national average) ^{*10} Presenteeism: A condition in which an employee is present at work, but their performance is declining due to some physical disorder. It is evaluated using the Work Functioning Impairment Scale (WFun), a survey developed at the University of Occupational and Environmental Health, Japan to measure the degree of impaired work function due to health problems. In Japan, a score of 21 or higher on this survey is said to indicate moderate or greater impaired work function. ^{*11} Absenteeism: Condition of not being able to come to work due to illness or poor health ^{*12} Percentage of reduction from FY2022 results ^{*13} Person on leave: Employee on leave (including unscheduled absence and temporary retirement). The number of days of leave of absence does not include fixed days off, paid vacations, and absence due to work-related injury. ^{*14} Serious accident: A case that causes serious harm to the product user's life and/or body and cases that cause serious and significant impact on the business of the product user ^{*15} Serious product-related accidents refer to those accidents that cause serious harm to the product user's life and/or body and accidents that cause serious damage to assets other than the product. to assets other than the product ^{*16} Serious security incidents refer to those product-security incidents that cause serious and significant harm to the product user's business

*¹ Contribution to CO₂ reduction: Volume of CO₂ emissions reduced at customers, business partners and the broader society *² CO₂ emissions over the product lifecycle, from procurement, production, distribution, sales and service to use by the customer *³ Cumulative reductions for each fiscal year from FY2020 - FY2022 and FY2023 - FY2025. Total reduction amount for each fiscal year due to the measures implemented from the first fiscal year of each period to the relevant fiscal year. The reduction effects of measures implemented from the first fiscal year of each period to the relevant fiscal year are summed up for each fiscal year. *⁴ Green Products: Name changed from Sustainable Solution in FY2023. Promotes the solving of social and environmental issues by defining and certifying solutions that help to solve social and environmental issues and expand sales *⁵ Enhanced customer relations: Number of business opportunities gained by providing customers with environment-related technologies and know-how *⁶ Business negotiation participation: Number of proposed products for which a quotation was submitted out of the number of enhanced customer relations *⁷ Sales contribution: Total amount of sales of products proposed at the above-mentioned business negotiations *⁸ Natural resources: Resources that involve new mining, such as crude oil and mineral resources, and are generally synonymous with depletable resources. *⁹ Cumulative reductions for each fiscal year from FY2020 - FY2022 and FY2023 - FY2025. Total reduction amount for each fiscal year due to the measures implemented from the first fiscal year of each period to the relevant fiscal year. *¹⁰ Set as a target that includes the reduction of plastic waste at major sites in Japan as part of activities to reduce and recycle plastic waste from products that use plastic based on the Act on Promotion of Resource Circulation for Plastics enacted in Japan

Toward Net Zero CO₂ Emissions and Zero Use of Natural Resources by 2050



Addressing climate change

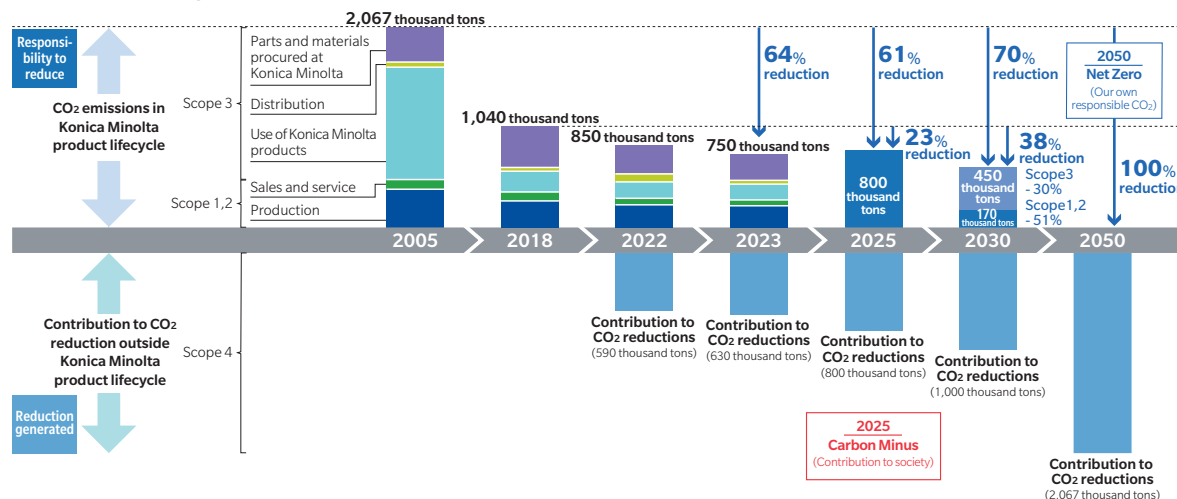
Net Zero CO₂ Emissions and Carbon Minus

Konica Minolta aims to achieve net zero CO₂ emissions (Scope 1, 2, and 3) over the Konica Minolta product lifecycle in 2050.

We have also taken the lead over our competitors in adopting the unique concept of Carbon Minus and have been working to contribute to CO₂ reductions outside of our own scope of responsibility (Scope 4), with the goal that the amount of reduction will exceed the CO₂ emissions that are within our scope of responsibility. We aim to achieve Carbon Minus in fiscal 2025 by enhancing our core technologies through the use of AI and the integration of technologies across business areas to increase our contribution to CO₂ reduction by our customers and suppliers.

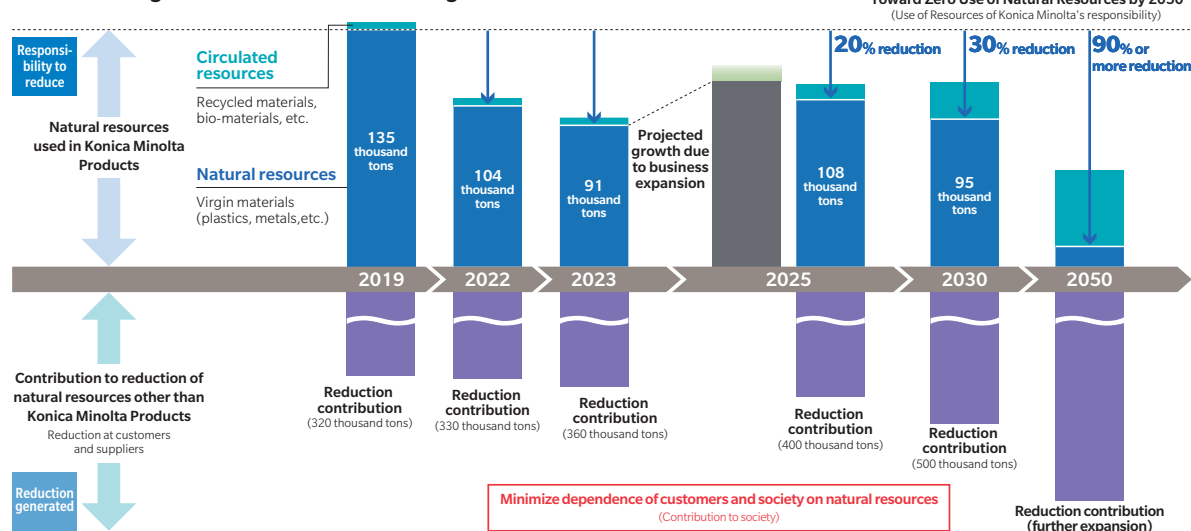
In fiscal 2023, we reduced product lifecycle CO₂ emissions beyond the target of the plan in Scopes 1, 2, and 3, and met the planned target for CO₂ reduction contributions in Scope 4.

CO₂ Reduction Targets



In July 2024, we received certification from the SBT Initiative for our "Net Zero Target" and "Short Term Target". For more details, please visit our website: <https://www.konicaminolta.com/global-en/newsroom/2024/0730-02-01.html>

Reduction Targets for Natural Resource Usage



Using limited resources effectively

Zero Use of Natural Resources*

Similar to the reduction of CO₂ emissions mentioned above, we have also set reduction targets for the use of natural resources by 2050 for within and outside of our scope of responsibility, respectively.

Within our scope of responsibility, we have reduced the amount of resources used in our own products to bring the use of natural resources to near zero, have promoted the use of recyclable resources in their place, and in fiscal 2023, we achieved a reduction in usage that exceeded our target. In addition, we will maximize our contribution to the reduction of natural resources outside of the scope of our products.

We will continue to create and grow our business while also contributing to the formation of a decarbonized and recycling-oriented society.

Natural resources: Resources that involve new mining, such as crude oil and mineral resources, and are generally synonymous with depletable resources

Examples of Efforts to Achieve Net Zero CO₂ Emissions and Carbon Minus

Case 1

MFP Production Site in Malaysia Achieves 100% Renewable Energy

Shinya Imamaki

President Office and Business Innovation and Asset Management Division (BID)
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. (BMMY)

BMMY, Konica Minolta's largest MFP production site, is developing a production system aimed at improving efficiency and reducing environmental burden based on the concept of "Production DX," which combines frontline capabilities cultivated through various improvement activities and digital manufacturing that makes full use of advanced ICT.

In March 2023, BMMY introduced a large-scale photovoltaic power generation system, which covers about 20% of the electricity usage in their production activities with renewable energy. The remaining 80% is covered by purchasing electricity with International Renewable Energy Certificates (I-REC)*, achieving 100% renewable energy.

In addition, the aforementioned Production DX has reduced the number of production line stoppages caused by equipment failure and quality problems, and has also curbed the operating time of air conditioning equipment by preventing overtime and holiday work by following planned operations. In addition, BMMY contributes to the reduction of CO₂ emissions through energy conservation by reducing the cycle time of parts processing and other efforts.

These efforts are producing result thanks to the concerted efforts of everyone working at BMMY, not just their organizations in charge of the environment. Realizing that their daily efforts are making a difference to the environment, I believe, is helping our local human capital feel more motivated and fulfilled.

Malaysia, where BMMY is located, has set a goal of decarbonization by 2050, and we will continue to expand the effects of energy reduction linked to productivity improvement activities so that we can contribute to reducing the environmental burden of the local community and the Group as a whole.



Photovoltaic power generation system (installation area of 17,059 square meters, power generation capacity of 3.4 MW) at the production facility

* I-REC (International Renewable Energy Certificate), standardized by a Dutch NGO.



Case 2

Inkjet Technology Contributes to Reducing the Environmental Impact of Printed Circuit Board Manufacturing

Ai Katsuda

R&D Operations
IJ Component Business Unit

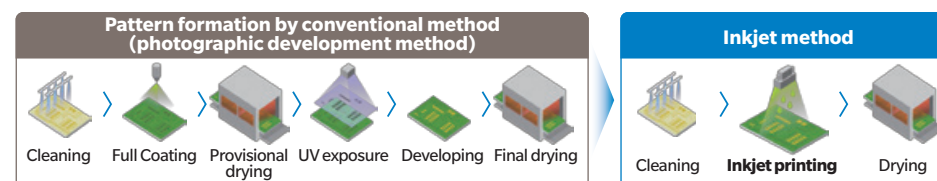
The manufacturing process of printed circuit boards involves the formation of an insulating solder resist coating to protect the circuit patterns. The conventional photographic development method, which is the mainstream method, requires complex processes such as UV exposure, development, and cleaning, in addition to the creation of a photomask and printing plate. By applying the inkjet (IJ) technology that we have honed in the printing field, we have been able to simplify the process and reduce environmental impact.

The IJ method eliminates the need for masks and printing plates and greatly simplifies the entire process, leading to cost reductions, shorter delivery times, and lower power consumption. It also reduces chemical substances such as VOCs and industrial wastewater, which significantly reduces the environmental impact of the printed circuit board manufacturing process.

Since the conversion to the IJ method requires a certain amount of time and cost, the understanding of user companies as well as printed circuit board manufacturers is essential. Therefore, in order to quantify the benefits of the IJ method, in 2023 we measured and quantified the reduction in environmental impact with the cooperation of a printed circuit board manufacturer. The printed circuit board manufacturer confirmed solid results, including a 42% reduction in electricity consumption for the solder resist process alone, a 5.5% reduction for the entire plant, and a 6.6% reduction in water consumption.

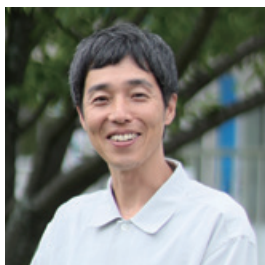
We will use this data to promote the environmental value of our products, and we will lead the way in promoting the use of more sustainable manufacturing methods, such as adopting the IJ method for the printed circuit boards used in our products.

Transformation of printed circuit board solder resist manufacturing process





Examples of Efforts to Achieve Zero Use of Natural Resources



Case 3

Contributing to the reduction of resource use in LCD panel manufacturing by providing films with low environmental impact

Hiroshi Bekku

Procurement Division, Business Management & Operations
Performance Materials Business Unit

Thin films that protect the surface of polarizing plates are indispensable for the manufacture of LCD panels, for which demand is expanding worldwide. In this field, we have contributed to larger and thinner panels and higher functionality by providing films made of various materials such as COP^{*1} (SANUQI) and acrylic (SAZMA), starting with TAC^{*2} film, which makes full use of our film forming technology cultivated in photographic film.

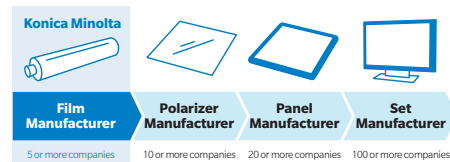
In recent years, in addition to demands for functionality, customer needs for environmental aspects, such as reduction of resource use and disposal/recycling after use, have been increasing. Against this backdrop, our environmental advantages have been reevaluated, including the characteristics of TAC, which has a low environmental impact because it is plant-derived, the development of a "solution deposition method" that facilitates recycling of off-specification

products and scrap materials, and product characteristics that eliminate the need for protective materials in customer processes.

Going forward, we will continue to pursue these environmental values while offering a wide range of film options, thereby enhancing the competitiveness of our customers' products and contributing to the reduction of resource use. At the same time, we will work to make proposals that meet the needs of not only polarizing plate manufacturers, who are our direct customers, but also panel and set manufacturers who are beyond them, by achieving longer and wider films, thus contributing to the reduction of resource loss and operation loss associated with setup changes, as well as to transportation reduction. We will thus contribute to the reduction of environmental burdens throughout the entire value chain.

^{*1} Cycloolefin polymer ^{*2} Triacetyl cellulose

LCD Panel Value Chain



Developed long, wide films (maximum 2.5 m)



Case 4

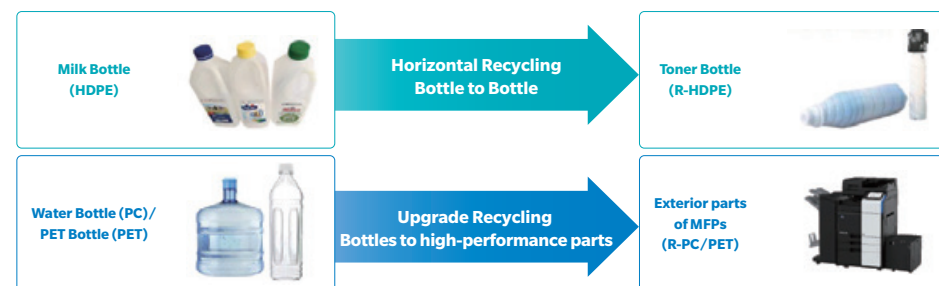
Recycled plastic is used for toner bottles and exterior materials of MFPs

Kosuke Nakamura

Chemical Products Business Unit

In recent years, in addition to the reduction of resource use, there has been a demand for greater recycling of waste plastics from the perspective of preventing marine pollution. We have been working to recycle plastic materials since early on and have accumulated advanced recycling technologies. These are utilized to realize "horizontal recycling," in which milk bottles are recycled into toner bottles for office equipment, as well as "upgrade recycling," in which the strength and flame resistance of plastic recycled from water and plastic bottles are dramatically improved for use in the exterior parts of MFPs. In 2015, we led the industry by commercializing the world's first MFP with a 25% ratio of waste plastic. Since then, we have continued to expand the use of recycled plastic,

Expanding the area of waste plastic recycling



and our resource recycling volume in fiscal 2022 reached approximately 5,000 tons, or 200 million bottles^{*} in terms of 500-ml PET bottles.

In order to expand the use of recycled plastics, they must offer the same or better quality, cost, and supply capabilities as virgin plastics, as well as high environmental performance. In addition to the material technology to realize these requirements, we will improve the technology to use the higher ratio of recycled plastic in our own products and not only increase the ratio of its use in our own products, but also propose its use outside the company, aiming to become a leading company in environmental solutions.

^{*} Converted based on statistical data from the Council for PET Bottle Recycling

Disclosure Based on TCFD Recommendations

For more details: Task Force on Climate-related Financial Disclosures (TCFD)
<https://www.konicaminolta.com/about/csr/environment/strategy/tcfd/strategy.html>

Governance

At Konica Minolta, addressing climate change is positioned as one of the objectives of our sustainability management, and decisions such as setting and changing key targets are made with the approval of the Board of Directors. Specifically, we have set and changed target values after approval by the Board of Directors in fiscal 2008, fiscal 2017, fiscal 2020, and fiscal 2023.

Strategy

To address climate change risks, in May 2023, we set out a vision to achieve Net Zero greenhouse gas emissions across the whole value chain by 2050. We aim to achieve our goals through our business by integrating the risks caused by climate change into business risks and linking the medium-term goals and annual plans related to climate change measures with the Medium-term Business Plan for areas such as product planning, development, production, procurement, and sales.

In terms of opportunities, we have further advanced the timing of achieving “Carbon Minus” to 2025 to increase the level of contribution to energy and CO₂ reduction in customer companies and society and to achieve business growth. We will strengthen the core technologies that each business has cultivated over the past 150 years since our founding as an “evolved core technology group” through the use of AI (data-driven development and production) and the integration of technologies across business areas, and increase the contribution of energy and CO₂ reduction through workflow and supply chain reforms.

Climate change scenario analysis and results

Konica Minolta has identified two scenarios by respectively identifying business risks that will impact business performance in 2030 and business opportunities that can be created by proactively addressing the challenges of climate change.

The scenario analysis is carried out based on the following process.

- Identify target business areas for climate change scenario analysis
- Identify key climate-related risks and opportunities
- Consider existing scientific scenarios on climate change
- Consider and clarify risks and opportunities in the scenarios and their financial impact
- Consider future response approaches, policies, and strategies

Scenario 1

If the average global temperature increase is kept below 2°C (equivalent to 1.5°C) and a low-carbon global society is achieved

Addressing the “Risks” of Climate Change

Impact on Konica Minolta		Target segment	Classification	Financial impact	Timeline	Handling
Increase in procurement and manufacturing costs	Stakeholders’ demand for renewable energy procurement	Industry Digital Workplace	Market Reputation	Medium	Short term	Introduce renewable-energy-derived electricity at production, R&D, and sales sites
	Replacing fossil resources and fuels in production	Industry	Policies/Laws	Medium	Medium to long term	Examine the introduction of CO ₂ -free fuels, examine the introduction of internal carbon pricing and optimization of procurement strategy
	Response to new emissions regulations and tax laws	Industry Digital Workplace Professional Print Imaging Solutions	Policies/Laws	Strong	Short to medium term	Develop energy-saving production technology
Increase in product development costs	Response to new regulations on product energy efficiency and the market	Digital Workplace Professional Print	Policies/Laws Market	Medium	Short-term	Product energy-saving design in keeping with new environmental labeling standards, compliant with public procurement and bidding requirements
Decrease in sales due to changes in demand for products and services	Decrease in office printing demand	Digital Workplace	Market	Strong	Short to medium term	Utilize opportunities to propose solutions such as digitization of paper documents, reduction of storage space and searchability of stored data

“Opportunities” of Climate Change

Impact on Konica Minolta		Target segment	Classification	Financial impact	Timeline
Higher sales due to change in demand for products and services	Increased opportunities for DX-driven efficiency proposals in the printing and apparel industry supply chain	Professional Print	Products/ Services	Strong	Short to medium term
	Performance materials with reduced product carbon footprint, material and sensing technologies that contribute to improving the sortability and recycling rate of used plastics, transforming production processes through inkjet technology, and gas leak inspection systems that can contribute to early detection of methane gas leaks and reduction of emissions	Industry Imaging Solutions	Products/ Services	Medium	Short to medium term

Scenario 2 If the average global temperature increase exceeds 2°C and the predicted physical effects of climate change materialize**Addressing the “Risks” of Climate Change**

Impact on Konica Minolta		Target segment	Classification	Financial impact	Timeline	Handling
Lower profits due to a reduction in production capacity	Insufficient or interrupted supply of natural resources due to changes in climate patterns	Industry	Chronic physical	Strong	Long-term	Product design and development not dependent on particular natural resources
	Supply chain interruptions following large-scale natural disasters	Digital Workplace Professional Print	Acute physical	Strong	Medium-term	Establish business continuity management (BCM), decentralize production and supply of consumables by region
Decrease in sales due to changes in demand for products and services	Limited access to forest resources due to abnormal climate and forest fires	Digital Workplace Professional Print	Chronic physical	Strong	Long-term	Shift to the digitalization & digital solutions business

“Opportunities” of Climate Change

Impact on Konica Minolta		Target segment	Classification	Financial impact	Timeline
Increase in sales due to changes in demand for products and services	Imaging-IoT solutions that contribute to prevention and mitigation of disasters caused by acute abnormal climate and natural disasters	Imaging Solutions	Products/Services	Minimal	Medium-term

Prerequisites of Scenario Analysis• **Classification of risks and opportunities**

Transition risks: policies and laws, technologies, markets, reputation
 Physical risks: acute physical, chronic physical
 Opportunities: resource efficiency, energy, products/services, markets, resilience

• **Definition and evaluation criteria for “financial impact”**

“Strong”: additional cost or profit decrease of 1 billion yen or more
 “Medium”: additional cost or profit decrease of 100 million yen to less than 1 billion yen
 “Minimal”: additional cost or profit decrease of less than 100 million yen

• **Definition and evaluation criteria for “financial impact”**

“Strong”: Profit of 10 billion yen or more
 “Medium”: Profit of 1 to less than 10 billion yen
 “Minimal”: Profit of less than 1 billion yen

• **Definition and evaluation criteria for timeline**

Long-term: 10 years or more
 Medium-term: 3 to less than 10 years
 Short-term: 1 to 3 years

Risk management

Konica Minolta positions risk management as an “activity that seeks to maximize returns while minimizing the negative impact of risk,” and evaluates risk from a medium- to long-term perspective. For environmental risks, including climate change, we assess and manage the impact and uncertainty of climate change risks based on two scenarios. Also, this environmental risk is positioned as one of the management risks of the entire Group and is managed by the Risk Management Committee.

In addition to discussing plans and measures related to climate change response at the Group Environmental Promotion Committee held every quarter, rolling work to review the degree of change in risks is conducted twice a year at the Committee, and risks are re-evaluated. The Group Environmental Officer reports to the President every month on the progress of the plan. In addition, important environmental issues are also reported by the Group Environmental Officer to the Management Council, other meeting bodies, and the Risk Management Committee, etc. The Board of Directors receives regular reports on the progress of the management plan for addressing climate change and oversees its implementation.

Details of Konica Minolta’s risk management system and risk management process are described on [page 72](#).

Indicators and targets

In addition to “Carbon Minus targets,” “Product lifecycle CO₂ emissions (Scopes 1, 2, and 3),” and “Ratio of electricity derived from renewable energy,” Konica Minolta has set “CO₂ reduction contributions (Scope 4)” as a management indicator for climate change risks and opportunities.

Carbon Minus

We aim to achieve a “Carbon Minus” state where we create more emissions reduction contributions by society and our customers (CO₂ reduction contributions) outside the scope of Konica Minolta’s product life cycles than our own CO₂ emissions (product life cycle CO₂ emissions) by 2025. ([See page 44](#))

Product lifecycle CO₂ emissions

Includes all of Scope 1 and Scope 2 emissions (CO₂ emissions at the production stage, sales and service stage) and Key Scope 3 emissions (CO₂ emissions at the procurement stage, logistics stage, and product use stage).

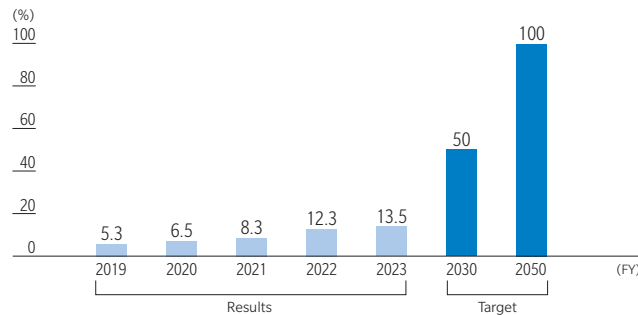
In the medium term, we have set a target of a 61% reduction in CO₂ emissions (800,000 tons) compared to fiscal 2005 by 2025 and a 70% reduction (620,000 tons) by 2030. In fiscal 2023, CO₂ emissions were about 750,000 tons (150,000 tons for Scope 1, 140,000 tons for Scope 2, and 460,000 tons for Key Scope 3), achieving a 63% reduction compared to 58% in fiscal 2022.

In the long term, we have set a goal of Net Zero greenhouse gas emissions across our value chain by 2050. ([See page 44](#))

Disclosure Based on TCFD Recommendations

Renewable energy-derived electricity ratio

Based on our forecast that fossil fuels will no longer be available in the future, we have set a target of increasing the proportion of renewable energy-derived electricity used in our business



*1 In fiscal 2019, the ratio of electricity derived from renewable energy sources to the entire Konica Minolta Group's electricity consumption (not including cogeneration power).

*2 In fiscal 2020 and beyond, the percentage of electricity derived from renewable energy sources compared to the Konica Minolta Group's total electricity consumption.

activities to 50% or more by 2030 and to 100% by 2050, contributing to the reduction of Scope 2 emissions over the medium- to long-term.

Amount of contribution to reduction of CO₂ emissions (Scope 4)

Mainly in the Professional Print Business, we are contributing to our customers' CO₂ reduction by expanding sales of digital printing systems that improve productivity by shifting from analog to digital printing. In fiscal 2023, we achieved our CO₂ reduction contribution target of 630,000 tons. (See page 44)

Green products* sales

We have set a target of sales of green products that contribute to addressing climate change, and we are aiming for its sales ratio to be 70% by fiscal 2025. In fiscal 2023, sales of green products were 772.8 billion yen, representing a sales ratio of 67%.

* Products and services that solve our uniquely defined environmental issues

Executive compensation

In order to increase incentives to achieve the goals of the Medium-term Business Plan and promote the holding of company shares, we have set a non-financial indicator, "CO₂ emission reduction by measures*," as one of the evaluation indicators that constitutes medium-term stock bonus (performance-linked). After the completion of the Medium-term Business Plan, executive compensation for the President & CEO, Representative Executive Officer and other Executive Officers will be determined in the range of 0 to 200% depending on the degree of achievement of the target, and company shares will be issued.

* Although "CO₂ emission reduction rate" was originally set as an indicator, the Compensation Committee resolved at its meeting held on April 23, 2024 to revise the indicator to "CO₂ emission reduction by measures" in consideration of the impact of production and sales volume.

Disclosure Based on TNFD Recommendations

Konica Minolta has endorsed the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) to clarify its dependence and impact on natural capital, and its commitment to addressing its assessment, and opportunities and risks. In January 2024, we were announced as a TNFD Early Adopter at the World Economic Forum Annual Meeting in Davos, Switzerland. We will assess our natural capital dependence and impacts and disclose this information in accordance with the TNFD framework.

We have identified issues from the perspective of the nine global core indicators proposed by TNFD, evaluated dependencies and impacts in our business activities, and identified risks and opportunities. We have begun to establish strategies, indicators, and targets to address these risks and opportunities.

For more details: Task Force on Nature-related Financial Disclosures (TNFD)
<https://www.konicaminolta.com/about/csr/environment/strategy/tnfd/index.html>

Risks and Opportunities for Konica Minolta

TNFD Core Indicators			Impact on Konica Minolta	
Natural Factors of Change		9 Core Indicators	Risks	Opportunities
Dependence	Change in Use of Land/ Freshwater/Ocean	1 Total land footprint	–	–
		2 Extent of change in land/ freshwater/ocean use	–	–
	Resource use	3 Water withdrawal/ consumption from water stressed areas	• Supply chain: lower supply from water-stressed areas (Southeast Asia) due to water withdrawal restrictions, etc.	• Textile printing dry process: anhydrous dyeing systems in regions with high water stress (India, Turkey, Italy)
		4 High-risk natural resources sourced from land/ocean/freshwater	• Natural resources: insufficient supply of high-risk natural resources due to tightened regulations, etc. • Paper: reduced opportunities for paper use and output due to limited access to forest resources, changing social preferences, etc.	–
Impact	Pollution and Decontamination	5 Soil Contamination	–	• Toxic substance-free technology: provide technologies free of persistent toxic substances, etc.
		6 Wastewater -	–	• Digital printing/textile printing, inkjet technology: wastewater reduction technology in areas with severe water pollution (South Asia)
		7 Waste generation and disposal	• End-of-life products: Mandatory recycling of products due to measures for Establishing a Sound Material-Cycle Society, etc.	–
		8 Pollution by plastics	• Plastics: Recycling requirement for products due to measures for Establishing a Sound Material-Cycle Society, etc.	• Recycled plastic technology: Increased demand for recycling technology, material technology, and sensing technology due to measures for Establishing a Sound Material-Cycle Society, etc.
		9 Non-GHG air pollutants	–	–

Human Capital Strategy

Message from the Lead Officer



Shinichiro Oka
Executive Vice President and
Executive Officer

Our human capital strategy is centered on transforming ourselves into a group of professionals. The core of this strategy is the ability to think and act independently. In this era of rapid change, if you rely on the same values and conventional methods inherited from somebody else, you will not be able to keep up. We must think about what changes are occurring in society, take the initiative in acquiring the knowledge and skills required in such changes, and make proposals to those around us. In other words, we want to become human capital who can deliver value in any environment, and who can be active not only in our Company but also in other companies and industries. In such a society, diversity is a strength. The participation of diverse professionals with different ways of thinking in management will lead to sustainable enhancement of corporate value.

In promoting business selection and concentration in the Medium-term Business Plan, it is important not only to transfer human capital to the businesses and departments to be focused on, but also to clarify what skills and experience are needed and to move human capital around while reskilling and upskilling. And we made much progress on this in fiscal 2023. The concept is the same in our global structural reforms, and we are aiming to improve productivity at the same time as we transform ourselves into a collective of human capital that match our management strategy.

In addition, it is important to create an environment in which employees can maximize their potential. To this end, we place emphasis on improving employee engagement and strengthening dialogue with employees, aiming to create a win-win relationship where employee growth is directly linked to company growth and where both can enhance value.

Human Capital Vision of Konica Minolta

In recent years, the macro environment surrounding Konica Minolta has been undergoing drastic changes, such as the global declining birthrate and aging population, declining working populations in developed countries, the ongoing digital and AI revolutions, and the shift in workstyles and lifestyles following the COVID-19 pandemic. In order to respond to these changes, Konica Minolta has formulated a new growth strategy and business transformation policy in its Medium-term Business Plan under our vision “Imaging to the People.” We have defined the human capital required to realize these strategies as “human capital who possess unique skills backed by superior knowledge, expertise, and experience, and can act to solve problems based on their own independent critical thinking,” or “professional human capital,” and we aim to focus our efforts on developing such human capital.

Konica Minolta is also committed to maximizing the power of each individual, based on our code of conduct 6 Values and health & productivity management* that regards the physical and mental health of employees as a source of growth, as well as supporting autonomous growth through self-development support and extensive in-house training programs, fostering a culture of challenge by introducing in-house open recruitment, and realizing diverse workstyles by lifting the ban on side jobs ahead of other companies. At the same time, we are focusing on building an organization that maximizes the power of individuals and fostering management human capital who can realize strong teamwork.

Human Capital Vision of Konica Minolta



* Health & Productivity Management is a registered trademark of the NPO Kenkoikei

Through these efforts, we will organically connect diverse professional human capital to generate innovation, and at the same time, improve our execution capabilities by strengthening engagement and resilience, leading to our sustainable growth.

Three pillars of human capital strategy linked to Medium-term Business Plan

In our Medium-term Business Plan through fiscal 2025, our top priorities are to strengthen our business profitability through business selection and concentration and to reinforce our financial foundation through structural reforms. To realize this goal, we need to draw out and utilize the potential of Konica Minolta’s diverse human capital based on the human capital visualization frame and various systems we have developed to date.

Based on this recognition, we have established three priority measures to enhance our human capital in conjunction with our management strategy. The first is the generation of human capital to realize business selection and concentration and growth, including the development of global leaders and the shift of human capital to strengthening businesses; the second is the improvement of the quality of management decisions by ensuring diversity, such as the development of overseas leaders

Three Pillars of Human Capital Enhancement Measures



Human Capital Strategy

and women leaders in Japan and abroad; and the third is maximizing organizational and individual performance by improving employee engagement and productivity using DX and AI. By optimizing human capital through these measures and increasing business profitability, we will not only achieve the goals of our Medium-term Business Plan, but also build a foundation to return to a growth trajectory in and after 2025.

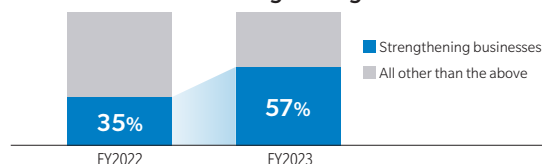
Creating Human Capital that Realize Business Selection and Concentration and Growth

Shift, secure and leverage human capital to accelerate business selection and concentration

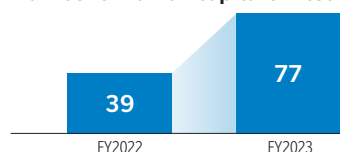
In order for Konica Minolta to achieve sustainable growth, it is of paramount importance to concentrate our human capital on strengthening businesses such as the Industry Business and Healthcare Business. In these areas, high-end human capital with advanced expertise are indispensable. For example, they are in demand in the Industry Business to promote business development by connecting cutting-edge technologies and customers across the industrial value chain beyond business organizations, and in the Healthcare Business to support value co-creation in clinical settings with Key Opinion Leaders (KOLs) in cutting-edge fields such as image analysis and AI. Securing such human capital will determine the growth potential of our businesses.

We are therefore shifting our human capital portfolio in line with changes in our business structure, and are working to secure

Recruitment ratio of strengthening businesses*



Number of human capital shifted to strengthening businesses*



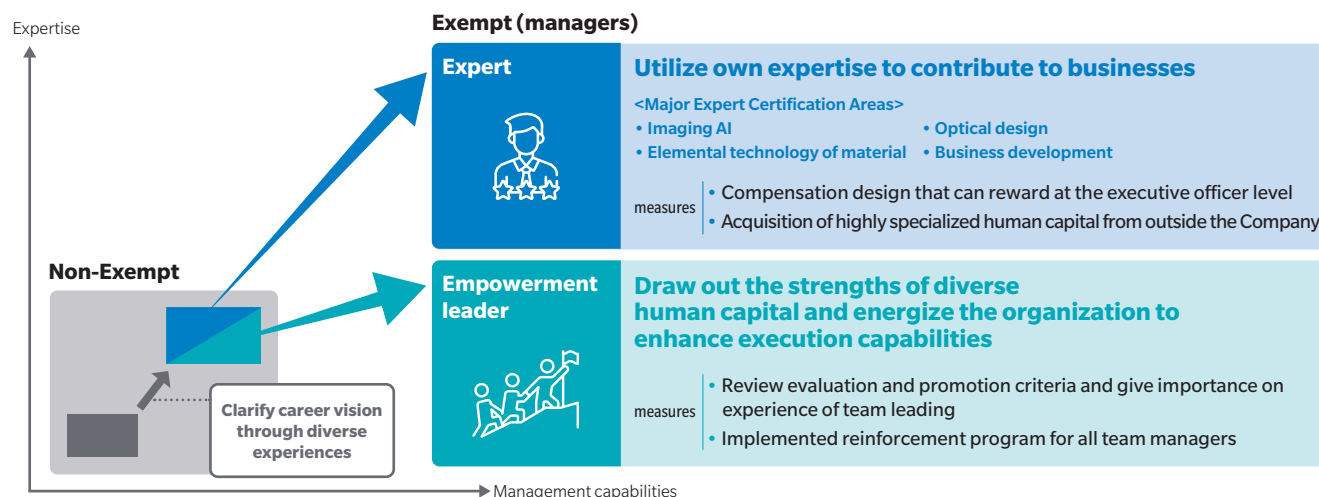
* Professional Print Business, Industry Business and healthcare unit

resources for areas that cannot be filled with existing human capital in the strengthening businesses by shifting human capital from other businesses and career recruitment from outside the Company. In particular, in the area of career recruitment, as competition for high-end human capital becomes more intense, we are implementing a recruitment process that integrates the recruitment team and business divisions, involving executive officers in interviews with candidates, and changing the mindset of interviewers so that interviews are no longer a place for assessing but rather for motivating candidates. We have enhanced our recruitment capability with these measures and raised the percentage of employees hired into strengthening businesses to 60% of the entire Company's new hires.

At the same time, in order to realize efficient business operations with a small number of elite employees, we are managing personnel commensurate with the growth of each business domain by controlling company-wide personnel increases while taking into account personnel reductions due to retirement and other factors.

A multi-track system that attracts human capital with advanced expertise

Konica Minolta has changed its management system from a single-track to a double-track system, and clarified the missions of the required management positions, starting in fiscal 2022. Specifically, we have divided managers into two categories:



“experts” who contribute to the business through their expertise, and “empowerment leaders” who draw out the strengths of diverse human capital and energize the organization to enhance execution capabilities. The requirements for each of these categories have been substantially revised. In line with these changes, the name “manager,” which has traditionally been associated with management, has been changed to “exempt.”

Experts can choose the career path that best suits their values by pursuing specific, highly specialized skills to contribute to the Company. The compensation design for experts has also been reformed so that highly successful experts can be compensated at the Executive Officer level, contributing greatly to the recruitment of high-end human capital from outside the Company, where competition for high-end human capital is fierce.

Meanwhile, we are expanding skill development opportunities for empowerment leaders. Through systematic and ongoing programs to strengthen management skills, such as coaching, team building, and communication skills, we are increasing our contribution to improving organizational and execution capabilities.

In addition, both experts and empowerment leaders are checked semiannually in a multifaceted assessment to see if they are practicing the required behaviors. This enables independent updates and encourages continuous growth, leading to further enhancement of human capital.

Human Capital Strategy

Developing global leaders across borders and organizations

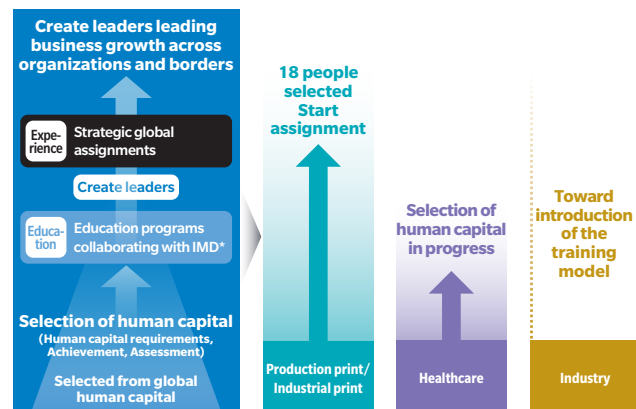
The key to Konica Minolta's business growth is how to accelerate the utilization of our global human capital, which account for three-fourths of our total. To this end, we are promoting the development of global leaders in collaboration with IMD^{*1}, a Swiss business school with a world-class track record in the DX area. Specifically, we visualize and select outstanding human capital all over the globe, provide training programs and coaching by top management, and formulate training plans tailored to each employee. Based on these plans, we promote assignments that transcend national borders and organizational affiliations.

When the Medium-term Business Plan starting from fiscal 2023 was formulated, leaders from European sales subsidiaries were invited to the head office in Japan through this program. As members, they were active in coordinating the status and requests of the regional sales subsidiaries and ensuring consistency with worldwide policies. In addition, the program has also produced results such as the strategic rotation of human capital between Group companies in the U.S. and Australia.

Initially introduced first in the office unit, this program is now being expanded to other strengthening businesses such as production print and healthcare, and will be extended to other strengthening businesses as well.

^{*1} IMD: Abbreviation for International Institute for Management Development, one of the world's leading business schools based in Switzerland

Global Leader Development Model



Voice



Vasco Falcão

Managing Director for Konica Minolta Business Solutions Spain & Portugal
Head of DW-DX Europe

I participated in the Global Leader Program because I saw it as an excellent opportunity to take charge of the transformation of our Group. Daring to step out of my comfort zone, I aimed to not only be changed by the program myself, but also to be a positive influence on those around me.

By actually participating in the program and learning in an unfamiliar environment with colleagues from diverse backgrounds that I had only seen in pictures, I was able to expand my knowledge and network of contacts, as well as gain many insights necessary to lead change.

In particular, I gained a great deal from my role in formulating a global strategy for the DW-DX unit and designing a development plan for each region in line with the selection and concentration of businesses in the Medium-term Business Plan. It made me realize the importance of considering not only strategies in each region, but also our common direction on a global scale. At the same time, I reaffirmed the importance of understanding and proactively incorporating the values and methods of diverse cultures and societies that differ from region to region.

I am currently the Managing Director of sales subsidiaries in Spain and Portugal and the European head of the DW-DX business, and I will use these insights to bring more value to my region and to the Group as a whole, with a broad perspective.



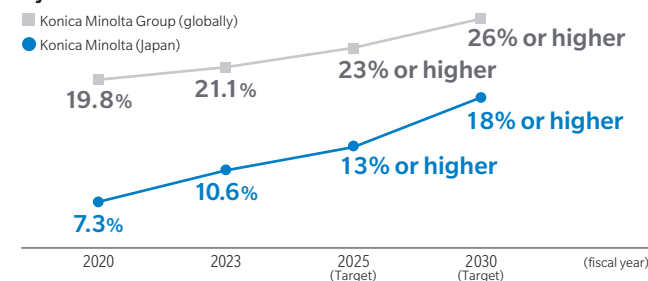
Enhancing the Quality of Management Decisions by Ensuring Diversity

Konica Minolta's management rich in diversity

Konica Minolta employs about 40,000 people globally, of which about three-quarters work outside of Japan. Women make up 30% of all employees, and the percentage of management positions held by women is over 21% globally (11% on a non-consolidated basis), and the percentage of management positions held by women in the development sector, where it is difficult to secure female human capital, is 8% on a non-consolidated basis, maintaining one of the highest ratios in the industry. The diversity of our human capital is one of Konica Minolta's strengths, and by organically linking this human capital, we will transform our differences into strength and enhance the quality of our management.

With particular emphasis on the promotion of women's activities, in order to strategically increase the ratio of women in management positions globally and in Japan on a non-consolidated basis, we have set targets of 23% or more in fiscal 2025 and 26% or more in fiscal 2030, in line with overseas and other industries. To achieve this goal, we are implementing a variety of measures, while assessing the current situation and identifying issues each year. For example, on a non-consolidated basis, we have been providing medium- to long-term career development support for female employees who will become the next managers since fiscal 2020, and from fiscal 2023, we are accelerating efforts to promote the growth of female employees who will become next-generation leaders. In addition, we are also strengthening recruitment to augment our pipeline, with the ratio of new female graduates hired in fiscal 2023 at 37%, and we intend to maintain this ratio at 30% or higher in the future.

Percentage of Konica Minolta's management positions held by women



Human Capital Strategy

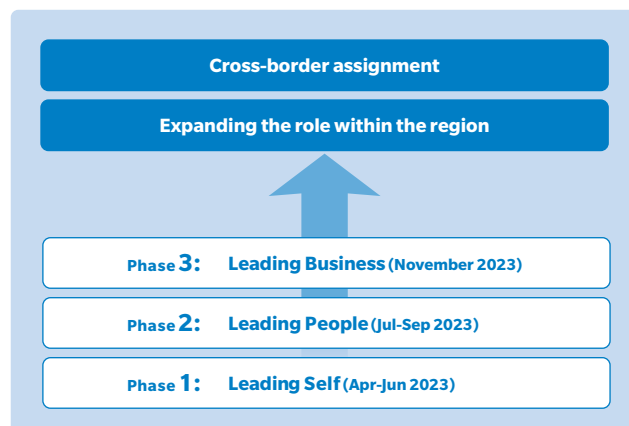
Women 2 Lead, a program to cultivate management-level employees based on “global × women”

Konica Minolta promotes the development of diverse management with the aim of further ensuring diversity and strengthening fairness in the decision-making process. As a first step, we are working on a global scale to develop female leadership human capital and promote their success.

Since fiscal 2023, we have been developing a program called ‘Women 2 Lead’ to select and nurture next-generation leaders from our globally active female employees. As with the Global Leader Training Scheme, this program is conducted in collaboration with IMD. Through assessments using IMD’s methods, 12 candidates are selected as the first cohort from a variety of fields, including sales, finance, marketing, and HR. After assessing each candidate’s strengths and weaknesses and encouraging self-awareness, we conducted an eight-month training program focused on themes such as career path development and essential knowledge and attitudes for leaders.

Going forward, in order to ensure that the graduates of the program will be able to move up the ladder, we will promote the expansion of roles and assignments based on training plans tailored to each employee, with the commitment of not only their immediate superiors but also the top management of the business companies to which they belong, as well as the support of the HR department at the head office.

“Women 2 Lead” Program steps



GLOW, a next-gen leadership development program that empowers young employees around the world to seize opportunities and overcome barriers

To strategically strengthen our future management talent pipeline, Konica Minolta has been implementing an overseas assignment program for young employees. Previously, only Japanese employees were eligible for this program, but since fiscal 2022, the entire program has been renewed under the name “GLOW” and is now available to employees of overseas Group companies and can be dispatched from overseas to overseas, thereby promoting the development of diverse management talent across the globe.

The unique aspect of this program is that it is not company-led. Instead, employees self-nominate, negotiate their acceptance with the host company, and create and execute their own local missions and dispatch plans. By seizing opportunities to take on challenges independently, and by taking on goals with local cooperation, the program is designed to help participants polish the skills they have cultivated into ones that can be used overseas, while developing them into true global human capital capable of competing on the world stage. In addition, by bringing together diverse human capital from around the world, different values and opinions are exchanged, providing an opportunity to truly understand the diversity within the destination organization.

The first period of the program began in May 2023 with the dispatch of 11 participants, and the recipients have given high marks for the contributions they have made to their organizations. Results have been achieved in both business problem solving and human capital development. In the second period in 2024, we plan to dispatch 10 participants.

“GLOW” as global expansion of overseas training program for young employees



Voice



Kano Ozone

Digital Workplace Business Headquarters
Sales Management Division

Since joining the Company, I had been working in the sales promotion department at the head office, communicating with sales subsidiaries. However, I felt the need to gain a more multifaceted perspective by gaining experience at an overseas sales subsidiary, and took on the challenge of GLOW. As a specific plan for my dispatch, I decided to launch “One Rate”^{*1}, our Company’s original subscription-based billing model that I was in charge of at the head office, at sales subsidiaries in Portugal and Spain, where there were no employees stationed from the head office, and proposed it and negotiating with local company. In the local market, I promoted the project by involving stakeholders in the process, from the development of an implementation plan to the formation of an agreement with marketing and sales company management. The new sales model One Rate was established and led to improved profitability in Europe.

It was a big challenge for me to tackle something new in an environment where I was a minority, but I gained a lot of confidence in my ability to act without fear of failure and to produce results through GLOW. Also, the experience of building trusting relationships with local members is a great asset. In the future, I will continue to lead the formation of an organization that can create new value for society while placing importance on dialogue with our customers.

^{*1} One Rate: Our unique model of charging a fixed amount, rather than the traditional method of billing that varies each month

The marketing department where I belonged received an award at the in-house awards event of Portuguese sales subsidiary.



Human Capital Strategy

Maximizing Performance of Organizations and Individuals

Strengthening human capital and improving productivity through global structural reforms

In order to strengthen human capital and productivity through global structural reforms and transform Konica Minolta into an organization with high productivity per capita, we will automate not only routine operations but also some tasks that require judgment, and actively invest in human capital so that they can shift to high value-added tasks that only people can perform. We will also continue to invest in the allocation of the right people in the right positions and in human capital development.

DX through the use of AI and digital tools is indispensable for improving productivity, and we have introduced company-wide generative AI this fiscal year and are making progress in using it at each workplace. The future impact of AI and digital tools hinges on human capital. Effective on-site business process reforms can only be achieved when specialized technical talent with DX skills, talent leading DX, and talent working on-site come together as a cohesive team.” To strengthen these human capital, we have been conducting DX assessments for all employees since fiscal 2023 and providing push learning programs according to the results.

Voice



Yohei Shinohara

Digital Workplace Business Headquarters
Production Engineering Center, Production and
Procurement Management Division
Digital Manufacturing Promotion Department

Although automation and labor-saving operations have been progressing in the area of manufacturing, most of the more advanced decisions are still made by people, and skilled engineers are still using their five senses and experience to determine the optimum manufacturing conditions that ensure high quality.

Such high-level decisions are based on a variety of information, i.e. data, and we are working to make operational decisions faster, more accurate, and automated through complex analysis of on-site data. For example, we optimize manufacturing conditions to maximize the percentage of good products, forecast the quantity of parts inventory by factor and recommend methods

Enhance employee engagement based on dialogue

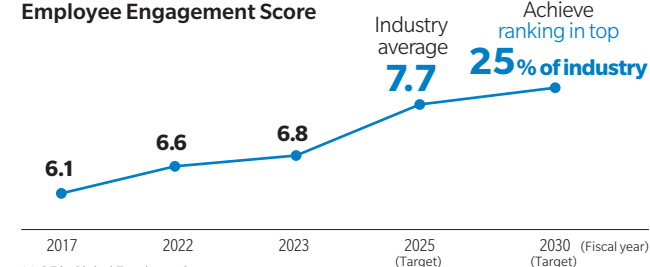
Konica Minolta is focusing on improving employee engagement and conduct an annual GES^{*1} called “Your Voice”. The engagement score^{*2} is incorporated into the compensation determination scheme for executive officers, and is one of the key management indicators that the Group is working on as a whole. We are focusing on building an organization based on dialogue, with the goal of raising our score to the industry^{*3} average level by fiscal 2025 and to be in the top 25% of the industry by fiscal 2030.

The President personally visits each of our sites in Japan and overseas to engage in direct dialogue with employees and actively engage in interactive communication. The Corporate Planning Division at the head office also visits major global locations and, through dialogues with employees, ensures that the Medium-term Business Plan is well understood and ingrained. Each business division, each company, and each workplace continues to implement a cycle of improvement actions based on the survey results and dialogue, and the score for fiscal 2023 improved by 0.2 points from the previous year. We understand that “compensation,” “recognition of results by those around,” and “career path” are factors that contribute significantly to improving engagement, and we will continue to work toward further improvement.

to reduce it, and automate the optimal treatment decision-making process for internal assets. We have promoted the resolution of more than 150 issues in the field of manufacturing operations over a 5-year cumulative period, including procurement, production management, inventory, processing, assembly, logistics, and quality control. The “White Paper on Manufacturing Industries” jointly produced by the Ministry of Economy, Trade and Industry, the Ministry of Health, Labour and Welfare, and the Ministry of Education, Culture, Sports, Science and Technology has also featured us as a good example of the transformation of production processes using data science.

This is largely because we have overcome the challenge of using data merely as a tool, and instead, we have initiated a behavioral change throughout the entire organization. This change began with addressing on-the-ground issues and treating them as our own problems to solve. In the future, we intend to spread our efforts to support high-level decision-making through the use of data to various areas of the Company other than production in order to refine our competitiveness.

Employee Engagement Score



^{*1} GES: Global Employee Survey

^{*2} Adopted Workday's research infrastructure. Average score for questions on “engagement” in the global employee awareness survey (answers on a scale of 0 to 10)

^{*3} Industry: Technology companies in general, not only in Japan but globally

Konica Minolta's health & productivity management

Recognizing that the health of our employees is the foundation of everything, Konica Minolta aims to improve the wellbeing of our employees and enable them to maximize their individual and organizational capabilities by fostering a “health-first” culture.

From fiscal 2023, we have adopted “Well-being 2025” as a new Medium-term Plan for health & productivity management, and are working to quantify and promote improvements for “enhancement of organizational health”, “presenteeism^{*4} reduction”, and “absenteeism^{*5} reduction”.

Based on the idea that change starts from the top, a 16-month-long “Resilience Program” was implemented for the President and other executives and executive candidates, proposed by our occupational health physicians. This program is based on medical, psychological, and brain science, and involves learning about and practicing the four areas of health: body, emotion, mind, and intelligence. In addition to exercise, nutrition, and sleep, the program is designed to enhance humanity through the sharing of case studies of failure and case study sessions in which participants think in the first person. Through the program, not only individuals but also the organization as a whole have shown positive effects, such as revitalizing discussions at management meetings and promoting collaboration across the organization. In this fiscal year, the program is being expanded to include general managers and Group company management.

^{*4} A condition in which an employee is present at work, but their performance is declining due to some physical disorder

^{*5} Condition of not being able to come to work due to illness or poor health

For more details: **Konica Minolta Health & Productivity Management**
<https://www.konicaminolta.com/about/csr/social/human-capital/health-improvement.html>

Technology and Intellectual Property Strategy

Message from the Lead Officer



Toshiya Eguchi
Executive Vice President &
Executive Officer

In the Medium-term Business Plan starting from fiscal 2023, we are focusing on two points: “enhancing technology development to expand strengthening businesses” and “stocking up on technologies for future growth.” Prior to the previous Medium-term Business Plan, DX2022, the emphasis was on obtaining technologies through acquisitions, which led to a dispersion of technologies and human resources to new areas (currently non-focused businesses and direction-changing businesses), and a lack of enhancing our original core technologies and stocking up on technologies for the future. In this Medium-term Business Plan, we have shifted to a technology strategy based on this reflection.

In our long history, we have created new businesses by fusing multiple core technologies cultivated based on imaging technology to create value unique to our Company. In order to continue to powerfully expand our strengthening businesses, we will continue to gather the necessary technologies from across the Company and develop our core technologies by fusing technologies across businesses and utilizing AI to maximize the competitiveness and value of our businesses.

In order to continue to be a company that contributes to society by meeting customers’ desires to “see”, we will also intensify our efforts to develop technologies that will become “seeds for future growth” for creating future businesses. In particular, “biomanufacturing” and “utilization of recycled materials”, for which there is increasing research and development around the world toward a decarbonized society, are growth markets where our proprietary sensing technology can be utilized. We are currently promoting technological development through external collaboration with the aim of commercialization.

We will continue to take on the challenge of solving social issues by developing technologies that respond to the new desires to “see” that society and people will demand in the future, based on our five material issues.

Shifting Technology Strategies and Seeds for Future Growth

Technology strategy this Medium-term Business Plan aims at

Konica Minolta has developed, highly advanced and fused its four core technologies of materials, optics, nano-fabrication, and imaging, which it has honed for 150 years since its establishment, into a technology that “visualize the invisible” by combining them with advanced AI technology as well. Now is the time to reaffirm the essence of our technological strength, and to make our core technologies the driving force of our growth, which we believe is crucial for sustainable growth.

The first priority of the technology strategy in the Medium-term Business Plan is to “enhance technology development to expand strengthening businesses.” Konica Minolta has been fortifying its competitiveness with its core technologies in the areas to be strengthened, namely, the Industry, Healthcare, and Professional Print businesses. Going forward, we will further promote the development of new technologies by integrating core technologies across businesses. In addition, we aim to expand our business by providing products and services that address customer issues in new areas beyond the existing customer industries.

The second priority is “to prepare technologies for future growth.” We decided to backcast our thinking from the perspective of a possible future society. In order to continue to be a company that will be needed at that time, we decided to develop technologies that contribute to reducing environmental impact by utilizing our proprietary technologies. In particular, we intend to focus on solving the issues of “using limited resources effectively” and “addressing climate change.” Konica Minolta will actively pursue R&D themes, taking into consideration the fact that its strengths in “sensing technology + AI technology” can be utilized and that this is a growth market that society will demand in the future.

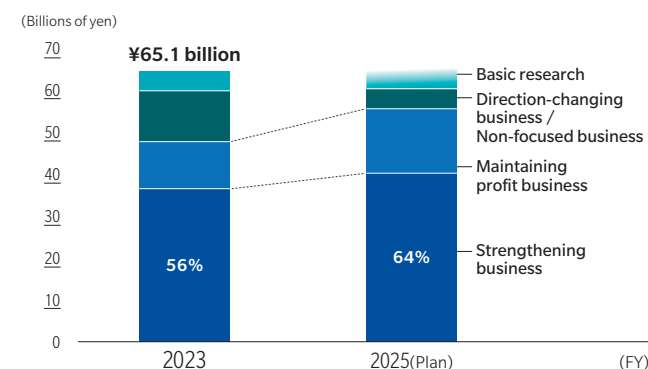
R&D investments that reflect the strategy

Addressing these priority issues, we are optimizing the allocation of R&D investment. We have classified our businesses into four categories: “strengthening business,” “maintaining profit

business,” “non-focused business,” and “direction-changing business,” and plan to increase the investment ratio in strengthening businesses from 56% in fiscal 2023 to 64% in fiscal 2025. In this way, we will select and concentrate resources to accelerate business expansion in the areas to be strengthened. In addition, we are increasing investment in maintaining profit businesses in order to produce stable cash generation.

Meanwhile, in basic research, we will invest technological resources in the development of technologies that will become “seeds for future growth” for the creation of future businesses. In particular, as mentioned above, we are increasing the ratio of investment in technologies that address environmental and decarbonization issues, and will develop technologies that contribute to the realization of a sustainable future society.

Breakdown of R&D expenses



Technology Development that Contributes to the Expansion of Strengthening Businesses

Integration of core technologies that create strengths

Konica Minolta has created superior technologies by combining and fusing its own multiple core technologies.

For example, in the Professional Print Business, one of its strengthening businesses, Konica Minolta has developed the IQ-501 automatic quality optimizer by combining electrophotographic technology with spectroscopic and color measurement technologies. This product was achieved by

Technology and Intellectual Property Strategy

combining Konica Minolta's core technologies of high-precision paper transport, sensing of printed images, and advanced real-time data processing within the unit. Customers have praised the effectiveness of this technology in reducing losses due to downtime. We are applying this technology to commercial printing and label printing to help increase the value of digital printing.

In the healthcare business, the fusion of X-ray dynamic imaging technology and image analysis technology has made it possible to obtain information on the movement of biological tissue that could not be seen in still images taken with conventional X-ray imaging. It has been reported that this enables, for example, respiratory function tests for chronic obstructive pulmonary disease by analyzing dynamic images, and this is expected to reduce the burden on patients during examinations.

Data utilization and DX to increase business value by improving productivity

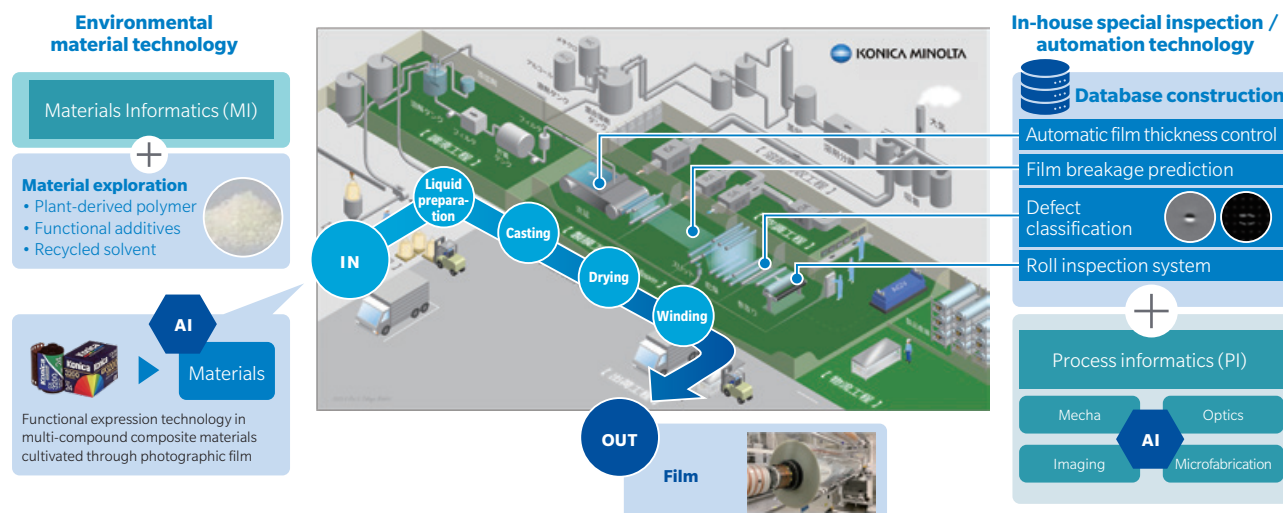
Konica Minolta has been committed to the practice of DX from early on and has strengthened the development of 1,000 DX

specialist human capital. The DX specialists (including more than 400 data scientists) have been assigned to all divisions of the Company, and they are now implementing data utilization in every aspect of our operations. In practice, DX specialists and frontline members work together on DX themes, and there have been approximately 300 business reforms through DX within the Company in the last two years.

One example of how the promotion of data utilization has come to fruition is the conversion of a display film production factory into a smart factory. By analyzing data acquired from multiple sensors installed in the factory, we were able to achieve high-quality and stable manufacturing. In addition, DX, which uses material informatics to develop materials, has greatly shortened the development period by introducing the latest simulation technology, enabling rapid development of products that meet the needs of a wide variety of customers.

In the utilization of generative AI, a company-wide team specially assigned to the utilization of generative AI was formed in July 2023 to improve efficiency through its use in various operational tasks within the Company.

Smart factory in display film production plant



Voice



Sayaka Matsumoto

Data Science Center
Technology Development Headquarters

Embedding a culture of data utilization at production sites to improve yields of key products and reduce workloads

Konica Minolta Chemical (PCL), which manufactures chemical products, has long supported its business by making decisions based on tacit knowledge such as hunches and knacks. However, with changes in the business environment due to diversifying customer needs and other factors, the Company faced the challenges of "improving the yield rate of key products" and "reducing the workload on the shop floor." To address these issues, an internal DX support team led by myself and PCL's front-line employees worked together to launch a project aimed at transforming the production site through DX.

First, our team analyzed manufacturing data for key products that had not yet been utilized, and came up with a solution that would help improve yields and reduce workload. This led to the solicitation of problems from all PCL employees on site and the development of various measures to improve operations through the use of data. At the same time, DX training is being provided to employees on the production floor, and we are seeing changes such as on-site employees themselves making proposals for equipment installation and workflow improvement based on data, and we feel that DX is taking root as part of our culture. These efforts are also expected to contribute approximately ¥50 million yearly in profits through reductions in product loss and other effects. We hope to apply the knowledge and expertise gained through PCL's DX to the entire Konica Minolta Group to improve the speed and accuracy of decision making.

Preparing Technologies for Future Growth

Development of technologies to reduce environmental impact

Regarding the preparation of technologies to be introduced into growth areas, which was mentioned as one of the priority issues at the outset, we will accelerate innovation by investing in themes related to the reduction of environmental impact for sustainable growth. For example, as an initiative to realize a recycling-oriented society, the recycled plastic business, which sprung from materials technology, one of Konica Minolta's core technologies, has started external sales of recycled plastic upgraded and recycled from conventional waste. In the future, Konica Minolta will contribute to social issues by introducing its sensing technologies, such as hyperspectral cameras, into the process of judging whether waste plastics are reusable or not, thereby improving the productivity and quality of recycling.

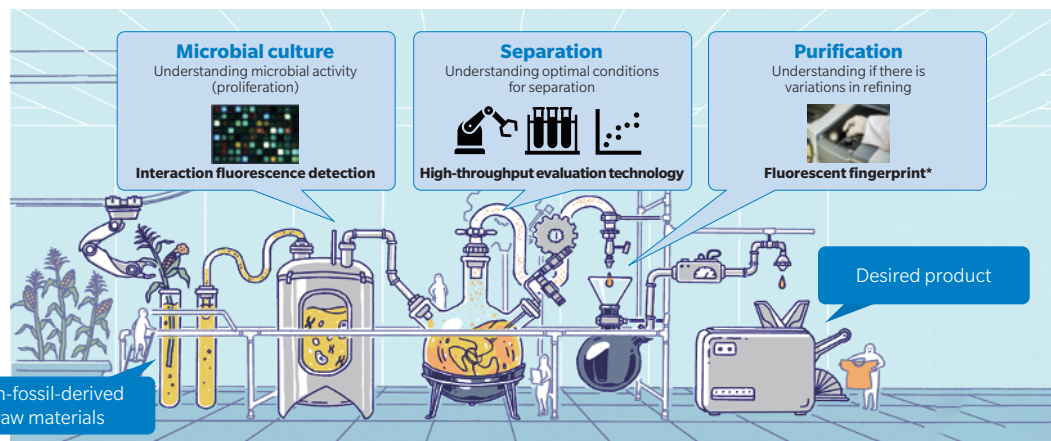
We are also developing technologies for biomanufacturing, which uses microorganisms to synthesize materials from non-fossil-derived raw materials. By combining Konica Minolta's sensing technologies to visualize the complex behavior of microorganisms, we believe we can contribute to the stabilization and cost reduction of biomanufacturing.

"Biomanufacturing" using non-fossil-derived raw materials

Challenges in biomanufacturing

- Microbial behavior changes due to subtle differences in conditions
- Yield and quality stability
- Scale up

Fluorescent fingerprint*: A technology that identifies the state and properties of a material from the unique fluorescence patterns obtained by irradiating the material with light of various wavelengths



Open innovation for social implementation

In such technological development related to biomanufacturing, we have established Bioprocess Technology Cooperative Research Laboratory (hereafter, "BTCR Lab") with the National Institute of Advanced Industrial Science and Technology (hereafter, "AIST") to research a series of advanced biotechnologies, including the cultivation and separation of microorganisms and purification. In addition, we are accelerating open innovation for social implementation through collaboration with domestic and overseas biomanufacturing ventures and joint industry-academia research on multimodal AI to be applied to manufacturing processes.

We are also working to openly disclose our technologies and lead the formation of rules in the market. At the request of the Fire and Disaster Management Agency (FDMA), Konica Minolta used its highly sensitive infrared sensor gas leak inspection technology to measure gas retention conditions around outdoor storage tanks at plants. As a result, the project led to a review of the existing regulations and contributed to improving the efficiency of the inspection process for outdoor storage tanks, which is conducted by visual inspection. For this contribution to rulemaking and rule revision, the Company was selected by the Ministry of Economy, Trade and Industry as a "Company with High Market Formation Capability Indicators."

Voice



Yuu Watari

Technology Development Headquarters
Research Strategy Center

Established a collaborative laboratory with AIST to promote research for practical application of biomanufacturing

Konica Minolta, which focuses on biomanufacturing using microorganisms, established the BTCR Lab with AIST in 2023, aiming to scale up production processes. The development and cultivation of smart cells, cells that can produce chemicals suitable for mass production, is key to the practical application of biomanufacturing. I was seconded to the bioprocess research lab as a specific intensive research specialist and serve as the theme leader for the development of smart cell technology. My main research tasks are to develop technologies for discriminating versatile smart cells and optimizing culture conditions. I believe they can be achieved through the fusion of our sensing technologies and AIST's biotechnology.

The BTCR Lab is a large group of 24 researchers with different specialties, and at first it was difficult to unify a common understanding in terms of language and direction. Our members were strongly aware that the people at AIST are also our customers who are well versed in biomanufacturing, and we worked to solve the problems that arose in the collaborative research by viewing them as customer issues. When we completed the verification of the principle of the technology we had developed, AIST members told us that they would be the first to use it once we had commercialized it, which gave us a lot of confidence.

We will continue to expand our partnership strategy with companies engaged in biomanufacturing.

For more details: **Konica Minolta's Technology**

<https://research.konicaminolta.com/jp/>

For more details: **Technology Report**

<https://research.konicaminolta.com/jp/report/2024/>

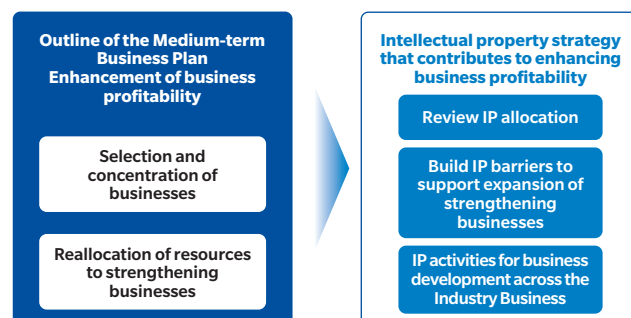
Technology and Intellectual Property Strategy

Intellectual Property Strategy

Intellectual property activities that contribute to business activities

In recent years, intangible assets such as intellectual property have attracted increasing attention as an important management resource that is a source of competitiveness, and Konica Minolta has been striving to strengthen competitiveness and improve corporate value by investing in and utilizing intellectual property and intangible assets. In particular, we have formulated and implemented an intellectual property strategy that is closely linked to our business strategy to support business growth and profitability. In the Medium-term Intellectual Property Plan, which corresponds to the Medium-term Business Plan, we have focused on investing intensively in technologies, products, and services that are key to achieving business expansion and sustainable growth in strengthening businesses, and formulating and utilizing intellectual property that is linked to business scenarios.

Basic Policy of Intellectual Property (IP) Strategy



Promoting the new Medium-term Business Plan

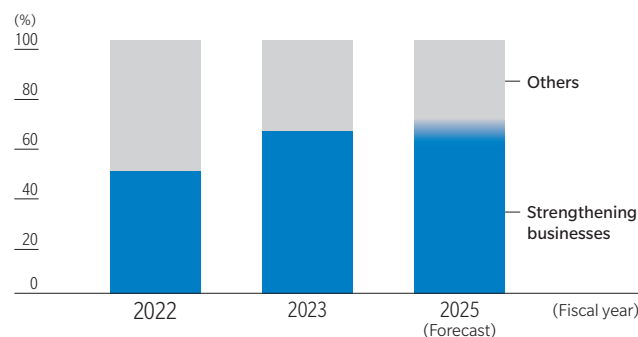
Specifically, in order to further promote the expansion of strengthening businesses through selection and concentration of businesses, we have also promoted selection and concentration in intellectual property investment, and significantly increased the ratio of strengthening businesses (Industry, Healthcare, and Professional Print) to the company-wide patent applications to over 60% from fiscal 2023. The plan is to further increase this to

nearly 70% by fiscal 2025.

For strengthening businesses and the products and services that are key to their business expansion, we build intellectual property barriers that restrain the entry of competitors at the timing from the start-up period to the expansion and growth phases. The strength of a business or product, which is the source of its competitive advantage, is formed not only from its technological and intellectual property, but also from other intangible assets such as customer relationships, organizational structure, and production know-how, as well as tangible assets such as production facilities. However, in the start-up phase of a business or a product, intangible assets other than intellectual property, such as customer relationships and production know-how, may not have been formed to a level that would serve as a barrier to new entry by competitors. Therefore, we ensure business expansion and growth by forming barriers to entry through intellectual property such as patent rights before entering the expansion phase.

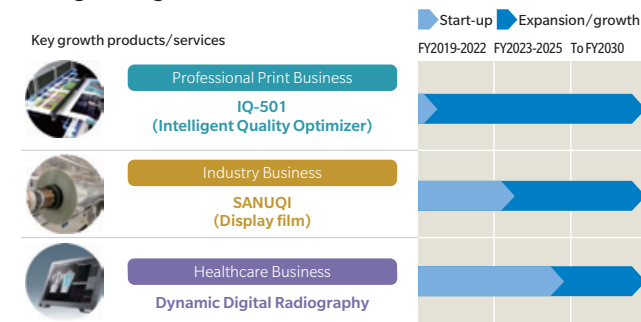
The upper right figure outlines the start-up and the expansion and growth phases of the products and services that are key to the expansion of Konica Minolta's strengthening businesses. In each business, IP barriers have been established at the timing from the start-up of the business to the expansion and growth phases. For example, as shown in the figure right, the patents related to the IQ-501 (Intelligent Quality Optimizer), which played a major role in the expansion and growth of the Professional Print Business, became a powerful IP barrier that overwhelmed competitors in terms of both quality and quantity. The patents have contributed to the establishment of competitive advantage and price maintenance of Konica Minolta's products by restraining competitors from

Ratio of strengthening businesses to patent applications

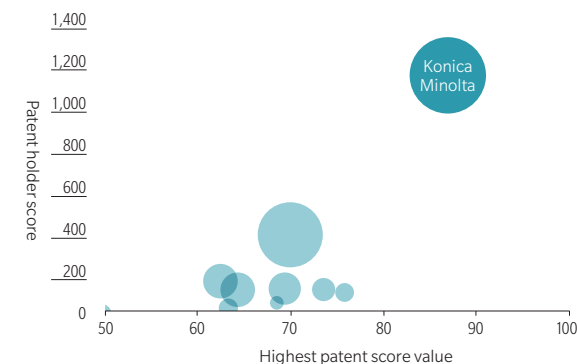


entering the market for a long period of time. Similarly, we are building and strengthening IP barriers for "SANUQI" film in the Industry Business and "Dynamic Digital Radiography" in the Healthcare Business to ensure the expansion of our business.

Key products and services for the expansion of strengthening businesses



IQ-501 Japanese Patent (Published Patent + Registered Patent) Score Map



Intellectual Property Report

We explain in detail the intellectual property rights strategy, including patent rights, the results of acquiring and exercising intellectual property rights, and the Company's internal structure in the intellectual property report disclosed on our website.

https://www.konicaminolta.com/global-en/investors/ir_library/intellectual_property/index.html