

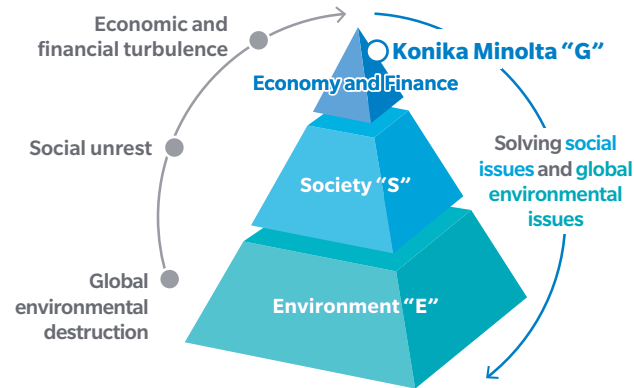
Sustainability Strategy

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

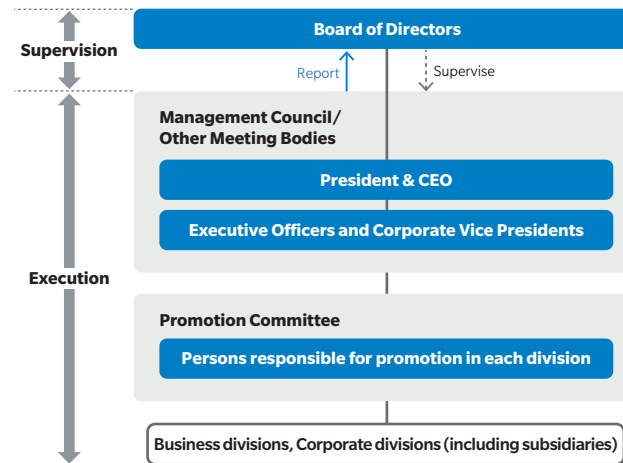


Management System

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.







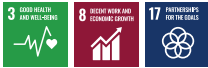



Step 3. Validity Confirmation and Issue Identification

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

Material Issues	Themes		Indicators	2022 Results	2023		2024 Targets	2025 Targets	2030 Targets
					Targets	Results			
 <p>Improving fulfillment in work and corporate dynamism</p>	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	-
			Employee engagement score *3	6.6	-	6.8	-	7.7 (Industry benchmark average)	Industry benchmark top 25%
			GES score *2	7.4 (6.1)	7.6 (6.4)	7.6 (6.6)	7.8 (6.7)	8.0 (7.0) or more	-
			Equity *4 Note 1	7.2 (6.6)	7.5 (6.9)	7.3 (6.8)	7.7 (7.2)	8.0 (7.5) or more	-
			Freedom of opinion *5 Note 1	9.9	11% or more	10.7	12% or more	13% or more	18% or more *8
Percentage (%) of management positions *6 held by women *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.									
 <p>Supporting healthy, high-quality living</p>	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	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	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.									
 <p>Ensuring social safety and security</p>	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	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

Sustainability Strategy

(FY)

Material Issues	Themes		Indicators		2022 Results	2023		2024 Targets	2025 Targets	2030 Targets	2050 Targets
						Targets	Results				
 <p>Addressing climate change</p>	Reducing energy usage and CO ₂ emissions by transforming customer processes		Social and environmental value	Amount of contribution to CO ₂ reduction* ¹ (thousand tons)	624	630	631	690	800	1,000	2,060
			Economic value	Solution sales (billion yen)	75.5	89.0	83.6	97.0	100.0	-	-
	Energy usage and CO ₂ emissions reduction related to Konica Minolta sites, business partners, products and services	CO ₂ emissions over the product lifecycle* ²	Social and environmental value	Reduction of CO ₂ emissions (thousand tons)	850	-	750	-	800	650	0 (net zero)
			Social and environmental value	Reduction rate (%) over FY2005	58	-	63	-	61	70	100
		Reduction of environmental impact of Konica Minolta production sites* ³	Social and environmental value	Reduction of CO ₂ emissions through energy conservation (thousand tons)	18	6	11	17	21	-	-
			Economic value	Monetary equivalent of energy reduction (million yen)	450	280	410	630	800	-	-
			Social and environmental value	Amount of CO ₂ reduced through procurement of renewable energy (thousand tons)	20	3	3	13	55	-	-
			Social and environmental value	Percentage of electricity derived from renewable energy(%)	12.3	-	14	-	-	50	100
	Reduction of environmental impact through the use/procurement of Konica Minolta products and services	Social and environmental value	Reduction of CO ₂ emissions* ³ (thousand tons)	53	22	19	30	35	-	-	
		Economic value	Green Products* ⁴ sales (billion yen)	776.6	-	772.8	-	735.0	-	-	
	Reduction of environmental impact at suppliers using DX* ⁵	Social and environmental value	Amount of contribution to CO ₂ reduction* ¹ (thousand tons)	6.4	1.8	2.2	3.5	4.1	-	-	
		Economic value	Monetary equivalent of energy reduction (million yen)	103	42	46	95	110	-	-	
	Reinforcing engagement with customers using DX		Economic value	Number of customer relationships strengthened* ⁵	338	372	424	371	-	-	-
				Number of times participating in business talks* ⁶	230	257	372	258	-	-	-
				Sales Contributions* ⁷ (million yen)	989	1,100	1,100	1,100	1,300	-	-
<p>Note: Targets and results have been revised retrospectively to fiscal 2020 figures as the method of calculating the effects of measures was changed in fiscal 2021. Targets for FY2024 and FY2025 have been revised based on FY2023 results.</p>											
 <p>Using limited resources effectively</p>	Effective use of resources by transforming customer business processes		Social and environmental value	Reduction of waste discharge of customers (thousand tons)	340	360	360	380	400	500	
			Economic value	Solution sales (billion yen)	79.3	89.0	83.6	97.0	100.0	-	-
	Toward Zero Natural Resources* ⁸		Social and environmental value	Natural resources used* ⁸ (thousand tons)	104	-	91	-	108	95	
				Reduction rate (%) over FY2019	20	-	32	-	19	30	
	Effective use of resources relating to Konica Minolta sites, suppliers, products and services	Reduction of environmental impact of Konica Minolta production sites* ⁹	Social and environmental value	Reduction of waste discharge* ¹⁰ (thousand tons)	1.7	0.2	1.6	1.6	1.7	-	
			Economic value	Monetary equivalent of waste reductions (million yen)	470	-	610	650	670	-	
		Reduction of environmental impact through the use of Konica Minolta products and services	Social and environmental value	Amount of resources saved and recycled (thousand tons)	12	13	13	14	14	-	
			Social and environmental value	Of which, circulated resources (recycled and bio-materials) utilization rate (thousand tons)	-	10	10	11	11	-	
		Economic value	Green Products* ⁴ Sales (billion yen)	776.6	-	772.8	-	735.0	-		
<p>Note: Targets and results have been revised retrospectively to fiscal 2020 figures as the method of calculating the effects of measures was changed in fiscal 2021. Targets for FY2024 and FY2025 have been revised based on FY2023 results.</p>											

*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

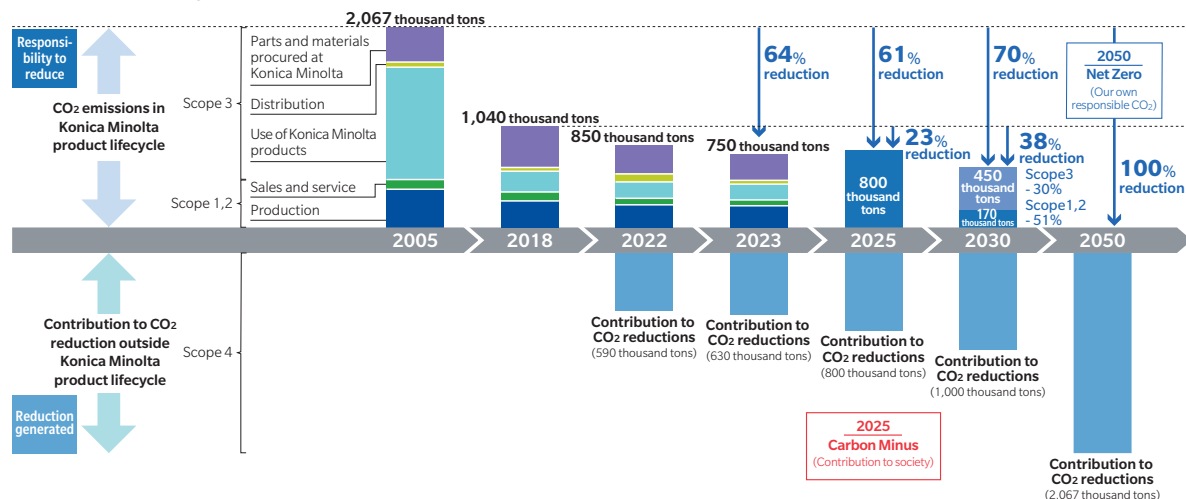
Net Zero CO₂ Emissions and Carbon Minus

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/2024/0730-01-01.html>

Zero Use of Natural Resources*

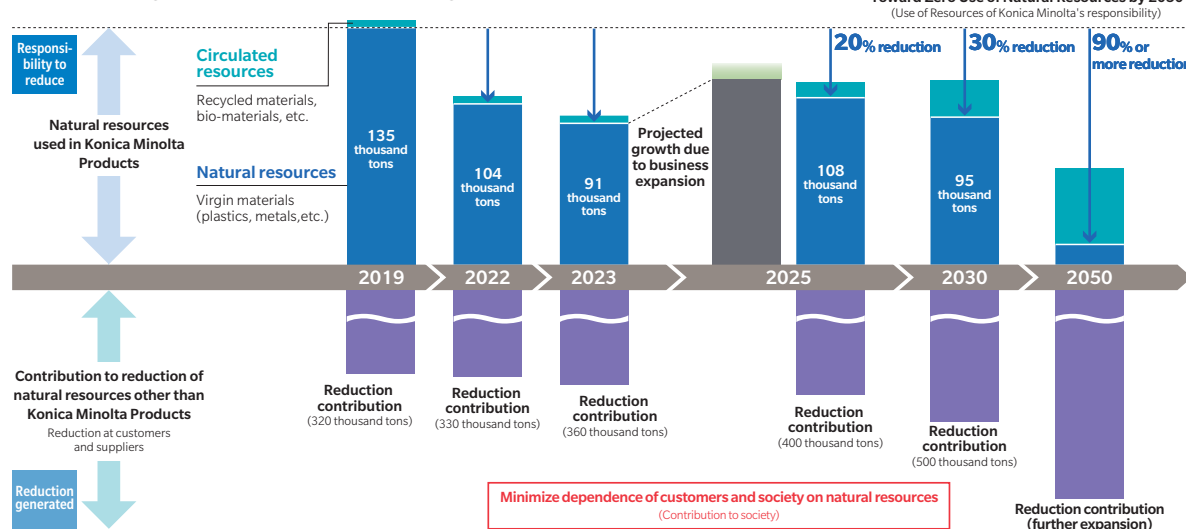
Similar to the reduction of CO₂ emissions mentioned above, we have also set reduction targets for the use of natural resources by 2050 for within and outside of our scope of responsibility, respectively.

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

Reduction Targets for Natural Resource Usage



Addressing climate change



Using limited resources effectively



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

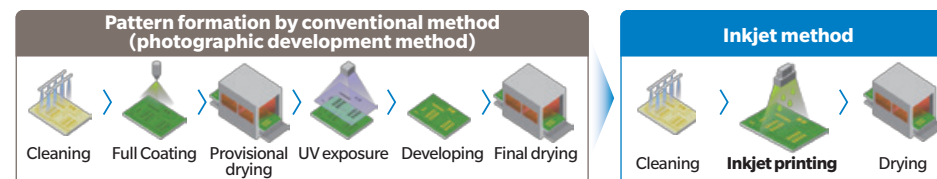
The manufacturing process of printed circuit boards involves the formation of an insulating solder resist coating to protect the circuit patterns. The conventional photographic development method, which is the mainstream method, requires complex processes such as UV exposure, development, and cleaning, 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.

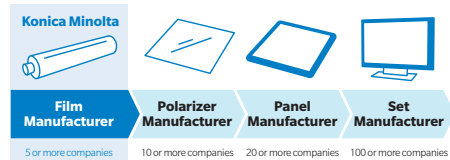
In recent years, in addition to demands for functionality, customer needs for environmental aspects, such as reduction of resource use and disposal/recycling after use, have been increasing. Against this backdrop, our environmental advantages have been reevaluated, including the characteristics of TAC, 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

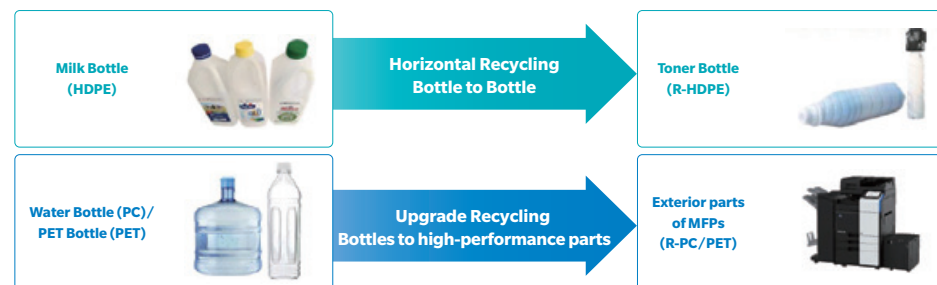
In recent years, in addition to the reduction of resource use, there has been a demand for greater recycling of waste plastics from the perspective of preventing marine pollution. We have been working to recycle plastic materials since early on and have accumulated advanced recycling technologies. These 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,

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

Expanding the area of waste plastic recycling



Disclosure Based on TCFD Recommendations

Fore 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).

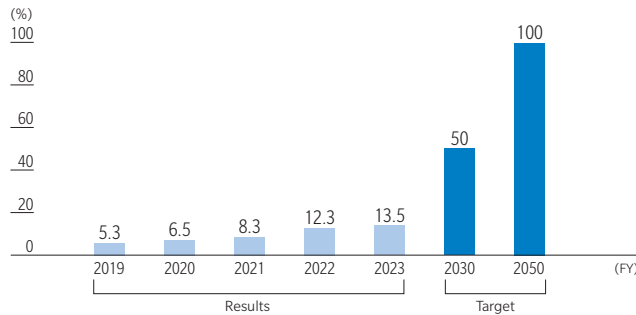
In the medium term, we have set a target of a 61% reduction in CO₂ emissions (800,000 tons) compared to fiscal 2005 by 2025 and a 70% reduction (620,000 tons) by 2030. In fiscal 2023, CO₂ emissions were about 750,000 tons (150,000 tons for Scope 1, 140,000 tons for Scope 2, and 460,000 tons for Key Scope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