We will break from the past traditions and strive toward a V-shaped recovery in business performance and establishing a foundation for growth.

Toshimitsu Taiko
Director, President and CEO, Representative Executive Officer

Review of the Second Year of the Medium-term Business Plan

Completed business selection and concentration and global structural reforms in the first two years

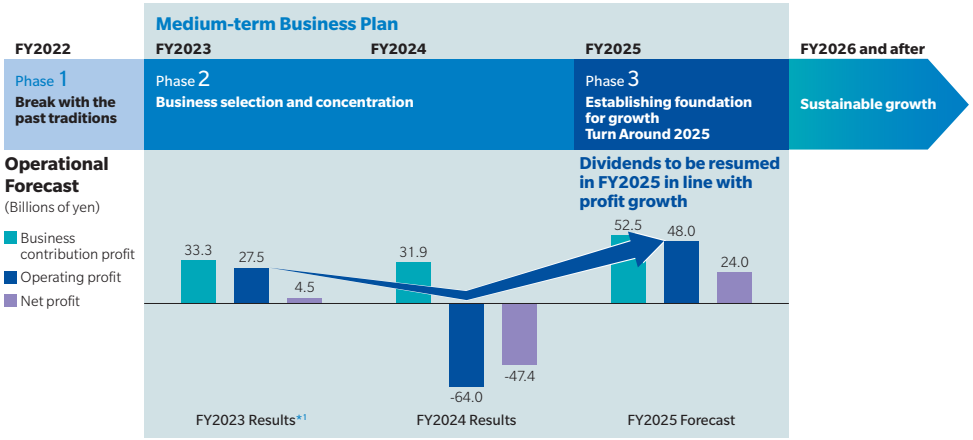
In fiscal 2023, we launched our three-year Medium-term Business Plan aimed at a "return to a highly profitable company." During the first two years of the Medium-term Business Plan (fiscal 2023 to 2024), in addition to business selection and concentration, we focused on management reforms with the additional measure of global structural reforms, which was not included in the original plan.

Under business selection and concentration, the positioning of all the Group's business units was classified into four categories—strengthening businesses, maintaining profit businesses, non-focused businesses, and direction-changing businesses—and the expectations and roles of each unit were clarified (see page 16). Within the non-focused businesses, we utilized third-party capital and transferred the precision medicine and marketing print management (MPM) services businesses. In the direction-changing businesses, we narrowed down the geographic regions and service areas of our business in the DW-DX unit and Imaging IoT Solutions. We recognize that we were able to implement all of these measures that we had initially planned over a two-year period (see page 18).

In global structural reforms, we recorded approximately ¥19 billion in business restructuring expenses in fiscal 2024, but expect to gain approximately ¥24 billion in structural reform impact between fiscal 2024 and fiscal 2025. In conjunction with business selection and concentration, our human capital optimization eventually covered approximately 5,500 employees, and we will continue to improve operational productivity and service quality while keeping headcount under control through further DX promotion and applying AI (see page 18).

In fiscal 2024, we were determined to implement these management reforms in this fiscal year to root out the source of any future issues, and therefore we recorded one-time costs and losses associated with the implementation of these reforms, as well as impairment losses due to the revision of our future business plans. As a result, operating loss was ¥64.0 billion and net loss was ¥47.4 billion. In addition, in the fiscal 2024 accounting audit, our audit firm pointed out the calculation of elimination of unrealized gains in the consolidation adjustment, and ¥11.4 billion was recorded as cost of sales, resulting in a decrease in business contribution profit. Although we recorded an operating loss in fiscal 2024 for the first time since fiscal 2022, we believe that we can now focus our energy on establishing a foundation for growth in fiscal 2025 and beyond by completing our management reforms without postponing structural reforms and business selection and concentration (see page 20).

Phases of the Medium-term Business Plan



*1 Excluded a discontinued operation

Strengthening the financial base through balance sheet improvements and boosted cash generation capabilities

One of the objectives of implementing the management reforms described above is to strengthen the financial base. In fiscal 2023 and fiscal 2024, we steadily improved our balance sheet and enhanced our cash generation capabilities through the reduction of inventories and trade receivables. In addition, we significantly reduced interest-bearing debt by utilizing the proceeds from the transfer of businesses positioned as non-focused or direction-changing businesses. This also reduced interest expense in the face of rising interest rates.

In fiscal 2025, we plan to resume dividend payments by continuing to reduce interest-bearing debt and further improving earnings while allocating funds for growth investments such as equipment (see page 22).

Reinforcing the business management system to ensure stable earnings and future business growth

Our reflection on major impairment losses recorded in precision medicine and other businesses has informed our efforts to reinforce our business management system to ensure stable earnings and create a framework to support future business growth. As part of this framework, we have revised our internal recognition of and approach to recording impairment losses, and in addition to periodic impairment testing in accordance with international accounting standards, we have established an internal voluntary impairment monitoring system that enables us to identify early signs of impairment.

We also reviewed our new business development process. We have adopted a stage-gate system for new business development, and we will more strictly apply conditions for moving to the next stage. Going forward, we will also focus on highly certain and promising themes by verifying customer value and technical feasibility more thoroughly than before. We plan to incorporate this into our future medium-term plans only after such validation gives us confidence in these themes.

Focus Policies for the Final Year of the Medium-term Business Plan (Fiscal 2025)

Achieving a V-shaped profit recovery and establishing a foundation for future growth

Fiscal 2025, the final year of our Medium-term Business Plan, has been positioned as “Turn Around 2025,” where we have set the following two focus policies. The first policy is to achieve a V-shaped recovery in operating profit and profit attributable to owners of the Company, while achieving ROE of 5% or more and resuming dividend payments to shareholders. Although ROE of 5% does not fully meet capital market expectations, we believe it is a necessary first step to increase ROE to 8% or more. To this end, we will firmly increase our current performance through the effects of management reforms and profitable growth in our businesses. The second policy is to ensure the materialization of new businesses that will be “growth seeds” into fiscal 2026 and beyond.

For fiscal 2025, our forecast is for revenue to decrease year on year due to business transfers and the appreciation of the yen, but in real terms, we anticipate a 2% revenue increase. Business contribution profit is expected to turn profitable at ¥52.5 billion and business contribution profit ratio at 5%, thanks to the effects of business growth and management reforms. We also forecast operating profit of ¥48.0 billion and profit attributable to owners of the Company of ¥24.0 billion. This will enable us to achieve ROE of 5%, and we will aim to pay an annual dividend of ¥10 per share.

As for the external environment in fiscal 2025, we expect to be affected by the U.S. reciprocal tariffs on a global basis, and at the time of the first quarter results, we reflected this reciprocal tariff impact in our forecast for the full fiscal year. We will absorb this by reviewing our already implemented go-to-market strategies such as price actions, channel and regional strategies, and by making additional cost reductions. Since the impact of reciprocal

tariffs will not be limited to fiscal 2025, we are accelerating studies and execution of specific measures such as the continued shift of production to countries with low tariff rates and streamlining of our operating structure by shifting from a business focus to a region focus.

Performance Outlook (Billions of yen)

	FY2023 (Including discontinued businesses)	FY2023 (Excluding discontinued businesses)	FY2024	FY2025 (Forecast)
Revenue	1159.9	1107.7	1127.8	1050.0
Business contribution profit	26.0	33.3	31.9	52.5
Operating profit	26.0	27.5	-64.0	48.0
Profit attributable to owners of the Company	4.5	4.5	-47.4	24.0
Dividends (yen/share)	5	5	0	10
ROE (%)	0.9	0.9	-9.5	5

Toward more improved earnings in existing businesses

In addition to the effects of business selection and concentration and global structural reforms implemented in fiscal 2024, we will work to further improve profitability in each of our businesses in order to strengthen our profit foundation in fiscal 2025 and beyond (see page 27).

The office unit of the Digital Workplace Business is performing solidly, and along with the creation of benefits from global structural reforms, we are working to enhance profitability by improving production, sales, and service efficiency through cost reductions and DX promotion.

In the production print unit of the Professional Print Business, we will maintain the largest share of Heavy Production Print (HPP) machines by launching new products, and by recapturing the No. 1 share of Mid Production Print (MPP) machines, we will continue to expand non-hardware revenue mainly from mid- to large-sized commercial printing customers.

On the other hand, in fiscal 2024, we recognize that earnings growth each of the performance materials, sensing, healthcare, and industrial printing business units has lagged behind, and we recognize this as a management issue.

In the performance materials unit, we are focusing on expanding sales of SANUQI, a new resin film for large-size TVs, and preparing for the launch of sales of SAZMA, a new material film. In fiscal 2024, demand changed at a pace exceeding our assumptions, causing our supply to fall short. However, we have already taken measures to expand production capacity for SANUQI. Furthermore, by introducing high transparency TAC (cellulose triacetate) film models tailored to market needs, we will accurately capture demand in fiscal 2025 and aim for a comeback.

In light source color measurement within the sensing unit, one of the factors that contributed to deteriorated earnings in fiscal 2024 was that the introduction of inspection instruments used in production lines did not proceed as planned due to postponement of capital investment by major customers. Going forward, the challenge will be how to elevate our foundation while keeping a close eye on market conditions for capital investment. In addition to establishing a system that can meet the demands of major customers, we will continue to shift to a business structure for growth, including automotive visual inspection and measurement equipment based on hyperspectral imaging, which images a wide range of wavelengths by dividing into numerous pieces.

In the healthcare unit, growth stalled in fiscal 2024 due to lower demand for analog film in China. Meanwhile, we continue to focus on our Dynamic Digital Radiography system, the only one of its kind in the world. In Japan, although the introduction of this system has begun, mainly at large and national hospitals, the pace of diffusion has not yet reached the expected level. Currently, we are in the process of accumulating a number of specific cases demonstrating how the introduction of our Dynamic Digital Radiography system will add value to clinical practice. We also aim to achieve solid results in the next Medium-term Business Plan by strengthening cooperation with external medical and research institutions and through the dissemination of information by key opinion leaders (KOLs).

In the industrial print unit, we will maintain the top share for digital label presses and accelerate digitalization in the market by further expanding the market and launching new B2-size UV inkjet presses (AccurioJet 30000). The number of installed digital inkjet presses (AccurioJet KM-1e) capable of B2-size large-format printing has grown over time, and the ink and other consumables business is also growing steadily. In embellishment printing, which adds value to printed materials, materials printed on our digital presses are subjected to secondary processing on France-based MGI's embellishment presses to create printed materials with an unprecedented sense of luxury and three-dimensionality. We are not yet able to offer our customers packages of embellished printing solutions that other companies do not offer, and we expect further growth in this area. In addition, as a differentiated solution, we are also developing the EX Kansei solution, a design analysis service that quantitatively visualizes human senses by combining our unique strengths in image processing and color analysis technologies with Kansei (sense) brain engineering.

Going forward, we intend to achieve sustainable growth by continuously enhancing the value of our unique total solutions.

Cultivating growth seeds through organic spillover, not drastic separation, from existing businesses

As described so far, we are focusing on strengthening the profitability of existing businesses and recovering their performance levels, while at the same time creating new businesses that will drive medium- to long-term growth with an eye to the future. Specifically, we are working to turn themes with promising outlooks into viable businesses by using AI to enhance technologies derived from existing businesses, such as precision processing, resin molding, film forming, and spectrophotometry. We will leverage the technology and expertise we have cultivated in our existing businesses and focus on areas with organic spillover from our existing businesses to enhance the chance of success in generating new businesses. This will harness our experience from past failures, when M&A in areas drastically separated and disconnected from our existing businesses did not yield the results we had hoped for.

For example, we have already established a strong relationship of trust with our customers for optical components for semiconductor manufacturing equipment in the Industry Business, and we will strengthen our production system by increasing our facilities to meet growing demand in the future. We will also challenge ourselves in other areas such as recycled plastic material production, barrier films for perovskite solar cells, and process monitoring for biomanufacturing. These were selected from among several technological themes based on an evaluation of market growth potential, the possibility of establishing a competitive advantage, and the probability of generating revenue as a business. Based on our updated new business development process, we will diligently conduct PoCs from technical and business aspects, fully verify potential customer value, reflect this in our medium- to long-term sales and profit plans, and make appropriate investments to nurture businesses into those that will contribute to increased profits.

Many of these seeds of growth are not top-down, but rather based on our material issues oriented to 2030, and they have been created from the bottom up from the business frontlines. It is very encouraging to see so many of these seeds of growth emerging from our business sites in this way. A new business will not succeed without the passion of employees in front lines of the field, who want to make sure that it blossoms. We believe that it is our role in management team to take into account the wishes of those in the field, evaluate and select businesses in a diligent process, and encourage initiatives that should move forward.

Toward medium- to long-term growth in fiscal 2026 and beyond

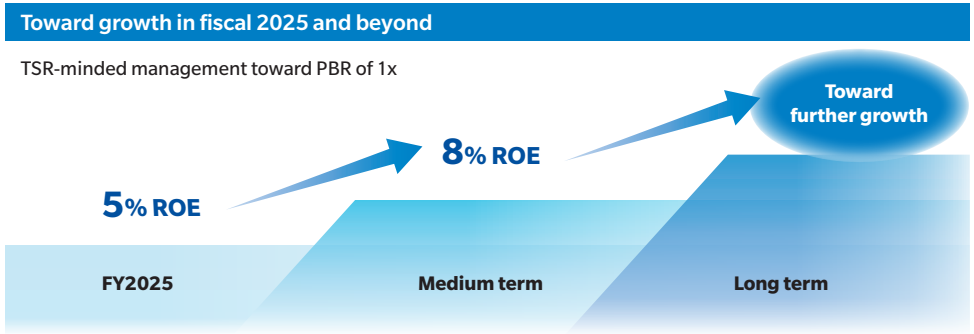
Aiming for 8% ROE by generating profits through top-line growth

To reach the next step of aiming for ROE of 8% or even higher after ensuring achievement of 5% ROE in fiscal 2025 sustainable growth in profits from our businesses is the first essential element. Therefore, in existing businesses, it is important to anticipate customer demand and adapt appropriately. Though we have been pursuing a "genre-top strategy" that focuses on markets with growth potential and aims to capture market share, going forward, we will evolve to a "domain No. 1" strategy. Here, we will focus on maintaining the No. 1 position for products and services that already have the No. 1 market share and capturing the No. 1 position for those that are No. 2 or lower.

On the other hand, in terms of business models, we are already promoting recurring businesses that can ensure continuous profitability in the Business Technologies Business and part of the Imaging Solutions Business, an initiative that has received high praise from shareholders and investors. Going forward, we intend to expand this recurring business model broadly to other business areas, and through the formulation and implementation of each business strategy, we hope to improve profitability.

In addition, by taking the aforementioned themes that will serve as growth seeds and

Medium- to long-term ROE improvement measures



Top-line growth	• Creating/maintaining "domain No.1" products and services • Cultivating growth seeds that lead to profit growth
Cost reduction	• Reducing production/sales service costs through DX • Improving procurement efficiency through partner collaboration • Stricter profitability-based maintain/exit determination process
Strengthening the financial base	• Improvement of working capital • Optimization of financial balance/effective tax rate
Capital allocation	• Business investment (including disruptive growth) • Shareholder returns

turning them into viable businesses, we will achieve early profit contributions.

We will also continue to focus on generating profits through cost reductions. In fiscal 2024, we established Global Procurement Partners Corporation as a joint venture with FUJIFILM Business Innovation Corporation in the Business Technologies area, a conduit for new initiatives in the procurement function for raw materials and components. Through this joint venture, the two companies will utilize our extensive supplier networks to strengthen respective business foundations by establishing a stable supply system for products and reducing costs.

We will also focus on improving productivity through the fusion of data utilization and AI technology, continuously monitoring the progress of per capita revenue and business contribution profit.

Furthermore, we must pivot our management to pursue capital efficiency in each business on a daily basis, with a stronger awareness of the cost of shareholders' equity and efficiency of invested capital.

Helping to realize a sustainable society through our business activities

At Konica Minolta, our aim is to contribute to the realization of a sustainable society by creating value through our business activities to solve the issues faced by our customers and society, while at the same time achieving sustainable growth ourselves. The growth strategies I previously mentioned also constitute practice of this kind of sustainability management. For example, recycled plastic materials, barrier films for perovskite solar cells, and process monitoring for biomanufacturing, which were introduced above as growth seeds, are all themes that contribute to addressing climate change and using limited resources effectively, both of which are our material issues.

In addition, with respect to the goal of achieving Carbon Minus* in fiscal 2025, fiscal 2024 performance was on track as expected, and we intend to ensure this goal will be achieved.

Furthermore, we have pioneered the implementation of human rights due diligence and other measures to address the growing social concern about human rights. We intend to continue strengthening our commitment to human rights, not only within the Group but also throughout the supply chain (see page 47).

* Carbon Minus: A state in which CO_2 emissions in the lifecycle of our products (Scope 1, 2, and 3 emissions) are reduced and at the same time the amount of contribution to CO_2 reduction (Scope 4) is generated that exceeds the amount of Scope 1, 2, and 3 emissions through collaboration with stakeholders such as customers and suppliers. Our goal is to build more competitive businesses by generating and enhancing the impact of our reduction contribution.

Shareholder value-conscious management aiming for a PBR of 1x or more

We sincerely recognize that our current stock price level is the result of the capital market's severe evaluation of our performance and management.Going forward, we intend to achieve a PBR of 1x or more by steadily promoting profitable growth in our businesses, nurturing growth seeds in the next Medium-term Business Plan, and reflecting the value of research and development in shareholder value.

Additionally, Konica Minolta has paid a portion of officer compensation in the form of stock bonus so far. In order to further practice management taking the perspective of our shareholders, we will introduce total shareholder return (TSR) as an evaluation indicator for the stock compensation plan for Executive Officers starting in fiscal 2026. By incentivizing contributions to greater shareholder value, we will shift management to be more conscious of shareholder value than before.

We are breaking from past traditions, ready to move on to the next stage. Through internal financial results briefings such as CEO LIVE! events, I have told employees that we can no longer use the past to make excuses. Going forward, we must not be conservative in how we envision our future growth, but instead compete with a mindset to pioneer the next stage of growth. I myself believe that my own role is to truly transform the Company by bringing out that awareness and leading it to fruition. On behalf of Konica Minolta, I sincerely appreciate your continued support of our endeavors.

At CEO LIVE!, internal financial results briefings, I answer any and all questions from employees. During the networking sessions afterward, we chat openly and casually, and I personally gain many insights myself.

Visits to our bases in Japan and overseas continue. This photo was taken during a visit to the base in Thailand.

Medium-term Business Plan Update

Basic Policies of the Medium-Term Business Plan and Business Positioning

Return to a highly profitable company through business selection and concentration

In this Medium-term Business Plan, we aim to achieve our financial and non-financial targets (see page 19), chart a growth trajectory and return to being a highly profitable company through the following three initiatives: strengthening business profitability, structural reforms implemented to reinforce profit foundation, and reinforcement of business management system.

When it comes to strengthening business profitability, we are focused on selecting and concentrating our businesses, pursuing growth in strengthening businesses, and reinforcing profitability of the office business to increase business contribution profits. In regard to reinforcing our profit foundation, we are reducing operating costs by implementing structural reforms, in addition to selecting and concentrating businesses. With respect to reinforcing our business management system, we are working to establish mechanisms that clarify business performance and accelerate the selection and concentration of businesses.

Review business positioning to select and concentrate businesses

To select and concentrate businesses, this Medium-term Business Plan repositions all business units under one of four categories—strengthening, maintaining profit, non-focused, and direction-changing businesses—and clarifies the expectations and roles of each unit.

Strengthening businesses will drive Konica Minolta's growth through further business expansion. Maintaining profit businesses will ensure stable cash generation and further strengthen earnings power. Non-focused businesses are those whose role will be determined from a best-owner perspective, with a view to using third-party capital. Direction-changing businesses will reorient all or parts of their business, and get placed on a growth trajectory after undergoing their selection and concentration.

Basic Policies of the Medium-term Business Plan

Return to a highly profitable company

Strengthening business profitability	Structural reforms implemented to reinforce profit foundation	Reinforcement of business management system
Business selection and concentration	Reduction in operating costs	Clarification of business performance
Reallocation of resources to strengthening businesses	Reinforcement of financial foundation and emphasis on cash generation	Acceleration of selection and concentration
Maintaining profitability in the office business		

Business Positioning

■ Industry ■ Digital Workplace ■ Professional Print ■ Imaging Solutions

	Direction	Relevant businesses	
Strengthening business	Drive our growth through business expansion	Strengthening areas for Industry*1 Strengthening areas for Professional Print*2	Healthcare
Maintaining profit business	Stable generation of cash	Office	
Non-focused business	Use of third party capital, etc.	Marketing services Precision medicine	Optical components (for non-strengthening areas)
Direction-changing business	Redesignation of strategic direction for growth	Imaging-IoT solutions DW-DX	

*1 Strengthening areas for Industry: sensing + performance materials + IJ components + optical components (industrial applications)
*2 Strengthening areas for Professional Print: production print + industrial print

Results of Fiscal 2024 Management Reforms

In fiscal 2023-2024, completed management reforms aimed at breaking with the past

In fiscal 2024, we undertook numerous management reforms and successfully completed all planned measures.

Business Selection and Concentration

For non-focused businesses, we concluded all transfer agreements in precision medicine; a transfer agreement for overseas MPM services* in marketing services; and a transfer agreement of equity interest of one Chinese manufacturing subsidiary in optical components.

For direction-changing businesses, we narrowed down the countries and regions in which DW-DX services are offered. For Imaging-IoT solutions, we narrowed down the countries and regions in which we operate, implemented structural reforms in Europe and the U.S., and concluded a transfer agreement for MOBOTIX. These measures will reduce losses in non-focused and direction-changing businesses, with profitability expected by fiscal 2025 (see page 18).

Reinforcement of profit foundation

In the Business Technologies Business, profit is steadily increasing, mainly from our office units. We also established Global Procurement Partners Corp., a joint venture with FUJIFILM Business Innovation Corp., to build a robust supply system for raw materials and parts. In addition, from a production efficiency standpoint in the business technologies sector, we discontinued production at our Wuxi, China factory, and relocated production sites to Dongguan, China, as well as Malaysia and Japan. By restructuring our production system, we aim to optimize it and diversify our global supply network.

By optimizing human capital and promoting DX, we expect global structural reforms to have effects that exceed our initial plans (see page 18).

In addition, to strengthen our financial base, we are working to reduce interest-bearing debt mainly by using the cash obtained from business transfers, and are progressing as planned toward the end of fiscal 2025 (see page 22).

We recognize the deterioration in profitability and delayed growth in certain business units designated as strengthening initiatives in our Mid-term Business Plan as management challenges and will continue to accelerate efforts to improve them (see page 19).

Strengthening business management systems

Under reinforcing our business management systems, we are working to build foundations supporting growth, such as improving impairment signs monitoring and reviewing new business development processes, as well as transforming corporate culture (see page 21).

Results of business selection and concentration & reinforcement of profit foundation

Business selection and concentration	Using third-party capital for non-focused businesses	☑	• Precision medicine: Concluded business transfers • Marketing services: Business transfer agreement of MPM services • Optical components: Transfer agreement of equity interest of one Chinese manufacturing subsidiary
	Redesigning strategic direction of direction-changing businesses	☑	• DW-DX: Reduced losses and on track to profitability with reforms by fiscal 2025 • Imaging-IoT solutions: Share transfer agreement of MOBOTIX
Reinforcing profit foundation	Increased profitability of Business Technologies Business	☑	• Improved profitability and cash generation of Business Technologies Business • Established JV with Fujifilm BI • Ended production at the Wuxi factory in China
	Global structural reform	☑	• Optimizing human capital by global structural reforms • Created impact through productivity improvement initiatives
	Strengthening the financial structure	☑	• Promoting reduction of working capital and interest-bearing debt

Challenges: Slower-than-expected growth in some businesses (industrial print, performance materials, sensing, and healthcare)

Results of reinforcing our business management systems

Building foundations to support growth	• Review and improvement of impairment monitoring • Reduction in number of Directors, clarification of roles, and delegation of authority
Transformation for growth	• Review of new business development processes
Corporate culture	• Fostering a culture of listening to opinions and encouraging discussion • Increasing opportunities for dialogue between management and employees • Setting realistic management goals

* MPM: Marketing Print Management. A service for marketing departments in major global companies.

Results of business selection and concentration & global structural reform

Reduced business contribution losses by transferring non-focused businesses and redesigning strategy of direction-changing businesses

For non-focused businesses, we considered using third-party capital and, as mentioned above, concluded transfer agreements for the precision medicine, marketing services, and optical components units, and expect to complete all transfers within fiscal 2025. For direction-changing businesses, we revised growth strategies for DW-DX and Imaging-IoT solutions and executed reform measures.

In fiscal 2022, prior to the current Medium-term Management Plan, non-focused and direction-changing businesses combined for 20.5 billion yen in business contribution losses. However, as a result of these measures, the loss was significantly reduced in fiscal 2024, to 4.7 billion yen. We plan to be profitable in fiscal 2025.

Achieved cost reductions through the completion of global structural reforms

To improve the entire group's productivity, we are aiming to transform into an organization with high per capita productivity by optimizing human capital as part of global structural reforms while promoting DX.

To optimize human capital, we had planned to reduce our workforce by 2,400 employees relative to initial plans for fiscal 2025, but by executing additional measures in multiple functions and regions, the reduction of Group employees was larger than initially expected.

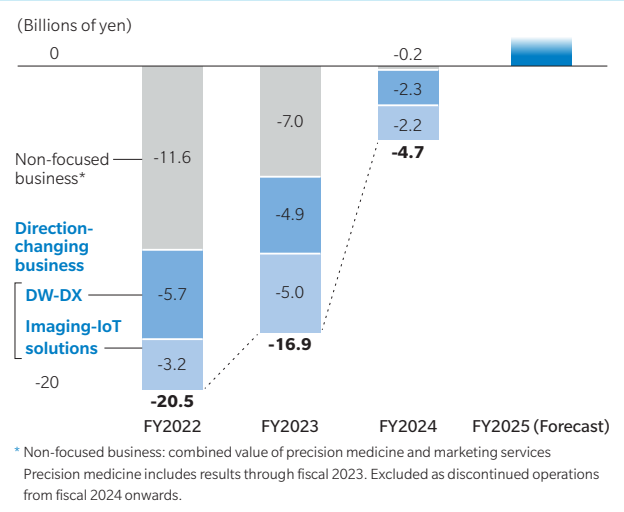
We had anticipated a one-time expense of about 20 billion yen in fiscal 2024, but we were able to reduce this to about 19 billion yen by implementing additional measures. The effect of these measures improved profits by about 10 billion yen in fiscal 2024. We expect to generate further profit-improvement effects of about 14 billion yen in fiscal 2025, for a total effect of approximately 24 billion yen.

To continue sustainable growth while keeping personnel numbers down, we are advancing higher operational productivity with DX. Specifically, we are automating operations by leveraging generative AI and shifting employees to high added-value tasks that only humans can perform.

In areas such as sales, services, production, and development, we promoted the use of digital data and AI to raise the quality and efficiency of our operations, thereby aiming to enhance productivity and customer service. In fiscal 2025, we plan to actively promote the DX initiatives, selected from among our many DX themes (see page 53), that will yield a high return on investment. With DX, we will improve profitability and prepare to invest in future growth areas.

Results of business selection and concentration

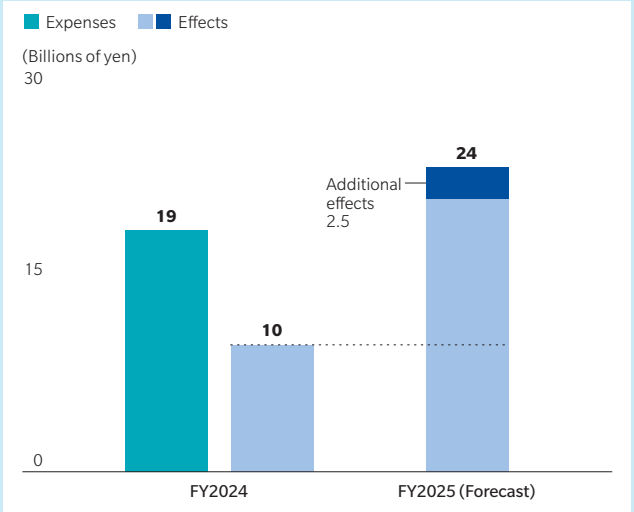
Business contribution losses of non-focused and direction-changing businesses



* Non-focused business: combined value of precision medicine and marketing services
Precision medicine includes results through fiscal 2023. Excluded as discontinued operations from fiscal 2024 onwards.

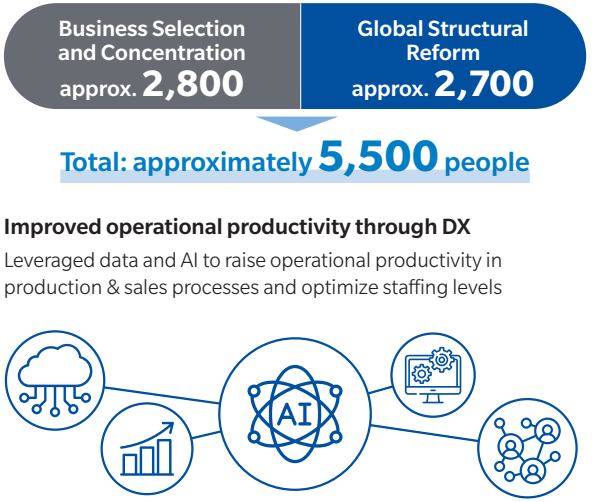
Results of global structural reform

Expenses and effects of global structural reform



Results of optimizing human capital

Reduction in the number of employees and initiatives to improve productivity



Toward a V-shaped recovery in fiscal 2025 and further growth in the future

Turn Around 2025—Aiming for ROE of 5% through business growth and management reform effects

Fiscal 2025, the final year of the current Medium-term Business Plan, will be positioned as Turn Around 2025, and we will build a foundation to return Konica Minolta to a growth trajectory.

For our financial targets, we are prioritizing ROE improvement above all else. We will aim for an ROE of 5% by selecting and concentrating businesses to improve basic earnings margin, optimizing working capital and inventories, and building a well-balanced financial base.

Revenue will be lower than initial plans set in fiscal 2023 due in part to the transfer of businesses as a result selection and concentration, but the business contribution profit ratio is expected to hit the target of 5% or more thanks to the effects of management reforms.

With regard to strengthening businesses, although some businesses are experiencing slow growth, we will identify their respective issues and implement measures to grow each of them. Specifically, in industrial print, we will accelerate growth by introducing new products. In performance materials, we will expand our share in focus areas, and in sensing and healthcare, we will aim to improve profitability.

As non-financial indicators, we are also working to improve employee engagement (see page 51) and reduce CO_2 emissions (see page 42).

In this Medium-term Business Plan, we are prioritizing an ROE of 5%, but at the same time, we are also working to develop technologies that will serve as seeds for future medium- to long-term profit growth (see page 24). In the next Medium-term Business Plan and beyond, we will aim for an ROE of 8% and further growth, and continue to enhance our corporate value.

Main financial indicators

	FY2023 Results	FY2024 Results	FY2025 Forecast	FY2025 Medium-term plan (As of Apr 2024)
Revenue (Billions of yen)	1,159.9	1,127.8	1,050.0	1,050.0
Business contribution profit	2.2%	2.8%	5.0%	5% or more
ROE	0.9%	-9.5%	5%	5% or more

Main non-financial indicators

		FY2023 Results	FY2024 Results	FY2025 Plan
Employee engagement score		6.8	6.8	7.7
CO_2 emissions produced in Konica Minolta product lifecycle	**Reductions compared to 2005**	63%	62%	61% or more
	Emissions	750,000 tons	780,000 tons	800,000 tons or less
Contribution to CO_2 reduction by customers and society		630,000 tons	680,000 tons	800,000 tons or more

FY2025 Strategic Challenges and Measures by Business (see pages 30-34)

Digital Workplace

Office:
- Maximizing medium- to-long-term profits through high-speed equipment expansion and minimizing non-hardware declines
- Improved productivity of production, sales and service operations through DX

DW-DX:
- Created impact with FY2024 business selection and concentration
- Growth of operation optimizing services and AI SaaS services*1

Professional Print

Production print:
- Expansion of Heavy Production Print (HPP*4) and Mid Production Print (MPP*5)
- Improved productivity of production, sales and service operations through DX

Industrial print:
- Expand UV digital inkjet presses and digital label presses
- Strengthen the sales and service system

Industry

Sensing:
- Expand light source color measurement capturing the evolution of display functionality
- Hyperspectral imaging and global expansion of automotive visual inspections

Performance materials:
- Increase SANUQI*2 production capacity and competitiveness of VA phase difference film
- Enter surface protection field with the new SAZMA*3

IJ components:
- Expansion of inkjet heads for industrial applications

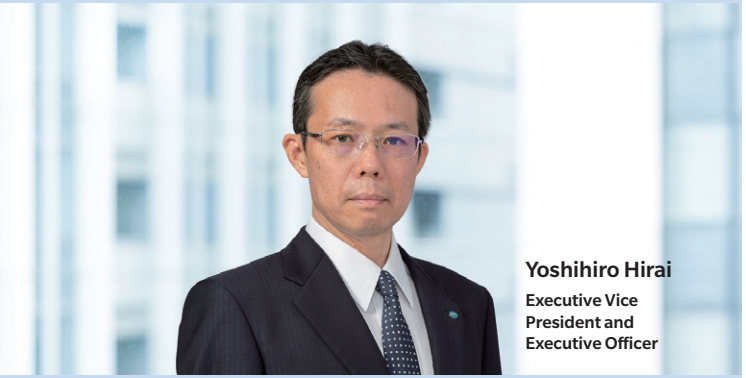
Optical components:
- Expansion of optical components for semiconductor manufacturing equipment

Imaging Solutions

Healthcare:
- Expanding digital X-ray adoption by highlighting the value of dynamic X-ray imaging
- Global expansion of medical IT services

*1 AI SaaS Services: Services we developed that offer AI-enabled interpretation, knowledge management, and educational support, etc.
*2 SANUQI: Trademark for a new resin film made of COP material, used as a component of electronic display devices. This film has excellent water resistance, heat resistance, and transparency.
*3 SAZMA: Trademark for a new acrylic film used as a component of electronic display devices. This film features easy surface processing and optical isotropy, which are not found in conventional products.
*4 HPP: Heavy Production Print, over 1 million prints/month, commercial printing products.
*5 MPP: Mid Production Print, 300k to 1 million prints/month, commercial printing products.

Financial Strategy



Yoshihiro Hirai
Executive Vice President and Executive Officer

In fiscal 2024, Konica Minolta carried out global structural reforms, business selection and concentration, and appropriate revisions to our future business plan, which resulted in a significant loss. However, we believe this deficit is largely due to temporary factors, and we have strengthened our foundation for achieving the earnings level we should pursue in the future. We also made steady progress in improving our financial position by reducing interest-bearing debt by ¥84.4 billion.

Fiscal 2025 will be a pivotal year to achieve a V-shaped recovery in profits, resume dividend payments, and build a bridge to the next Medium-term Business Plan. Despite negative factors such as rising U.S. tariffs and the risk of a recession, we will continue to meet the expectations of our stakeholders through the unified efforts of the entire Group.

In addition to improving ROE, our management going forward will focus on generating stronger profits and reinforcing each business with an emphasis on the efficiency of invested capital. The fiscal 2025 ROE target of 5% is a minimum, and we aim to reach 8% or higher. To achieve this, we will not only pursue business growth but also focus on improvements in net profit through further reductions in interest-bearing debt and the optimization of tax expenses.

We have carried out the selection and concentration for loss-making businesses through fiscal 2024 and, starting in fiscal 2025, advance to a management stage that evaluates and ensures the efficiency of profit generation in each business. Going forward, we will embed the cost of shareholders' equity and capital efficiency into our management practices to raise corporate value and deliver profit returns that meet shareholder expectations.

Review of fiscal 2023 and 2024

Completion of global structural reforms and business selection and concentration

In fiscal 2023, the first year of our Medium-term Business Plan, we achieved our most important goal of achieving positive operating profit and profit attributable to owners of the Company (hereinafter referred to as "net profit") and improved our balance sheet, mainly working capital and interest-bearing debt, by generating ¥83.3 billion in operating cash flow.

In fiscal 2024, revenue increased 1.8% year on year to ¥1,127.8 billion, due in part to the weaker yen. In terms of profit, although we were able to control SG&A expenses and capture some of the effects of global structural reforms, business contribution profit was ¥31.9 billion, down 4.2% year on year, due to a revision of the calculation of elimination of unrealized gains in the consolidated financial results.

Business by business, the Digital Workplace Business posted higher profits, but profits in the other three businesses declined, and challenges remained in some businesses (industrial print, performance materials, sensing, and healthcare), which were positioned as strengthening businesses. In addition, one-time expenses, such as global structural reforms and business selection and concentration (see page 18), as well as impairment losses on goodwill and property, plant and equipment and intangible fixed assets in the sensing, industrial print, and healthcare units, resulted in an operating loss of ¥64.0 billion. In addition, the Company reversed deferred tax assets (approximately ¥18 billion) due to a review of business plans in the U.S. and other countries. In addition, as part of the selection and concentration of businesses, the precision medicine business was transferred, resulting in a net loss attributable to owners of the Company of ¥47.4 billion, including the gain on the transfer of this business.

These global structural reforms, selection and concentration of businesses, and appropriate review of future business plans have led to a reduction of total assets by approximately ¥190 billion compared to fiscal 2023.

Thus, in fiscal 2024, we advanced management reforms and other measures that resulted in significant losses, causing great concern to our stakeholders. However, by completing business selection and concentration in fiscal 2023 and 2024 as planned, we were able to prepare to establish a foundation for growth in fiscal 2025, the final year of the plan.

One-time factors in FY2024

One-time expenses/losses	
Global structural reforms	-¥19.0 bn
Business selection and concentration	Approx. -¥28 bn
Impairment loss on assets	Approx. -¥51 bn
Reversal of deferred tax assets	Approx. -¥18 bn
Gain on business transfer	
Precision medicine	Approx. ¥50 bn

Financial impact in FY2025

Business contribution profit: Total +¥15.5 bn (YoY)	
Impact of global structural reforms (including additional portions)	+¥14.0 bn
Improved profitability through business selection and concentration	+¥1.5 bn
Total assets at the beginning of the period: Total approx. -¥190 bn (vs. end of FY2023)	
Selection and concentration of business	Approx. -¥120 bn
Impairment loss on assets	Approx. -¥51 bn
Reversal of deferred tax assets	Approx. -¥18 bn

Enhancing corporate value

Achieving ROE of 5% and targeting rapid achievement of 8% or higher through business growth and benefits from management reforms

In fiscal 2025, we will move into a new phase under the slogan "Establish a Foundation for Growth: Turn Around 2025." Here, we intend to achieve a V-shaped recovery in operating profit and net profit to achieve ROE of 5%, and beyond that, ROE of 8% or higher.

Since improvement of net profit ratio and the total asset turnover rate is important to improve ROE, we are breaking down each element in the ROE tree to make improvements.

Improvement of net profit ratio

In fiscal 2025, we will incorporate the effects of structural reforms implemented in the previous fiscal year. In addition, we will strive for business growth by boosting profitability of strengthening businesses and expanding sales after pivoting our direction-changing business. Furthermore, we will also control SG&A expenses through DX and other measures. Through these efforts, we aim to increase profits in the Digital Workplace, Professional Print, and Industry Businesses and break even in the Imaging Solutions Business.

We will also continue to improve our financial balance by reducing interest-bearing debt. Tax burden has persistently been high with respect to our tax expenses. The main reason for this has been inapplicability of tax benefits at overseas loss-making subsidiaries, and to address this, we are working to improve our effective tax rate by reviewing the profit structure of subsidiaries. As a result, we plan to return to profitability with net profit of ¥24.0 billion. By continuing these measures in fiscal 2026 and beyond, we aim to further improve profit ratios.

For fiscal 2025, we have estimated the impact of the U.S. reciprocal tariff hike at -¥14.0 billion. In addition to price adjustments, we will absorb this impact through measures such as revising our go-to-market strategy, reducing additional expenses, and shifting production further to low-tariff countries.

Improvement of total asset turnover rate

While it is necessary to increase revenue through business growth in the medium to long term, in fiscal 2023 and fiscal 2024 we have prioritized the reduction of total assets, optimizing inventories and trade receivables, reducing assets through business selection and concentration, and reducing interest-bearing debt by also utilizing cash inflows from the sale of businesses.

As a result, the total asset turnover ratio for fiscal 2024 was 0.92x, an improvement from 0.80x in fiscal 2022. The target is 0.93x in fiscal 2025, and we aim to improve turnover to 1.0x as soon as possible by growing revenue in addition to reducing working capital and other measures.

Optimization of financial leverage

Financial leverage has remained high at Konica Minolta due to large investments totaling approximately ¥290 billion under the three Medium-term Business Plans through fiscal 2022, a change in international lease accounting standards in fiscal 2019 that resulted in approximately ¥100 billion of on-balance sheet lease assets and liabilities, as well as a decrease in shareholders' equity due to losses.

Financial leverage was 2.9x in fiscal 2022, improving to 2.6x in fiscal 2024 due to asset reductions, with an additional focus on interest-bearing debt reduction. In fiscal 2025, we expect to improve this further to 2.3x (equity ratio of 43%) by further reducing interest-bearing debt.

From fiscal 2026 onward, we aim to achieve an optimal level of financial leverage for Konica Minolta of approximately 2x.

Reinforcement of business management system

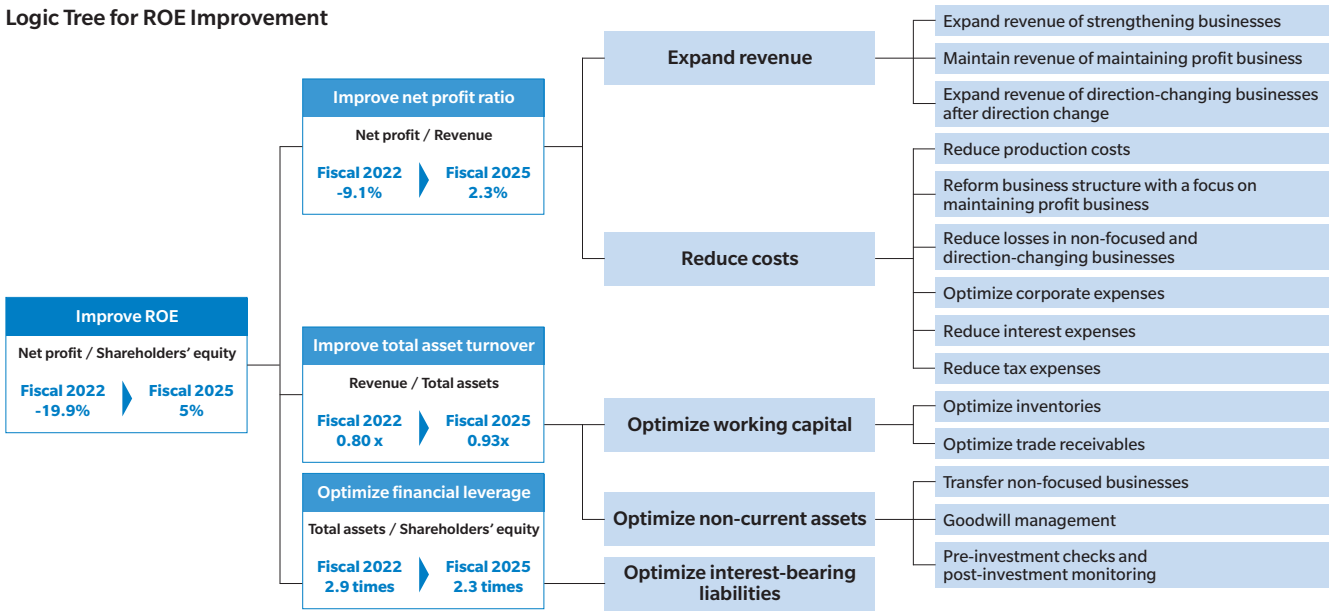
Toward a stage of management conscious of cost of capital

In light of significant impairment losses incurred in the past, in fiscal 2023 we reviewed our investment evaluation and business review methods and strengthened our monitoring of impairment risk to be conducted on a quarterly basis, whereas it was previously done at the end of each fiscal year. In addition, as an element of business management based on capital efficiency, we monitor the status of our KM-ROIC* indicator against business-specific hurdle rates, as well as our general finances and other information. This will allow us to thoroughly manage our business portfolio to make decisions such as whether to continue or withdraw from businesses.

In recent years, we have focused on rebuilding or withdrawing from loss-making businesses, but with the completion of business selection and concentration, we now move to a stage of management conscious of cost of capital.

* KM-ROIC: A proprietary index for calculating return on invested capital (ROIC) where the numerator is business contribution profit and the denominator is business assets (working capital + goodwill + property, plant and equipment + intangible fixed assets)

Logic Tree for ROE Improvement



* ROE: Caleulated with the average of beginning and ending balances
Total asset turnover rate and financial leverage: Caleulated with the ending balance

Improved Balance Sheet

Improving financial soundness by reducing assets and interest-bearing debt

Konica Minolta is improving working capital by optimizing trade receivables and inventories, and reducing interest-bearing debt (including lease liabilities) through cash inflows from business asset reductions and asset sales. As a result, total assets were reduced by ¥196.1 billion from ¥1,413.7 billion at the end of fiscal 2022 to ¥1,217.6 billion at the end of fiscal 2024. Goodwill peaked at ¥246.5 billion at the end of fiscal 2021, then decreased to ¥126.3 billion in fiscal 2024. Goodwill as a percentage of capital has also decreased from a peak of 44% to 27%, demonstrating increased financial security.

Currently, we are aiming for another step in our total asset reduction by the end of fiscal 2025, which is the final stage of our Medium-term Business Plan. In particular, we will reduce interest-bearing debt to ¥370 billion, optimizing our financial balance toward a net D/E ratio of 0.55 at the end of fiscal 2025 versus 0.8 at the end of fiscal 2022.

Capital allocation

Substantial reduction of interest-bearing debt through cash inflows generated from operating cash flow and business transfers, while strengthening business investments and shareholder returns

In fiscal 2023 and 2024, we generated ¥134.4 billion in operating cash flow, mainly due to an improvement in working capital of ¥52.6 billion. One-time expenses such as impairment losses and reversals of deferred tax assets incurred in fiscal 2024 are non-cash and therefore do not affect cash flows. Cash inflows from the sale of precision medicine and other businesses amounted to ¥68.8 billion in investment cash flow, and cash combined with operating cash flow was allocated to business investments (¥86.8 billion), repayment of interest-bearing debt (¥161.6 billion), and dividends (¥2.4 billion).

In fiscal 2025, we will continue our efforts to generate operating cash flow and make strategic and carefully selected business investments, focusing on strengthening businesses and growth seeds, while further reducing interest-bearing debt, with the aim of resuming dividend payments.

Shareholder return policy

Resuming annual dividends of ¥10 in fiscal 2025

Konica Minolta shareholders have our deepest apologies for not paying a dividend per our initial forecast in fiscal 2024 due to recording a net loss for the year from structural reforms, business selection and concentration, impairment losses, and other factors.

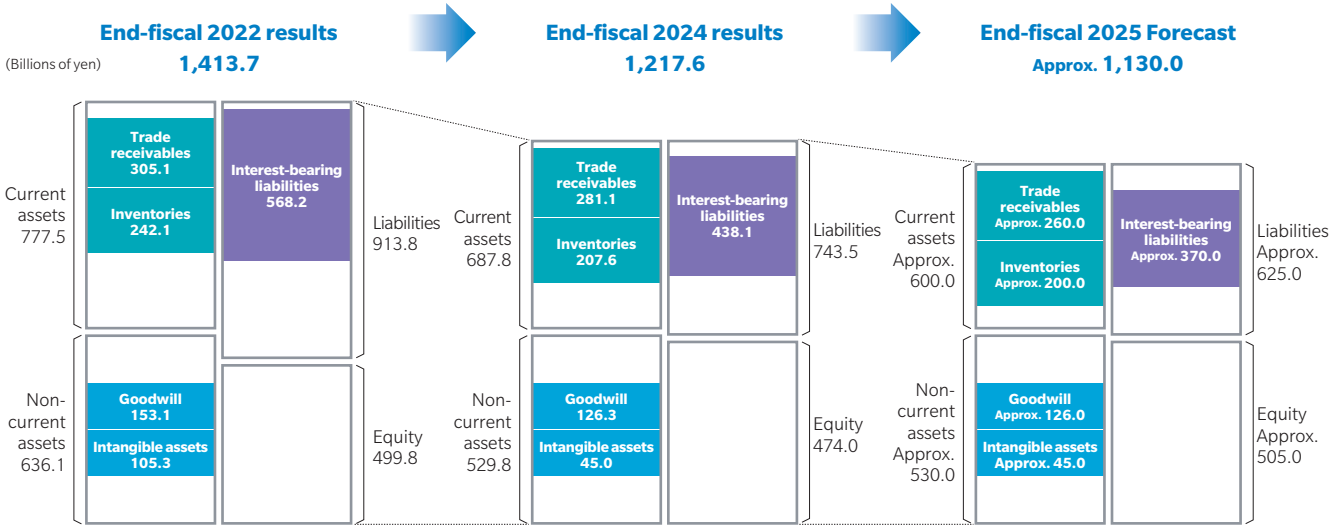
In fiscal 2025, we plan to return to profitability with operating profit of ¥48.0 billion and net profit of ¥24.0 billion, and to achieve ROE of 5% and pay annual dividends of ¥10 per share.

From fiscal 2026 onward, we intend to increase corporate value through profit growth and cash generation that will enable us to achieve ROE of 8% at an early stage, while further strengthening returns to shareholders.

Dividend policy

Our basic policy is to strive to enhance the return of profits to shareholders based on dividends, comprehensively incorporating consolidated business performance, investment in growth areas, cash flow, and other factors.

Improved Balance Sheet



Capital Allocation Policy

(Billions of yen)		Fiscal 2023-2024	Current forecast: Fiscal 2025	Current forecast: 3-year total	Medium-term Business Plan (as of April 2024)
Cash in	Operating cash flow	134.4	75.0	Approx. 210.0	270.0 – 300.0
	Business transfer, etc.	68.8	14.0	Approx. 82.0	-
Cash out	Business investment (Equipment, investment and lending, etc.)	86.8	45.0	Approx. 130.0	150.0
	Liability reduction	161.6	35.0	Approx. 194.0	120.0 – 150.0
	Dividends	2.4	2.5*	Approx. 5.0	

* Cash out from interim dividend of ¥5 per share (total dividend of ¥10 per share for fiscal 2025)

Technology and Intellectual Property Strategy

Toshiya Eguchi
Executive Vice President & Executive Officer

The technology strategy of the Medium-term Business Plan focuses on two points: "enhancing technology development to expand strengthening businesses" and "cultivating technologies for future growth." For about 10 years up to the previous Medium-term Business Plan, emphasis was placed on obtaining technologies through acquisitions, but despite this, we fell short of strengthening core technologies that have been our strength. Based on this reflection, we believe that now is the time to make our core technologies the driving force of growth for sustainable growth.

Throughout our long history, we have created new businesses by integrating multiple core technologies. Continuing this trend, for "enhancing technology development to expand strengthening businesses," we will promote the use of AI and data science throughout the Group and further advance our core technologies to enhance our competitive advantage (see page 24).

For "cultivating technologies for future growth," we are focusing on GX (Green Transformation) technologies that are indispensable to society and are expected to experience significant market growth. (see page 26). In this context, we have identified potential growth businesses in promising areas for achieving decarbonized society, utilization of recycled plastics, measurement systems for manufacturing processes in biomanufacturing, and barrier films for perovskite solar cells, where we can continue to leverage our strengths through the combination of our core technologies and AI. We have begun full-scale development of technologies toward commercialization, in collaboration with external organizations such as the National Institute of Advanced Industrial Science and Technology (AIST).

Guided by our materiality, we will continue to take on the challenge of addressing social challenges through technology development that satisfies the desires to "see" demanded by society.

Basic policy for technology strategy

The first priority of the technology strategy in the Medium-term Business Plan is to "enhance technology development to expand strengthening businesses." To date, in the strengthening businesses (Industry, strengthening areas of Professional Print, and Healthcare), Konica Minolta has strengthened its competitiveness through its core technologies. 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 exploring new areas where our core technologies can be utilized and providing products and services that address customer needs.

The second priority is "to cultivate technologies for future growth." In this initiative, we have decided to focus on technology development that contributes to "the effective use of limited resources" and "addressing climate change," taking a backcasting approach from our envisioned future society. Regarding R&D themes to be initiated, Konica Minolta will base its decisions on the ability to leverage its strengths in "sensing technology + AI technology," and alignment with growth markets that will be in demand in the future society, and will actively pursue these initiatives.

Our understanding of the challenges under the previous and earlier Medium-term Business Plans

- To accelerate growth business creation, we actively acquired technologies via M&A. However, being far from our core competencies, they yielded limited results.
- Continuous enhancement of technologies necessary from a medium- to long-term perspective and core technologies was lacking.

Basic policy on technology strategy in the current Medium-term Business Plan

1: Developing technologies to accelerate expansion of strengthening businesses (active use of AI)

2: Cultivating technologies for growth (aggressive investment in GX technologies)

For more details: Konica Minolta's Technology
https://research.konicaminolta.com/en/technology/

Overall technology strategy

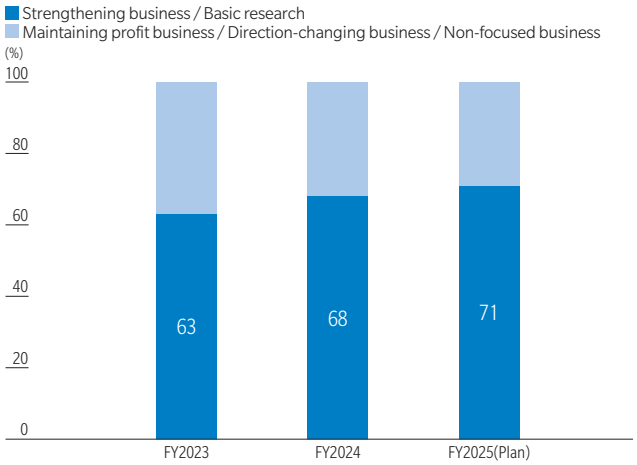
Under the Medium-term Business Plan, we have classified the Konica Minolta Group's businesses into four categories: "strengthening business," "maintaining profit business," "non-focused business," and "direction-changing business," and have optimized the allocation of R&D investment accordingly.

Fiscal 2025 is an important milestone as the final year of the Medium-term Business Plan, and Konica Minolta's technology strategy is also in a transitional phase with a view to the next Medium-term Business Plan. In line with this, we plan to increase the ratio of R&D investment in strengthening businesses and basic research to 71% in fiscal 2025. In this way, we are improving our product and service capabilities in priority business areas where growth is expected, while strengthening our ability to respond to technological changes in the market.

We are also strengthening our R&D investments, with a focus on basic research, in promising technological fields that contribute to the realization of a decarbonized society. These efforts represent a deliberate investment in cultivating key technologies that will feed into the next Medium-term Business Plan.

Through these efforts, we will further advance the integration of our core technologies with AI and data science, and continuously drive a technology strategy that aims to both strengthen our business competitiveness and address social challenges.

Breakdown of R&D expenses



For more details: Technology Report
https://research.konicaminolta.com/en/report/2025/

Technology development that contributes to the expansion of strengthening businesses

Integration and evolution of core technologies that create strengths

Konica Minolta has developed superior technologies by fusing multiple core technologies of its own.

For example, in the Professional Print Business, Konica Minolta has developed the IQ-501 automatic quality optimizer by combining electrophotographic technology with spectroscopic and color measurement technologies. In this development, Konica Minolta has advanced the high-level integration of its precision paper feeding technology, print image sensing technology, and real-time data processing within the unit. Commercial and label printing products featuring the IQ-501 have been highly valued by customers for reducing losses caused by downtime.

In the healthcare business, we have developed a technology that integrates dynamic radiography imaging technology with image analysis technology to obtain motion information of biological tissue that cannot be seen with conventional static X-ray images. This technology has been reported to enable pulmonary function tests for chronic obstructive pulmonary disease by analyzing dynamic images, with the potential to reduce the burden of such tests.

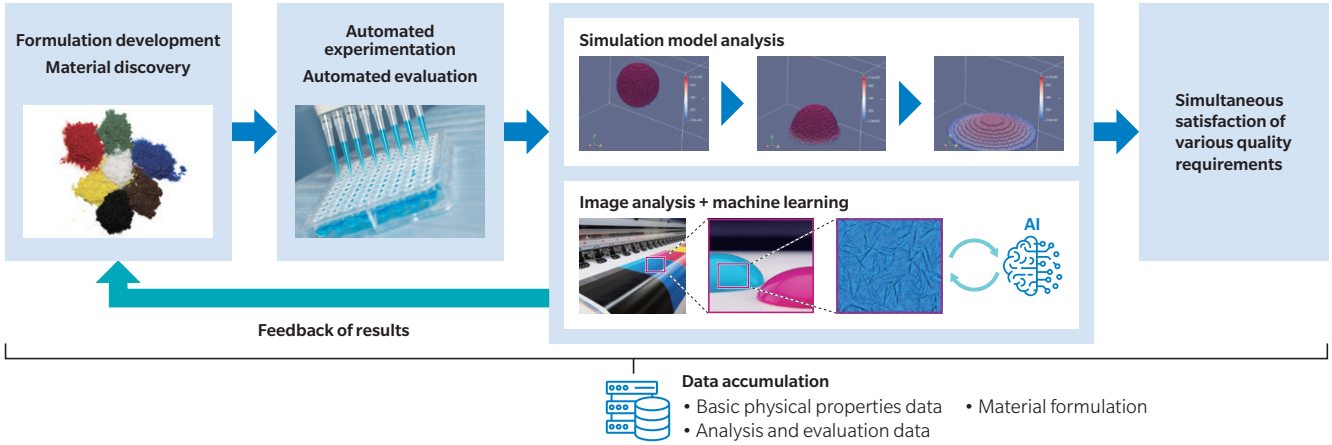
Furthermore, Konica Minolta is focusing on the development of optical components for semiconductor manufacturing equipment as an area where we should leverage our strength to meet future social needs. Demand for semiconductors is expected to continue expanding over the long term, especially in such fields as AI and autonomous driving, leading to advances in higher speeds, larger capacities, and increased multilayering of semiconductor circuits. At the same time, the precision required for optical lenses is becoming increasingly stringent as process miniaturization progresses. Konica Minolta will strengthen the development and supply of high-precision optical components to meet this growing demand and the exacting requirements of our customers by leveraging our long-cultivated expertise in optical design and molding technologies.

Improving development efficiency through the use of AI and data science

Konica Minolta has been committed to the practice of DX from early on and has been improving efficiency thanks to its DX specialists. More than 1,000 of these specialists have been trained within the Group and work alongside frontline members to achieve numerous business process reforms each year.

One example of these business process reforms resulting from data utilization is the data-driven development of inkjet (IJ) inks. IJ ink is a complex product that requires a manufacturer to bring together two contradictory properties, low viscosity on jetting and high viscosity after landing. Therefore, material design requires advanced technology and precise control. Konica Minolta has automated the process of experimentation and evaluation, creating a system that can test many conditions without human intervention, greatly increasing the speed of experiments and the scope of testing. In addition, by combining predictive models, image analysis, and AI with the vast amount of data obtained from experiments, the efficiency of materials discovery and other processes was enhanced and a development process with minimal rework was realized. This has achieved both a significant reduction in development time and stabilization of quality, producing significant results.

Data-driven development of inks for inkjet printers



Voice Data-driven development of IJ inks

Maho Miyauchi
Data Science Center, Technology Development Headquarters

Our IJ inks are developed by precisely controlling the physical properties on jetting and on landing, enabling high-speed, high-quality printing. In the past, each team carried out development for each target separately, which created challenges in terms of development efficiency and the deployment of technology to other projects.

In the data-driven development project for IJ inks, we acquired a large dataset of images printed with inks using various materials and their combinations, and developed a machine learning model capable of predicting ink performance. In parallel, we developed a simulation model that maps the complex control factors during printing and reproduces the behavior of ink on jetting and landing. These models are consistent with results deducted from theory, leading to greater exploration space and speed in future materials design.

Going forward, we intend to roll out this case across the entire Konica Minolta Group and promote data-driven materials development to improve our development efficiency and technological capabilities.

Cultivating Technologies for Future Growth

Development of technologies to reduce environmental impact

As for cultivating technologies for sustainable growth, we will invest mainly in themes related to reducing environmental impact and accelerating innovation. For example, as an initiative to realize a recycling-based society, in the field of recycled plastic materials production–an area that has evolved from materials technology, one of our core technologies–we began external sales of recycled plastic upcycled from waste plastics. Hyperspectral cameras, a product of the Konica Minolta Group, are also used to distinguish and analyze waste plastics. We will contribute to solving social challenges by combining multiple technologies, such as optical technology for raw material selection and material technology for the production of recycled materials, to improve the productivity and quality of recycling.

In addition, in the field of "biomanufacturing," which uses microorganisms to synthesize materials from non-fossil-derived raw materials, we are developing technologies to monitor complex processes. In this initiative, we are bringing together Konica Minolta's sensing technologies to visualize the complex behavior of microorganisms, with the aim of stabilizing biomanufacturing and reducing costs. In 2025, in the field of biomanufacturing, a high-yield strain detection system developed by combining hyperspectral imaging (HSI) and anomaly detection model using AI technology was highly evaluated by the Japan Society for Bioscience, Biotechnology, and Agrochemistry.

Furthermore, we are advancing the development of vapor barrier film to overcome durability challenges for the full-scale social implementation of lightweight, flexible perovskite solar cells (film type), which are a promising candidate for the next generation solar cells. By leveraging the technology developed in our OLED lighting business, along with film forming technology and mass production expertise, we aim to achieve early mass production.

Konica Minolta will continue to actively engage in the advanced development of technologies that contribute to reducing environmental impact, in order to remain a company that is essential to society.

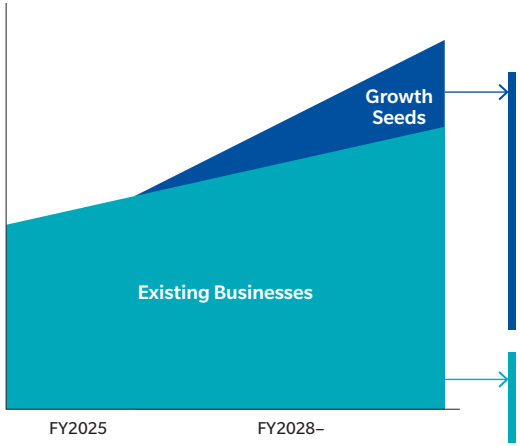
Open innovation for social implementation

In the development of technologies related to biomanufacturing, we have jointly set up the Bioprocess Technology Cooperative Research Laboratory with the National Institute of Advanced Industrial Science and Technology, aiming to realize advanced biomanufacturing processes such as microorganism cultivation, isolation, and purification, while focusing on the development of monitoring technologies for these processes.

In addition, a joint research agreement launched in 2020 with the University of Toronto, which is conducting world-leading research in the area of cutting-edge AI technology, has been extended for five years. We will continue to focus on acquiring cutting-edge technologies to improve processing performance of AI imaging, utilize AI for manufacturing quality control, and develop new materials that contribute to reducing environmental impact.

Konica Minolta will continue to actively promote open innovation and accelerate the social implementation of innovative technologies.

Concept of the Profit Growth



New medium- to long-term themes

Existing business	Core technology		AI-enhanced optics/measurement/materials		New theme
Business Technologies Sensing	Resin molding	×	High-precision waste material analysis	›	Recycled plastic materials production
Performance materials (OLED lighting)	Materials / film forming	×	High barrier layer	›	Barrier film of perovskite solar cell
Sensing	Optical measurement	×	State measurement of microorganisms	›	Process monitoring of biomanufacturing
Optical components	Precision molding	×	Optical design Simulations	›	Optical components for semiconductor manufacturing equipment

Voice Joint research with the University of Toronto

Takuya Aoyama
System Technology Development Center, Technology Development Headquarters

In collaboration with the University of Toronto, we are researching AI model building techniques that can support data prediction and factor analysis for use in a wide range of cases, under the guidance of a professor with expertise in AI technology and its industrial applications. In particular, we are working to develop technology aimed at stabilizing quality in complex processes for Konica Minolta's film production plants, and have achieved results in which AI derives methods for dealing with production troubles in ways similar to the expertise of our operators.

Through this joint research project, I gained a global perspective that allowed me to understand the current state of both industry and academia and to identify challenges. At the same time, I realized the potential of this technology to be applied to many social challenges, including the reduction of environmental impact, and became keenly aware of the significant role my research should play.

Going forward, I intend to contribute to solving various social challenges by integrating the effectiveness of the AI models we have verified, the technologies and knowledge I have learned at the university, and the results of colleagues engaged in joint research on other themes, and through social implementation in areas such as materials development.

Intellectual Property Strategy

Strategic use of intellectual property to establish a foundation for growth

Fiscal 2025, the final year of the Medium-term Business Plan, is positioned as a year to "establish a foundation for growth," and in addition to deepening existing businesses, we are preparing technologies for future growth. An important part of this effort is the strategic use of intellectual property related to those technologies. Konica Minolta designs backcasts on how to use intellectual property to achieve the medium-term goals set for each business, and closely aligns its intellectual property strategy with its business strategy. In doing so, we create a story of how intellectual property will contribute to each business's direction, and then we develop specific intellectual property activities necessary to make that story come true.

DX initiatives to support intellectual property strategy

In order to further accelerate and advance intellectual property activities, we are actively investing in DX and creating an environment where employees can be freed from routine tasks and focus on more creative and value-added work through AI-driven automation. These digital transformations have contributed to the efficiency and sophistication of intellectual property activities not only in the Intellectual Property Division, but also in development departments and throughout the entire Group.

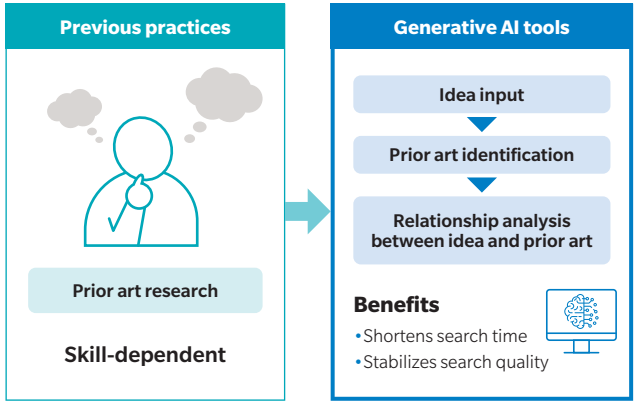
As a specific initiative in the Intellectual Property Division, we are taking stock of IP operations and visualizing processes, and then introducing AI-based digital tools to automate and streamline each task, such as prior art research, searches for in-house technology and human assets, and foreign patent applications.

In addition, for prior art research, which previously relied on individual developer skills, we have developed a tool that can easily identify prior art by simply entering an invention idea in a simple sentence. This AI-based tool can also analyze the relationship between the identified prior art and the idea in question, allowing developers to use the analysis results to improve their ideas. The introduction of this tool has made it possible to significantly shorten the time required for prior art searches and to control variations in the quality of the research.

Standardization strategy initiatives

Standardization is more than just compliance with standards; it is a business strategy tool for market creation and expansion, and in conjunction with intellectual property strategies, it is the key to greater competitive advantage. With this in mind, Konica Minolta launched a project in fiscal 2024 aimed at organizing its standardization strategy as a Group-wide function.

AI applications in the Intellectual Property Division



In this project, we are studying standardization strategies that contribute to business startups and business expansion for several strategic business themes, as well as promoting in-house education and standardization human capital development.

Going forward, we will further strengthen the standardization of intellectual property as a business strategy tool for developing growth businesses and expanding strengthening businesses, in conjunction with our intellectual property strategy.

Intellectual property contributing to a decarbonized society

By accurately grasping important social issues such as addressing climate change and using limited resources effectively in the future, and by approaching these issues from a backcasting perspective, Konica Minolta has been working from an early stage to develop technologies that will help reduce environmental impact and realize a decarbonized society. As a result, we have applied for a number of patents related to green transformation (GX) technologies.

We intend to carefully select from among these intellectual properties, including patents, those that are particularly promising in line with our moves toward business selection and concentration, and strategically use them to support and protect our core technologies in future growth areas.

Specifically, in areas we expect to prepare technologies for future growth, such as biomanufacturing and perovskite solar cell (film-type) barrier film, we will actively utilize and protect intellectual property, including patents and expertise, in technological areas that contribute to the realization of a decarbonized society, in order to ensure our technological superiority and continuously enhance our corporate value.

Intellectual Property Report

The Intellectual Property Report disclosed on our website explains in detail our strategies and activity results related to intellectual property.

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